

CENTRO VINCULAR



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Human Rights, Sustainability Reporting and Responsible Business Conduct What does business need to know?

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Kumasi, Ghana
18 & 19 September, 2017

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Due Diligence for Responsible Business Conduct :

What does it mean and how does it work?

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1. WHAT IS DUE DILIGENCE?



Coherence in international instruments



ILO Tripartite declaration of principles concerning multinational enterprises and social policy



UN Guiding Principles on Business and Human Rights



UN Global Compact



OECD Guidelines for Multinational Enterprises



ISO26000 Social Responsibility



UN Agenda 2030 & Sustainable Development Goals

Enterprises can create or be involved with:

- **POSITIVE IMPACTS** on society and contribute to sustainable development, for example through job creation, human capital development, raising investment and fostering innovation.
- **ADVERSE IMPACTS** related to human rights, workers conditions, the environment, bribery, disclosure and consumers through their own activities or their business relationships.

Enterprises should maximise positive impacts and avoid adverse impacts.

For this purpose, they are expected to carry out due diligence.

The process through which enterprises can identify, prevent, mitigate and account for how they address their actual and potential adverse impacts

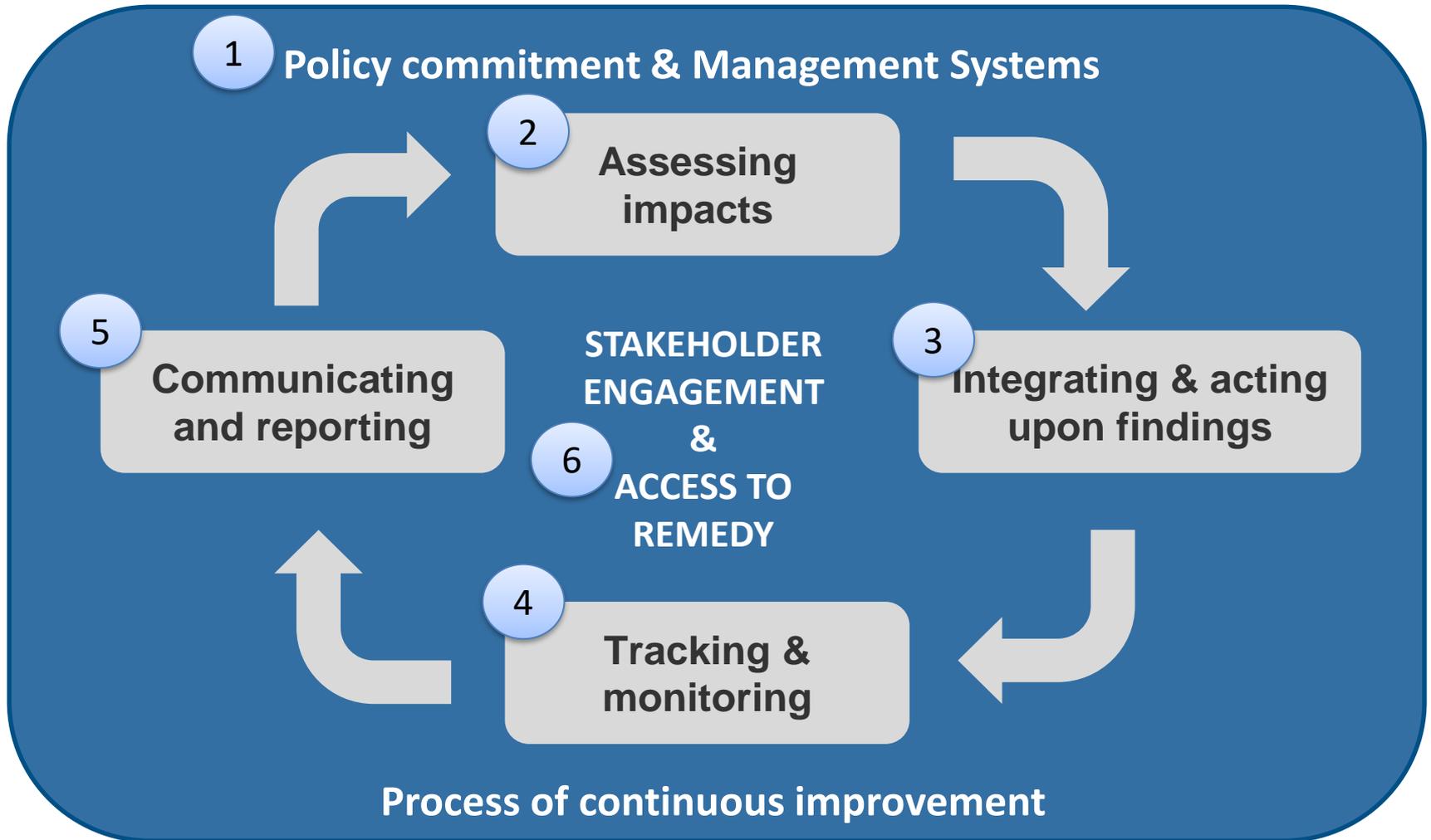
- The focus is NOT only on the risks to the enterprise, but also risks to the environment, to workers, to consumers, to people and their human rights and of unethical conduct

