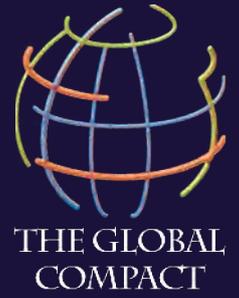


# BUSINESS LEADERS INITIATIVE ON HUMAN RIGHTS



A Guide for Integrating Human Rights  
into Business Management

# Contents

Business Leaders  
Initiative on  
Human Rights

United Nations  
Global Compact

and  
the Office of the  
High Commissioner  
for Human Rights

## Disclaimer

The views expressed in this publication do not necessarily represent the views of the Global Compact Office or the Office of the High Commissioner for Human Rights or any of the individual companies participating in BLIHR or whose case examples are included. Moreover, the Global Compact Office and the OHCHR make no representation concerning, and do not guarantee, the source, originality, accuracy, completeness or reliability of any statement, information, data, finding, interpretation, advice or opinion contained within the publication. The publication is intended as a learning document. The inclusion of examples of company experiences does not in any way constitute an endorsement of the individual companies nor their human rights policies or practices by the Global Compact Office and/or the OHCHR.

PHOTO CREDITS PAGE 4/ from left to right:  
all photos © istockphoto.com except for  
numbers 1 and 5, © United Nations Capital  
Development Fund/Roger Adams

Preface

Introduction

Getting Started

1 Strategy

2 Policy

3 Processes and  
Procedures

4 Communications

5 Training

6 Measuring Impact  
and Auditing

7 Reporting

Conclusion

Appendices

# Preface

A growing number of companies are becoming aware of the contribution they can make to advancing human rights within their spheres of influence and the benefits such an approach can have for their businesses. While human rights continue to be the primary responsibility of governments, companies can do a lot within the context of their own business to support and respect the observance of human rights. Being proactive on human rights can make good business sense, as well as being the right thing to do.

This publication, a joint product of the Business Leaders Initiative on Human Rights (BLIHR), the United Nations Global Compact Office, and the Office of the High Commissioner for Human Rights (OHCHR), offers practical guidance to companies that want to take a proactive approach to human rights within their business operations. It is principally for business leaders and managers in large and medium-sized enterprises, private and state-owned, who would like to develop their understanding of human rights in business practice.

## **What is the Business Leaders Initiative on Human Rights?**

The Business Leaders Initiative on Human Rights (BLIHR) is a business-led program that is developing practical tools and methodologies for applying human rights principles and standards across a range of business sectors, issues, and geographical locations. The ten member companies of BLIHR took the lead in this Guide's development, in which they share some of their experiences and lessons they have learned. For more information, see [www.blihr.org](http://www.blihr.org)

## **What is the United Nations Global Compact Office?**

The United Nations (UN) Global Compact is the UN's voluntary corporate citizenship initiative based on ten universal principles in the areas of human rights, labor standards, the environment and

anti-corruption (see the *Appendices*). It has been endorsed by all 191 Heads of State and Governments of the United Nations and has further been legitimized through a consensus resolution by the General Assembly. The first two principles of the Global Compact are derived from the Universal Declaration of Human Rights, which is the foundational framework of the international human rights system.

- Business should support and respect the protection of international human rights; and
- Business must not be complicit in abuses of human rights.

The Global Compact Office works with participants and other stakeholders to provide support, communications, governance, and programs related to the Global Compact initiative and principles. For more information, see [www.unglobalcompact.org](http://www.unglobalcompact.org)

## **What is the Office of the High Commissioner for Human Rights?**

The Office of the High Commissioner for Human Rights (OHCHR) is an important branch of the UN human rights structure. The current High Commissioner, Louise Arbour, is responsible to the UN Secretary General for encouraging the international community and nation states to uphold universal human rights standards. The Office seeks to work with an ever wider range of participants, including the private sector, to promote respect for and commitment to human rights as widely as possible. For more information, see [www.ohchr.org](http://www.ohchr.org)

## **Why we chose to produce this Guide**

Human rights is one of the most challenging areas of corporate responsibility for companies to address; more human rights tools and guidance are needed. This Guide is intended to help meet this need and, in doing so, help companies make human rights a successful part of their business.

# Introduction

Human rights are the basic rights of each human being, independent of race, sex, religion, political opinion, social status, or any other characteristic. Through international human rights conventions, governments commit to respect, protect, promote and fulfill the human rights of their citizens and other individuals within and beyond their borders. A list of the human rights contained in the Universal Declaration, the International Covenant on Civil and Political Rights, and the International Covenant on Economic, Social and Cultural Rights – the three fundamental United Nations agreements on human rights – is included in the *Appendices* to this Guide. Businesses should also be aware of the core conventions of the International Labour Organisation. In addition, a specific body of law applies in situations of armed conflicts: international humanitarian law. Its rules have two aims: first, protecting people who are not or no longer taking part in hostilities and, secondly, regulating means and methods of warfare.

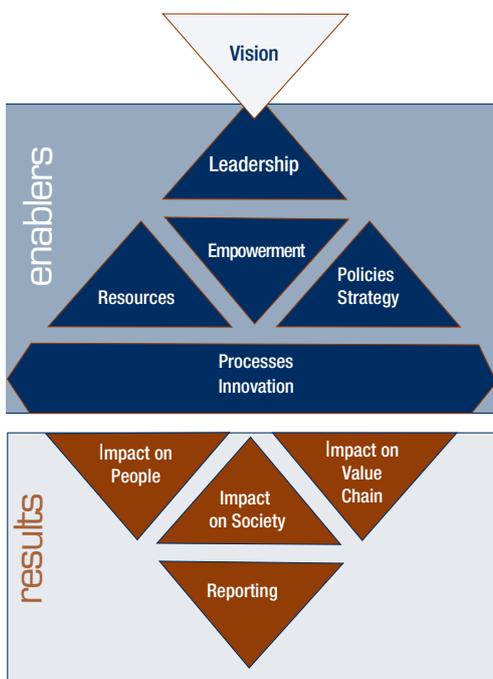
At this time in history, there are compelling reasons why businesses should involve human rights in their policies and practices. Businesses increasingly need a stable international environment in which to operate, with sustainable markets and a “level playing field” of opportunities. Human rights offer a common framework for businesses to understand societies’ expectations and deliver value to stakeholders in a more sustainable way. This Guide demonstrates that, in a business context, advancing human rights is as much about realizing new opportunities and managing risk as it is about meeting essential global standards.

For business, human rights provide a universal benchmark for minimum standards of behavior. Many national laws and regulations have evolved as a result of a State’s obligation to implement human rights standards. Business must, of course, observe such laws in all countries and jurisdictions in which they operate.

The debate about the nature and scope of companies’ human rights responsibilities is a relatively recent one, as is the idea of applying human rights to business decisions and operations. A number of international efforts have been undertaken to elaborate on the content of human rights relevant to business. One of the most comprehensive efforts resulted in the “Draft Norms on the Responsibilities of Transnational Corporations and Other Business Enterprises with Regard to Human Rights” (Draft Norms), developed by a United Nations expert group, the UN Sub-Commission on the Promotion and Protection of Human Rights. While the Draft Norms have no formal legal status, the inter-governmental UN Commission on Human Rights has observed that they have useful elements. Many of the companies that have contributed to this Guide, especially the companies involved in BLIHR, agree that the content of the Draft Norms provides a helpful framework for human rights in business.



# Global Compact Performance Model



## Structure

This Guide is based on a conventional management system. It follows the Global Compact Performance Model, which is a map for responsible corporate citizenship. The model allows business to implement the Global Compact principles without undermining their other business goals. The Performance Model was built on practical experience, identifying methods that actual companies followed to mainstream the Global Compact principles into their own business operations and activities. More information about implementing the Performance Model in practice is available on the Global Compact website ([www.unglobalcompact.org](http://www.unglobalcompact.org)) and in the publication entitled *Raising the Bar: Creating Value with the United Nations Global Compact*, listed in the *Appendices*.

This Guide is intended to be a technical manual and a hands-on toolkit to help any company integrate practices consistent with human rights standards into an existing management system. It is made up of seven elements common to most management systems: Strategy, Policy, Processes and Procedure, Communications, Training, Measuring Impact and Auditing, and Reporting. The *Getting Started* section identifies the initial steps a company should take to implement the performance model, and in the *Appendices* at the end of the Guide you will find tools and resources which the BLIHR companies have found to be helpful in bringing human rights into their businesses.

The examples in this Guide illustrate how aspects of the model have been implemented and are designed to inspire other businesses. The human rights processes and procedures included in this Guide are ongoing projects for the companies concerned.

There is much still to learn. We welcome comments on the content of this Guide as we seek to constantly improve the business and human rights tools available to companies.

# Getting Started

understanding human rights in a business context

## Human rights in your business: getting started

- 1 Develop the business case for human rights**
- 2 Familiarize yourself with the broad content of human rights and the available resources**
- 3 Understand the implications of the first two principles of the Global Compact**
- 4 Develop and encourage a rights-aware approach to your business**

### 1. DEVELOP THE BUSINESS CASE FOR HUMAN RIGHTS

There is a strong moral and ethical case to support the notion that business entities should integrate human rights principles into their business practices within their sphere of influence. The concept of businesses as a 'force for good' and as a powerful actor in economic, environmental and social development has been strengthened in recent years.

In terms of the 'business case' for human rights, although the precise logic can vary between each business sector and country of operation, the following main benefits have been identified:

- Improved stakeholder relations
- Improved employee recruitment, retention, and motivation
- Improved risk assessment and management
- Reduced risk of consumer protests

- Enhanced corporate reputation and brand image
- A more secure license to operate
- Strengthened shareholder confidence
- More sustainable business relationships with governments, business partners, trade unions, sub-contractors and suppliers.

Human rights can be a way of identifying new business opportunities; sometimes what might be first perceived as a risk to a business can be converted into an asset. The Human Rights Matrix, introduced in the *Strategy* section of this report, is a good way to map both risks and opportunities and the management approaches that can link the two.

In addition to the business case for human rights, there are also important strategic reasons for business to take a long-term interest in good governance and a stable social environment in places where they do business. There are many good resources on the business and strategic case for human rights; a selection is listed in the *Appendices* to this Guide.

## 2. FAMILIARIZE YOURSELF WITH THE BROAD CONTENT OF HUMAN RIGHTS AND THE AVAILABLE RESOURCES

### Which human rights are relevant to business?

The short answer is: all human rights are relevant.

Businesses should look first at what is often referred to as the “International Bill of Human Rights” made up of three international agreements:

- The Universal Declaration of Human Rights
- The International Covenant on Civil and Political Rights
- The International Covenant on Economic, Social and Cultural Rights

A short description of the rights contained in these documents is included in the *Appendices* to this report.

A business should consider the full range of civil, political, economic, social, and cultural rights when examining the impact of its operations (see Sphere of influence overleaf). In addition, in situations of armed conflict businesses should be aware of the rules of international humanitarian law, in particular those contained in the Geneva Conventions of 1949 and their Additional Protocols of 1977.

The Business Leaders Initiative on Human Rights has developed a Human Rights Matrix which follows the Universal Declaration of Human Rights and other international agreements. The categories in the Matrix are those developed in the Draft Norms; the content covers the following areas:

- A** General Obligations
- B** Right to equal opportunity and non-discriminatory treatment
- C** Right to security in persons
- D** Rights of workers
- E** Respect for national sovereignty and human rights
- F** Obligations with regard to consumer protection
- G** Obligations with regard to environmental protection
- H** General provisions of implementation

The full content of the Matrix and explanatory notes on the Draft Norms are available at [www.blihr.org](http://www.blihr.org) and [www.ohchr.org](http://www.ohchr.org) respectively. A longer list of resources is included in the *Appendices*.

