

The Business of Human Rights:

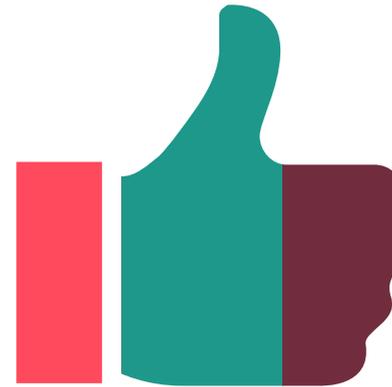
A guide for good corporate citizens.



NZ
Human
Rights.

"DO
WELL
BY
DOING
GOOD"

- Benjamin Franklin.



Respecting human rights makes good business sense.

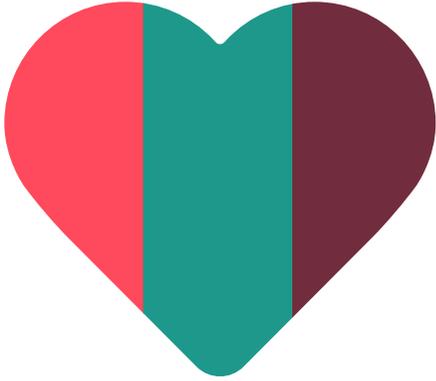
New Zealand businesses are increasingly recognising that respecting human rights is not only the right thing to do - it's also good for business.

Most companies ensure they look after their workers, customers and the communities they operate in by complying with relevant regulations. This is a great base to start from but the reality is that more needs to be done.

It's not just the human rights of New Zealanders that need to be taken into account by local business either. We need to consider the human rights of all people, in every country that a business impacts on.

So, how do you go about protecting human rights in your daily business operations?

This guide will give you a broad introduction to human rights, their relevance to business activities and provides a practical framework to get your company onboard.



What are human rights?

Human rights are the basic rights and freedoms which belong to all of us.

When we talk about human rights in this booklet, we're talking about promoting and protecting the values of respect, dignity and equality for every person - regardless of race, sex, religion, political opinion, national origins, employment status, disability, sexual orientation, gender identity, social status, age or any other characteristic.

The main focus of human rights is on the relationship between a nation's government and its citizens. The government is required to protect people's rights. Others, like businesses and local government, are responsible for respecting people's rights.

While many human rights are embedded into New Zealand laws, they're not always protected in day-to-day business activities - intentionally or unintentionally. Yet nearly all human rights are relevant to business. A company's operations can have both a positive and negative impact on many people, including employees, contract workers, customers, suppliers and the wider community.

“Human rights are basic standards aimed at securing dignity and equality for all. International human rights laws constitute the most universally accepted standards for such treatment, but there is an intuitive aspect to respecting human rights that goes beyond laws and conventions. Put simply, what feels wrong is in all likelihood wrong.”

Human Rights Translated -
A Business Reference Guide

Good to know.



Human rights were set out for the first time in 1948 by the United Nations in the Universal Declaration of Human Rights. The declaration inspired a range of international and regional human rights treaties which continue to be developed to this day.



Can you afford not to act?

The reality is that the cost of breaching human rights can hurt a business significantly - from a financial point of view or in its credibility and brand reputation. It can also directly affect key relationships and shake consumer confidence.

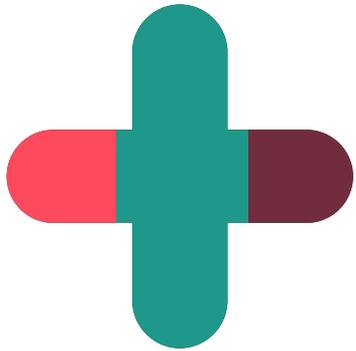
Saying you're respecting human rights is no longer enough. People need to see that you are. With the rise of social media, everyone's a reporter. So what may seem like an innocent or unintentional slip up can actually result in unwanted media headlines.

Also, the human rights commitments of other companies mean they will not do business with organisations unless they can see human rights are being respected in business operations.

This is not just a moral issue. How you address human rights will make a difference to how you are perceived, minimise your risk and ultimately, add value to your business.

“Corporations have a responsibility to respect human rights - they must not only ensure compliance with national laws, but also manage risks of human rights harms with a view to avoiding them.”

John Ruggie, Harvard University,
former UN Special Representative on
Business and Human Rights



Adding value by valuing human rights.

There's no doubt that embedding human rights into your core business practices can lead to significant economic and social advantages. Businesses like Coca-Cola and Unilever, who are actively respecting human rights, are already seeing benefits.

