

IOE Guidance

How can employer organisations support business respect for human rights?

May 2021





CONTENTS

About	5
The role of employer and business membership organisations (EBMOs)	7
How can EBMOs support their members on human rights?	-
What EBMOs are saying	8
Putting it into practice	ç
What practical steps can EBMOs take?	Ç
ACTION 1: Make global standards feel real and relevant to business at a local level	Ç
ACTION 2: Support businesses to build practical human rights know-how	10
ACTION 3: Promote respect for human rights when engaging with legal and policy developments	12
ACTION 4: Use your convening power to support partnerships and collaboration to advance business respect for human rights	13
TAKE ACTION: Identifying your key stakeholders – key questions to consider	14
Additional Resources for EBMOs and their members	15







This guidance has been developed to help employer and business membership organisations (EBMOs) understand how they can support business respect for human rights.

It will help you learn more about:

- How you can support member companies to build know-how on human rights
- Practical steps you can take to fulfil that role including examples of peer practices
- Where you can access more information and resources on this topic

Businesses around the world are increasingly interested in learning more about what they are expected to do when it comes to human rights – and how they can meet those expectations.

EBMOs play an important role in supporting their members to understand key standards, strengthen their practical approach to managing human rights risks and engage more confidently with human rights-related legal and policy developments.

This guidance has been developed with inputs from EBMOs around the world so as to make sure that it can be the most helpful to you and that you can benefit from experiences of peers in similar contexts.



WHAT IS BUSINESS AND HUMAN RIGHTS?

There is now widespread recognition that businesses need to take proactive steps to manage human rights risks and issues – that is, to avoid operating in a way that harms people. Business and human rights is linked to Responsible Business Conduct (RBC), which describes the responsibility of companies to do business ethically and with respect for people and the environment.

The <u>UN Guiding Principles on Business and Human Rights</u> (UNGPs) are the authoritative global framework to address business-related human rights challenges.

The UNGPs provide a three-pillar framework that sets clear roles for both governments and businesses.

THE STATE DUTY TO PROTECT	THE CORPORATE RESPONSIBILITY TO RESPECT	ACCESS TO REMEDY
States have an international legal duty to protect human rights – this includes protecting people from the human rights impacts of business activity.	Businesses have a responsibility to respect human rights – they can meet this responsibility by taking steps to assess and address their potential involvement in adverse human rights impacts.	Affected people should have access to an effective remedy – both States and companies have a role to play to make this happen.

Under this framework, governments have the primary duty to protect everyone's human rights, while businesses have a responsibility to respect the human rights of those they could impact through their activities and business relationships. To meet this responsibility, they need to take ongoing, proactive steps to assess and address their involvement in human rights harms.

The UNGPs were endorsed by the UN Human Rights Council in 2011, and have been welcomed by governments, civil society and businesses. They are influencing legal and policy developments around the world, such as mandatory human rights reporting and due diligence requirements. They have also become the primary reference point for business' stakeholders, including investors, customers, government agencies and civil society organisations.



IOE GUIDANCE 7
How can business and employer membership organisations support business respect for human rights?

The role of employer and business membership organisations (EBMOs)

How can EBMOs support their members on human rights?

As an EBMO, you can play a powerful role to support members to learn about, understand and meet expectations placed on business when it comes to human rights.

You can:

- Make global standards and guidance feel real and relevant on the ground: Disseminate information and key standards and the UNGPs in a way that will resonate with your members.
- Support members to build practical human rights know-how: Offer training opportunities, such as workshops and webinars, and develop guidance materials.
- Promote respect for human rights when engaging with legal and policy developments:
 Help members to understand the human rights

- implications of legal and policy developments, and promote laws and policies that support business respect for human rights.
- partnerships and collaboration to advance business respect for human rights: Help members and other businesses and EBMOs to work together to build human rights know-how and address shared challenges; this could include playing an important role as social partners in developing cross-sector framework agreements in support of workers' rights, inviting member companies and other organisations to participate in various task forces and initiatives relevant to their sector in addressing human rights concerns, or playing an important role as social partners in developing cross-sector framework agreements in support of improving the human rights situation.

These key actions are explored in more detail below, with real life examples of practice.