Scope of due diligence

Enterprises can be involved with adverse RBC impacts in three ways and their responsibility to address such impacts where they are involved depends on its level of involvement:

- 1) Causing** adverse impacts through their own activities
- 2) Contributing to** adverse impacts through their own activities
- 3) Impacts **directly linked** to operations, products or services by a business relationship

Due diligence process



public commitment from owner/top management on responsible business conduct and show that you expect the same from those you do business with.

Embed, or integrate this commitment in relevant internal systems so that it gets translated into practice and into the organizational culture.

How can I do this?

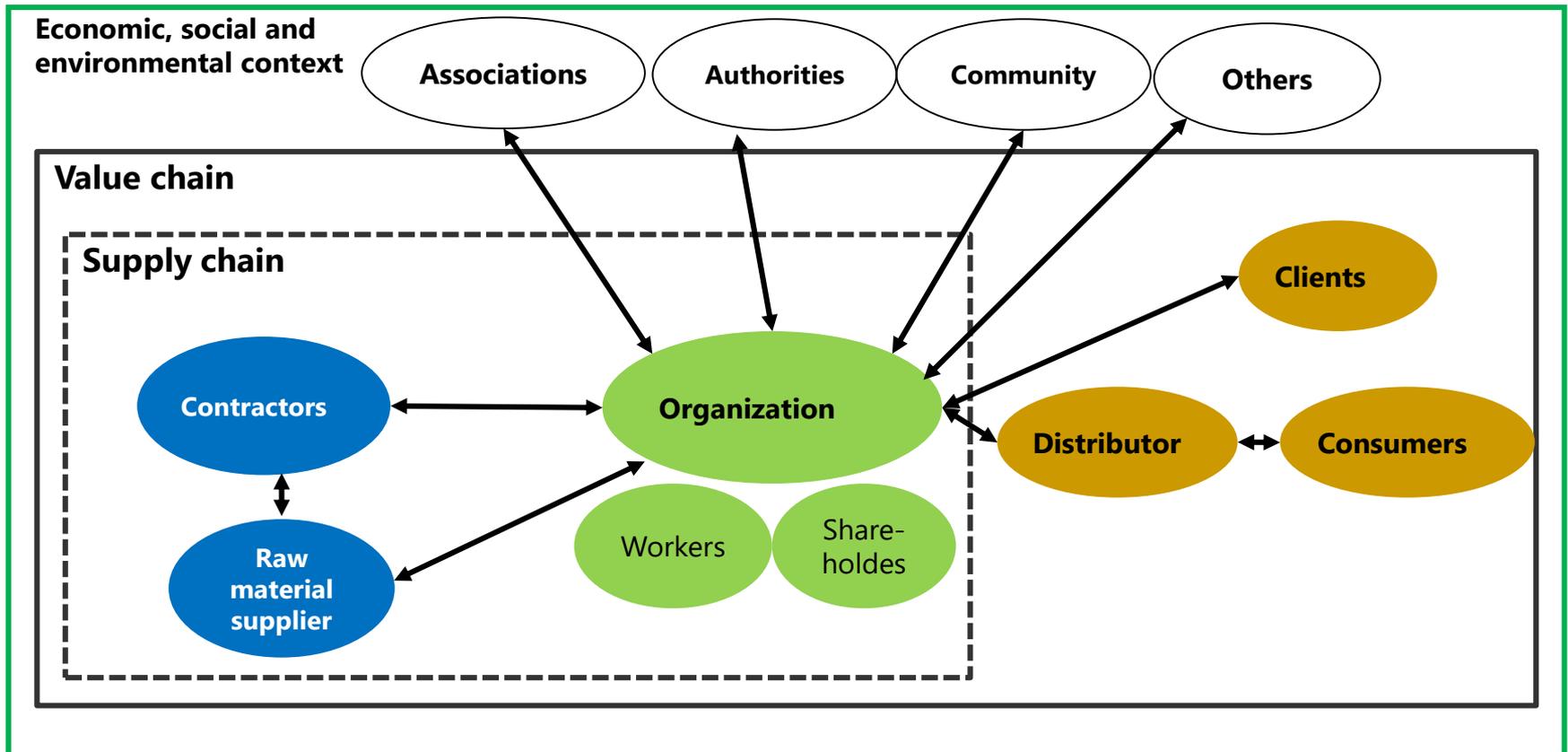
- ✓ A standalone statement or part of your business vision, value statement or sustainability policy
- ✓ Include reference to the commitment in codes of conduct for employees and suppliers, sales terms, quality policy etc
- ✓ Ensure coherence between the commitment and other policies and procedures
- ✓ Make sure all stakeholders are aware of and understand their role in the commitment
- ✓ Communicate the commitment through your website