Manage risk better by:

- enhancing and safeguarding your reputation and brand image
- highlighting human and environmental risks before technical or investment decisions are made
- reducing costs associated with labour disputes, security issues and stakeholder damage control (eg. public campaigns and criticism)
- reducing the risk of costly litigation
- improving governance
- enhancing reporting to stock exchanges or non-financial performance
- preventing complaints to the New Zealand Human Rights Commission

Create new business opportunities by:

- increasing staff loyalty, improving recruitment possibilities and fostering greater productivity through a settled workplace
- gaining a strategic advantage with competitors in emerging and niche markets
- strengthening brand reputation and customer loyalty
- meeting the needs of the growing market of conscious consumers
- increasing access to government contracts
- strengthening your company's social licence to operate through stronger relationships with governments, business partners, NGOs, local communities, trade unions, sub-contractors and suppliers
- increasing access to finance by meeting the growing pool of socially responsible investors

This applies to big business only, right?

Not at all. There are lots of examples of smaller businesses that are actively promoting good human rights practices. This not only reinforces their right to operate but directly targets the growing market of conscious consumers. There are real opportunities for small businesses to add value and punch above their weight.



Introducing the Guiding Principles.

The business and human rights landscape has changed a lot over the last decade. And in June 2011, the United Nations Human Rights Council adopted the UN Guiding Principles on Business and Human Rights (the Guiding Principles).

These principles provide a global standard for addressing and preventing human rights breaches associated with business activity. Lots of businesses are using the Guiding Principles and we can now see real benefits for companies that embed human rights considerations into their core business practices.

“Companies in all regions and sectors are demonstrating that a commitment to human rights, decent workplace standards, environmental responsibility, and the fight against corruption pays off. Some firms have saved money; others have minimised risks; still others have discovered new opportunities linked to the concept of sustainability”.

Ban Ki-Moon,
United Nations Secretary-General

Good to know

The Guiding Principles have three pillars, known as the Protect, Respect and Remedy Framework which consists of:

- the State duty to protect human rights
- the corporate responsibility to respect human rights
- the need for greater access to appropriate and effective remedy for victims of business-related abuse.

You can find the entire Guiding Principles at <http://bit.ly/UNGPS>



Becoming a good corporate citizen



STEP ONE - Follow the Guiding Principles

The Guiding Principles outline a number of steps businesses should take to embed human rights into their daily operations and provide a framework for managing human rights risks.

Bear in mind that the Guiding Principles are just principles, not a toolkit that you literally take off the shelf ready to go. They're here to guide your thinking so you can tailor them for your business and industry type, helping to add value to your organisation.

The process will vary for each company, but should include the following areas:

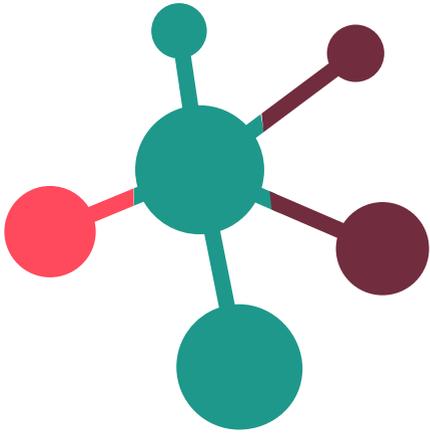
The Guiding Principles

1. Adopt, implement and integrate a human rights policy throughout your company's operations and supply chain. A guide to developing a human rights policy can be found at <http://bit.ly/HR-Policy-Guide>
2. Assess the human rights impacts of your company's operations, directly or indirectly, on all people connected to the company's business activities (eg. workers, business partners, indigenous people, suppliers, contractors, trade unions, local communities and customers). Make sure these are embedded in your Risk Management system.
3. Ensure compliance with all local laws and adopt codes of practice relevant to the human rights impacts of your business and supply chain.
4. Implement a credible and transparent system of monitoring and reporting on your human rights impacts and performance. Identify any gaps and set an action plan to resolve them.
5. Communicate externally about your company's impacts and the steps taken to reduce them.
6. Establish accessible and appropriate systems to address grievances to ensure any negative impacts your company may have caused or contributed to are remedied (eg. a confidential hotline /internal alternative dispute resolution process).



Want to see how companies are using the Guiding Principles?
Take a look at shiftproject.org

Becoming a good corporate citizen



STEP TWO - Use the Guiding Principles reporting framework

The Guiding Principles reporting framework provides a structure for managing human rights risks. We'd like all New Zealand businesses to use the framework to monitor, influence and improve their business practices, and those of their suppliers and business partners.

The exercise of answering the questions in the reporting framework will help strengthen your internal management systems.

We recommend asking the following questions extracted/adapted from the United Nations Guiding Principles Reporting Framework.