WHAT EBMOS ARE SAYING

"We should try to add more value for our members, and this is a huge opportunity for us."

"We need to emphasise the importance of promoting human rights in business, because there is an advantage for companies in fulfilling the responsibility to respect human rights."

"One thing I know about the Guiding Principles is that no matter where you are, whether in the East or West, North or South, developing country or developed country, we need to prepare ourselves, prepare our members and build capacity."

"We see our role as sort of a mediator between high principles and the reality on the ground."

"We need to understand what works for employers."

"As a regular representative of my country's business organisation, I have to make sure that the way I influence policy and law in my country happens through a lens that places the importance of human beings at the forefront."

These quotes were collected by IOE as part of a working session bringing together a range of EBMOs worldwide.





What practical steps can EBMOs take?

ACTION 1: MAKE GLOBAL STANDARDS FEEL REAL AND RELEVANT TO BUSINESS AT A LOCAL LEVEL

Key international standards on business and human rights do not always resonate with businesses – particularly companies that are smaller or have a domestic focus. They also tend to be written in and translated into a limited number of languages.

EBMOs can play a powerful role by disseminating information about key standards, guidance, and expectations in a way that will be more accessible to, and better resonate with, their members.

For example, you could:

- Translate key international standards, guidance and resources into local languages
- Convey complex concepts in simple and practical terms – especially for smaller businesses
- Use concepts and terms that will resonate with companies in your country – with sensitivity to the local context and culture

TERMINOLOGY: TALKING ABOUT 'BUSINESS AND HUMAN RIGHTS'

Sometimes, 'business and human rights' can be a difficult term to start a conversation with business, and EBMOs look for other terms that may resonate better. Our FAQ for companies delves into why this may be the case.

You can use other wording to describe this area, but it is important to keep in mind that it may mean slightly different things.

For example:

• Responsible Business Conduct (RBC): RBC aligns well with business respect for human rights, but it is broader than human rights, encompassing other issues such as environmental impacts and bribery/corruption.



How can business and employer membership organisations support business respect for human rights?

- Corporate Social Responsibility (CSR): This term is often familiar to companies, but should be used with caution, as it is often associated more with voluntary or philanthropic activities, rather than responsible business.
- Sustainability: This term is also familiar to many businesses. However, you may need to communicate about the human rights dimensions of sustainability - many associate it more with environmental sustainability.

Over time, you should aim to build familiarity and comfort with the language of 'business and human rights' as this is increasingly expected by stakeholders.

ACTION 2: SUPPORT BUSINESSES TO BUILD PRACTICAL HUMAN RIGHTS KNOW-HOW

To meet their responsibility to respect human rights, business enterprises need to develop the practical knowhow to create a rights-respecting culture and implement policies and processes that will enable them to identify and address human rights issues effectively. (Our FAQ for companies provides practical and concrete examples to get them started with this process.)

EBMOs support this capacity building process by offering practical training opportunities and developing guidance materials.

For example, you can:

- Create and share guidance materials and toolkits that communicate clearly steps businesses can take to create a rights-respecting culture, implement human rights due diligence, engage with stakeholders, provide remedy and communicate how they manage human rights risks
- Create and share resources and materials targeted to smaller businesses and/or the informal sector, with insights and learnings contributed by peers
- Organise webinars and workshops to help businesses connect with leading experts and facilitate peer-topeer learning among businesses
- Deliver training to individual companies or groups of companies
- Disseminate examples of company practices to share to inspire others

REAL LIFE EXAMPLES

The Business Confederation of Macedonia (BCM) partnered with local NGO Konekt to create the first Macedonian translation of the UN Guiding Principles. BCM also created a short, publicly available video introducing the concept of human rights and its link to business, which explained key concepts for its local members.

The Consejo Hondureno de la Empresa Privada (COHEP) has developed a website for Honduran businesses on respecting human rights. It includes tools, guidance, and translations of key human rights documents such as the UNGPs. One of the key resources featured on the site is the <u>Institutional Policy</u> for Business and Human Rights developed by COHEP. The policy focuses on the expectations for Honduran companies to respect human rights in the local context and has been adopted by COHEP's member organisations.



human rights?

KEY CHALLENGE: ENGAGING THE INFORMAL SECTOR

Supporting respect for human rights in the informal sector can be particularly challenging for EBMOs.

