

# Scaling **Up** Action on Human Rights

Operationalizing the UN Guiding  
Principles on Business and Human Rights



wbcasd social impact

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# Why this brief



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With the endorsement of the UN Guiding Principles on Business and Human Rights (UNGPs) in 2011, the global conversation on business and human rights has shifted and evolved. We are no longer asking whether businesses have a responsibility to respect human rights, or even what that responsibility is. Together with the International Bill of Rights and the International Labor Organization's Declaration on Fundamental Principles and Rights at Work, the UNGPs clearly outline where business responsibilities lie.<sup>1</sup> Now, the business community is asking what that responsibility means in practice – in specific geographies, for specific industries, in specific contexts, and how businesses can most effectively meet that responsibility in their day to day operations. Businesses are now expected to be able to know and show what steps they are taking to meet this responsibility.

Over the last several years, leading businesses have been working to meet the corporate responsibility to respect human rights as defined within the UNGPs: to avoid infringing on the human rights of others, and to address adverse impacts with which they are involved.

Why are businesses doing this? Many are responding to the growing **expectations of investors, business partners, and governments**, who are increasingly asking hard questions of global businesses and incorporating respect for human rights into relevant policies, standards and regulations. Other businesses are responding to the growing **risk of reputational harm** when core business activities are linked to human tragedies, such as the collapse of apparel factories in Bangladesh. In some sectors, there is a **growing recognition of the commercial costs** associated with failing to manage these issues – such as operational inefficiencies in supply chains and the operational costs of conflict with local communities in the extractives sector. For other businesses, it is simply about **'doing the right thing'** and ensuring that their social footprint is aligned with core corporate values – as well as the values of individual employees. And finally for some, the expectations of the UNGPs reflect leading practices, and the UNGPs, alongside a number of other sustainability themes, represent an **opportunity to differentiate** themselves from their industry competitors.

However, global experience has demonstrated that this can be a lot more challenging in practice than it sounds. Despite extensive guidance material<sup>4</sup>, companies, and those responsible for

## ...why this brief



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human rights issues within those companies, face a number of barriers to operationalizing respect for human rights across their businesses: from awareness and understanding of the relevance and meaning of human rights for the business, to the internal leadership and commitment necessary within the organization, to translating that commitment into the policies and practices of the company's daily operations – amidst a diverse set of competing, and sometimes overlapping, business priorities. All of this takes place within a context marked by the complexity of today's global business models and value chains, and the uncertainty that necessarily accompanies the relatively new paradigm of business and human rights.



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In this context, companies have been cautious entering this space, and the voice of business has been relatively quiet when it comes to sharing corporate efforts.



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And yet – expectations from global stakeholders have never been higher for businesses to make meaningful progress towards 'knowing and showing' their respect for human rights.



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The objective of this issue brief is to encourage more companies to take action on operationalizing the UNGPs. It builds on the hands-on experiences of several WBCSD member companies in their efforts to implement the UNGPs, including: [ABB](#), [Anglo American](#), [ArcelorMittal](#), [Coca-Cola](#), [DSM](#), [Eni](#), [HEINEKEN](#), [Hitachi](#), [Holcim](#), [JPMorgan Chase](#), [Michelin](#), [Nestlé](#), [Novartis](#), [RWE](#), [Total](#), [Unilever](#), and [Vale](#). It also draws from the results of the survey of WBCSD members on implementation of the



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### WBCSD and human rights

The WBCSD's Vision 2050<sup>2</sup> plots a pathway to a world in which 9 billion people live well and within the boundaries of the planet. To deliver tangible outcomes along this pathway, the Council has launched Action2020 – a science-based action plan that seeks to engage companies to implement innovative and scalable business solutions and improve the business case for sustainability.<sup>3</sup> "Meeting basic needs and respecting human rights" has been identified as one of nine key priority areas within the platform, and WBCSD members have highlighted the operationalization of the UNGPs as an essential business solution which provides a foundation for achieving this priority. To put this into action, the Council kicked off a work program in early 2014 with the aim of considerably increasing the number of companies knowing and showing that they are respecting human rights.

The business solution focused on human rights is part of the WBCSD's Social Impact Cluster, which aims to catalyze and scale up business solutions that contribute to meeting basic needs, respecting human rights, and enabling access to goods, services, and livelihood opportunities.

## ...why this brief



UNGPs as well as the broader experience of experts that have worked with companies on these issues across the globe.



Specifically, the brief intends to create a better understanding of the current state of play amongst corporations, to highlight some of the most common barriers faced by companies in their efforts to implement the UNGPs, and to share solutions tried and tested by WBCSD members to overcome these barriers.



For companies that are kick-starting their human rights activities – and trying to determine how best to ‘dive in’ – the brief provides a menu of practical steps that might help them get started, which their peers have found to be most important and effective. For companies with more experience, the brief identifies additional strategies that may help them to overcome persistent challenges.



To be clear, the brief does not provide a roadmap for ‘compliance’ with the UNGPs – but rather, a set of ideas and practical strategies for advancing the efforts of companies to meet the corporate responsibility to respect human rights.



# What do the UN Guiding Principles mean for business?



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In 2005, after decades of divisive debate around the distribution of responsibility between states and businesses in the domain of human rights, Professor John Ruggie was appointed as the UN Special Representative for Business and Human Rights.

He led several years of multi-stakeholder consultations to develop the “Protect, Respect and Remedy” framework, followed by the UN Guiding Principles on Business and Human Rights. The result was a successful set of principles that a broad range of international stakeholders were on board with, and that the Human Rights Council unanimously adopted in 2011. They have since been adopted and endorsed by inter-governmental bodies, industry associations, international organizations, and multi-stakeholder initiatives and incorporated in some instances into legislation and national action plans.<sup>5</sup>

A recent example is the European Union Parliament’s adoption of a directive on the disclosure of non-financial information, which must be implemented by member states by 2016. The directive requires over 6,000 large companies listed within the EU to report publicly on how they manage environmental, social and human rights issues associated to their operations, including providing descriptions of their policies, their risks, and the outcomes achieved. The directive references the UNGPs as an international framework that companies can rely upon in providing this information.<sup>6</sup>

The UNGPs are based on the three-pillared UN “Protect, Respect and Remedy” framework for preventing and addressing negative impacts from business activities on the human rights of people:

- The state has a **Duty to Protect** people against human rights harms from third parties, including business;
- Business has a **Responsibility to Respect** the human rights of others; and,
- Both the state and business have roles to play in ensuring **Access to Remedy** when negative impacts occur.

For business, the fundamental expectation of the Responsibility to Respect is captured in Guiding Principle 11: *“Business enterprises should respect human rights. This means that they should avoid infringing on the human rights of others and should address adverse human rights impacts with which they are involved.”*

# ... what do the UN Guiding Principles mean for business?



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## How can a company be 'involved with' a human rights impact?

A business can directly **cause** or **contribute** to adverse human rights impacts through its own activities

### Businesses *should*:

- Take steps to avoid such impacts from occurring
- When they occur, provide or cooperate in remedy for the impact to the extent of their contribution
- Take steps to prevent the impact from continuing or recurring

An impact can be **linked** to the operations, products or services of a business, through its business relationships (including business partners, entities in its value chain, and other state and non-state actors), even where the business has not caused or contributed to the impact

### Businesses *should*:

- Identify impacts which might be linked to their operations, products or services, and seek to prevent or mitigate them

### Businesses *do NOT need to*:

- Provide for or cooperate in remedy for the impact, although they may choose to do so for a range of reasons

## What does this mean in practice for a company?

In practice, 'respecting human rights' means that businesses should integrate the following elements into their operations:

- 1 **Policy commitment:** adopted at the highest levels of the company, and embedded across and throughout the business enterprise;
- 2 **Human rights due diligence:** processes for assessing and taking action on actual and potential human rights impacts on stakeholders, and for tracking and communicating about the effectiveness of those efforts;
- 3 **Remedy:** establishing or participating in appropriate mechanisms and processes to provide a remedy to affected stakeholders that may have suffered harm, where the company has caused or contributed to that harm;
- 4 **Using their leverage:** to encourage and incentivize their business relationships throughout the value chain to meet these expectations;
- 5 **Meaningful stakeholder engagement:** throughout all of these processes, engaging meaningfully with those stakeholders who may be adversely affected by the company's activities.