Identify those risks that are directly related with the operation and the products and services of the company, and those indirect risks from business relationships along the value chain.

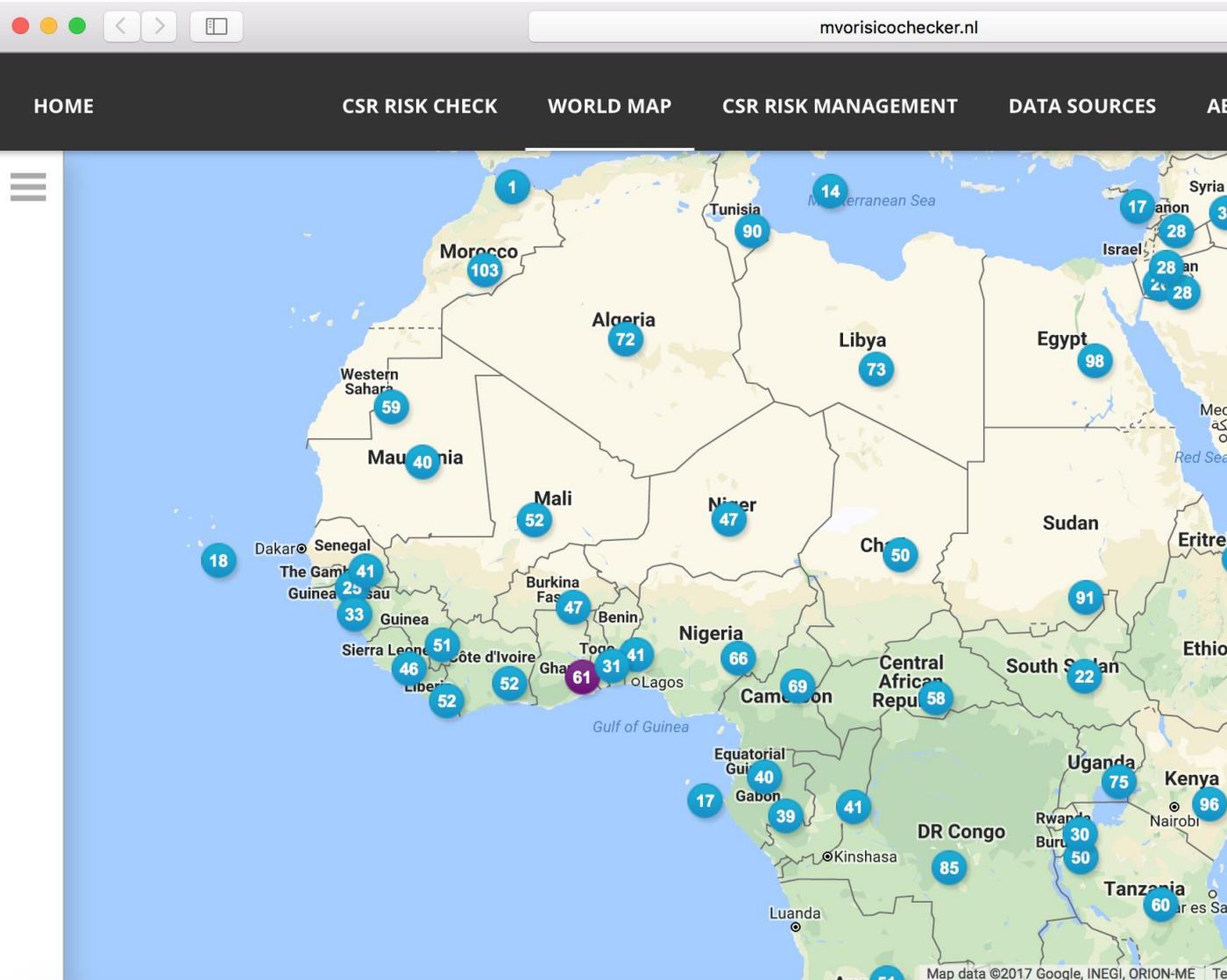
How can I do this?