Practical approaches include:

- Empowering members to engage with one another on human rights risks in supply chains that are likely to include informal workers. For example, discussing and addressing issues common in informal work, such as child labour, modern slavery, and unsafe working conditions
- Offering workshops and training to support businesses to learn more about key issues present in the informal sector and provide specific guidance on identifying and addressing these issues in their supply chains
- Engaging with relevant government authorities to promote policy initiatives to address underlying issues that put informal workers at risk of human rights harms, formalise the informal sector and promote freedom of association for workers and employers
- Highlight opportunities for members to engage with government authorities one-on-one or as a group; and, where appropriate, share guidance on priority human rights policy issues and objectives.

REAL LIFE EXAMPLES

The Federation of Uganda Employers (FUE) was approached by a company to conduct training on business and human rights, but did not have the capacity or the tools to do so. FUE partnered with the UN Global Compact to deliver training and resources for the company. FUE has also conducted a training session for employers on implementing the CHILDREN'S RIGHTS AND BUSINESS PRINCIPLES.

The Confederación Nacional de Instituciones Empresariales Privadas (CONFIEP) in Peru developed a Spanishlanguage guide on implementing the UNGPs, and organises workshops for its members on the basics of business and human rights and putting them into practice.

The Federation of Egyptian Industries (FEI) worked with ILO to develop a guide for SMEs on CSR and responsible business practices, including labour and employment, the environment, engaging with local communities and working with suppliers to ensure sustainable sourcing.

The Croatian Employers' Association (HUP/CEA) developed specialised training on CSR targeted at SMEs, which make up much of its membership. It delivers these training sessions throughout the country and has invited a local philanthropic organisation to present with the goal of educating members on how CSR and responsible business practices differ from charitable giving.

The Consejo Hondureno de la Empresa Privada (COHEP) formed a partnership with ILO and non-profit Cegesti to build capacity on human rights through training for COHEP member organisations and their affiliate companies. The initiative focused on the sectors with the highest human rights risks in Honduras, including energy, mining, agribusiness and tourism. Through the partnership, COHEP also published Spanish-language guidance for companies on integrating human rights into business practices. Moving forward, COHEP will undertake additional activities to build business capacity through the partnership, including providing technical assistance to the Chamber of Commerce and Industries of Tegucigalpa (CCIT) to develop a human rights policy, supporting two affiliate companies of CCIT to strengthen human rights in their supply chains, and developing a good practice guide on human rights for the industrial sector.



ACTION 3: PROMOTE RESPECT FOR HUMAN RIGHTS WHEN ENGAGING WITH LEGAL AND POLICY DEVELOPMENTS

Legal and policy developments at the national, regional and international levels can affect business respect for human rights.

As the voice of business, EBMOs can play an important role to help members understand the human rights implications of legal and policy developments and to promote laws and policies that support companies to operate with respect for human rights, while at the same time taking into account business realities.

For example, you can:

 Engage with policy-makers to bring business realties and experiences to the process to ensure that laws take fully into account the opportunities and challenges companies face in their efforts to respect human rights

- Advocate for policies which address the root causes of many human rights challenges, such as informality, weak governance, corruption, etc
- Discuss with members how key legal and policy developments could impact their efforts to operate in a way that respects human rights
- Support members to consider any fears or worries they have about new developments – in some countries, new laws such as mandatory human rights reporting requirements seemed onerous when first proposed, but have actually been helpful to businesses trying to manage these issues better and seeking to level the playing field with their peers
- Engage thoughtfully and proactively with national policy- and law-making processes, such as those to develop a National Action Plan on Business and Human Rights

REAL LIFE EXAMPLES

The Lithuanian Confederation of Industrialists (LPK) was invited by the Ministry of Foreign Affairs to participate in the development of Lithuania's draft National Action Plan on Business and Human Rights (NAP). LPK provided comments on the draft based on its understanding of the human rights issues and policies most relevant to its members. LPK reports that it benefited itself from the process by deepening its own understanding of business and human rights issues and problems that persist in advancing business respect for human rights. LPK advises other EBMOs that engaging in such processes is valuable, and encourages them to advocate for the inclusion in NAPs of specific principles and plans to build business' knowledge of the UNGPs.