### 3. UNDERSTAND THE IMPLICATIONS OF THE FIRST TWO PRINCIPLES OF THE GLOBAL COMPACT

The first two principles of the Global Compact call on businesses to support and respect the protection of international human rights within their ‘sphere of influence’ and to make sure they are not complicit in human rights abuses. The two concepts of ‘sphere of influence’ and ‘avoiding complicity’ are very useful when trying to decide what your business can do, and what tools are needed, to ensure human rights consistent policies and practices in a business context.

#### Sphere of influence

“While the concept [of sphere of influence] is not defined in detail by international human rights standards, it will tend to include the individuals to whom the company has a certain political, contractual, economic or geographic proximity. Every company, both large and small, has a sphere of influence, though obviously the larger or more strategically significant the company, the larger the

company’s sphere of influence is likely to be.” (*The Global Compact and Human Rights: Understanding Sphere of Influence and Complicity: OHCHR Briefing Paper*, in ‘*Embedding Human Rights in Business Practice*’ – listed in the *Appendices*.)

Understanding a company’s sphere of influence can be accomplished by mapping the stakeholder groups affected

by a business’ operations. A key stakeholder group that will normally lie at the center of any company’s sphere of influence will be employees. Other groups, such as business partners, suppliers, trade unions, local communities, and customers will follow. The final group will usually be government and the wider society.

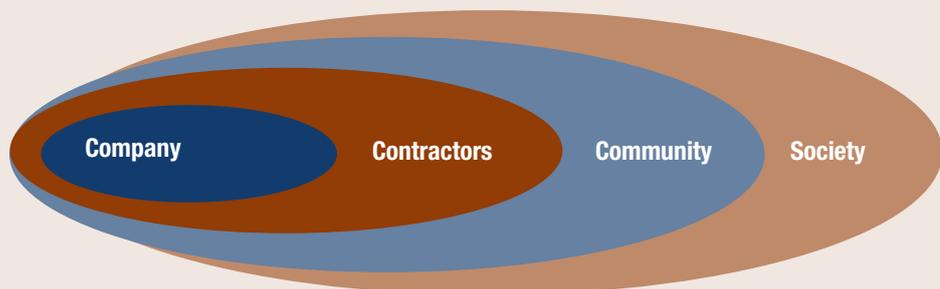


Fig: This diagram is developed from the publication: *Business as Partners in Development: Creating wealth for countries, companies and communities*, Jane Nelson/The Prince of Wales International Business Leaders Forum, in collaboration with The World Bank and The U.N. Development Programme, London: 1996

## Avoiding complicity in human rights abuses

“A company is complicit in human rights abuses if it authorises, tolerates, or knowingly ignores human rights abuses committed by an entity associated with it, or if the company knowingly provides practical assistance or encouragement that has a substantial effect on the perpetration of human rights abuse. The participation of the company need not actually cause the abuse. Rather the company’s *assistance* or *encouragement* has to be to a degree that, without such participation, the abuses most probably would not have occurred to the same extent or in the same way.” (*The Global Compact and Human Rights: Understanding Sphere of Influence and Complicity: OHCHR Briefing Paper*,” in *‘Embedding Human Rights in Business Practice’* – listed in the *Appendices*.)

Avoiding complicity in human rights abuses is an important challenge for business. As the dynamics between governments, companies, and civil society organizations change, so too does the understanding of when and how different organizations should take on responsibilities for human

rights issues. Four situations help to illustrate how the notion of complicity might arise:

- 1 When the company actively assists, directly or indirectly, in human rights violations committed by others e.g. where a company provides information to a government that it knows will be used to violate human rights;
- 2 When the company is in a partnership with a government and knows, or should have known before agreeing to the partnership, that the government is likely to commit abuses in carrying out its part of the agreement e.g. forced relocation of peoples;
- 3 When the company benefits from human rights violations even if it does not positively assist or cause them e.g. abuses committed by security forces, such as the suppression of a peaceful protest against business activities or the use of repressive measures while guarding company facilities; and

- 4 When the company is silent or inactive in the face of systematic or continuous human rights violations e.g. inaction or acceptance by companies of systematic discrimination in employment law against particular groups.

Where an international crime is involved, complicity may arise where a company assisted in the perpetration of the crime, the assistance had a substantial effect on the perpetration of the crime and the company knew that its acts would assist the perpetration of the crime even if it did not intend for the crime to be committed.

State-owned enterprises should be aware that because they are part of the state, they may have direct responsibilities under international human rights law.

Business risk assessment and management tools are needed to identify the potential for complicity as it arises and to develop policies and procedures to ensure non-complicity. Some of these tools are being developed and are referred to in this Guide.

#### 4. DEVELOP AND ENCOURAGE A RIGHTS-AWARE APPROACH TO YOUR BUSINESS

Understanding the relationship a business has with human rights means taking a 'rights-aware approach' to business practices. This allows the business to understand challenges and dilemmas from the perspective of other stakeholders and to better manage social risk. It will also enable the business to choose a globally recognized strategic framework for the full range of its economic and social activities – the ways in which the business can be a 'force for good.' Human rights provide a universal and legitimate framework that is applicable everywhere and to any stakeholder group. A human rights analysis can help highlight additional risks and opportunities for a particular project before

any technical or investment decisions are made. In this way, a rights-aware approach can enable better-informed business decisions.

Starting to integrate human rights into business management requires the support of senior executives, along with a shared understanding of the advantages a rights-aware approach offers the business. This often means some initial investment to fully understand the nature of the risks and opportunities that human rights present to the company. One such investment might be sourcing the necessary expertise from outside the business or training in human rights for key members of staff. Many of the BLIHR companies are able to provide examples of where such an approach has delivered business benefits.

#### The 'rights aware' approach

A 'rights-aware approach' means that a business is willing to accept that its stakeholders have universal rights and that any decisions made by the business should strive to respect these. Clearly, there are

still many dilemmas and also 'competing rights' in which the interests of one stakeholder group might oppose another. A human rights-aware approach would mean that a business would:

- 1 Identify the rights at issue,
- 2 Identify its responsibilities in terms of international human rights standards, and
- 3 Determine the appropriate action.

# Overview of the management components outlined in this Guide

E  
N  
A  
B  
L  
E  
R  
S

## 1. Human rights in STRATEGY

- 1.1 Find out what you are already doing
- 1.2 Identify risks and opportunities and then the priorities for action
- 1.3 Develop a human rights strategy for your business
- 1.4 Define and embed appropriate management responsibilities
- 1.5 Integrate human rights into your company's activities
- 1.6 Develop your strategy through a circle of continuous improvement

## 2. Human rights in POLICIES

- 2.1 Include human rights in your existing policies
- 2.2 Develop specific human rights policies where appropriate
- 2.3 Develop local policies to meet local situations
- 2.4 Ensure full implementation of your policies and review their outcomes

## 3. Human rights in PROCESSES and PROCEDURES

- 3.1 Consider the full scope of your business activities and functions
- 3.2 Establish procedures for identifying your human rights-related risks and opportunities
- 3.3 Establish control systems for managing human rights in your business
- 3.4 Learn from sector-wide business initiatives
- 3.5 Expect the unexpected – how to react when procedures are not enough

## 4. Human rights in COMMUNICATIONS

- 4.1 Share understanding of why human rights are important to business communications
- 4.2 Integrate human rights into your internal communications
- 4.3 Integrate human rights into your external communications

## 5. Human rights in TRAINING

- 5.1 Identify target groups in your business to receive human rights training
- 5.2 Review the different types of training materials available
- 5.3 Select, organize and evaluate the training program for target groups

R  
E  
S  
U  
L  
T  
S

## 6. Human rights in MEASURING IMPACT AND AUDITING

- 6.1 Set relevant performance indicators for measuring human rights impact across the different functions of your business
- 6.2 Undertake human rights based audits
- 6.3 Analyze the results of audits and use the results to inform the strategic development of your business

## 7. Human rights in REPORTING

- 7.1 Decide which human rights impacts are priorities for you to report on
- 7.2 Consider who your main target audiences are
- 7.3 Develop an effective reporting format
- 7.4 Publish this information on its own or as part of a regular business report
- 7.5 Submit a link/description to the Global Compact website (Global Compact participants)

# 1 Strategy

## Human rights in strategy: key steps for your business

- 1.1 Find out what you are already doing**
- 1.2 Identify risks and opportunities and then the priorities for action**
- 1.3 Develop a human rights strategy for your business**
- 1.4 Define and embed appropriate management responsibilities**
- 1.5 Integrate human rights into your company's activities**
- 1.6 Develop your strategy through a circle of continuous improvement**

**1.1 FIND OUT WHAT YOU ARE ALREADY DOING** The debate on the nature and scope of companies' responsibilities concerning human rights may be relatively recent, but many related issues are already managed by business through established procedures and practices. Legal requirements, negotiated agreements and policies on such issues as data protection, wage fixing, working hours and holidays, non-discrimination, occupational health and safety, and product safety, are all founded in human rights and form part of a company's relationship with stakeholders.

**1.2 IDENTIFY RISKS AND OPPORTUNITIES AND THEN THE PRIORITIES FOR ACTION** It is important for a company to map its existing policies and undertake a gap analysis to establish how well human rights issues are covered and whether additional policies are needed. A crucial part of the gap analysis is to identify human rights risks and dilemmas facing your business operations. There are many examples of human rights dilemmas faced by businesses around the world on a daily basis; a few are listed here, but many more are cited in the resources listed in the *Appendices* to this Guide.

### Human rights risks and dilemmas – *some examples*

- **Corruption:** how do you operate within international standards when there are local corrupt financial practices, a lack of laws, and the improper administration of justice, leading to limited respect for human rights?
- **Security:** how do you obtain protection for personnel and plant when the state security forces are known to use excessive violence and commit other human rights abuses against the local population?
- **Discrimination:** how do you reconcile the realities of traditional work and cultural practices with your own policies and adherence to international standards? How do you ensure disabled workers have equal job opportunities within the company?
- **Privacy:** how do you balance the marketing advantages of registering your customer information with their legitimate request for protection of their right to privacy?
- **Rest, leisure and paid holidays:** how do you keep production costs competitive when you operate in a country where there is no legal mandate for paid holidays, but you wish to follow international standards?
- **Housing:** do you evaluate the financial impact of upgrading staff quarters to international minimum requirements when performing a due diligence of a factory that you plan to take over?

Additional risks emerge if dilemmas are not properly managed. These might include negative impacts on stakeholder relations, such as with employees, contractors, local communities, local and national governments, and others. There might also be possible operational disruption or a negative impact on investor confidence and share value. There is also a risk of negative publicity, gener-

ated locally and internationally. However, if dilemmas are properly managed, they can become opportunities for your business. Turning risk into opportunity is a key component of a strategic approach to human rights in business. During the initial scoping phase, a company may also identify other opportunities to promote human rights in the conduct of their regular business activities.

### Human rights opportunities – some examples

- Positive impacts upon stakeholder relations, including with employees, contractors, trade unions, local communities, non-governmental organizations, local and national governments and others.
- A minimization of operational disruption.
- Better opportunities for positive public relationships with society, the press, and other media
- A positive impact upon investor confidence and share value
- Improving employee morale due to good safety performance

Once risks and opportunities are identified, the next step is to identify human rights priorities based on these conclusions. The Human Rights Matrix designed by the BLIHR companies (see diagram overleaf) can be used to allow a business to map what it sees as its 'essential', 'expected,' and 'desirable' priorities against a broad spectrum of human rights categories. It allows risks and opportunities to be shown together and helps to identify the human rights content of a company's 'sphere of influence.'