# Knowing and showing respect for human rights



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## Results of WBCSD member survey

Over the course of the summer 2014, the WBCSD conducted a survey of its member companies in view of clarifying the current status and ambitions of the membership with regard to addressing human rights issues and operationalizing the UNGPs.

The survey, which was developed and analyzed with the generous support of DNV GL, was filled out by 85 member companies from two dozen industry sectors.

### Key results:

- 95% of respondents are familiar with the UN Guiding Principles on Business and Human Rights
- 90% of respondents believe that an organization's business strategy should include explicit consideration to respecting human rights
- 60% of respondents have a standalone public human rights statement or policy in place
- Two thirds of respondents have in place programs, policies or regulations that explicitly encourage the implementation of UN Guiding Principles or other guidelines
- 75% of respondents have processes in place to assess potential human rights impacts
- Two thirds of respondents employ measures to monitor and track their human rights performance
- 92% of respondents undertake formal stakeholder engagement
- 70% of respondents communicate their human rights performance to stakeholders
- 75% of respondents think that the management of human rights issues will become more important to their company in the next two years

# Taking action on human rights: Barriers and solutions

The barriers to implementation and operationalization of the UNGPs are numerous, and will vary widely across different companies, based on sector, operational contexts, the nature of business activities, and the nature of a business's value chain. In this brief, we have captured some of the most common barriers identified by WBCSD member companies and share the solutions they have used to overcome those barriers.





## Barrier 1

# Making human rights understandable and relevant

For many companies, the first challenge encountered is around the very language and relevance of human rights within the business context. Conversations within the business about human rights often begin with a lot of initial pre-conceptions: different assumptions about what is meant by the term human rights, questions about whether and how human rights could be relevant to the business, and perceptions that respecting human rights will place inappropriate responsibilities, burdens and costs on the business.

## Solution 1

### Translate human rights into accessible language

Many companies have found that the language of human rights is not always the most effective entry point when they are first getting started. Business leaders initially find the concepts alien, legalistic, and new. When in reality, many businesses already have systems and policies in place to manage a significant number of their human rights risks. They may just use different terms to describe these, including 'social risk', 'labor standards', 'community engagement', 'social compliance', and 'supplier compliance', which already capture various categories of potential human rights impacts. As a first step, many companies have therefore found that they need to 'unpack' what is meant by 'human rights', and what it means within the business context.

When rolling out its human rights policy, [ArcelorMittal](#) ran face to face training and management workshops in high priority locations. This gave management the opportunity to really understand and discuss what human rights meant for the company and challenge some perceptions of its relevance to the business. Real case studies and dilemmas were discussed, bringing the concepts to life.

At [Novartis](#), conversations about human rights at a general level do not go nearly as far as conversations framed around the specific human rights relevant to a large pharmaceutical company, such as access to health care, informed consent in clinical trials, and fair working conditions within Novartis' own operations and within its supply chain.

[Unilever](#) found that the company, which speaks the language of sustainability, was motivated and inspired by the positive framing of its sustainability targets, and what the company was working to achieve, rather than what the company was looking to avoid: "We therefore decided to reframe our human rights ambitions in a positive way, moving from speaking about the eradication of a wrong to the achievement of a 'right'."

When [Hitachi's](#) Global CSR Team began its efforts to implement the UNGPs in 2011, the first step was to host a workshop for senior managers from across the Hitachi Group's corporate leadership and the directors of many of Hitachi's larger subsidiaries. The first objective of that workshop was simply to 'translate' the concept of human rights, both literally and figuratively. Literally, the terminology needed to be translated into Japanese, in a more expansive way than traditional understanding of human rights which relates only to ethnic discrimination. "If we say 'human rights', people in Hitachi may misunderstand what we mean, and say, 'we're already doing that'". Figuratively, the language of human rights had to be translated into both Hitachi's own corporate language and values, and across a range of industries and sectors, to reflect the various stakeholders who might be impacted by Hitachi's business activities, and the types of human rights impacts that might occur. Hitachi's CSR team also learned from the workshop that the most effective language within Hitachi for human rights was to present it as a 'risk management' process, and to align it with the already familiar 'plan, do, check, act' project cycle.



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## Solution 2

### Make the business case

Translating human rights into accessible language is an important first step in establishing the relevance of these issues within the business context. However, many business leaders have found that it is both helpful and necessary to go the further step of framing the 'business case' for respecting human rights.

In speaking with business leaders, they have made the case in a number of different ways, in terms of:

- **Reputational risks and benefits:** particularly for consumer-facing industries;
- **Commercial costs:** in terms of financial cost, stability of supply, and sustainability of operations;
- **Pressure from investors and business counterparts:** who are increasingly asking probing questions;
- **Legal and regulatory requirements:** particularly the cost of legal action and/or threat of regulatory action;
- **Ethical / values-based:** in terms of how a company sees itself and its role in society, and aligning how a company manages its negative impacts with the company's own values;
- **Employees:** in terms of attracting, retaining and motivating employees

**ABB** has been working intensively to better understand its supply chain. This includes raising suppliers' awareness of and performance on potential environmental, labor and social issues which could impact both the suppliers' employees and potentially also the ability to deliver crucial goods or services on time.

For **Novartis**, questions from investors helped provide internal leverage for the company to reinvigorate the issue of human rights within the company.

For **RWE**, a media campaign, the accompanying reputational harm, and the threat of EU regulation helped to accelerate the company's efforts to spearhead industry-wide action to address impacts deep down in the coal supply chain.



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### Solution 3

## Leverage a crisis

According to one company leader, “sometimes, it takes a crisis” to build internal ownership and momentum. Many of the more experienced companies can trace their efforts back to a moment of crisis within the company: often a painful public exposé or campaign.

For [ABB](#), operations in Sudan; for the apparel industry, Rana Plaza in Bangladesh; for [RWE](#), a media campaign on conditions in the coal supply chain. When such crises arise, the question is: how will the company respond? By denying its role and responsibility? Or by taking a hard look at itself and the situation? Leading businesses on human rights are almost all companies that chose to take a hard look at themselves when such crises arose.

Such a situation arose for [Michelin](#) regarding a facility it was constructing in India. Michelin learned that several civil society organizations had filed a case against the company with the French National Contact Point (NCP) for the OECD Guidelines for Multinational Enterprises, alleging unfair practices. Michelin eventually decided to cooperate with the NCP process, spending a significant amount of time to prepare the company’s responses and submissions. Even though the case ended in Michelin’s favor, the costs of managing the NCP case – and the greater awareness raised within the company as a result of the case – encouraged Michelin to take the opportunity to re-evaluate several mitigation measures to reduce its impacts even further and to strengthen its due diligence in future transactions. Independent Human Rights Impact Assessments and stakeholder consultations are now mandatory before any large scale project.

## Focus on the bottom line

How much does a failure to respect human rights cost your company? It is surprising how few companies are able to answer this question. While each company may be different in terms of which drivers may be most compelling, few company leaders are not responsive to the financial bottom line when a strong financial case can be made.