The Confederación Nacional de Instituciones Empresariales Privadas (CONFIEP) in Peru established a <u>National Committee for Business and Human Rights</u> with a mandate to provide feedback to, and actively engage with, the Peruvian government on the drafting of its NAP. It also partnered with ILO to conduct a study on business awareness and practices on human rights in Peru, the results of which helped inform the NAP process.

The Business Confederation of Macedonia (BCM) partnered with NGO Konekt on a project to initiate policy discussion on the development of North Macedonia's draft NAP as part of a cross-sector group comprised of companies, civil society organisations, policy-makers and others. This initiative is part of the country's <u>Agenda 2030</u> to implement the UN Sustainable Development Goals.



human rights?

ACTION 4: USE YOUR CONVENING POWER TO SUPPORT PARTNERSHIPS AND COLLABORATION TO ADVANCE **BUSINESS RESPECT FOR HUMAN RIGHTS**

Partnerships and collaboration are key to advancing business and human rights. In part, these help businesses to learn from each other - and from other stakeholders - to strengthen and expand their practices. They are also key to enabling relevant businesses and other stakeholders to work together to address complex or systemic issues that cannot be tackled by one company alone.

EBMOs can make the most of their convening power and their relationships with other organisations, such as UN Global Compact Local Networks, to support partnerships and collaboration.

EBMOs can also play an important role as social partners alongside trade unions and governments in developing cross-sector framework agreements in support of decent work. EBMOs can also do this informally by reaching out to trade unions to develop initiatives for decent work. As social partners, they can use their convening power to bring together different perspectives from across sectors. EBMOs should use their position and leverage to drive constructive discussion between partners and seek common ground with the aim of improving people's lives and working conditions.

REAL LIFE EXAMPLES

Asociación Nacional de Empresarios de Colombia (ANDI) has partnered with the Confederation of Danish Industry (DI) to deliver a series of workshops in 2020 and 2021 to build the capacity of more than 300 companies on sustainable development and human rights. A key goal of the workshops is to create a space for ANDI's members to learn from what other companies are doing and to exchange good practices and lessons learned.

The Federation of Egyptian Industries (FEI) hosted a conference with Professor John Ruggie, who led the development of the UNGPs. The conference was attended by more than 350 representatives of business (including the financial sector), government and civil society organisations. FEI has since hosted additional conferences on corporate responsibility topics. While it can be challenging to get different voices in the room together, FEI believes that bringing together diverse stakeholders demonstrates the importance of the topic and the existing commitment from companies and banks to business and human rights. FEI has found that these forums provide an opportunity for leading companies to demonstrate their progress, and to inspire and motivate other companies to take action. They also help establish a network of practice for sharing among both local companies and organisations, and international experts.

The Croatian Employers' Association (HUP/CEA) and Business Confederation of Macedonia (BCM) participated in CSR For All, a four-year initiative led by the Turkish Employer Organisation TISK and IOE. CSR For All aimed to create a regional network to build awareness and capacity on human rights, the environment and other topics in Southeastern Europe. The initiative supported EBMOs and their members to share learnings and create a community of practice across borders. For example, a multiday training session was convened in Ankara, enabling EBMOs to learn about and share knowledge on



the UNGPs and the UN Sustainable Development Goals. HUP/CEA found that its members were very positive about the initiative. HUP/CEA was able to learn more about what many of its members were already doing with regard to responsible business conduct and to identify areas where it could provide additional support. Along with other participants in the CSR For All initiative, HUP/CEA implemented an annual CSR Award to recognise and share companies' good practices, which received more than 100 submissions in its first year.

The Confederation of Danish Employers (DA) worked with the Danish Government and the Danish Confederation of Trade Unions to <u>successfully develop</u> tripartite framework agreements on issues including continuing education and skills development for workers, the improvement of working conditions for apprenticeships and the integration of refugees into the labour market.