- **Essential** – is the action that *must* be taken by the company to follow relevant legal standards, eg international human rights law, national laws, and regulations, including in situations where a government is unwilling or unable to fulfill its obligations.
- **Expected** – is the action which *should* be taken by the company to meet the expectations of, and accept its shared responsibilities to, relevant stakeholders. What is expected may vary according to your business sector.
- **Desirable** – is the action through which the business *could* demonstrate real leadership. This can take a number of forms depending on the circumstances, but could include partnerships with other stakeholders,

philanthropic and charitable donations or the donation of technical expertise to help the most disadvantaged.



The pyramid (left) shows that any human rights strategy should align the essential, expected and desirable actions of a company.

It makes no sense for a business to take desirable actions to address a human rights concern, such as providing charitable donations, if it is not already demonstrating its essential and expected action in the same area.

The Human Rights Matrix is a general version for the purposes of example only. Your business would need to produce its own version drawing on all the relevant data from your company's activities across specific geographic areas. A great advantage offered by a rights-aware approach is that the categories (shown across the column headings of the Matrix) are universal and therefore global in application, as are many of the international standards upon which 'essential' actions are based.

# A Human Rights Matrix

THESE STANDARDS ARE NOT FIXED AND WILL EVOLVE OVER TIME

AREA	A1. General obligations	B2. Right to equal opportunity and non-discriminatory treatment	C. Right to security of persons		D. Rights of workers			
			C3. Right to security of persons	C4. Security arrangements	D5. Forced or compulsory labour	D6. Childrens' rights	D7. Safe and healthy workplace	D8. Adequate remuneration
ESSENTIAL	Essential requirements in compliance with international human rights standards, including: The Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, and the International Covenant on Economic, Social and Cultural Rights, the Convention against Torture, the Convention on the Elimination of All Forms of Racial Discrimination, the Convention on the Elimination of All Forms of Discrimination against Women and the Convention on the Rights of the Child. These commitments are universal and enforced by governments, but also apply in situations where a government is unwilling or unable to enforce these standards.							
	Compliance with the 'core' Conventions of the International Labour Organisation							
	Compliance with national laws and regulations in the countries of operation							
EXPECTED	Public statement of commitment to human rights	Equal opportunities policy	Employee self-protection advice / training	Criteria in contracts for security services	Train managers to ensure they are able to detect different forms of forced labour	Supplier screening / monitoring	Global HSE guidelines specifying standards, implementation and compliance process	Pay at least living wage in all countries of operation
	Public statements of commitment to ILO Core conventions, UDHR, OECD guidelines, etc.	Progressive Maternity, Adoption, Family leave, Harassment policies		Develop understanding from standards such as the Voluntary Principles on Security and Human Rights on how to best manage relations with security staff and engage in training of relevant staff on the protection of human rights.				Rigorously inspect work facilities to ensure that premises are free from all forms of forced labour
		Focused diversity initiatives/ programmes and leadership structure		Work with the local police (public) or security service providers (private) in advance of a project to develop a common understanding and agreement to protect human rights in the event of a dangerous situation requiring intervention.		Publication of performance data	Merit-based pay and performance system	
		Diversity awareness/ training for employees					Training for employees and selected Third Parties	Wage level incorporated into supplier screening criteria
		Support for specific programmes e.g. black empowerment in South Africa					Participation in industry safety forums and initiatives	
		Public reporting of basic performance metrics						
DESIRABLE	Cooperation with Human Rights related institutions	Chairman's award to promote best practice	Employee personal accident insurance		Withdrawal from countries where forced labour is prevalent		Safety working groups	Enhanced pension schemes
		Membership of forums promoting diversity, gender balance etc.	Employee Assist (24 hour confidential help line)		Rigorously inspect suppliers' facilities to ensure that premises are free from all forms of forced labour		Community safety education programmes	Share ownership schemes
		Training programs and work placement for vulnerable / excluded groups					Public safety awareness campaigns	
		Targeted products / services for disadvantaged groups					HIV/AIDS awareness and treatment programmes	
							Corporate standards applied within business partnerships and supply chain	

	<b>E. Respect for national sovereignty and human rights</b>			<b>F13. Obligations with regard to consumer protection</b>	<b>G14. Obligations with regard to environmental protection</b>	<b>H. General provisions of implementation</b>		
<b>D9.</b> Freedom of association / collective bargaining	<b>E10.</b> Respect for national governance practices	<b>E11.</b> Bribery	<b>E12.</b> Contribution to realisation of human rights			<b>H15.</b> Internal rules of operation	<b>H16.</b> Monitoring	<b>H17.</b> Reparations

Essential requirements in compliance with international human rights standards, including: The Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, and the International Covenant on Economic, Social and Cultural Rights, the Convention against Torture, the Convention on the Elimination of All Forms of Racial Discrimination, the Convention on the Elimination of All Forms of Discrimination against Women and the Convention on the Rights of the Child. These commitments are universal and enforced by governments, but also apply in situations where a government is unwilling or unable to enforce these standards.

Compliance with the 'core' Conventions of the International Labour Organisation

Compliance with national laws and regulations in the countries of operation

Do not interfere with union activities after hours and cooperate with union and workers to participate in union business during working hours	Commitment to political neutrality  Letter of Assurance process	Bribery and corruption prevention policy  Carry out a risk assessment study of the home and host countries and of actors in the supply chains in both countries.	On-going studies into the safety of products and services		Environment policy  Formal environmental management system(s)  Procurement process assessed  Goals for reduction of energy consumption  Established risk management process  Certification of ISO14001 environmental management programme(s)	Code of conduct  Board Committee with terms of reference covering environmental and social issues including human rights.  Annual review of policies  Public reporting, for example according to GRI or other reporting standards	3rd party verification of CSR reporting	Corporate policy on protection for whistle-blowing  Offer fair and timely compensation
Refrain from exerting any inappropriate influence that might jeopardize the independence of the union	Board Audit and Compliance Committee  Transparent public reporting in Annual Report							
Establishment of Consultative Committees (e.g. Health and safety)								
Trade union consulted on all business changes that impact employees in relevant areas	Participation in public good governance debate incl. corruption	Training on compliance / Grey zones	Matched giving (support employee's charitable giving)		Supplier development programme	Public reporting, for example according to GRI or other reporting standards.	Internal audits of social and environmental performance	Internal audits of human rights complaints mechanisms
Models to meet employee needs in countries with difficult official policies			Community Investment strategy, policy and programmes focusing on human rights issues			Business development / due diligence processes incorporate human rights risks		
Avoid actions which may undermine the union's credibility with members			Support to educational programmes / local enterprise					
			Corporate foundation giving					

## Identifying human rights priorities – some examples

**Energy Utilities** National Grid has produced a variation of the Human Rights Matrix, which relates the different human rights areas of the company's responsibilities to different stakeholder groups such as government, business and domestic customers, local communities, investors, employees, and suppliers.

**Pharmaceutical Sector** Novartis has used a corporate citizenship matrix containing human rights principles to help define the sphere of influence of the pharmaceutical sector as it relates to the Access to Medicines policy and the ethical principles of the Declaration of Helsinki on clinical trials.

**Extractive Sector** Statoil has applied the Human Rights Matrix in detail as a strategic tool to better understand the total impact of its activities in Venezuela.

**Media and Entertainment Industry** MTV Networks Europe has applied the Human Rights Matrix to all On-Air and Off-Air operations in the UK and Ireland and as a result is one of the first media companies to develop policies based on human rights considerations.

For more information on the above examples, please go to [www.blihr.org](http://www.blihr.org) or visit the company websites shown in the *Appendix* to this Guide.

### 1.3 DEVELOP A HUMAN RIGHTS STRATEGY FOR YOUR BUSINESS

Having identified the human rights risks and opportunities, it is necessary to set out what the organization wants to achieve (the vision) and how it intends to achieve it (the strategy). For many companies, this will entail setting out how they will integrate human rights considerations into their existing management systems and cover issues such as leadership, planning, defining roles and allocating resources.

### 1.4 DEFINE AND EMBED APPROPRIATE MANAGEMENT RESPONSIBILITIES

A strong commitment to human rights from a company's senior leaders is a prerequisite for embedding human rights into a company's operations and activities. Support from senior leaders ensures that human rights issues are taken seriously and become part of business strategy. A number of companies have found that having a member of the board of directors or executive management team assume overall responsibility for human rights-relevant issues has been important in ensuring that these matters receive the required degree of attention. Clear lines of accountability have also proven to be vital. These companies typically have a designated senior manager who is responsible for implementing the company's human rights policies and driving performance improvement. The senior manager generally reports to the executive level and may be responsible for one of several possible functions / departments in the company, such as human resources, procurement, legal affairs, public affairs, or the sustainability department.

## Embedding management responsibilities – *some examples*

**Articles of Association** Novo Nordisk's Articles of Association specify that the company will 'strive to conduct its activities in a financially, environmentally and socially responsible way.' The Novo Nordisk commitment to sustainable development is anchored in the company's corporate governance and its fundamental business principles, called the "Novo Nordisk Way of Management." The Novo Nordisk Way of Management explicitly refers to the Triple Bottom Line (TBL) — social, environmental and financial responsibility — as the company's underlying business principle. Since 1999, the Novo Nordisk Way of Management has included a commitment to support the United Nations Universal Declaration of Human Rights and to integrate human rights considerations into its daily business.

**Board-level representation** National Grid's board subcommittee, the Risk and Responsibility Committee, is chaired by a Non-executive Director and has responsibility for reviewing the management of non-financial issues, policies, and standards and for reviewing the performance of the Group. Where appropriate, this includes that of its contractors and suppliers. The Committee's remit includes occupational and public safety, occupational health, environment, inclusion and diversity, human rights, business ethics, and community involvement.

**Executive level representation** ABB's human rights policy is embedded in its social policy and is the responsibility of the head of the Sustainability Affairs group. He reports on the economic, environmental, and social aspects of the group's business activities and the human rights policies and commitments to a member of the group executive committee who has overall responsibility for sustainability issues. Environmental and social policies are monitored and enforced by country and regional sustainability controllers in the 100 countries where ABB operates.

**Ethical Guidance Council** Copel, whose vision statement makes explicit its aim to "become the best company within the Brazilian power sector by 2006, striking a balance between the interests of the community and of its shareholders," has an Ethical Guidance Council whose role is to discuss and guide Copel's actions, examine submitted cases, and recommend appropriate sanctions, to ensure that the Company's actions are conducted in accordance with sound principles and to oversee the dissemination and effective application of the Copel Code of Conduct across all sectors of the Company. To ensure its autonomy, the Council is made up of the Company's employees, each representing their respective different professional categories, and is coordinated by a representative of civil society.

**Mainstreaming Human Rights** Novartis has developed and implemented human rights related Corporate Citizenship Guidelines and implemented them through line management.

**Direct involvement of the Chief Executive Officer** The Managing Director of each Tata company is also its Principal Ethics Officer who nominates an Ethics Officer and a team of Location Ethics Counsellors. Together this team is responsible for the Management of Business Ethics (MBE) in the company and for ensuring compliance of the Tata Code of Conduct – a written document.

**Human Resources** In January 2005, the CEO of Valeo, an automobile company based in France, decided that the responsibility for implementing and monitoring the Group's Human Rights policy should be an integral part of the Human Resources function. The Group Human Resources Director is now responsible for dealing with any human rights violations, as are the Human Resources Directors across the Group entities.