- ✓ Understand the context in which your business operates (country and industry)
- ✓ Evaluate impacts through existing systems such as risk management system, health & safety system, environmental impact assessments, certifications (eg. ISO)
- ✓ Analyse complaints received from different stakeholders (through formal complaints mechanisms if they exist)
- ✓ Engage with key stakeholders (especially the most vulnerable) to hear their perspectives on governance, social and environmental issues
- ✓ Benchmark against other companies in the industry
- ✓ Analyse information from experts and leaders of opinion

NOTE: impacts and risks should not be analysed tier by tier across the supply chain, but rather impact by impact, according to severity



Impacts and risks in Ghana



Ghana: 61 risks

Environment (28)

- + Soil & (ground)water contamination (17 risks)
- + Biodiversity & deforestation (4 risks)
- + Climate & energy (2 risks)
- + Environment & waste (general) (2 risks)
- + Water use & water availability (2 risks)
- + Air pollution (1 risk)

Labour rights (24)

- + Child labour (7 risks)
- + Discrimination & gender (3 risks)
- + Freedom of association (3 risks)
- + Labour conditions (contracts, working hours) (3 risks)
- + Labour exploitation & human trafficking (3 risks)
- + Wage & remuneration (3 risks)
- + Health & safety at work (2 risks)

Human rights & ethics (6)

- + Government influence (5 risks)
- + Land use & property rights (1 risk)

Fair business practices (4)

- + Corruption (3 risks)
- + Taxation (1 risk)

Impacts and risks in Ghana

Option 1:

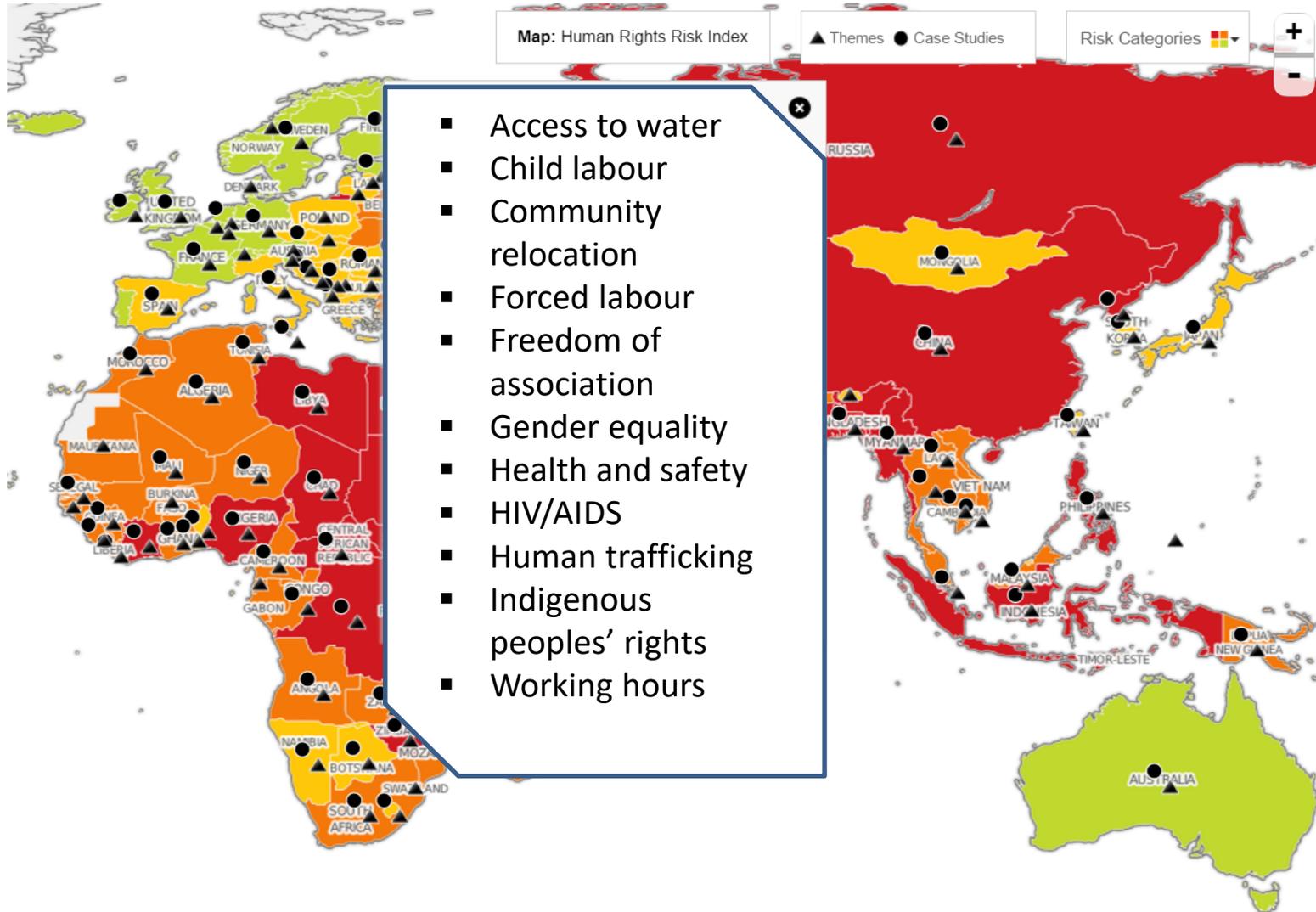
Populate map by themes/case studies

SHOW ALL

- Access to water
- Child labour
- Community relocation
- Conflict minerals
- Corruption
- Cumulative impacts
- Doing business in conflict-affected countries
- Ethnic minorities
- Forced labour
- Freedom of association
- Freedom of religion
- Freedom of speech
- Gender equality
- Health and safety
- HIV/AIDS
- Housing
- Human trafficking
- Indigenous peoples' rights
- Living wage
- Migrant workers
- Privacy
- Product misuse
- Security forces
- Stabilisation clauses
- Working hours
- Working with SOEs

Option 2:

Show themes/case studies by country



Exercise: Let's do a "mini" due diligence

Environment:

1. Soil and ground water contamination
2. Biodiversity & deforestation
3. Water & water availability
4. Others...

Labour rights:

1. Child labour & trafficking
2. Discrimination and gender
3. Freedom of association
4. Health & safety
5. Labour conditions
6. Others...

Human rights & ethics:

1. Land use & property rights
2. Indigenous peoples rights
3. Others...

Fair business practices

1. Corruption
2. Others...

Take action to deal with the impacts and risks identified:

- Concrete actions if the impact is the result of your company's activities
- Use leverage if the impact arises from activities of a supplier or other business partner

How can I do this?

