



United Nations Global Compact

Guide on How to Develop a Human Rights Policy

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INSIDE COVER

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United Nations Global Compact

The UN Global Compact is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles [in the areas of human rights](http://www.unglobalcompact.org/AboutTheGC/TheTenPrinciples/index.html), [labour](http://www.unglobalcompact.org/AboutTheGC/TheTenPrinciples/labour.html), [environment](http://www.unglobalcompact.org/AboutTheGC/TheTenPrinciples/environment.html) and [anti-corruption](http://www.unglobalcompact.org/AboutTheGC/TheTenPrinciples/anti-corruption.html).

By doing so, business, as a primary agent driving globalization, can help ensure that markets, commerce, technology and finance advance in ways that benefit economies and societies everywhere.

The UN Global Compact has two objectives:

1. Mainstream the ten principles in business activities around the world
2. Catalyze actions in support of broader UN goals, including the Millennium Development Goals (MDGs)

With these twin and complementary objectives in mind, the UN Global Compact has shaped an initiative that provides collaborative solutions to the most fundamental challenges facing both business and society. The UN Global Compact seeks to combine the best properties of the UN, such as moral authority and convening power, with the private sector's solution-finding strengths, and the expertise and capacities of a range of key stakeholders. The initiative is global and local; private and public; voluntary yet accountable. The UN Global Compact's has a unique constellation of participants and stakeholders — bringing companies together with governments, civil society, labour, the United Nations, and other key interests.

www.unglobalcompact.org

Guide in summary

Why respect human rights?

- Companies can affect people's human rights negatively as well as positively and thus have a moral responsibility to respect human rights. The UN Human Rights Council endorsed this universal expectation in 2008.
- To gain commercial benefits associated with good human rights practice, e.g. attracting investment, procurement, top quality recruits and securing the social license to operate.
- To respond to legal drivers found in national regulation and soft law.
- To live up to the company's commitment to the UN Global Compact (where a participant).

Why develop a human rights policy?

- To publicly affirm a commitment to meeting the company responsibility to respect human rights.
- To identify policy gaps and initiate a process that alerts the company to new areas of risk.
- To elaborate on the company's commitment to support human rights.
- To build increased trust with external stakeholders and to start to understand and address their expectations.
- To foster the development of in-house learning, management capacity and leadership on human rights issues.
- To demonstrate international good business practice.

Getting started - the process behind the policy

- Developing a human rights policy can be a dynamic, not always predictable process. Don't expect perfection at first. Many firms update their policies as they gain experience.
- Assign senior management responsibility to drive the process.
- Involve all business operations in policy development, implementation and reviews.
- Map existing company policies to identify existing human rights coverage and gaps.
- Involve cross-functional personnel (human resources, legal, procurement, security etc) in the process to build understanding, know-how and a sense of common purpose.
- Consult with internal and external stakeholders to identify and respond to their expectations.

What are the key ingredients of a human rights policy?

All policies - whether stand-alone or integrated - should at a minimum comprise:

- An explicit commitment to respect all human rights which references international human rights standards, including the Universal Declaration of Human Rights.
- Provisions on labour/workplace rights issues.
- Provisions on non-labour rights issues. These will reflect human rights priorities set and are likely to be unique to the company's industry/areas of operation.

Next steps - Path to implementation

- Assessing the company's human rights impacts and risk areas, including country analyses, new operation assessments and stakeholder consultation.
- Integrating human rights throughout the company, looking at training, communication, management systems etc.
- Tracking and reporting on performance, including by identifying progress measurement indicators, and
- Putting in place some form of grievance system or mechanism.

1. Overview - what is a human rights policy?

A human rights policy can take many forms and has no uniform definition. At minimum, it is a public statement adopted by the company's highest governing authority committing the company to respect international human rights standards and to do so by taking steps to identify, mitigate, and report on its efforts. It should explicitly use the words human rights. Many human rights policies also elaborate on the company's commitment to support human rights¹. Human rights policies can be found within company statements of business principles, codes of conduct or other values-related literature, or take the form of stand-alone statements on company websites or in other public corporate responsibility documentation.²

Adopting a human rights policy is only a first step in a company's human rights due diligence towards meeting its responsibility to respect human rights. But it sends a clear signal to internal and external stakeholders that the company is striving to understand the human rights impacts of the business and takes human rights sufficiently seriously to allocate management time and resources to developing and implementing a policy, including by consulting externally.