## 1.5 INTEGRATE HUMAN RIGHTS INTO YOUR COMPANY'S ACTIVITIES

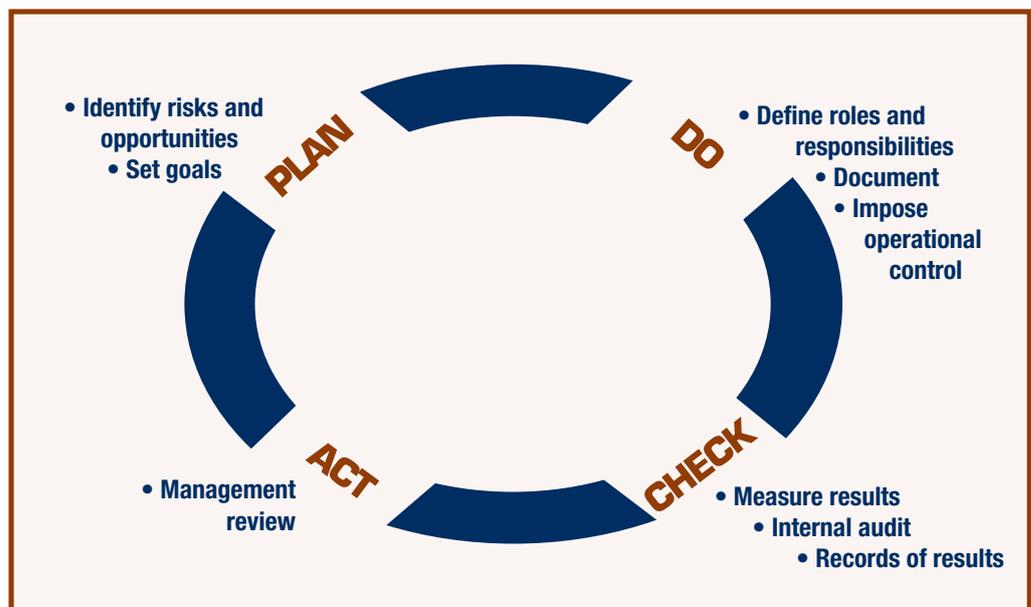
Particularly in large companies, integration of human rights may be a complex process that involves several organizational levels and different types of operations in different parts of the world.

To track progress, adequate indicators and goals must be developed for different activities; internal audits can prove key in tracking progress. The main purpose of audits is to check that the system is working according to plan, that new issues are captured by the system, and that performance is continually improved.

Often progress on an issue across an entire company is gradual and incremental. In the meantime, implementation efforts for the company as a whole can be complemented by local strategies and special plans for certain operations and units. These 'bottom-up approaches' can be developed quickly to meet the challenges a business faces in a particular geographic location or a specific production process.

## 1.6 DEVELOP YOUR STRATEGY THROUGH A CIRCLE OF CONTINUOUS IMPROVEMENT

To help ensure that implementation efforts remain on track, it is a good idea to adopt a continuous improvement approach from the start. The plan-do-check-act circle may help in the process of learning and improving along the way.



*Fig: The plan-do-check-act circle of continuous improvement with examples of activities to be undertaken in different steps [First developed by Walter Shewhart, it was popularized by Edwards Deming.]*

# 2 Policy

## Human rights in policies: key steps for your business

- 2.1 Include human rights in your existing policies**
- 2.2 Develop specific human rights policies where appropriate**
- 2.3 Develop local policies to meet local situations**
- 2.4 Ensure full implementation of your policies and review their outcomes**

### 2.1 INCLUDE HUMAN RIGHTS IN YOUR EXISTING POLICIES

A policy statement sets out the direction and gives the overall goals for a company in a certain area of activity. It should drive the management of the activity in the company and be supported by programs and objectives throughout the organization, to ensure that the policy and related commitments are implemented and maintained. More and more companies include human rights either as a policy in itself or as part of other policies in the governance structure.

#### Including human rights in existing policies – *some examples*

**Barclays** Barclays developed a human rights framework in 2004 to draw together a wide range of existing policies relevant to its human rights impact as an employer, purchaser of goods and services, and provider of financial services to customers. Policies were mapped using the Human Rights Matrix to ensure areas of strength and to identify any “gaps.” The framework was formally approved by the heads of each business line and supports the Corporate Responsibility Board Governance Standard, one of a series of standards through which the Barclays Board tracks compliance with desired business objectives and regulatory requirements. Since adoption of the framework, work has continued in integrating human rights considerations into practice. For example, Sourcing management is strengthening

existing social and environmental supplier screening/engagement criteria to incorporate human rights aspects more explicitly into the assessment of sourcing proposals. While it is paramount that contracts deliver commercial benefit, human rights aspects can be a significant factor in decision-making. From a workforce perspective, Barclays – like many businesses – has longstanding policies on human rights-relevant issues including health and safety, equality and diversity, non-discrimination, and many others. The human rights impact of lending, however, is the area where most dilemmas arise, as the impact is indirect. Here, Barclays’ human rights framework focuses on risk management and the identification of social and environmental risks in assessing and sanctioning financial propositions.



### Including human rights in existing policies – *some examples*

**Hewlett-Packard's** Global Citizenship Policy states its commitment to the Universal Declaration of Human Rights and includes specific policies on human rights and labor, as well as employee privacy. HP's Global Citizenship organization provides the governance for human rights and the other key aspects of its commitment to corporate citizenship.

Human Rights are integral elements of Corporate Citizenship at **Novartis**. To put the Novartis human rights responsibilities in the wider context of a fair societal division of labor, the Novartis Corporate Citizenship Guideline on Human Rights is supported by a commentary. [http://www.novartis.com/corporate\\_citizenship/en/guidelines.shtml](http://www.novartis.com/corporate_citizenship/en/guidelines.shtml)

## 2.2 DEVELOP SPECIFIC HUMAN RIGHTS POLICIES WHERE APPROPRIATE

A good human rights policy should give consideration to the points in the checklist below:

### Checklist for a human rights policy

- Does the policy comply with existing international human rights conventions and norms, such as the United Nations Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, the International Covenant on Economic, Social and Cultural Rights, and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work?
- Is the policy relevant to your company and its sphere of influence?
- Does the policy include a commitment to respect, protect and promote human rights and to avoid complicity in human rights abuses?
- Does the policy extend to all parts of the organization and other existing policies such as health and safety, procurement, and human resources?
- Does the policy include your company's expectations of its partners, joint ventures, customers, and supply chain?
- Has consideration been given to tie in with existing codes and guidelines where appropriate, such as the Global Compact Principles, the ILO's Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy, the Organisation for Economic Co-operation and Development's Guidelines for Multinational Enterprises, and Social Accountability 8000 (SA 8000)? A more detailed list of existing codes and guidelines is included in the *Appendices*.

## Companies that have been recognized for including human rights in policies

The Business and Human Rights Resource Centre ([www.business-humanrights.org](http://www.business-humanrights.org)) is a valuable resource for people interested in understanding different perspectives of business and human rights. It lists companies that have taken the step

of adopting a formal company policy statement explicitly referring to human rights. It also notes which companies are participants in the Global Compact.

## 2.3 DEVELOP LOCAL POLICIES TO MEET LOCAL SITUATIONS

It may be beneficial for international businesses to use local policies based on corporate standards and national requirements. These local policies need to be translated into local languages to facilitate their understanding and implementation. However, local policies should not contradict the general corporate standards. For example, in some cultures it is common practice for bribes to be sought and made, while at the international level such practices are unlawful as well as being irreconcilable with a commitment to human rights.

### Human rights embedded in local policies – *some examples of tackling national and local discrimination*

**Equity (South Africa)** Eskom has incorporated issues of human rights - especially those relating to employment equity and the local social needs of the country - into its decision-making processes. In South Africa, Eskom developed employment equity policies, performance indicators and reward systems to ensure that the organization is representative of the country in which it operates. Affirmative action, gender equity and the rights of people with disabilities are key elements. Similarly, targets and performance indicators are set for procurement practices that proactively support and develop Black Economic Empowerment (BEE) and, in particular, Black Woman Owned business and small and medium sized enterprises.

**Professionals with disabilities (Mexico)** Through the Mexico-based program Congruencia, CEMEX Mexico has developed a policy of inclusion for workers with disabilities, intended to enhance their job opportunities and to raise community awareness on the issue of social equity. This program is managed through a specialized website that provides information on vacancies and human rights. In 2004, the program was opened to other companies and currently involves more than 20 public and private institutions, which promote favorable conditions for social and labor inclusion.

## Human rights embedded in local policies – *some examples of tackling national and local discrimination*

**Women's rights (Sri Lanka)** MAS Holdings (an apparel manufacturer) has a business model that supports the empowerment of women. With 92 per cent of the total workforce of 34,000 employees in the company being made up of women, MAS has developed best practices in its corporate citizenship program to empower women. The "Go Beyond" program at MAS recruits economically less affluent, rural women and teaches them English language skills and how to use IT-enabled tools to advance their careers. The female employees are also trained to manage their finances, to have an understanding of sexual and reproductive health and to achieve a better work-life balance. The work-life

balance initiatives recognize and support the multiple roles played by career women and the need for a healthy balance between work and personal life. MAS also rewards high-achievers in academia, sports, science, commerce, and arts and culture. Employees are encouraged to perform better through annual awards such as the 'Empowered Woman of the Year Award.' Community initiatives, especially those that improve educational and healthcare infrastructure for young women, have been a long standing tradition at MAS. The company ensures that its predominantly female workforce has a high level of confidence and self-esteem. This in turn has helped the company to grow its business

## **2.4 ENSURE FULL IMPLEMENTATION OF YOUR POLICIES AND REVIEW THEIR OUTCOMES**

Group and local policies should be the overall responsibility of identified individuals within the business who are tasked with ensuring the policies are fully implemented. These individuals should ensure that there are sufficient resources for implementation, the results are monitored, and the policies are regularly reviewed. Even the most clearly defined policies will require interpretation. The policy owner should act as a focal point for dealing with human rights issues that arise through implementation and should have access to both local and international expertise.

# 3 Processes and Procedures

## Human rights in processes and procedures: key steps for your business

- 3.1 Consider the full scope of your business activities and functions**
- 3.2 Establish procedures for identifying your human rights-related risks and opportunities**
- 3.3 Establish control systems for managing human rights in your business**
- 3.4 Learn from sector-wide business initiatives**
- 3.5 Expect the unexpected – how to react when procedures are not enough**

### **3.1 CONSIDER THE FULL SCOPE OF YOUR BUSINESS ACTIVITIES AND FUNCTIONS**

As part of human rights policy implementation, it is crucial to define the processes and procedures that will make the policy a reality. The processes and procedures may differ according to business context within the same company. However, what they will all have in common is that they are intended to achieve the same result, are documented, and have measurable indicators and outcomes.

The executive management team of the business is responsible for ensuring that roles, responsibilities, authority, and resources are defined and allocated in a way that enables efficient implementation and maintenance of human rights management in the organization.

### **3.2 ESTABLISH PROCEDURES FOR IDENTIFYING YOUR HUMAN RIGHTS-RELATED RISKS AND OPPORTUNITIES**

As already outlined in the section on *Strategy*, the key to managing human rights in an organization is to analyze and understand the risks and opportunities in a company's operations. Ensuring compliance with legal requirements and international treaties is essential to this analysis and should be reviewed regularly as part of the management process.

## Human rights as an important factor in a country risk assessment – *an example*

**Statoil** has formulated country and reputation risk guidelines to ensure the company has wide-ranging knowledge and understanding of local conditions, business culture, and external factors as early as possible in a business project. The aim is to minimize Statoil's country and reputation risk exposure through the early identification, prioritization, and mitigation of risks that may affect a project or business opportunity. Risk mitigation alternatives are specified for every significant risk factor that is identified; the level of detail depends on how far the project or business opportunity has progressed. Risk

mitigation measures reflect Statoil's corporate social responsibility strategy and its requirements for social investment management. Risk assessments are performed regularly and when significant events occur. The risks are divided into 19 factors within the following categories:

- Political risk elements
- Country-specific operational risk elements
- Reputational risk

Human rights and possible violations are important factors within the *political risk* category.

