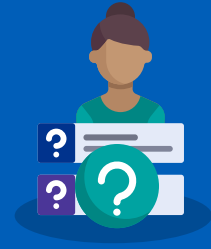


# Boardroom Questions

## Addressing human rights in business



### What are human rights issues for business?



#### Potentially, negative impacts on people caused by a corporation, its suppliers or associated parties which might include:

- use of forced labor or child labor
- underpayment of workers
- unsafe or unhealthy working conditions
- displacement of communities
- use of excessive force when protecting assets
- damage to people’s health, e.g. through pollution
- discrimination against employees, e.g. on the basis of race, gender or sexuality
- depletion or contamination of water sources
- infringing rights to data privacy

### What should companies look out for?



#### Non-compliance with regulations and standards

- Growing pressure from **international guidelines** and standards such as the UN Guiding Principles on Business and Human Rights (UNGPs)
- Increasing **litigation** over corporate human rights infringements
- Increasing human rights **legislation** (e.g. UK Modern Slavery Act, 2015)

#### Company purpose

- Failure to address human rights issues undermines company purpose, culture and values



#### Damage to reputation and relationships

- Scrutiny from **media and NGOs** leading to brand damage and possible loss of market share
- Stricter **customer** demands on human rights performance
- Poor performance can lead to loss of or difficulty in attracting **employees**

#### Loss of investors and increasing lender scrutiny

- **Possible loss of investors** due to a human rights scandal (pension funds increasingly active on the issue)
- **Banks** might implement stricter human rights lending conditions
- Some **stock market** indices demanding greater transparency

“ Observing the highest standards of human rights is integral... to the credibility, effectiveness and sustainability of business – now and in the future”

CEO, Global Insurance company

[www.ohchr.org/Documents/Issues/Business/ForumSession5/Statements/MarkWilson.pdf](http://www.ohchr.org/Documents/Issues/Business/ForumSession5/Statements/MarkWilson.pdf) Retrieved 21 February 2017

“ Business can only flourish in societies in which human rights are respected, upheld and advanced”

CEO, Global Consumer Markets company

Enhancing livelihoods, Advancing Human Rights: Human Rights Report 2015







## Boardroom Questions



- 1 Do we fully understand the human rights impacts of our company **now**, and in the **future**?
- 2 Is our **brand** at risk of being targeted in a future media or NGO human rights campaign?
- 3 Who in our company is **accountable** for human rights issues?
- 4 Are we **compliant** with all national and international human rights regulations and guidelines?
- 5 Do we have **adequate human rights policies**, due diligence processes and systems (including grievance and whistleblowing mechanisms) in place?
- 6 Are we confident that there are no unfair or unsafe working practices at our own **operations, or at our contractors, suppliers** or franchisees?
- 7 How does our **business growth strategy** take account of potential human rights risks? Are our **merger & acquisition or joint venture activities exposing us** to new human rights risks?
- 8 Do we have the appropriate **internal capability and expertise** to identify and address human rights issues?
- 9 What **opportunities** are there for our business to contribute to improving human rights and support the UN Sustainable Development Goals (SDGs)?

## What actions could the Board consider?



-  **Set the tone at the top** by appointing a Board member with responsibility for human rights
-  Ensure the Board, CEO and/or Chairperson are **clear in their commitment** to respect human rights
-  Set up a **cross-functional working group** including the sales, procurement, operations, legal, ethics, safety and human resources functions to implement the human rights policy
-  Build human **rights actions into annual business** unit plans and ensure accountability sits with heads of business units
-  Integrate human rights risks into the corporation's **risk management process**
-  Ensure there is a **clear line of reporting** to the Board on the most severe human rights risks and impacts so issues can be escalated rapidly

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