In the extractives sector, recent research has begun to quantify the costs of failing to manage human rights effectively – in terms of the cost of operational delays and stoppages, the cost of senior staff time to manage the escalation of crises, and the opportunity costs that go wanting due to spillover effects. One oil and gas major conducted a thorough review of operating losses from non-technical risks such impacts over a two-year period, and found a double-digit percentage loss of profits, totaling several billion dollars.<sup>7</sup>

New approaches to incentivizing social performance in supply chains have begun to quantify the cost of failing to provide adequate working conditions – in terms of the costs to the business of impacts on worker health and safety, absenteeism, retention, recruitment, training, and workplace efficiency. Two leading companies with extensive reliance on their supply chains are piloting approaches to replacing traditional ‘compliance audit’ paradigms with monthly ‘profit and loss’ statements for suppliers, which quantify the costs associated with familiar social and labor impacts in apparel factories, rather than presenting them as issues of ‘non-compliance’.<sup>8</sup>



## Barrier 2

# Building internal ownership and commitment

For a company to take forward the UNGPs, ownership and commitment from the most senior levels of leadership is essential. In most companies, as in any organization, nothing goes anywhere if there is an impression within the company – explicit or implicit – that business leadership is not committed.

However, senior leadership faces a broad range of demands for their attention – beginning first and foremost with commercial growth, profitability and financial sustainability. One of the biggest obstacles to internal ownership and commitment is the perception that human rights is ‘yet another initiative’ that ‘distracts’ from the company’s core business, and competes with other corporate priorities for finite attention and limited resources.

## Solution 1

### Assign responsibility and create a mandate

One of the first steps a company might take in operationalizing the UNGPs is to assign responsibility internally for taking the human rights agenda forward and developing the ‘roadmap’ for how to ensure that the business is respecting human rights. In many companies, responsibility is initially taken by a single department – either because of the nature of the risks a company faces due to its business activities, the motivation of an individual leader, or because of the way the issue first arises for a company.

ABB’s human rights program is led through the Corporate Responsibility program, driven by the head of that particular function.

For Nestlé, the human rights mandate was first assigned to the Public Affairs department, which then hired a human rights specialist to help develop a strategic roadmap for operationalizing the UNGPs (Nestlé’s Human Rights Due Diligence Program). Part of that roadmap included broadening ownership of and commitment to human rights issues by creating a cross-functional working group. Nestlé’s Human Rights Working Group meets every two months and gathers the Heads of the following departments: Public Affairs; Human Resources; Legal; Compliance; Security; Responsible Sourcing; Safety, Health & Environment; Risk Management. Its mandate is to: supervise and coordinate the progress made on the implementation of human rights at the corporate and markets

levels against Nestlé commitments; provide strategic orientation on areas that need to be prioritized to further mainstream human rights within Nestlé structure and operations; contribute technical expertise to ongoing and future human rights initiatives and activities; preempt and discuss specific Nestlé-related human rights issues and any action to be taken.

The adoption of the UN Guiding Principles on Business and Human Rights led Unilever to rethink the integration of its human rights strategies. Unilever’s work in this area is overseen by the Chief Executive Officer, supported by the Chief Supply Chain Officer, Chief Human Resources Officer, Chief Marketing and Communications Officer, Chief Legal Officer and the Chief Sustainability Officer. Working on a cross-functional basis ensures that every part of the business is clear about the responsibility to respect human rights. Board-level oversight is provided by the Board Corporate Responsibility Committee of Unilever PLC. In 2013, Unilever hired a Global Vice President for Social Impact, with the expertise and mandate to further embed Human Rights throughout Unilever’s operations and extended supply chain globally. In 2014, Unilever committed to report publically on its implementation of the UNGPs.



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## Solution 2

### Leverage the policy commitment process

One of the foundational expectations of the UNGPs is that companies adopt a policy commitment to respect human rights, endorsed at the highest levels of the company. Such a policy commitment can be a great way both to demonstrate executive leadership and commitment, and to cultivate that commitment where necessary by raising the profile of the issue internally and externally.

For many years, **Anglo American** has not had a stand-alone policy focused on human rights. Rather, the company's commitment to respecting human rights was embedded in other policy documents. After a recent review of internal policies, the company's leadership decided to create a dedicated policy on human rights. As a company representative explains: "Drafting the policy itself is not particularly difficult – we could do that within a relatively short time. However, from a process perspective, we are using the opportunity to increase internal and external engagement around these issues and raise awareness. From a substantive perspective, we are using the opportunity to make the policy more tangible, by grounding it in concrete discussions about what our salient human rights risks are. Rather than simply saying, 'It's a requirement', we are using the policy process to give greater meaning to the commitments we ultimately will make."

When **Hitachi** began implementing the UNGPs, one of the first efforts was to adopt a human rights policy commitment. Hitachi embedded this policy commitment in the form of an internal corporate governance rule, sending a powerful message about its importance and creating significant internal leverage with regard to its implementation. Hitachi's human rights leadership understood that creating a corporate rule would make implementation obligatory on all business units, and Hitachi was quickly ready with the first step in moving from policy to practice – a round of workshops to test methodologies for human rights due diligence.

**Total** recently revamped its Code of Conduct – applicable to all Total operations and in its relationships with all its stakeholders – to make human rights one of the centerpieces of the Code. This followed an executive board meeting with Prof. John Ruggie as a special guest, and an internal videotaped conversation between Total's CEO and Prof. Ruggie on the UNGPs and Total's commitment and efforts to implement them. The experience served both to reinforce executive leadership and commitment, but also to demonstrate it to all of Total's employees.

**Nestlé** first embedded its human rights commitment as one of its 10 Corporate Business Principles. Subsequently, relevant human rights requirements have been incorporated into other policies and procedures in different areas such as in the Policy on Conditions of Work and Employment, the Privacy Policy, the Supplier Code, and the Consumers' Communications Policy. In total, since 2010 more than 10 corporate policies have been created or reviewed to incorporate relevant human rights elements. Internal and external audit and verification procedures have been updated to reflect these developments.



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### Solution 3

## Link human rights to internal strategic priorities

One of the most effective strategies at building internal commitment and ownership of respect for human rights has been to link a commitment to respect human rights to existing internal strategic priorities – leveraging the buy-in that those initiatives already enjoy.

For **Anglo American**, this means embedding human rights into the Anglo American Social Way among others – which sets out Anglo American’s internal Group wide social performance requirements that already had broad acceptance through the company.

**Unilever’s** Sustainable Living Plan (USLP) is a blueprint setting out to decouple company growth from its environmental impact while increasing its positive social impact. In April 2014, as part of Unilever’s Enhancing Livelihoods ambition of the USLP, Unilever created three new pillar commitments: Fairness in the Workplace; Opportunities for Women; and Inclusive Business. Fairness in the Workplace advances human rights across Unilever’s operations and extended supply chain. It contains clear goals and targets as it develops a continuous improvement roadmap, promotes best practice and brings increased transparency as it will report publically on progress in 2015. According to a company representative, “the USLP is the lens we want to permeate every part of our business. It is our compass, which is particularly important, given the diversity and complexity of our business. So that was our anchor – our framing for human rights.”

**DSM** applies its key competences to address a human rights challenge that is embedded in its strategic priorities – the fight against malnutrition. It does so by encouraging entrepreneurialism and innovation through new business models and partnerships. DSM joined forces with the World Food Programme (WFP) in 2007 to fight malnutrition and hidden hunger through a partnership called “Improving Nutrition, Improving Lives”. The partnership lends its expertise to increase the nutritional value of the food WFP distributes to those in need, reaching 21 million beneficiaries annually. In addition, DSM has formed partnerships with various stakeholders – governments, academia, NGOs and international organizations – to catalyze innovative solutions and scale up production.