The Human Rights Matrix developed by BLIHR can help companies identify risks and opportunities. Stakeholder panels may give advice on external concerns regarding a company's operations and may also provide input on possible solutions. Mapping a company's sphere of influence may also help to identify the risk of complicity when operating in a country with a poor record on human rights. In addition, calling for regular checks and updates is advisable if a particular country ranks low on an index of corruption levels for instance. Finally, input from non-governmental organizations (NGOs) and external country assessments can provide additional value.

### **3.3 ESTABLISH CONTROL SYSTEMS FOR MANAGING HUMAN RIGHTS IN YOUR BUSINESS**

Once risks and opportunities have been identified for each business operation, a company should develop and implement adequate control processes for those operations. Control processes could range from a supplier qualification process with a mandatory risk review of customer projects, to a code of conduct that ensures equal opportunity and minority rights, or a checklist and instructions for business operations in sensitive areas. Guidelines for suppliers and contractual agreements with customers and suppliers have proven to be powerful tools for ensuring that risks are minimized or eliminated and opportunities are maximized.

## Human rights in different types of control systems – *some examples*

**Identifying market opportunities** National Grid does not have extensive operations in countries that are considered to be ‘of urgent concern’ in relation to some aspects of human rights. The utility company has therefore focused on extending its existing risk management by identifying and understanding the areas where the Group might be exposed to human rights risks and opportunities when developing new business in emerging markets. As a result, it has revised its business development procedures to include an analysis of human rights risks when identifying market opportunities. It has also developed protocols to enable an analysis of potential target companies, to assess their approach and record on human rights issues.

**Editorial practices** MTV Europe is developing a Code of Editorial Conduct, which will be one of the first in the industry to be based on human rights values. The Code and its procedures for application will be based on MTV’s understanding of its spheres of influence and would provide internal processes for creative thinking and decision-making. This in no way will involve censorship; instead it will enable the company to take better-informed risks.

**Purchasing practices** Gap Inc. is working towards better human rights compliance by improving supply chain operations and embedding labor standards directly into business practices. Ultimately, Gap believes garment manufacturers, most of whom are multinational corporations, must take responsibility for conditions in the factories they own and operate. To encourage them to take that responsibility seriously, Gap is developing a formal tool that will enable them to consider a garment manufacturer’s compliance record – along with criteria such as cost, speed,

quality, and innovation – when deciding where to place orders. At the same time, Gap recognizes that its own business practices can have an impact on compliance, and is actively exploring better ways to work with its manufacturers. To avoid contributing to excessive overtime, Gap is making a greater effort to ensure that garment manufacturers have accurately assessed their capacity and capabilities before orders are placed with them. Gap is also working to reduce inefficient purchasing practices such as rush orders and last-minute changes.

**Lending assessments** Human rights issues such as the rights of indigenous peoples, are included in the Equator Principles which define social and environmental criteria that apply to project financial transactions (see the *Appendices* for details). Barclays was one of the original group of banks to adopt the Principles in June 2003 and, while the criteria is specific to project-related lending, Barclays extends the “spirit” of the Principles when assessing other types of lending.

**Performance standards for resettlement** The International Finance Corporation (IFC) is in the process of adopting a new set of performance standards that it will require its clients to adhere to as a condition of lending. One of the performance standards addresses involuntary resettlement – a process in which governments move people to make way for projects in the public interest such as roads or water treatment plants. In preparing the new performance standard, IFC reviewed the human rights protections in the right to housing and incorporated those aspects of the right to housing that the private sector can take action on within a project context.

*(continued on next page)*

## Human rights in different types of control systems – *some examples*

*(continued)* For example, anyone moved must be provided with security of tenure in their new location, even if they did not have security of tenure in their previous location. This reflects the right to housing with emphasis on providing everyone with security of tenure – i.e. protection against illegal eviction. If an IFC-financed project involves involuntary resettlement, the company must prepare a detailed plan for resettlement, including plans for providing informal settlers with security of tenure in a new location. IFC then reviews and approves the plan as a condition of financing. As a further condition of financing, the client must implement the plan, monitor and ensure that the actions taken achieve the objectives set out in the performance standard and the resettlement plan. If the resettlement is sufficiently large or difficult, IFC will require an independent third party to monitor implementation of the resettlement activities.

**Scheduled and unscheduled inspections** Li & Fung (Trading) Limited, based in Hong Kong, is a global trading group that manages the supply chain for high-volume, time-sensitive consumer goods – particularly garments, furnishings, gifts, home products, toys, and sporting and travel goods. From Hong Kong, it co-ordinates the manufacture of goods through a network of offices in almost 40 countries. All suppliers to Li & Fung are required to commit to the Code of Conduct to Vendors, which has 14 principles, including no child labor and non-discrimination principles. A signed copy must be returned to Li & Fung within 30 days, and failure to give a timely response will cause it “to review its relationship with [the supplier].” The code is enforced through scheduled and unscheduled inspections.

**Managing Third Party relationships** The objective of Novartis’ Third Party Guidelines is to provide criteria, tools, and procedures for: (1) the assessment and approval of Third Parties; and (2) the continuous management of business relationships. The standards set forth in this Third Party Guideline apply to Corporate Functions and all Novartis Divisions and Business Units. Novartis Divisions and Business Units either adopt these guidelines as is or issue an equivalent guidance note of their own. [http://www.novartis.com/corporate\\_citizenship/en/guidelines.shtml](http://www.novartis.com/corporate_citizenship/en/guidelines.shtml)

**Supply chain management** Human rights are a central focus of Hewlett-Packard’s Supply Chain Social and Environmental Responsibility (SER) Program. One of HP’s biggest challenges is to apply its Human Rights Policy in its supply chain, where it does not have direct control. One way HP is addressing this is through the Electronic Industry Code of Conduct (EICC), which HP co-developed with Dell, IBM, and several large contract manufacturers in 2004. The Code provides an important foundation for ongoing supplier audits and other efforts to ensure compliance with the HP Human Rights Policy. Most importantly, it makes supplier performance easier to audit and verify.

Gap Inc. views SA8000 as a premier set of global labor standards towards which they hope garment manufacturers will aspire. A few of their suppliers have already received SA8000 certification. As a member of Social Accountability International’s Corporate Involvement Program, Gap Inc. recently conducted a gap analysis of their Code of Vendor Conduct relative to the SA8000 standard and are examining areas in which they can bring their policies and program into closer alignment with SA8000. In addition, they have asked their entire internal monitoring team to take the SA8000 auditor course.

**3.4 LEARN FROM SECTOR-WIDE BUSINESS INITIATIVES** Some business sectors already have an interest in sharing knowledge and experiences about human rights-based processes and procedures. It is worthwhile researching which sector-specific groups might be available to you and which might have valuable tools for you to adapt to your business. Some examples are shown below:

Examples of sector-specific initiatives with expertise in human rights codes and procedures

Business Sector	Relevant Initiatives
Retail	<ul style="list-style-type: none"> <li>• Ethical Trading Initiative</li> <li>• Fair Labor Association</li> <li>• Social Accountability 8000</li> <li>• Clean Clothes Campaign: Model Code</li> </ul>
Mining	<ul style="list-style-type: none"> <li>• The Voluntary Principles on Security and Human Rights</li> <li>• Kimberley Process (indirect human rights protection)</li> <li>• The Extractive Industries Transparency Initiative (indirect human rights protection)</li> </ul>
Financial Services	<ul style="list-style-type: none"> <li>• The Equator Principles</li> </ul>
Oil and Gas companies	<ul style="list-style-type: none"> <li>• The Voluntary Principles on Security and Human Rights</li> <li>• The Extractive Industries Transparency Initiative (indirect human rights protection)</li> </ul>
Information Technology	<ul style="list-style-type: none"> <li>• Electronic Industry Code of Conduct</li> <li>• Global e-Sustainable Initiative (GeSI)</li> </ul>

**3.5 EXPECT THE UNEXPECTED – HOW TO REACT WHEN PROCEDURES ARE NOT ENOUGH** Given the rapidly changing nature of international business, processes and procedures constantly require adaptation and review. Sometimes unexpected events can provoke human rights issues that had not been anticipated or prepared for. In such situations, management is best able to deal with the situation if they have the knowledge (see the section on *Training*) and resources to act quickly, professionally, and in ways that provide a just solution. Clear lines of accountability within business strategies and policies make such flexibility possible, as does a commitment to transparency.

Reacting when confronted with unforeseen human rights issues

An example of responsiveness to unforeseen human rights issues is how BP responded to Amnesty International’s 2003 Report on the Baku-Tbilisi-Ceyhan oil and gas pipeline. The report highlighted a number of human rights concerns relating to the Host Government Agreement signed between the consortium of companies and the governments of Azerbaijan, Georgia, and Turkey, and the ability of these governments to uphold future human rights com-

mitments within the region of the pipeline. BP responded by opening a dialogue with Amnesty International over a period of several months during 2003. The talks resulted in a legally binding additional contract designed to protect the rights of the three host governments to promote and regulate human rights and environmental issues. (This case study appears in *‘Embedding Human Rights in Business Practice’* – listed in the *Appendices*)

# 4 Communications

## Human rights in communications: key steps for your business

- 4.1 Share understanding of why human rights are important to business communications**
- 4.2 Integrate human rights into your internal communications**
- 4.3 Integrate human rights into your external communications**

### **4.1 SHARE UNDERSTANDING OF WHY HUMAN RIGHTS ARE IMPORTANT TO BUSINESS COMMUNICATIONS**

The act of communicating is in itself an essential part of a human rights approach; balancing freedom of expression with the protection of personal or private information and the participation of stakeholders is essential. Your company's human rights policy, procedures, and performance should be documented and communicated to employees; for instance, through codes of business conduct. They should also be made available through the corporate website, company publications, annual reports, and notice boards – and in local languages, where appropriate. In addition, companies should encourage suppliers to publicize to their employees the obligations they have undertaken to uphold human rights in their business relations.

### **4.2 INTEGRATE HUMAN RIGHTS INTO YOUR INTERNAL COMMUNICATIONS**

Internal communication is critical to developing an effective human rights management system. Consistent and well-presented top-down communication within a company serves to inform about human rights within the business strategy. Employees should be informed about human rights risks and opportunities that the company faces in its operations. The performance indicators that are used to monitor and measure the efficiency of the human rights management system should also be communicated to all. It is particularly important for businesses to communicate to all employees the principal drivers behind human rights based initiatives and their relevance to the long-term strategy of the company. The latter can prevent the marginalization of initiatives and ensure that specialized departments handling human rights issues are fully integrated into the company. An interactive approach to internal communications may generate greater understanding and a flow of innovative ideas and proposals on how to improve established practices and procedures.

Efficient lines of communication with employees are also needed to ensure effective non-compliance reporting and whistle-blowing. This requires clearly defined policies and procedures on the subject and clear contact points in the organization. Human rights issues should be communicated using simple and straightforward terminology, translated into relevant languages, and made widely accessible, including to employees with disabilities. It may be useful to initially address human rights issues using business terminology, since human rights may appear overly political or legalistic and may create barriers or misunderstanding. It is key that communications are followed up by encouraging a culture of human rights recognition and respect in the organization; it may be necessary to develop change management strategies to best facilitate this.