- ✓ Assign responsibilities within the company to address the risks
- ✓ Include RBC in performance evaluations and incentives
- ✓ Include RBC criteria in sales terms, procurement and contracting practices and clauses in agreements
- ✓ Use leverage where needed
- ✓ Share experience and good practice with business relations if the impact is indirect

To ensure good management of your responses to potential and actual negative impacts, you need to track and record how you deal with them.

How did you prevent a potential negative impact and did you succeed? And did you correct the situation for affected persons if negative impacts actually occurred?

How can I do this?

- ✓ Try and base your tracking on tools and indicators that you already use, eg: health and safety assessments, staff performance reviews or surveys
- ✓ If you need to develop new indicators, try and integrate them into existing management systems
- ✓ Evaluate outcomes from your complaints mechanism, and make improvements if necessary
- ✓ Involve affected stakeholders in tracking efforts, to provide feedback on management effectiveness of the impacts

Showing what you do to minimize and adequately manage negative impacts

How can I do this?

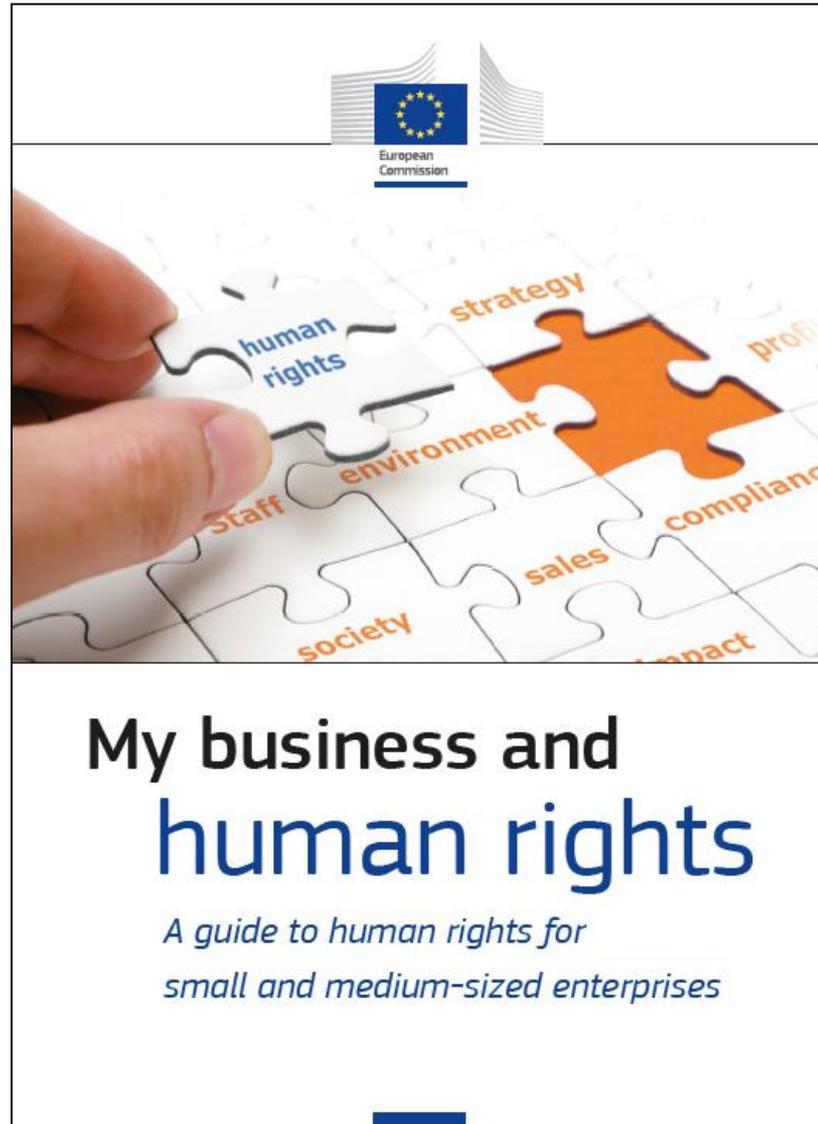
- ✓ Communicate actions to the potentially or actually affected individual/group (face to face meetings are always recommended)
- ✓ Use existing communication mechanisms to report on management of impacts, eg. Meetings with union representatives, staff meetings, supplier meetings etc.
- ✓ Report actions on your website (brief updates)
- ✓ Report actions in your annual report or your sustainability report

Enable remedy for those affected if you are directly involved in a negative impact. Remedy can involve apologizing, financial or non-financial compensation agreed to between the parties involved

It is important to understand what those affected would view as effective remedy, in addition to your enterprise's own view.