At **Nestlé** human rights are fully integrated into the company’s strategic and performance framework as a way to reinforce stakeholders’ trust and the company’s compliance with national laws, international standards and its own culture, values and principles. As such, compliance with human rights is a building block of the company’s approach to sustainability and Creating Shared Value.

**Eni’s** strategic four year plan includes human rights objectives among the key intervention areas. This demonstrates the strategic value that the company attributes to the topic and the commitment to improve its performance in this domain. The intervention areas and the related sustainability objectives are defined in relation to the company’s strategy and operations, the international framework and the requirements of the capital markets and the main stakeholders.



## Barrier 3

# Managing a complex business environment

Today's global business models – with diverse business activities, vast global value chains, and complex business partnerships – can make 'respecting human rights' seem like an overwhelming task. How can a business deal with the full range of impacts that may occur, from 'Tier 1' of the supply chain all the way down to the sourcing of raw materials? With so many different business activities, spread across so many different geographies, how can a company begin to grapple with the scale, scope and complexity of its footprint?

## Solution 1

### Map human rights risks and impacts

Simply put, a business cannot manage risks and impacts that have not been identified. For some companies, mapping human rights risks is a robust, systematic and iterative process, analyzing the entirety of a business's operations and relationships, with internal and external stakeholder input and validation. For others, it may be more appropriate to begin by looking at the company's actual impacts, as identified through company grievance mechanisms, from the findings of social performance compliance audit, from complaints from civil society or directly affected stakeholders, or from media reports. Other companies may, as a first step, look for likely risks of impacts by using third-party providers of risk assessments or looking to the experiences of industry counterparts.

Nestlé, with the support of the Danish Institute for Human Rights, started its human rights journey back in 2010 by carrying out a human rights gap analysis against its policies, procedures and management systems. This exercise served a dual purpose by building engagement across departments to make them understand the relevance of human rights for their mandate and activities within the company. A global human rights risk assessment is now conducted annually, as part of the Human Rights Due Diligence Program, and involves the cross-functional internal working group on human rights, as well as external stakeholders and feedback from Nestlé's audit and grievance mechanism systems. This corporate level assessment identifies risks for the company (legal, operational, reputational, etc.) at five

different levels: corporate, country operations, tier-1 suppliers, upstream suppliers and local communities. However, "the best way to know what impacts a company has on human rights is to get out there and see for yourself, and learn from all relevant stakeholders". This is what Nestlé has been doing for the last 4 years, also in collaboration with the Danish Institute for Human Rights, by carrying out dedicated human rights impact assessments (HRIAs) in high-risk countries.<sup>11</sup>

Similarly, Vale has identified a number of 'known or likely' risks through its corporate level risk assessment – based on a combination of impacts that are typical in the mining industry and Vale's own experience. Vale then maps these 'known or likely risks' against the specific country and project contexts when it conducts project level impact assessments.

Coca-Cola conducts an exercise annually to update the priorities on its human rights risks 'heat map'. In doing so, the company relies upon a number of sources, including the findings from more than 2,400 supplier audits conducted every year, a regular cycle of conversations with key stakeholder representatives (such as civil society organizations and global trade unions), participation in collaborative industry platforms and multi-stakeholder initiatives, and others.

Since 2013, Holcim requires its Group companies operating in high-risk country contexts to conduct full human rights impact assessments, supported by a trained facilitator, a guidance manual and tools, and training. The company uses the UN Human Development Index and the Freedom House Index to identify high-risk business environments. A total of 16 Group companies are required to conduct a human rights impact assessment based on a high-risk country categorization. Group companies operating in lower-risk environments conduct a partial impact assessment or a human rights self-assessment.



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The WBCSD's Global Network partners are also bringing companies together to simplify the process of identifying risks, and ease the burden of risk assessment for companies in their own geographies and beyond. In Germany, econsense has worked with its members to produce a roadmap for human rights due diligence tools and guidance.<sup>9</sup> In Nicaragua, uniRSE has worked with Social Accountability International to create the business and human rights country guide, identifying specific human rights issues faced in their geography.<sup>10</sup> In Argentina, CEADS is working with Deloitte and 15 member companies to produce a Human Rights Risk Assessment tool tailored to the local context. The tool will be launched in March 2015, with three large companies lined up to conduct the first road tests.

At Eni, the Human Rights Project was launched in 2008 in cooperation with the Danish Institute for Human Rights with the goal of testing the ability to prevent risks of direct and indirect human rights abuses, through the involvement of all potentially affected business functions. The project led to the completion of eight Human Rights Compliance Assessments (HRCAs) including one at the Corporate and E&P Division level and in seven Upstream Countries (Nigeria, Kazakhstan, Algeria, Egypt, Angola, Republic of Congo, Pakistan). The HRCAs helped to identify areas for improvement and to align the internal control system and business practices with international standards. Furthermore, the Enterprise Risk Assessment process considers human rights in terms of both content and impact assessment metrics. The assessment of strategic risks for the company in fact includes a check on the risk of human rights violations.

## Solution 2

### Prioritize where necessary and learn by doing

The UNGPs recognize that where there are limited resources or an overwhelming number of business relationships in the value chain, it may be necessary for companies to prioritize certain human rights impacts for attention. However, they also make clear that companies should have a principled basis for doing so – meaning that prioritization should focus on those risks that are or could be the most severe for affected stakeholders.

For RWE, one of the most effective ways to strengthen management understanding and commitment to human rights was to focus attention on a single issue that represented both a 'high-priority' risk to the business need and a 'high-priority' risk to stakeholders. That opportunity arose when coal-burning industries across Europe came under increasing scrutiny for impacts connected to coal mines at the base of their supply chains: labor conditions, environmental harms, and other impacts on local communities and indigenous peoples. External stakeholder pressure increased, from the media, civil society organizations, and investors, at the same time that European regulators were exploring tougher regulations. RWE chose to engage the issue, by taking up a leadership role with the Better Coal Initiative, an industry-wide approach to dealing with a difficult set of impacts deep within the supply chain. While the initiative is still in its early days, RWE's leadership role has helped to further advance broader efforts within the company to take forward human rights issues.



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In other cases, human rights champions pragmatically recognize strategic opportunities to advance the human rights agenda within their companies. For example, [Novartis](#) targeted the issue of paying a living wage as one of its priority human rights impacts to address. This was motivated less by a particular crisis, and more by the fact that Novartis had made a commitment to establishing a living wage under the UN Global Compact, and therefore wanted to give meaning to that commitment. As Novartis looked to implement this commitment, it became clear that the topic was particularly thorny, with no consensus among stakeholders about how to define or calculate the term. So the company partnered with BSR to develop a methodology, which it updates every year. In any case of non-compliance with its own internal procedures, Novartis immediately provides remediation to the affected workers. Novartis has made its approach publicly available, in an effort to stimulate dialogue around the issue of living wage. Novartis's work has generated a positive reputation for the company within human rights circles, helping to strengthen and reinforce the commitment of the company's senior leadership to tackle other human rights challenges in similar ways.<sup>12</sup>

17 companies have demonstrated leadership in respecting the human rights to water and sanitation by signing the [WBCSD Pledge for Access to Safe Water, Sanitation and Hygiene \(WASH\)](#) at the Workplace. By signing this pledge companies commit to implementing access to safe water, sanitation and hygiene at the workplace at an appropriate level of standard for all employees in all premises under their direct control within three years. Most companies are at the beginning of their journey, but the pledge provides the momentum to assess their current performance, identify gaps, and plan action points for improvements.<sup>13</sup>

### Solution 3

## Understand the supply chain

For many companies, an assessment of potential human rights impacts may reveal that the most severe risks to stakeholders occur one or more levels down within the supply chain. It is therefore important to understand how the supply chain is structured, where goods are sourced from, where relationships are strategic or transactional, and what sources of leverage the company has with various suppliers.