## Human rights in internal communication – *some examples*

### **Communicating human rights within a company's code of conduct to employees**

Human rights is a key part of Novartis' code of conduct. Setting out standards of professionalism for the day-to-day conduct of associates around the globe, the code describes how associates should handle themselves ethically and safely in a variety of potentially challenging situations. An on-line e-learning package is being developed to help managers and associates around the world understand the real dilemmas that might occur in the workplace and how the code can be applied. Any effective human rights communication should be appealing and attractive enough to awaken and sustain the necessary level of interest, whilst accurately presenting key messages. For this reason, the Novartis Foundation for Sustainable Development provides a human rights helpdesk for the whole company and has also developed a 'roll-out kit' that is available to potential users of the code.

### **Human rights within a 'balanced scorecard' used for staff appraisals**

Novo Nordisk has a

number of systems to ensure that it lives up to its commitment to corporate responsibility. Each year, the company defines a number of corporate responsibility targets that are contained in the company's "balanced scorecard." Staff appraisals and management bonuses are dependent on performance toward these targets. Facilitators, who are a group of experienced staff with an international background from the holding company Novo A/S, make independent assessments of individual departments' compliance to the Novo group's values.

**Communicating with staff throughout the workplace** The accomplishments of Taj Hotels (a prominent member of the Tata Group) in the area of human rights are largely the result of its emphasis on corporate 'values.' The company has different ways of communicating and reinforcing its values in the workplace, including e-mail footers, screen savers, posters, quiz programs and billboards. A Performance Management System is also used by the company.

A company needs to do more than just report on its human rights approach; it should ensure that human rights are protected in all of its communications, including data protection, personal privacy, and company confidentiality. Companies may also be responsible for the actions of their employees while at work, such as the use of the internet or possible e-mail abuse.

## **4.3 INTEGRATE HUMAN RIGHTS INTO YOUR EXTERNAL COMMUNICATIONS**

A company's human rights record is central to its accountability and can affect its reputation. To be accountable to stakeholders, a company must be transparent about its policies, approach and performance. Open and transparent communications on performance and a willingness to act constructively following external advice are keys to success. The sphere of influence of some businesses, such as those involved in the media and communications, may lead them to have a significant impact (positive or negative) on how human rights are viewed and respected in society.

As for internal communications, a company should ensure that human rights are protected in all of its external communications. For example, if local communities want to communicate with the company through protest, the company should respect their right to freedom of expression and should not seek to repress demonstrations or ask governments to do so, even if the com-

pany does not agree with the message or the style of communication. In gathering and retaining information about employees, customers, or others, companies should follow data protection rules and respect the right to privacy. This is especially true where companies hold sensitive health or other private information gathered for the company's human resources files.

## Human rights in external communication – *some examples*

**Human rights on the high street** As a high street retailer, The Body Shop wants to use its windows and daily contact with thousands of customers to raise awareness on human rights issues. Over the years, The Body Shop has run numerous campaigns to support human rights causes around the world. Currently, the company is focusing on issues facing customers, employees, and the communities in which the company operates with a successful campaign to Stop Violence in the Home, as well as raising awareness of HIV/AIDS.

**Stakeholder Advisory panel** Although most scientific evidence states that electric and magnetic fields do not result in adverse health impacts, National Grid recognizes that there is some limited scientific evidence suggesting the opposite, and that parts of society are concerned about this issue.

In 2003, National Grid took the initiative to improve the dialogue between parties with an interest in this issue by creating a Stakeholder Forum. The Group engaged an independent body, the UK's Environment Council, to set up and facilitate a workshop to which representatives from industry, Government, academia, professional bodies, and interest groups were invited. This brought people with differing views to the table for the first time. Although there was suspicion of why National Grid had established the Forum, involving some of the interest groups in the planning for the meetings

helped overcome concerns. The participants in the Forum have now agreed to establish a more formal Stakeholder Advisory Group under the sponsorship of the Department of Health.

Providing the opportunity for stakeholders with opposing views to voice their concerns has proved to be extremely beneficial, both for the broader understanding of relative positions on the subject and for the development of sensible policy in this area.

### **Consultation with key stakeholders**

Telefónica, a global telecommunications company, has made a name for itself in fostering equal opportunity and supporting the rights of people with disabilities. Through the "Accessible Telefonica" plan, the company uses stakeholder dialogue and engagement to enhance equal opportunities and access to its telecommunications services and products.

The plan is coordinated by Telefónica's CSR Department and involves a number of business lines and subsidiaries. It has been developed through a partnership and framework agreement with the main platform that represents people with disabilities in Spain. As part of the plan, consumers with disabilities participate in consultation processes, test products and services, and give feedback about the degree to which their needs and expectations are met. The plan involves a range of projects in-

cluding the development of accessible services and products, outreach and awareness-raising with Telefónica's stakeholders, labor integration and employment policies, internal regulations that promote accessibility, and research and development.

### **Human rights and on-air programming**

For MTV Networks Europe, "human rights in external communications" is less about communicating its internal practices to the outside world than about human rights in action: promoting human rights on air and on the ground, in particular to its core youth audience.

The two strongest examples are two ongoing multi-platform MTV human rights campaigns: MTV's Exit Campaign to End Exploitation and Trafficking, and the Staying Alive HIV/AIDS Campaign. Both campaigns comprise of MTV programming (MTV specials such as the trafficking awareness and prevention documentary "Inhuman Traffic," hosted by Angelina Jolie, and the Staying Alive special "Meeting Mandela"), awareness and prevention events, multi-language websites [www.mtvexit.org](http://www.mtvexit.org) and [www.staying-alive.org](http://www.staying-alive.org), and support for NGOs working to fight trafficking and HIV/AIDS.

By developing and implementing such campaigns on issues critical to its core audience, MTV maximizes the promotion and realization of certain fundamental human rights within its key spheres of influence.

# 5 Training

## Human rights in training: key steps for your business

### 5.1 Identify target groups in your business to receive human rights training

### 5.2 Review the different types of training materials available

### 5.3 Select, organize and evaluate the training program for target groups

## 5.1 IDENTIFY TARGET GROUPS IN YOUR BUSINESS TO RECEIVE HUMAN RIGHTS TRAINING

General employee training needs to provide an understanding of how human rights relate to the business and must raise awareness of human rights risks and opportunities. A needs analysis of employees at particular business sites or of those who perform specific functions can help identify areas which the training should cover. Case studies can support this training. Key employees throughout the organization should receive function-specific training; for example, training about specific risks in their operations and how to handle them, or training on new procedures and tools. Target groups for training could include:

- Procurement employees
- Sales and export staff
- Human resources
- Security staff
- All supervisors and managers

The company can also take steps to train key suppliers and contractors. Stakeholders and external partners can help with training on specific issues such as political, geographical, and cultural risks. Key staff should also participate in external training where independent experts challenge others and give specialist insight into specific human rights issues.

## 5.2 REVIEW THE DIFFERENT TYPES OF TRAINING MATERIALS AVAILABLE

There are a range of different types of human rights training available: web-based and paper-based or in person, held either in the workplace or at a special venue outside the business location.

## Human rights in different types of training – *some examples*

**E-learning systems** Novartis requires every manager and associate to complete a number of web-based courses as part of its commitment to the group's compliance initiative and its commitment to hold all associates to the highest standards possible. Ensuring that Novartis employees across 140 countries understand the company's Human Rights Guidelines and the strategy behind them represents a huge challenge. Therefore, in 2005 all non-US Novartis associates with e-mail access will complete four out of the following six courses, each involving human rights as a key element: Insider trading, Conflict of interest, Corporate citizenship, Sales practices, Marketing practices, and Financial integrity.

**Specific training for business units** National Grid has over 8,000 active suppliers. The group's procurement teams are experienced in assessing suppliers' environmental, safety, and quality performance, but not in assessing other human rights-related performance. During 2005, the Groups' UK and US procurement team members received human rights awareness training and were introduced to a practical tool to help prioritize their human rights assessments. The tool is being used to assess the human rights risk associated with each purchased commodity and the influence that the purchaser has with suppliers of each commodity. This analysis is used to identify

the level and priority of human rights-related engagement with potential suppliers.

**Staff induction** Every employee at The Body Shop is required to attend a staff induction that includes a significant section on the company's commitment to ethical trade, community trade, campaigning, environmental protection, and animal welfare. In addition, in connection with the launch of the campaign to Stop Violence in the Home, all stores will be provided with training materials to ensure that all employees understand the issues and the importance of the campaign activities.

**Management handbooks and primers** The Business and Human Rights Management Primer produced by Shell in 1998 was one of the first of its kind in business. The primer is a key resource for human rights training programs within the company and has been augmented by a series of real-life management dilemmas for training purposes. Another good example is the Human Rights Guidance report developed by Rio Tinto.

**Residential Multi-Business Human Rights Training** There is an increasing demand for residential training, which allows business managers from a number of companies to gather in a less formal setting. Some examples are listed in the *Appendices*.

### 5.3 SELECT, ORGANIZE AND EVALUATE THE TRAINING PROGRAM FOR TARGET GROUPS

The selection of the appropriate training program is based on factors such as cost, location, and the technology involved. It is worthwhile to ask other businesses and business associations which programs they have found the most useful, but remember that no two businesses are alike. It is likely that stakeholders from the local community or NGOs will have much to contribute to any program that is to be organized. It is essential in these circumstances that the business and NGO or community group work together in partnership to clearly define expectations and develop a productive working relationship.

# 6 Measuring Impact and Auditing

## Human Rights in measuring impact and auditing: key steps for your business

- 6.1 Set relevant performance indicators for measuring human rights impact across the different functions of your business**
- 6.2 Undertake human rights-based audits**
- 6.3 Analyze the results of audits and use results to inform strategic development of your business**

### **6.1 SET RELEVANT PERFORMANCE INDICATORS FOR MEASURING HUMAN RIGHTS IMPACT ACROSS THE DIFFERENT FUNCTIONS OF YOUR BUSINESS**

A company should develop quantifiable performance indicators to monitor and measure elements in its operations that have an impact on human rights. Performance indicators should measure both the direct result of the company's operations and the efficiency of management processes that influence performance – such as training and the allocation of resources.

The indicators should be relevant to the company's sphere of influence, activities, and industry sector, and should drive continuous improvement. They should relate to the organizational goals of the business and be consistent with the risks and opportunities that the company has identified. Measurements should be made regularly and be communicated to employees and other interested parties. Since a company's sphere of influence may change over time, performance indicators should be reviewed on a regular basis.

### Measuring Impact – The Human Rights Compliance Assessment Tool

The Danish Institute for Human Rights has developed an interactive database for use by business in any specific national market. The web-based tool contains approximately 350 questions for business and more than 1,000 corresponding human rights indicators, developed from the

Universal Declaration of Human Rights and over 80 other major human rights treaties and International Labour Organization (ILO) conventions. Over 70 businesses were involved in the development of the tool, and the database is now being refined into some sector-specific versions.

## Measurement of performance – *an example*

As part of its policy to develop a human rights-aware approach in its business activities, ABB developed a checklist for managers based on the Global Reporting Initiative's (GRI) guidelines on human rights and the Draft Norms. ABB established the checklist's criteria by carrying out a gap analysis between the Draft Norms and the GRI guidelines (published in the second BLIHR report – see the *Appendices*).

The risk assessment checklist mirrors human rights categories listed in the Draft Norms – the rights of workers, occupational health and safety, non-discriminatory treatment, the rights of local communities, transparency and business ethics, and protection of the environment.

Acting on behalf of BLIHR, ABB is testing the checklist within the parameters of its rural electrification program – called Access to Electricity – in

Tanzania and sub-Saharan parts of Africa. Initial results show that while the checklist is sufficient in some situations and countries, it needs to include extra questions and be made more country-specific for more sensitive nations.

A human rights-aware approach benefits all stakeholders – villagers, local authorities, suppliers, and the companies and organizations involved in Access to Electricity. For ABB, it also means lowering business risk through taking a wider approach on the potential impact of such projects.