In response to tensions between Chinese employers in Uganda and their local workforces, the Federation of Uganda Employers (FUE) <u>developed a programme</u> to promote mutual understanding and positive conflict resolution between employers and workers. There are several parts to this initiative: FUE partnered with the Confederation of Norwegian Enterprises and the China Enterprise Confederation to translate Uganda's labour laws and other FUE resources into Mandarin; it also held a series of workshops for Chinese employers to educate them on local culture, customs and workplace norms, and to provide management skills training for the Ugandan context; further, it encouraged Chinese employers and Ugandan workers to bring concerns to the FUE in order to help them mediate, build constructive relationships and come to mutually beneficial solutions.

TAKE ACTION: IDENTIFYING YOUR KEY STAKEHOLDERS – KEY QUESTIONS TO CONSIDER:

Who are the relevant policymakers and regulators? Think outside the box—these might include government agencies that focus on labour and employment and business development, but they could also be agencies focused on trade, justice, social

issues like women's empowerment and children's rights, education and environment.

What sectors and companies would you like to prioritise (i.e. those that pose more potential risks to human rights, those that have low representation in your membership, those that are already champions of human rights issues and can inspire others?) Are there other local industry organisations representing these sectors who you can partner with?



How can business and employer membership organisations support business respect for human rights?

Additional Resources for EBMOs and their members

For an overview of the UN Guiding Principles on Business and Human Rights, you can watch this video:

& HUMAN RIGH

For an overview of the prioritisation of human rights impacts based on severity and likelihood, you can watch this video:



Other helpful resources include:

Key standards and expectations

- The UN Guiding Principles on Business & Human Rights (2011)
- UN Office of the High Commissioner for Human Rights (OHCHR), The Corporate Responsibility to Respect Human Rights: An Interpretive Guide
- **ILO Tripartite Declaration of Principles concerning** Multinational Enterprises and Social Policy (MNE Declaration (2017)
- Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational **Enterprises**
- OECD Due Diligence Guidance for Responsible **Business Conduct**
 - OECD has also developed sector-specific due diligence guidance for the minerals sector, garment and footwear sector and agriculture sector, as well as specific guidance on conducting due diligence on child labour in mineral supply chains and engaging with stakeholders in the extractive sector.



How can business and employer membership organisations support business respect for human rights?

Information about business and human rights issues

- Human Rights Portal at the IOE Website
- **CSR Germany**
- Business and Human Rights Resource Centre (publishes reports and articles, business enterprise responses and analysis of key business and human rights issues)
- ILO Helpdesk for Business on International Labour Standards

Information about legal and policy developments

- Clifford Chance LLP and Global Business Initiative on Human Rights, Business and Human Rights: Navigating a Changing Legal Landscape (2020)
- BHR in Law, Key Developments Map
- State National Action Plans on Business and Human Rights database

Helpful resources for EBMOs and their members

- Mike Baab, Danish Institute for Human Rights, <u>Video: The UN Guiding Principles on Business and</u> Human Rights: An Introduction (2015)
- Connecting the anti-corruption and human rights agendas: IOE-BIAC Guide for business and employers' organisations
- Communicating on sustainability issues: an IOE-GRI three-part course for SMEs
- Sustainability Reporting Handbook for Employers' **Organisations**
- How to do business with respect for children's right to be free from child labour: ILO-IOE child labour guidance tool for business

- The UN Guiding Principles Reporting Framework
- Global Business Initiative on Human Rights Business Practice Portal
- The Global Compact Network Netherlands, Oxfam and Shift, Doing Business with Respect for Human **Rights**
- Sarah Joseph, Ursula Wynhoven and Shubha Chandra, Castan Centre for Human Rights Law, Monash University, Human Rights Translated 2.0: A Business Reference Guide
- Baker McKenzie International Labour and Human **Rights Expertise**
- **Eversheds Sutherland Business and Human Rights** Hub
- Fasken Labour, Employment and Human Rights
- <u>Fragomen Immigration and human rights</u>
- Littler Business and Human Rights Hub
- Business enterprise training videos on human rights:
 - ABinBEV: Supply Chain Ethics
 - Mining business enterprise BHP Billiton's training video
 - Food and beverage business enterprise Nestlé's training video
- Triponel Consulting, Assessing Human Rights Risk in Business enterprise Supply Chains: What to look for (2020)
- BSR, Five-Step Approach to Stakeholder Engagement Toolkit (2019)
- Francis West (Shift), SMEs and the Corporate Responsibility to Respect Human Rights







© IOE 2021