In 2013, [Vale](#) introduced a new, more robust methodology for assessing human rights risks at the supplier level, incorporating a continuum of approaches, from supplier self-assessment through on-site audits. To test that methodology, Vale has identified two contexts where it is most concerned about significant human rights risks. The first is working conditions at four of Vale's largest Chinese suppliers, given the known risks to labor rights. The second is one of the largest Vale projects, with a complex national and international supply chain, reflecting the full range of potential human rights impacts.

One of [Unilever's](#) highest priorities in its strategic 'roadmap' for implementing the UNGPs was to work in collaboration with the Procurement team to overhaul the company's Supplier Code. Unilever estimates that it can touch over 25 million people through its supply chain. Unilever's new Responsible Sourcing Policy (launched April 2014) has clear processes to report actual or suspected breaches. It breaks new ground by defining a continuous improvement ladder to help its suppliers move from a 'point of entry' representing minimum compliance ("do no harm") to an intermediate standard representing good practice, and ultimately a top level standard representing leading practice.



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By incorporating Unilever’s Sourcing Policy and Supplier Code into one document, Unilever is embedding its principles and demonstrating to its suppliers how it wants to do business going forward.

**HEINEKEN** aspires only to do business with suppliers who share their values, and has introduced a robust Supplier Code program to support awareness and compliance. By signing the HEINEKEN Supplier Code, suppliers agree to comply with key elements of integrity, environmental care and human rights, including the HEINEKEN Policy on Employees’ and Human Rights. The intensity with which HEINEKEN monitors compliance against their Supplier Code depends on the risk profile of a supplier. Using a Supplier Risk Analysis (SRA) tool, HEINEKEN identifies potential high-risk suppliers and uses the EcoVadis (sustainable supply management) collaborative platform and related scorecard to assess compliance with the Supplier Code, as well as to monitor performance and identify areas for improvement. The final step in the Supplier Code programme is a site audit by a third party using the Supplier Code as a basis. As HEINEKEN prefers a continuous improvement approach, any cases of non-compliance will be discussed with the suppliers, assuming the commitment from the supplier to correct the non-compliance within a given timeline. If there is no commitment or a lack of corrective measures, HEINEKEN will cease to do business with that supplier and will ultimately terminate the contract.

**Coca-Cola’s** value chain comprises more than 100,000 suppliers, spread across almost every country on the globe. One of the first challenges in managing human rights risks is simply knowing who is in their supply chain. In certain agricultural products, third party aggregators prevent visibility into certain parts of the chain. As part of its ‘Pass it Back’ program, Coca-Cola has embarked on an extensive mapping exercise for some of its least visible but highest risk supply chains. To extend their reach, Coca-Cola is engaging its Tier 1 suppliers to map its Tier 2 suppliers one level

down, and its Tier 2 suppliers to map its Tier 3 suppliers, and so forth. It has also initiated country due diligence studies that seek to determine whether potential human rights risks exist in certain sourcing countries and, if so, remediate them.

**Nestlé** has integrated human rights into its Responsible Sourcing Audit and Traceability Programme and related activities. Human rights are a dedicated section of Nestlé Supplier Code and Responsible Sourcing Guideline that covers 12 priority commodities such as coffee, cocoa, milk, palm oil, etc.

**DSM’s** global Supplier Sustainability Program has changed in the last six years from a compliance driven process focusing on the integration of the Supplier Code of Conduct, to the integration of a People, Planet and Profit approach into sourcing practices, such as supplier selection. In 2013, DSM initiated the China Triple P Supplier Engagement and Development project, in partnership with Solidaridad and Manpower. The aim of the project is to use the People, Planet and Profit angle to engage suppliers to create a more sustainable supply chain. The idea is that suppliers in China who sign on to the project will start to apply the same approach to their own supply base and set up their own sustainability programs to address, amongst other topics, human rights issues. Various aspects of labor rights have been emphasized and addressed with gap analyses and action plans to improve the situation.



## Barrier 4

### Embedding in the business

One of the most significant challenges companies face – even the most experienced companies – is how to embed the human rights lens across and throughout all aspects of the business. In the words of a company representative: “It is considerably easier to come up with policies, than it is to have them materialize into processes and practices in the field.”

In many companies, internal responsibility for human rights may be assigned to a particular function or department. And yet, those responsible for managing human rights are rarely responsible for the full range of business activities that can lead to negative human rights impacts – which may involve any function, department or business unit within the company. Companies can neither effectively identify, nor effectively manage, their actual or potential human rights impacts without each business function or department playing an appropriate role. “Of course, as a corporate person, I cannot understand each subsidiary’s business... So in reality, respecting human rights needs to be done by every function and business unit.”

## Solution 1

### Connect with the business

The advice from many human rights champions within companies reads as follows: to be effective, you have to understand the ‘business of the business’. In order to help translate policy into practice, internal champions need to understand the full range of business activities a company undertakes, the types of business relationships a company has and the geographies where business activities occur.

They also have to understand where and how key decisions get made within the company, the incentives that drive business behaviors at the corporate and individual levels, and the key moments of leverage where injecting a human rights perspective can have maximum impact. While this is often not practical for individual human rights champions, there are numerous ways companies are connecting with the business to raise awareness of human rights issues.

Vale’s strategy for raising internal awareness around human rights is to deliver tailored workshops for specific high-profile projects, during which the project teams work with Vale’s human rights tools through applied, guided practice. However, the workshops begin with a series of broad discussion questions: What are we talking about when we say “human rights”? What is the connection between human rights and your daily operations? How might we as a company infringe on human rights? How might we prevent or mitigate those impacts?

Similarly, ABB’s approach to human rights focuses on raising internal awareness among managers. The workshops address the broad questions of: What are human rights? Where are they relevant within the company? Where is the company doing well, and where are there potential weaknesses? How do human rights relate to our supply chain, and to our neighboring communities? What are the changing global stakeholder expectations for business on human rights?

Total created a series of human rights videos for internal education and training purposes, identifying the types of human rights impacts that might be relevant for different parts of the business, and featuring good practices and lessons learned from Total’s operations in the field.

At Coca-Cola, the human rights function is housed in Human Resources in the Global Workplace Rights program. Global Workplace Rights works globally with the Enterprise Risk Management team to identify, prevent and remediate human rights impacts if they occur. Several Global Workplace Rights team members are located regionally and work cross functionally, e.g., legal, procurement, and technical, to identify and address human rights impacts.

As part of its Human Rights Due Diligence Program, in 2011 Nestlé launched human rights training modules which were informed by the results of human rights impact assessments and audits (against Nestlé facilities, and tier-1 and upstream suppliers) to make them more relevant to the business reality in which the company operates. So far more than 40,000 employees have been trained on human rights in high-risk country operations. In addition, dedicated, face-to-face training is provided to relevant departments at the headquarters.



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## Solution 2

### Build on existing approaches

When companies first begin to address their responsibility to respect human rights, they are rarely, if ever, starting from scratch. Companies may have human resources policies in place that address specific types of impacts on their own employees; some form of a supplier code of conduct that sets expectations and provides a framework for impacts within the supply chain; and/or some set of stakeholder engagement and complaints processes in place for managing relationships with neighboring communities.