Working within the GRI's internationally acknowledged framework may help make the Draft Norms easier to accept and implement for a wider circle of transnational corporations. It would provide a comparable reporting system built on auditable performance criteria.

## 6.2 UNDERTAKE HUMAN RIGHTS-BASED AUDITS

Human rights-based audit programs should be part of a company's governance procedures. Audits establish whether management systems are working as planned; they focus on the causes of problems and the necessary corrective measures. Human rights-based audits by qualified personnel, preferably verified by external human rights experts, should be carried out regularly and made available publicly. Auditing is also a tool for the Board and Executive Committee of a business to ensure that the strategies, policies, procedures, and processes outlined in this Guide have been properly implemented across the company.

### Human rights-based audits – *an example*

#### **Building relationships with local NGOs**

As part of its long-standing partnership with Carrefour, the International Federation for Human Rights (FIDH) set up a system of independent

monitoring of the company's Charter, which is based on human rights. By engaging with an established NGO in this way, Carrefour was able to ensure the credibility of the monitoring system.

## 6.3 ANALYZE THE RESULTS OF AUDITS AND USE RESULTS TO INFORM STRATEGIC DEVELOPMENT OF YOUR BUSINESS

The use and analysis of human rights in business audits – *some examples*

### **Auditing Equal Opportunities and Diversity**

Each year, all business areas in Novo Nordisk develop action plans for ensuring that equal opportunities and diversity (EO&D) are fully embedded in all relevant business processes spanning the employment cycle (recruitment, working conditions, remuneration, development, promotion and termination). EO&D targets are included in the company's "balanced scorecard," the performance management mechanism used to drive all key areas of business performance. These targets require the action plans to be submitted for evaluation by the human resources function, and that - as a minimum - 80% of the actions for the year are achieved. The achievement of the EO&D targets is directly linked to staff appraisal and individual bonuses in management. Failure to meet these targets in any of the business areas is visible within the company, and initiates a dialogue process between the human resources function and the business areas involved.

### **Assessing risk to determine auditing needs**

Every approved supplier to The Body Shop must sign an agreement committing to meeting The Body Shop Ethical Trade standards, which are based on the Ethical Trading Initiative's Base Code. First-tier product suppliers are assessed for potential risk based on their responses to an initial screening questionnaire and take into account factors such as their location and relationship with The Body Shop. Each supplier is ranked as high, medium, or low risk. High-risk suppliers are audited by a not-for-profit audit company or by a third-party agent. A buyer from The Body Shop or a representative from a local non-governmental organization will audit a medium-risk supplier. Low-risk suppliers will undergo an ethical assessment and is expected to adopt the Body Shop Code of Conduct.

# 7 Reporting

## Human rights in reporting: key steps for your business

- 7.1 Decide which human rights impacts are priorities for you to report on**
- 7.2 Consider who your main target audiences are**
- 7.3 Develop an effective reporting format**
- 7.4 Publish this information on its own or as part of a regular business report**
- 7.5 Submit a link/description to the Global Compact website (Global Compact participants)**

### **7.1 DECIDE WHICH HUMAN RIGHTS IMPACTS ARE PRIORITIES FOR YOU TO REPORT ON**

For the reasons mentioned in the *Communications* section, reporting on human rights is an essential part of a business management system. A report is in its own right a business management tool. Many companies already report on social and environmental performance in addition to their business results, and an increasing number have their reports independently verified. For companies over a certain size in some countries, basic reporting on social and environmental performance is mandatory.

**7.2 CONSIDER WHO YOUR MAIN TARGET AUDIENCES ARE** Companies often report on human rights issues linked to suppliers and employees, but neglect other areas. Good practice is to report on the company's full sphere of influence. This means including issues and opportunities linked to customers and communities where the company operates. Transparent reporting of successes, failures, and challenges sets an example for others, builds credibility and trust, and maintains the company's license to operate.

**7.3 DEVELOP AN EFFECTIVE REPORTING FORMAT** There are several ways to present human rights data in a company report and it is worth reviewing a selection of those listed on [www.business-humanrights.org](http://www.business-humanrights.org). Reference can also be made to the 3rd Generation of reporting guidelines from the Global Reporting Initiative. These guidelines provide an example of a thorough framework for human rights reporting. One key decision to be made is whether the report should be purely web-based, paper-based, or both. A rights-aware approach also requires careful attention to accessibility, particularly in terms of the languages used and meeting the needs of those with visual impairment or without the required technology to access the report.

**7.4 PUBLISH THIS INFORMATION ON ITS OWN OR AS PART OF A REGULAR BUSINESS REPORT** Another key decision is whether your company is moving towards an integrated triple bottom line approach to reporting (i.e. financial, environmental, and social) or whether the social issues are better served in their own report or combined with environmental issues in a 'sustainability report'. Many businesses see human rights as a subset of wider social issues; some companies maintain a distinction between labor rights and human rights. However, as more companies move towards a more holistic approach to human rights in business, we can expect that an increasing amount of the 'social space' in company reports will be categorized as human rights.

## 7.5 SUBMIT A LINK/DESCRIPTION TO THE GLOBAL COMPACT WEBSITE (GLOBAL COMPACT PARTICIPANTS)

Participants in the Global Compact are expected to communicate, on an annual basis, with their stakeholders about the progress they are making in implementing all ten Compact principles, including the two human rights principles. The communication on progress is expected to include a statement of continuing support by the company's leadership for the Global Compact, a description of practical actions taken to implement the principles, and measurement of outcomes using, as far as possible, standard indicators or metrics such as those elaborated in the GRI's Sustainability Reporting Guidelines. Communications on progress can be part of a broader annual or sustainability report or a stand alone document that is web-based, paper-based or both. A link to or description of the communication on progress is required to be submitted to the Global Compact website. Guidance materials for how to communicate progress are available at: [www.unglobalcompact.org/communicatingprogress](http://www.unglobalcompact.org/communicatingprogress)

### Human Rights in a Social Responsibility Report – *an example*

**Gap Inc.'s** 2003 Social Responsibility Report was widely praised for its honest appraisal of the challenges facing a company trying to uphold international human rights and labor rights standards across global supply chains. Greater transparency has led to newspaper headlines such as "Gap admits factory abuses," but this has been more than offset by positive responses from employees, customers, investors, and NGOs. Gap's 2004 report continues transparent reporting against the ILO Core Conventions. In its 2004 report, the company quotes US Supreme Court Justice Louis Brandeis to capture its philosophy about reporting: "a bright light is the best disinfectant". The more open and honest a company can be about conditions and challenges, the more helpful it can be in addressing them. Gap's report also contains constructive criticism and learning from the Public Reporting Working Group and stakeholder outreach sessions. Gap also presents its work with the Global Reporting Initiative (GRI) to develop consistent reporting standards that will make it possible to compare performance across companies and over time.

**Codelco**, a successful Chilean mining company, has a history of reporting on sustainable development issues, including human rights. The company's most recent Sustainability Report was prepared by its Senior Vice-President of Operational Excellence, Promotion, and Sustainability in accordance with the latest Global Reporting Initiative (GRI) Guidelines. Codelco's report highlights its work on human rights issues ranging from the company's compliance with a comprehensive occupational health and safety plan to its approval of a document of commitments to indigenous people. In addition, the company took its reporting a step further and submitted it to an external independent reviewer. The aim of the review was to provide assurance of the report's accuracy and its adherence to the GRI Guidelines. As part of the process, the independent reviewer visited numerous Codelco facilities as well as the head office in Santiago, Chile.

### The Global Reporting Initiative

Over 700 businesses now cite the Global Reporting Initiative as the framework for their social and environmental reporting, with human rights included within their social indicators. The GRI framework is one example of how to report on such

matters. At the time of writing, in early 2006, the Global Reporting Initiative is involved in developing the 3rd generation of reporting guidelines. For more information, see [www.globalreporting.org](http://www.globalreporting.org)

# Conclusion

The rapid development of 'business and human rights' as an area of concern and interest over the last decade seems likely to continue. As it does, an increasing number of businesses around the world will identify practical ways to integrate human rights into their business practices.

However, there is much work to be done to develop and refine the tools and systems needed for businesses to manage human rights effectively. This Guide is very much a 'first attempt' at exploring the practical integration of human rights into business management, and it is hoped that businesses might be inspired by its advice and examples to develop their own applications of human rights which, in turn, might be shared more widely.

# Appendices

## 1. International Bill of Human Rights

### The International Bill of Human Rights consists of:

- The Universal Declaration of Human Rights (UDHR),
- The International Covenant on Economic, Social and Cultural Rights (ICESCR), and
- The International Covenant on Civil and Political Rights (ICCPR)

The UDHR and the Covenants can be read in their entirety at [www.ohchr.org/english/law](http://www.ohchr.org/english/law). Below you will find the headings of the articles in the Covenants (excluding articles concerned with procedural or organizational matters).

### International Covenant on Economic, Social and Cultural Rights (ICESCR)

**Article 1:** The right to self-determination for peoples.

**Article 2:** Non-discrimination in relation to all rights

**Article 6:** The right to work, including the right to vocational guidance and training

**Article 7:** The right to a minimum wage and equal pay, to safe and healthy working conditions, and to rest, leisure and holidays with pay

**Article 8:** The right to form trade unions and join a trade union, and the right to strike

**Article 9:** The right to social security, including social insurance

**Article 10:** The right to a family life, to maternity leave and prohibition of exploitative child labor

**Article 11:** The right to adequate food, clothing, housing and fair distribution of food

**Article 12:** The right to the highest attainable standard of physical and mental health

**Article 13-14:** The right to education

**Article 15:** The right to participate in cultural life and the technological development and the right to protection of moral and material interests resulting from one's inventions

### **International Covenant on Civil and Political Rights (ICCPR)**

- Article 1:** The right to self-determination for peoples.
- Article 2:** Non-discrimination in relation to all rights
- Article 6:** The right to life
- Article 7:** Prohibition against torture or cruel, inhumane or degrading treatment or punishment and against medical or scientific experimentation without free consent
- Article 8:** Prohibition against slavery, forced or other compulsory labour
- Article 9 - 10:** The right to freedom and personal safety (arrest and detention)
- Article 11:** Prohibition against imprisonment for non-fulfillment of a contractual obligation
- Article 12:** The right to liberty of movement and freedom to choose residence
- Article 13:** The right to seek asylum
- Article 14-15:** The right to a fair trial and prohibition against retroactive punishment
- Article 16:** The right to recognition as a person before the law
- Article 17:** The right to privacy
- Article 18:** Freedom of thought, conscience and religion
- Article 19:** The right to hold opinions and the right to freedom of information and freedom of expression
- Article 20:** Prohibitions against inciting war and against hate speech
- Article 21:** The right of peaceful assembly
- Article 22:** Freedom of association, including the right to form and join trade unions
- Article 23-24:** The right to form a family and the rights of the child
- Article 25:** The right to take part in public affairs
- Article 26:** Equality before the law
- Article 27:** Minority rights to culture, religious practice and language

## 2. The Ten Principles of the UN Global Compact

The Global Compact's ten principles are derived from: the Universal Declaration of Human Rights; the International Labour Organization's Declaration on Fundamental Principles and Rights at Work; the Rio Declaration on Environment and Development; and the United Nations Convention Against Corruption.

The Global Compact asks companies to embrace, support and enact, within their sphere of influence, a set of core principles in the areas of human rights, labour standards, the environment, and anti-corruption:

### Human Rights

---

- 1 Businesses should support and respect the protection of internationally proclaimed human rights, and
- 2 make sure that they are not complicit in human rights abuses.

### Labour

---

- 3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining,
- 4 the elimination of all forms of forced and compulsory labour,
- 5 the effective abolition of child labour, and
- 6 the elimination of discrimination in respect of employment and occupation.