How can I do this?

- ✓ Be open: talking to affected individuals/groups might help resolve the complaint early and directly
- ✓ Put in place a complaints mechanism, or become part of an existing, external mechanism (eg. A mechanism managed by an industry association)
- ✓ Collective bargaining and constructive relations with worker representatives offers a good base for effective remedy



Questions to consider in everyday business situations

Some human rights considerations in your own activities

1. When you recruit employees...
 - Do you consider only competences and experiences when assessing who to hire?
 - Do you ask only for information that is relevant for the job to be fulfilled?
 - Do you make reasonable accommodations to allow employees with disabilities to have job opportunities with your business?
2. Once you have recruited employees and they are working for you...
 - Do you encourage a work environment in which people respect each other?
 - Do you have measures in place to avoid and combat discrimination in the workplace?
 - Do you take measures to protect employees from incidents of bullying, sexual harassment and other kinds of harassment?

Human rights considerations in your own activities

3. If you advertise products...
 - Do you avoid reinforcing prejudices and stigmatising people or groups in your advertisements?
 - Do you make sure that you do not promote the sexualisation of children in advertising?

4. If you sell products directly to consumers...
 - Are your employees trained in non-discrimination of customers and are they, for example, informed of risks related to discriminatory or derogatory expressions?

5. If your employees work with harmful substances...
 - Do you ensure that your employees have instructions and receive training on how to handle the substances
 - and what to do if accidents occur?
 - Do you ensure employee access to first aid equipment?

Some human rights considerations in business relationships

12. If you place orders to your suppliers with very tight deadlines...

- Do your suppliers know that you expect them to respect human rights, for example by making reference to possible risks in your contracts or supplier agreements?
- Do you plan your sales and your orders to avoid, to the extent possible, very tight deadlines with suppliers?

13. If you buy products from low cost countries or sectors that you suspect use child labour...

- Do you make clear to your suppliers that you expect them to respect human rights, including to avoid child labour?
- Have you sought expert advice, for example from an NGO, about products or countries that may have particular risks in terms of child labour?

Conclusions

- There are material risks in every sector
- There are considerations for dialogue in every sector
- There are major differences between and within sectors
- There is a lack of information for a number of specific risks
- Cross-sectoral risks play a crucial role in social appreciation

Resources to help

1. My business & human rights: a guide to human rights for SMEs

<https://business-humanrights.org/sites/default/files/documents/SME-BHR-guide-EU.pdf>

2. Risk Checker (Holland)

<http://www.mvorisicochecker.nl/en/world-map>

3. Human rights & Business Dilemmas forum

<http://human-rights.unglobalcompact.org/>

4. Business & human rights resource centre

<https://business-humanrights.org>

OECD: Guidelines on Responsible Business Conduct

Extractive sector



This guidance for practitioners in the mining, oil and gas industries addresses the challenges raised when engaging with stakeholders.

[» More](#)

Mineral supply chains



This due diligence guidance helps companies respect human rights and avoid contributing to conflict through their mineral purchasing decisions.

[» More](#)

Agricultural supply chains



This OECD/UN FAO guidance helps enterprises observe standards of responsible business conduct in the agricultural supply chain.

[» More](#)

Garment supply chains



This guidance helps brands and retailers observe standards of responsible business conduct in garment and footwear supply chains.

[» More](#)

Financial sector



Promoting responsible business conduct in the financial sector is vital to building a sustainable global economy.