In seeking to transform human rights policy into human rights practice, one of the most effective strategies is to build on existing approaches, for example compliance, training, or social and environmental management systems. An important first step in this process is often mapping the existing internal landscape of policies and practices to manage various human rights risks. These existing pieces can then be strengthened, and gaps can be filled. Building on existing approaches involves integrating the human rights lens into corporate policies and practices that already have the buy-in of different parts of the business. According to one business leader, “It is incredibly powerful to be able to point to all that the company is already doing to respect human rights, to have a more positive conversation, and then to look to identify and fill the remaining gaps.”

ABB already had a substantial sustainability infrastructure in place internally within the company, with country-based sustainability officers designated for its operations. Rather than creating a new infrastructure for human rights, ABB’s human rights leaders are seeking to leverage this existing network, and equip them with the human rights expertise necessary to support business operations.

ArcelorMittal’s human rights policy forms part of the group’s compliance program and as such is part of the mandatory training for all employees in the group. In order to reach over 200,000 employees, existing management systems were leveraged where possible. This included the compliance system and compliance officers, who became responsible for ensuring training was completed, and working closely with the Human Resources department, which could provide this training as part of existing programs.

In the mining industry, social and environmental impact assessment has long been part of the basic expectations of mining projects and operations. Rather than creating a new additional human rights assessment tool, both Anglo American and Vale integrated a human rights lens into their existing assessment protocols. Anglo American developed their Socio-Economic Assessment Toolbox (SEAT), to which the company added limited additional areas of inquiry to also assess potential human rights risks. For its ongoing mining operations, Vale identified priority human rights impacts that its operations could potentially face, and is now integrating these social and human rights issues into the company’s existing systems for managing a broad range of commercial and social risks in its ongoing mining operations.



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### Solution 3

## Share responsibility across the organization

Transforming human rights policy into practice requires each business function to take up its part of what must be a shared responsibility for human rights. To do so, business functions may need support in understanding the relevance of human rights to their specific business activities and in identifying effective steps to manage these issues. To address human rights holistically, one of the key approaches is to create opportunities for cross-functional conversations internally.

Several companies engage the business functions through their internal governance model for managing human rights within the company. Both Nestlé and Total structure their internal responsibility for human rights as a cross-functional working group, which helps to convey the message to everyone in the business that human rights is a shared responsibility. In both cases, each business department identifies annual priorities for taking forward implementation of the UNGPs and is held accountable for progress against those priorities through the cross-functional working group structure.

For a mining company like Vale, social and environmental impact assessments are a key tool for assessing potential risks to stakeholders. After first integrating human rights into these risk assessment tools, Vale is progressively making these assessments mandatory at key moments in a project life-cycle, when internal leverage is highest: at the project approval and project transition stages.

Hitachi's approach to human rights due diligence is to roll out its guidance to each Hitachi business. Rather than conducting corporate-wide due diligence, each business is expected to conduct its own under the policy and with the support of the head office. Going forward, the Global CSR team, supported by external experts, will train individual businesses in the methodology for due diligence, recognizing that each business unit will be best-equipped to identify potential human rights impacts because they understand and know the business.

Holcim requires Group companies to report annually on progress against several key internal policy directives, which correspond to some of the companies' most significant human rights risks and impacts: contractor safety, contract labor, and responsible sourcing within the supply chain.

The human rights leaders at ABB have been systematically working to embed a human rights lens across key functions within the business, including: integrating environmental and social 'risks to stakeholders' in the risk analysis for major projects conducted by the Project Risk Review team; working with Sourcing to embed human rights in the Supplier Code of Conduct and site audits; and embedding a sustainability work stream, including human rights, in the due diligence performed by the Mergers and Acquisitions team. Similar to ABB, both Nestlé and Total are now targeting their Mergers and Acquisitions function to embed a human rights lens into the due diligence process.<sup>14</sup>



## Barrier 5

### Dealing with uncertainty in a new paradigm

As companies work through implementation of the UNGPs, there are often as many questions as answers, and some of the specific requirements set forth in the UNGPs are not yet well understood. For example, companies with risks of significant impacts are expected to report publicly on their human rights performance, and all companies are expected to use their leverage to prevent negative impacts with which their operations might be directly linked through their supply chains. However, there are as yet no agreed-upon standards as to what 'good' human rights reporting in line with the UNGPs looks like, and the application of leverage in different circumstances and industries to achieve improved human rights outcomes is not yet widely understood.

On the ground, companies often encounter difficult dilemmas without clear or easy solutions. Governments, experts and stakeholders often disagree on the correct course of action, leaving companies exposed to some level of criticism whatever their response. This is exacerbated by a political landscape where standards and expectations are evolving, raising concern that demands placed on business could change course.

Companies are increasingly aware that allegations of human rights impacts can and will occur, and need to be armed with the tools and language to respond to them appropriately. According to one company leader: "What's the benchmark? What are the standards and documents we need to be concerned with? And how do we know whether we've done enough?" While the UNGPs now help answer these questions by setting the baseline expectation of all companies, further work is clearly needed to explore their application in concrete situations.

### A treaty on business and human rights?

In the summer of 2014, the UN Human Rights Council passed a resolution to explore and begin negotiations on a binding international treaty on business and human rights. The vote was divisive, with several governments abstaining and other objecting to the treaty approach, and has raised concerns that these negotiations will distract from efforts to implement the UNGPs.

However, accompanying the divisive resolution on the proposed treaty process was a consensus resolution reaffirming global support for the UNGPs. The sentiment amongst companies taking action on human rights is that improving business practice, following the steer of the UNGPs, will provide a solid foundation for any evolution in international regulation.<sup>15</sup>



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## Solution 1

### Engage a critical friend

Based on the experience of leading companies, the most effective strategy for managing – and preparing for – this uncertainty, is to engage ‘critical friends’ in the process of identifying potential human rights risks and the strategies a company may use to address them. ‘Critical friends’ could include civil society organizations, trade unions, international organizations, and experts, each of whom can help the company to identify credible approaches, challenge the company’s thinking and analysis, better understand the expectations stakeholders have of the company, and better explain the limitations faced by the company.

In 2012, Unilever accepted a request from Oxfam to conduct research within its operations and supply chain in Vietnam to learn what the implications of the UN Protect, Respect and Remedy Framework and Guiding Principles might be and how a global business could further improve the labor standards of its employees and workers. When Oxfam’s report was released, it included a response from Unilever to the findings and recommendations, including the steps Unilever committed to take. Later, when the company sought to overhaul its Supplier Code, it called upon key external stakeholders to help understand stakeholder perspectives on the standards and expectations a global company such as Unilever should set for entities within its supply chain.

Total engages ‘critical friends’ in a number of ways, as it seeks to manage its potential human rights impacts in a number of high-risk contexts. Each year, the French oil and gas major identifies

several of its subsidiaries to undergo independent extensive ethical assessments of their operations, including human rights issues. These assessments are led by Good Corporation, a U.K.-based firm specialized in assessing socially responsible businesses. It also engages partners at a country level, for instance to make sure the company was managing its human rights risks in Myanmar effectively, Total engaged the independent non-profit organization specialized in economic and social development CDA (Collaborative Development Action) to conduct an independent assessment of its operations’ impacts and make recommendations for how the company could reduce the risk of causing, contributing or being linked to negative human rights impacts, while maximizing the positive contributions from the company’s presence in the country.