### Environment

---

- 7 Businesses should support a precautionary approach to environmental challenges,
- 8 undertake initiatives to promote greater environmental responsibility, and
- 9 encourage the development and diffusion of environmentally friendly technologies.

### Anti-Corruption

---

- 10 Businesses should work against corruption in all its forms, including extortion and bribery.

### 3. Resources

#### General Reports/Guides for Business

*Business and Human Rights: A Compilation of Documents*, Edited by Radu Mares, Leiden: 2004

*Business and Human Rights: A geography of corporate risk*, Amnesty International (UK) and The Prince of Wales International Business Leaders Forum, London: 2002.

*Business and Human Rights, Dilemmas and Solutions*, Edited by Rory Sullivan, Insight Investment, London: 2003

*Business and Human Rights in a time of change*, Christopher Avery, Amnesty International (UK), London: 2000

*Business as Partners in Development: Creating wealth for countries, companies and communities*, Jane Nelson/The Prince of Wales Business Leaders Forum, in collaboration with The World Bank and The U.N. Development Programme, London: 1996

*Business Leaders Initiative on Human Rights: Report 1: Getting Started*, BLIHR, London, New York and Stockholm: 2003

*Business Leaders Initiative on Human Rights: Report 2: Work in Progress*, BLIHR, London, New York and Stockholm: 2004

*Embedding Human Rights in Business Practice*, The Global Compact and the Office of the United Nations High Commissioner for Human Rights, New York and Geneva: 2004.

*Human Rights: Is it any of your business?*, Amnesty International (UK) and The Prince of Wales International Business Leaders Forum, London: 2000.

*Human Rights: It is your business – the case for corporate engagement*, The Prince of Wales International Business Leaders Forum, London: 2005.

*Raising the Bar: Creating Value with the United Nations Global Compact*, Edited by Claude Fussler, Aron Cramer and Sebastian van der Vegt, Greenleaf Publishing Limited: 2004.

*The Business of Peace*, Jane Nelson, International Alert, Council on Economic Priorities and The Prince of Wales International Business Leaders Forum, London: 2000.

#### Training

##### *Business and Human Rights in Practice*

Over 100 business managers from many industries have attended this training course since 2002. Now run by TwentyFifty Limited (see [www.twentyfifty.co.uk](http://www.twentyfifty.co.uk)) the course comprises of an on-line module, residential workshop and a workplace project. Its aim is to help companies to implement their human rights commitments by developing the capacity of key individuals to manage human rights issues. The course is run twice a year in the UK and by invitation internationally.

##### *Human Rights & Business training*

General training on the 'why, what and how' of human rights and business and special training for specific corporations have been developed and performed by the law firm Lawhouse.dk ([www.lawhouse.dk](http://www.lawhouse.dk)). Since 1999 Lawhouse.dk has trained more than a thousand business managers and lawyers and conducted specific training for several members of the UN Global Compact. Tools, programs and training on particular rights such as non-discrimination, the right to health, freedom of information and expression, the right to privacy, and the right to participate in technological development were developed to support individual corporate priorities.

## 4. Organizations

African Institute for Corporate Citizenship  
[www.aiccafrica.com](http://www.aiccafrica.com)

Amnesty International Business Groups  
[www.amnesty.org.uk/business](http://www.amnesty.org.uk/business)

Business & Human Rights Resource Centre  
[www.business-humanrights.org](http://www.business-humanrights.org)

Business for Social Responsibility (BSR)  
[www.bsr.org](http://www.bsr.org)

CAFOD  
[www.cafod.org.uk](http://www.cafod.org.uk)

Christian Aid  
[www.christian-aid.org.uk](http://www.christian-aid.org.uk)

Ethos Institute  
[www.ethos.org.br](http://www.ethos.org.br)

Friends of the Earth  
[www.foe.org.uk](http://www.foe.org.uk)

Fund for Peace Human Rights and Business Roundtable  
[www.fundforpeace.org/programs/hrbrt/hrbrt.php](http://www.fundforpeace.org/programs/hrbrt/hrbrt.php)

GeSI - Global E-Sustainability Initiative  
[www.gesi.org](http://www.gesi.org)

Global Reporting Initiative  
[www.globalreporting.org](http://www.globalreporting.org)

Human Rights Watch  
[www.hrw.org](http://www.hrw.org)

International Chamber of Commerce (ICC)  
[www.iccwbo.org](http://www.iccwbo.org)

International Commission of Jurists  
[www.icj.org](http://www.icj.org)

International Committee of the Red Cross  
[www.icrc.org](http://www.icrc.org)

International Federation for Human Rights  
[www.fidh.org](http://www.fidh.org)

International Financial Corporation  
[www.ifc.org](http://www.ifc.org)

International Labour Organization (ILO)  
[www.ilo.org](http://www.ilo.org)

Office of the United Nations High Commissioner  
for Human Rights  
[www.ohchr.org](http://www.ohchr.org)

Organisation for Economic Co-operation and Development  
[www.oecd.org](http://www.oecd.org)

Social Accountability International (SAI)  
[www.sa-intl.org](http://www.sa-intl.org)

The Danish Institute for Human Rights  
[www.humanrights.dk](http://www.humanrights.dk)

The International Confederation of Free Trade Unions  
[www.icftu.org](http://www.icftu.org)

The Prince of Wales International Business Leaders Forum  
[www.iblf.org](http://www.iblf.org)

United Nations Development Programme (UNDP)  
[www.undp.org](http://www.undp.org)

UN Global Compact  
[www.unglobalcompact.org](http://www.unglobalcompact.org)

Social Venture Network  
[www.svn.org](http://www.svn.org)

World Business Council for Sustainable Development  
[www.wbcasd.org](http://www.wbcasd.org)

World Health Organization (WHO)  
[www.who.int](http://www.who.int)

## 5. Voluntary Initiatives, Guidelines, Principles and Tools

AccountAbility's AA1000 Framework and series standards

[www.accountability.org.uk/aa1000/default.asp](http://www.accountability.org.uk/aa1000/default.asp)

Amnesty International Human Rights Principles for Companies

[www.amnesty.org.uk/business/pubs/hrgc.shtml](http://www.amnesty.org.uk/business/pubs/hrgc.shtml)

The Caux Round Table Principles for Business

[www.cauxroundtable.org/index.html](http://www.cauxroundtable.org/index.html)

Clean Clothes Campaign: Model code

[www.cleanclothes.org/codes/cccode.htm](http://www.cleanclothes.org/codes/cccode.htm)

Dow Jones Sustainability Index (DJSI)

[www.sustainability-index.com/](http://www.sustainability-index.com/)

Ethical Trading Initiative

[www.ethicaltrade.org/Z/home/index.shtml](http://www.ethicaltrade.org/Z/home/index.shtml)

Electronic Industry Code of Conduct

[www.hp.com/hpinfo/globalcitizenship/environment/pdf/supcode.pdf](http://www.hp.com/hpinfo/globalcitizenship/environment/pdf/supcode.pdf)

Equator Principles

[www.equator-principles.com](http://www.equator-principles.com)

Extractive Industries Transparency Initiative – Source book

[www.eitransparency.org/keydocuments.htm](http://www.eitransparency.org/keydocuments.htm)

Fair Labor Association – Code of conduct

[www.fairlabor.org/all/code/index.html](http://www.fairlabor.org/all/code/index.html)

FTSE4Good

[www.ftse.com/ftse4good/index.jsp](http://www.ftse.com/ftse4good/index.jsp)

Global e-Sustainable Initiative (GeSI)

[www.gesi.org](http://www.gesi.org)

Global Reporting Initiative

[www.globalreporting.org](http://www.globalreporting.org)

The Global Sullivan Principles

[www.thesullivanfoundation.org/gsp/default.asp](http://www.thesullivanfoundation.org/gsp/default.asp)

Human Rights Compliance Assessment Tool (HRCA)

[www.humanrightsbusiness.org/](http://www.humanrightsbusiness.org/)

ILO's Declaration on Fundamental Principles and Rights at Work

[www.ilo.org/dyn/declaris/DECLARATIONWEB.INDEXPAGE](http://www.ilo.org/dyn/declaris/DECLARATIONWEB.INDEXPAGE)

ILO's Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy

[www.ilo.org/public/english/employment/multi/overview.htm](http://www.ilo.org/public/english/employment/multi/overview.htm)

ISO Standard on CSR

[www.iso.org/iso/en/ISOonline.frontpage](http://www.iso.org/iso/en/ISOonline.frontpage)

Kimberly Process

[www.kimberleyprocess.com](http://www.kimberleyprocess.com)

The OECD Guidelines for Multinational Enterprises

[www.oecd.org/](http://www.oecd.org/)

Social Accountability 8000

[www.sa-intl.org](http://www.sa-intl.org)

Voluntary Principles on Security and Human Rights

[www.voluntaryprinciples.org/](http://www.voluntaryprinciples.org/)

## 6. Websites of companies mentioned in this report

ABB◆◇ [www.abb.com](http://www.abb.com)

Barclays◆ [www.barclays.com](http://www.barclays.com)

BP◇ [www.bp.com](http://www.bp.com)

Carrefour◇ [www.carrefour.com](http://www.carrefour.com)

Cemex◇ [www.cemex.com](http://www.cemex.com)

Codelco◇ [www.codelco.com](http://www.codelco.com)

Copel◇ [www.copel.com](http://www.copel.com)

Eskom◇ [www.eskom.co.za](http://www.eskom.co.za)

Gap Inc.◆◇ [www.gapinc.com](http://www.gapinc.com)

Hewlett Packard◆◇ [www.hp.com](http://www.hp.com)

Li and Fung Trading Limited◇ [www.lifung.com](http://www.lifung.com)

MAS Holdings ◇ [www.masholdings.com](http://www.masholdings.com)

MTV Networks Europe◆ [www.mtvne.com](http://www.mtvne.com)

National Grid◆ [www.nationalgrid.com](http://www.nationalgrid.com)

Novartis Foundation for Sustainable Development◆◇

[www.novartisfoundation.com](http://www.novartisfoundation.com)

Novo Nordisk◆◇ [www.novonordisk.com](http://www.novonordisk.com)

Rio Tinto◇ [www.riotinto.com](http://www.riotinto.com)

Statoil◆◇ [www.statoil.com](http://www.statoil.com)

Shell◇ [www.shell.com](http://www.shell.com)

Taj Hotels◇ [www.tajhotels.com](http://www.tajhotels.com)

Tata Enterprises◇ [www.tata.com](http://www.tata.com)

Telefónica◇ [www.telefonica.com](http://www.telefonica.com)

The Body Shop International◆ [www.thebodyshop.com](http://www.thebodyshop.com)

Valeo◇ [www.valeo.com](http://www.valeo.com)

◆ denotes membership of BLHR

◇ denotes membership of the United Nations Global Compact

# BUSINESS LEADERS INITIATIVE ON HUMAN RIGHTS



[www.blihr.org](http://www.blihr.org)



THE GLOBAL  
COMPACT

[www.ohchr.org](http://www.ohchr.org)

[www.unglobalcompact.org](http://www.unglobalcompact.org)

## Member companies of the Business Leaders Initiative on Human Rights

ABB Ltd	National Grid plc
Barclays PLC	Novartis Foundation for Sustainable Development
Gap Inc.	Novo Nordisk A/S
Hewlett-Packard Company	Statoil ASA
MTV Networks Europe	The Body Shop International Plc

**respect**  
SUSTAINABLE BUSINESS  
[www.respecteurope.com](http://www.respecteurope.com)

  
**REALIZING RIGHTS**  
THE ETHICAL GLOBALIZATION INITIATIVE  
[www.realizingrights.org](http://www.realizingrights.org)