The Guiding Principles Reporting Framework

- What does your company say publicly about its commitment to respect human rights?
- How does your company demonstrate the importance it attaches to the implementation of its human rights commitments?
- What are the most important human rights associated with your business activities and business relationships?
- Does your company have any specific policies that address its most important human rights issues?
- What is your company's approach to engagement with stakeholders in relation to each most important human rights issue?
- How will your company integrate its findings into the most important human rights issues into its decision-making processes and actions?
- How will your company track and measure whether strategies are making an effective impact on the most important human rights issues?
- How will your company enable effective remedy if people are harmed by its actions or decisions in relation to the most important human rights issues? And who will be enabled?



Take a look at the entire
Reporting Framework at
<http://bit.ly/Reporting-Framework>

You'll be in good company.

In New Zealand we have some great examples of companies that have taken action in some, if not all, areas relevant to human rights.

For many global businesses their human rights programme commenced as a measure to protect reputation and was a part of the assurance process. But now we are seeing the rise of leaders that acknowledge the commercial reality. The conversation has moved on, this is about access to new markets, investors, new suppliers and new consumers. Embedding the human rights framework is definitely about reducing risk and adding value whilst accessing those new opportunities.

Adrian Orr CEO NZ Super Fund

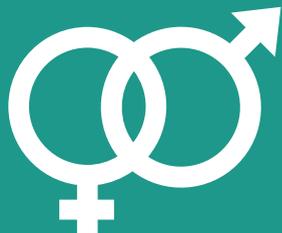
What's really important, and what we're encouraging everyone to do, is to demonstrate performance. There are a number of New Zealand businesses publishing sustainability reports which take a more holistic view on performance to include society and environment.

"It is not good enough to have a policy alone. It is action that is important; actively and continuously review your practices and those of your value chain, identify issues and remedy them, measure, monitor and report on progress – that way you can add the most value to your business."

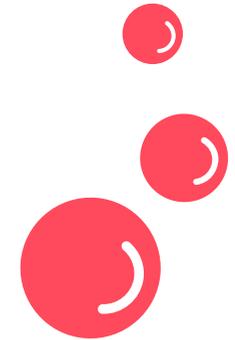
Brent Wilton Coca-Cola's director of global workplace rights



Take a look here
<http://bit.ly/Implementing-UNGPS>



A large number of businesses have also shown leadership on gender equality by committing to the Women's Empowerment Principles
www.weprinciples.org



Unilever leads the way.

In 2015 Unilever published the first Human Rights Report by a business:

"I approach this report with a mixture of conviction and humility.

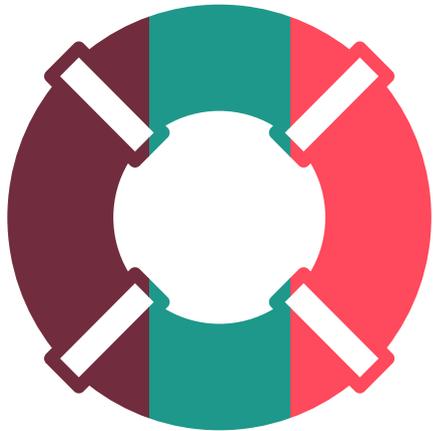
Conviction, because the need to act cannot be in doubt. Business can only flourish in societies in which human rights are respected, upheld and advanced. And yet, as incidents such as the tragedy at Rana Plaza in 2013 remind us, basic human rights for many of those employed in corporate value chains across the world cannot be taken for granted.

Safe working conditions, freedom of association, fair wages, protection from forced labour, and freedom from harassment and discrimination: these must become universal operating conditions.

Today they are not.

And humility, because the challenges we face as a business community are enormous. Let me be clear, we are fully committed to driving a sustainable business that is both commercially successful and socially and environmentally responsible but we are cognisant of the barriers. Today, the risk of systemic human rights abuses exists across our value chain and the value chains of other global businesses. This is a reality we must confront and work together to resolve."

Paul Polman, CEO of Unilever



Help is at hand

For more details on everything covered in this booklet visit
www.hrc.co.nz/business

For in-depth information on the UN Guiding Principles Reporting
Framework. www.ungreporting.org

To find out about more relevant business and human rights guidelines
www.humanrights.gov.au/employers, www.shiftproject.org

An example of a multinational's approach www.unilever.com

Helpful 'Good Practice, Good Business' fact sheets can be found at
www.humanrights.gov.au/employers

Want to know more about New Zealand working regulations?
www.mbie.govt.nz

Read up on how human rights are relevant in business through
examples and suggested practical actions in **Human Rights Translated**
- **A Business Reference Guide**



The Human Rights Commission was established in 1977 and works under the Human Rights Act 1993. The Commission's purpose is to promote and protect the human rights of all people in Aotearoa New Zealand. We work for a free, fair, safe and just New Zealand, where diversity is valued and human dignity and rights are respected.

The information in this booklet is only meant to give general guidance. It's not intended, or should be relied on, as a substitute for legal or other professional advice. If needed, we recommend that you get independent legal advice. The information contained in this booklet may be amended from time to time.

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