RWE is in the process of establishing a standing Stakeholder Advisory Panel, in view of offering the company’s executive leadership continuing advice, insight, and suggestions for how it can better manage its corporate responsibility. The Panel will involve a diverse set of external stakeholders, representing various areas of expertise, and will meet on a regular basis with the CEO on issues raised by both the company and the panel. According to RWE, one of the primary values of the stakeholder panel (convening in late 2014) is to continue to expose RWE’s executive leadership to human rights issues and stakeholder expectations.



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## Solution 2

### Communicate progress and challenges

Many companies have found benefit in increasing their external transparency and communication around their efforts to manage human rights – and even in sharing their continuing challenges. Companies that have been through human rights ‘crises’ will invariably report the same experience: their companies came under much greater public fire for failing to acknowledge a human rights impact than they did for acknowledging both the existence of the impact and their inability to find effective solutions, on their own or with others.

Many companies are also increasingly sharing their human rights tools, approaches and methodologies, in an effort to share and improve practices across industries. For example, Nestlé released a public report on their experience, methodology and lessons learned from conducting Human Rights Impact Assessments across 8 country operations, in an effort to stimulate dialogue and seek feedback to strengthen their approach. Nestlé then organized stakeholder engagement sessions to see whether the company was ‘on track’<sup>16</sup>. Similarly, Novartis published its ‘living wage’ approach with stakeholders to trigger dialogue around the issue.

Vale bases its outputs on the GRI reporting framework, both for the benefit of external stakeholders and as a way to trigger additional internal, cross-functional dialogue, discussion and data-gathering.

Unilever has recently announced a collaboration with the Human Rights Reporting and Assurance Frameworks Initiative (RAFI). RAFI is conducting a global multi-stakeholder consultation process to produce a twin set of publicly available frameworks which will improve corporate human rights transparency. The first framework will provide guidance on corporate reporting of human rights performance, and the second on good assurance of such reporting. The first draft of the reporting framework will be available for comment and consultation in late 2014, and Unilever will work with Shift to conduct the first pilot of the framework in 2014-2015. The pilot will inform how Unilever reports on its efforts to implement respect for human rights, as well as informing further development of the reporting framework.<sup>17</sup>

Eni reports on performance indicators connected to human rights in its Annual Report and has a human rights section in its annual sustainability publication and on the company’s website. In the annual sustainability document, Eni reports on progress made against the previous year’s objectives.



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### Solution 3

## Collaborate to address gray areas

Where processes, definitions, and the rules of the game are unclear, businesses are increasingly coming together to bring clarity to gray areas.<sup>18</sup>

In many cases, businesses are collaborating to define the practical meaning of the UNGPs for specific sectors or industries. This has been particularly true for the financial sector, where a broad range of complex financial interactions influence the limits of a bank's responsibility and leverage when it comes to the relationships with their clients. For example, the 'Thun Group' of banks (consisting of Barclays, Credit Suisse, UBS, and UniCredit) has been working with the University of Zurich Competence Centre for Human Rights, and the Swiss Centre for Expertise in human rights to produce a statement<sup>19</sup> and discussion paper<sup>20</sup> aimed at supporting banks in mapping and analyzing their human rights impacts. For its part, the UNEP Finance Initiative, with input from additional companies, has developed a Human Rights Guidance Tool for the Financial Sector<sup>21</sup>, and is now working on a report exploring the sector's human rights responsibilities.<sup>22</sup>

JPMorgan Chase joined the project advisory committee to the OECD Working Party on Responsible Business Conduct in order to develop a report on what the OECD Guidelines for Multinational Enterprises means for the day-to-day practice of the finance community.<sup>23</sup> By contributing insights and case studies based on their own experience in tackling human rights issues, the company hopes to raise awareness of the unique circumstances faced within the financial services.

Michelin's involvement in the OECD National Contact Point (NCP) process also provided them with an opportunity to create greater clarity on questions related to due diligence and leverage. By sharing the steps they have taken in the past and plan to take in the future – and receiving feedback from stakeholders and the NCP – Michelin created the space for dialogue about how much effort by a company is 'enough' in this particular context.

Fast moving consumer goods manufacturers, including Nestlé and Unilever, have come together through AIM-PROGRESS to build their capacity to conduct human rights due diligence within their supply chains, with the objective of ensuring implementation of the UNGPs. As a first product, the group has developed a Human Rights Self-Assessment Questionnaire, which can be used to assess member companies' own operations, to prepare audit questions, and to begin the journey with their supply partners. They have released this tool as an open-source document which can now be used by other initiatives.<sup>24</sup>

The WBCSD's Global Network partners are providing local forums for collaboration between companies. BCSD Argentina has conducted three in-depth workshops bringing together their member companies with civil society representatives in 2013 and 2014 to deepen knowledge and share practical experiences of tackling human rights issues. The sessions have helped member companies to identify and create strategies within their organizations to face sensitive human rights situations. econsense, the WBCSD's partner in Germany, has also been facilitating dialogues with member companies and international NGOs, focusing on human rights in the supply chain. In June 2014 econsense, in cooperation with GIZ and China WTO Tribune, organized the first international workshop on sustainable supply chains in Beijing, China.<sup>25</sup>

# The road ahead



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For the WBCSD, this issue brief serves as a springboard for scaling up company action on human rights within the Action2020 platform. The insights gained from leading companies provide an understanding of business progress on the implementation of the UNGPs; highlight business-driven solutions to accelerate adoption; and serve as a basis for injecting a clear joint business voice into the ongoing debate on processes, governance, and regulation.

As highlighted by the UNGPs and across this issue brief, dialogue and collaboration across industry and societal sectors will continue to be an essential foundation for sustainable action. We look forward to continuing to provide WBCSD member companies and partners with a platform for catalyzing further action, gaining greater insights, and articulating a progressive business voice in view of creating the conditions where more sustainable companies will succeed and be recognized.



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While some of these examples are success stories, the majority are ongoing efforts. We will continue to learn, through the sharing of both good practices and difficulties faced by companies, how they can put the UNGPs into practice and – more importantly – the actions they can take to prevent, mitigate and address human rights impacts most effectively.