[» More](#)

More topics



- [» Child labour in mineral supply chains](#)
- [» Artisanal and small-scale gold mining](#)
- [» Sport and corruption](#)
- [» Criminal exploitation of resources](#)

<http://mneguidelines.oecd.org/sectors/>

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Beverages

Sustainability leaders 2017



RobecoSAM Gold Class

Coca-Cola HBC AG

Switzerland



RobecoSAM Silver Class

Coca-Cola European Partners PLC

United Kingdom

Molson Coors Brewing Co

United States



RobecoSAM Bronze Class

Thai Beverage PCL*

Thailand

Heineken NV

Netherlands

Diageo PLC

United Kingdom

* RobecoSAM Industry Mover

Pharmaceuticals



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●	RobecoSAM Gold Class	
	Roche Holding AG	Switzerland
●	RobecoSAM Silver Class	
	AstraZeneca PLC	United Kingdom
●	RobecoSAM Bronze Class	
	Novo Nordisk A/S	Denmark
	Sanofi	France
	Bayer AG	Germany
	GlaxoSmithKline PLC	United Kingdom
	Sustainability Yearbook Members	
	Eisai Co Ltd*	Japan
	Astellas Pharma Inc	Japan
	Daiichi Sankyo Co Ltd	Japan
	Takeda Pharmaceutical Co Ltd	Japan
	Novartis AG	Switzerland
	Bristol-Myers Squibb Co	United States

* RobecoSAM Industry Mover



Media

Sustainability leaders 2017

RobecoSAM Gold Class

Telenet Group Holding NV	Belgium
Television Francaise 1	France
Liberty Global PLC	United States

RobecoSAM Silver Class

Pearson PLC	United Kingdom
Sky PLC	United Kingdom

RobecoSAM Bronze Class

JCDecaux SA*	France
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Sustainability Yearbook Members

Lagardere SCA	France
Vivendi SA	France
Modern Times Group MTG AB	Sweden
ITV PLC	United Kingdom
WPP PLC	United Kingdom
Walt Disney Co	United States

* RobecoSAM Industry Mover



Metals & Mining

Sustainability leaders 2017



RobecoSAM Gold Class

Newmont Mining Corp*	United States
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RobecoSAM Silver Class

Barrick Gold Corp	Canada
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RobecoSAM Bronze Class

Teck Resources Ltd	Canada
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Gold Fields Ltd	South Africa
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Anglo American PLC	United Kingdom
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Sustainability Yearbook Members

Goldcorp Inc	Canada
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AngloGold Ashanti Ltd	South Africa
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Rio Tinto PLC	United Kingdom
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* RobecoSAM Industry Mover



Food Products

Sustainability leaders 2017



RobecoSAM Gold Class

Nestle SA	Switzerland
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RobecoSAM Silver Class

Grupo Nutresa SA	Colombia
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RobecoSAM Bronze Class

Ajinomoto Co Inc	Japan
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Sustainability Yearbook Members

Hain Celestial Group Inc*	United States
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COLOMBINA SA ¹	Colombia
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Danone SA	France
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CJ CheilJedang Corp	South Korea
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Charoen Pokphand Foods PCL	Thailand
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Thai Union Group PCL	Thailand
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Campbell Soup Co	United States
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Conagra Brands Inc	United States
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General Mills Inc	United States
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Hershey Co	United States
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Mondelez International Inc	United States
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* RobecoSAM Industry Mover

¹ This company has been evaluated outside of the regular Dow Jones Sustainability Indices assessment process



Paper & Forest Products

Sustainability leaders 2017



RobecoSAM Gold Class

Fibria Celulose SA

Brazil



RobecoSAM Silver Class

UPM-Kymmene OYJ

Finland



Steel

Sustainability leaders 2017



RobecoSAM Gold Class

Tata Steel Ltd*	India
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RobecoSAM Silver Class

POSCO	South Korea
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China Steel Corp	Taiwan
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Sustainability Yearbook Members

Hyundai Steel Co	South Korea
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Textiles, Apparel & Luxury Goods



RobecoSAM Gold Class

adidas AG*	Germany
Burberry Group PLC	United Kingdom



RobecoSAM Silver Class

Kering	France
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RobecoSAM Bronze Class

Gildan Activewear Inc	Canada
HUGO BOSS AG	Germany

Sustainability Yearbook Members

Li & Fung Ltd	Hong Kong
Asics Corp	Japan

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