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## Endnotes



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1. According to Guiding Principle 12 of the UNGPs, the responsibility to respect human rights refers to internationally recognized human rights – understood, as a minimum, as those expressed in the International Bill of Human Rights, and the principles concerning fundamental rights set out in the International Labor Organization’s Declaration on Fundamental Principles and Rights at Work.
2. <http://www.wbcsd.org/vision2050.aspx>
3. <http://action2020.org/>
4. The UN Office of the High Commissioner for Human Rights (OHCHR) provides a comprehensive list of background documents, tools and guidance for business: [https://www.unglobalcompact.org/Issues/human\\_rights/Tools\\_and\\_Guidance\\_Materials.html](https://www.unglobalcompact.org/Issues/human_rights/Tools_and_Guidance_Materials.html)
5. The UN Guiding Principles for Business and Human Rights are also reflected in the OECD Guidelines for Multinational Corporations, the ISO26000 Social Responsibility Standard, the IFC Performance Standards, and the European Commission’s 2011 Communication on CSR, including its request that member states develop National Action Plans on the UNGPs. At the national level for example, the UK Government has developed a National Action Plan and has implemented changes to the UK Companies Act to require reporting on human rights in certain circumstances.
6. Read the full press release from the Council of the European Union, dated 29 September 2014: [http://www.consilium.europa.eu/uedocs/cms\\_data/docs/pressdata/en/intm/144945.pdf](http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/intm/144945.pdf)
7. See “Costs of Company-Community Conflict in the Extractive Sector”, by Rachel Davis & Daniel Franks; Harvard Kennedy School; Shift; Univ. of Queensland (Australia), Published on: May 12, 2014. [http://shiftproject.org/sites/default/files/Costs%20of%20Conflict\\_Davis%20&%20Franks.pdf](http://shiftproject.org/sites/default/files/Costs%20of%20Conflict_Davis%20&%20Franks.pdf)
8. See “From Audit to Innovation: Advancing Human Rights in Global Supply Chains” by Shift, for a discussion and examples of the practices of leading companies in incentivizing better social performance in their supply chains. <http://www.shiftproject.org/publication/audit-innovation-advancing-human-rights-global-supply-chains>
9. [http://www.econsense.de/sites/all/files/Respecting\\_Human\\_Rights.pdf](http://www.econsense.de/sites/all/files/Respecting_Human_Rights.pdf)
10. See Nicaragua Business and Human Rights country guide here: <http://hrbcountryguide.org/countries/nicaragua/> and the full set of country guides here: <http://www.bghr.org/>
11. [http://www.nestle.com/asset-library/documents/library/documents/corporate\\_social\\_responsibility/nestle-hria-white-paper.pdf](http://www.nestle.com/asset-library/documents/library/documents/corporate_social_responsibility/nestle-hria-white-paper.pdf)
12. <http://www.novartis.com/downloads/corporate-responsibility/responsible-business-practices/living-wage.pdf>
13. See “From Audit to Innovation: Advancing Human Rights in Global Supply Chains” by Shift, for a discussion and examples of the practices of leading companies in incentivizing better social performance in their supply chains. <http://www.shiftproject.org/publication/audit-innovation-advancing-human-rights-global-supply-chains>
14. For a broader discussion of considerations in how to most effectively organize the human rights function internally, see the UN Global Compact Good Practice Note: “Organizing the Human Rights Function Within the Company”, available at: [https://www.unglobalcompact.org/Issues/human\\_rights/Human\\_Rights\\_Working\\_Group.html](https://www.unglobalcompact.org/Issues/human_rights/Human_Rights_Working_Group.html)



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15. For recommendations and FAQ for companies on this topic, see this brief from the Global Business Initiative on Human Rights: <http://www.global-business-initiative.org/recommendations-and-faq-for-business-responding-to-the-prospect-of-an-international-treaty-on-bhr>
16. See “Nestlé Human Rights and Rural Development Roundtable London: Summary of Stakeholder Feedback”; <http://www.nestle.com/asset-library/documents/creating-shared-value/human-rights-compliance/nestle-human-rights-rural-development-stakeholder-summary.pdf>
17. Read more: <http://shiftproject.org/news/unilever-and-rafi-collaborate-advance-corporate-reporting-human-rights>
18. The UN Global Compact Human Rights and Business Dilemmas forum provides a space for companies to exchange challenges faced in specific human rights issues: <http://hrbdf.org>
19. <http://business-humanrights.org/sites/default/files/media/documents/thun-group-of-banks-statement-guiding-principles-19-oct-2011.pdf>
20. <https://www.credit-suisse.com/media/cc/docs/responsibility/thun-group-discussion-paper.pdf>
21. <http://www.unepfi.org/humanrightstoolkit/credits.php>
22. <http://www.unepfi.org/work-streams/social-issues/>
23. [http://mneguidelines.oecd.org/globalforumonresponsiblebusinessconduct/2013\\_WS1\\_1.pdf](http://mneguidelines.oecd.org/globalforumonresponsiblebusinessconduct/2013_WS1_1.pdf)
24. More information: <http://www.aim-progress.com/page.php?pmenu=2&id=85>
25. <http://www.econsense.de/en/events/international-workshop-responsible-sustainable-and-successful-supply-chains>

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Respondents to the WBCSD survey “Knowing and showing respect for human rights” (launched on May 22, 2014)



Barrier 1



Barrier 2



Barrier 3



Barrier 4



Barrier 5

- |  |  |  |
|--|--|--|
| 1. ABB                                 | 34. Holcim                                   | 67. Sompo Japan Insurance              |
| 2. Abril Mídia                         | 35. Honda Motor Co., Ltd.                    | 68. Statkraft AS                       |
| 3. ACCIONA                             | 36. Italcementi Group                        | 69. Statoil                            |
| 4. Aditya Birla Group                  | 37. ITC Limited                              | 70. StoraEnso                          |
| 5. Akzo Nobel N.V.                     | 38. JPMorgan Chase                           | 71. Sumitomo Rubber Industries, Ltd.   |
| 6. Anglo American                      | 39. Lafarge                                  | 72. Syngenta                           |
| 7. APRIL                               | 40. Masisa                                   | 73. Taiheiyo Cement Corp.              |
| 8. ArcelorMittal                       | 41. Metsä Group                              | 74. The Coca-Cola Company              |
| 9. Asahi Glass Company                 | 42. Michelin                                 | 75. The Goodyear Tire & Rubber Company |
| 10. Bank of America                    | 43. Mitsubishi Chemical Holdings Corporation | 76. The Yokohama Rubber Company        |
| 11. BMW AG                             | 44. Mitsubishi Corporation                   | 77. TNT Express                        |
| 12. Bridgestone                        | 45. Monsanto Company                         | 78. Unilever                           |
| 13. CEMEX                              | 46. Nestlé                                   | 79. UPS                                |
| 14. Cimentos Liz                       | 47. Nissan Motor Co., Ltd.                   | 80. Vale                               |
| 15. Deutsche Bahn                      | 48. Novartis                                 | 81. Veolia                             |
| 16. DuPont                             | 49. PepsiCo                                  | 82. Vodafone Group                     |
| 17. E.ON SE                            | 50. Petrobras                                | 83. Volkswagen AG                      |
| 18. Eastman Chemical Company           | 51. Pirelli & C. S.p.A.                      | 84. Votorantim Cimentos                |
| 19. EDF Group                          | 52. Public Power Corporation (PPC)           | 85. Weyerhaeuser                       |
| 20. EDP - Energias de Portugal, SA     | 53. PricewaterhouseCoopers                   |  |
| 21. Empresas CMPC                      | 54. Reliance Industries Limited              |  |
| 22. Eni spa                            | 55. Roche Group                              |  |
| 23. Environmental Resources Management | 56. Royal DSM                                |  |
| 24. EPM                                | 57. RWE AG                                   |  |
| 25. Evonik Industries                  | 58. SABIC                                    |  |
| 26. Ernst & Young                      | 59. Sasol                                    |  |
| 27. Fibria                             | 60. SC Johnson                               |  |
| 28. Firmenich                          | 61. SCA                                      |  |
| 29. Ford Motor Company                 | 62. Schneider Electric                       |  |
| 30. Fujitsu Limited                    | 63. SGS                                      |  |
| 31. Hankook Tire Co., Ltd.             | 64. Sika                                     |  |
| 32. Heineken                           | 65. Sime Darby                               |  |
| 33. Hitachi, Ltd.                      | 66. Solvay                                   |  |



Barrier 1



Barrier 2



Barrier 3



Barrier 4



Barrier 5

### About the World Business Council for Sustainable Development

The World Business Council for Sustainable Development is a CEO-led organization of forward thinking companies that galvanizes the global business community to create a sustainable future for business, society and the environment. Together with its members, the council applies its respected thought leadership and effective advocacy to generate constructive solutions and take shared action. Leveraging its strong relationships with stakeholders as the leading advocate for business, the council helps drive debate and policy change in favor of sustainable development solutions.

The WBCSD provides a forum for its 200 member companies – who represent all business sectors, all continents and a combined revenue of more than US\$7 trillion – to share best practices on sustainable development issues and to develop innovative tools that change the status quo. The Council also benefits from a network of 65 national and regional business councils and partner organizations, a majority of which are based in developing countries.

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### Disclaimer

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