This *Guide to Developing a Human Rights Policy* seeks to outline why companies should respect human rights, the principle reasons for adopting a human rights policy, its key ingredients and the best practice process to develop one.

2. Why respect human rights?

SUMMARY: Why respect human rights?

- Companies can affect people's human rights negatively as well as positively and thus have a moral responsibility to respect human rights.
- To gain commercial benefits associated with good human rights practice e.g. attracting investment, procurement, top quality recruits and the social license to operate
- To respond to legal drivers found in national regulation and soft law
- To live up to the company's commitment to the UN Global Compact (where a participant).

Values: a universal responsibility

Company activities, including their products and services, have the potential to impact on people's human rights. This includes in the workplace, in the marketplace, in communities, and beyond. Companies thus have a responsibility to respect international human rights standards, which means not to infringe on people's rights.

This universal baseline expectation is articulated in the *Protect, Respect, Remedy Framework* (UN Framework) endorsed unanimously by the UN Human Rights Council in 2008. The Framework has widespread support from business and civil society and explains that for a company to show its respect for people's rights requires human rights due diligence,³ specifically by:

- having a human rights policy

¹ Global Compact Principle 1 asks companies to respect and support human rights.

² For example, CNOOC included a statement on how it views human rights issues in its overseas operations in its 2009 CSR report: <http://www.cnoccltd.com/file/GetAttachment.pdf>: How does CNOOC Ltd. view human rights issues in its overseas operations? CNOOC Ltd. supports the guidelines regarding human rights outlined in the United Nations Global Compact and actively practices these principles. Regarding human rights, CNOOC Ltd. abides by the best practices in the industry and strictly follows all international conventions as approved by the Chinese government. The Company respects all employees and ensures they are treated fairly and equitably in the workplace.

³ Protect, Respect and Remedy: A Framework for Business and Human Rights. UN Document: A/HRC/8/5 7 April 2008. "Human rights due diligence differs from commercial, technical, and financial risk management in that it is not about assessing risks just to the company, but to the rights of others. Due diligence processes related to health and safety, the environment, and employment are similarly concerned with risks to people. Human rights due diligence is also an inherently dialogical process that should involve engagement and communication with the affected population where possible." Online forum for the Special Representative of the U.N. Secretary-General (SRSG) on business & human rights, <http://www.srsconsultation.org/>, accessed 10 June 2010.

- assessing the potential and actual human rights impacts of company activities
- integrating those values and findings into corporate cultures and management systems (achieving coherence)
- tracking and reporting on performance⁴, and
- putting in place an effective grievance mechanism⁵.

This responsibility to respect human rights is incorporated in Principle 1 of the UN Global Compact.

Commercial

Many firms believe that showing respect for human rights gives them a competitive advantage over competitors that overlook the area. Doing human rights due diligence can help companies attract investment. Investment that favours good environmental, social and corporate governance (ESG) is expanding⁶ and being mainstreamed, with asset managers like BlackRock, AXA Investment Manager, Calvert and HSBC all now offering funds with ESG criteria, some covering human rights. Indices like the FTSE4Good and Dow Jones Sustainability Index have strict human rights entry criteria.⁷ And some national state pension funds and major public sector funds also screen on labour and human rights, e.g. the US teachers and researchers' pension fund, the TIAA-CREF (US\$314 billion) and the Norwegian Government Pension Fund (US\$380 billion).

Good human rights practice can help attract new business, including public sector procurement. For example, starting in 2010 suppliers of the Dutch government will be required to comply with specific human rights criteria. Anecdotal evidence suggests that a growing number of smaller companies in the value or supply chains of global firms are themselves developing an explicit human rights position in order to attract business, because they know that some multinationals demand such standards of their suppliers and business partners.⁸ In recruitment too surveys show that corporate ethics is an increasingly important area; many applicants now ask hiring managers how company values, including on human rights, are translated into day-to-day activities⁹. Securing and maintaining a social license to operate is another incentive.

Legal

The responsibility to respect human rights is not a legal duty imposed on companies by treaty, but it is not a law free zone either. The provisions of many international human rights treaties are embedded in domestic law (e.g. safety, health, anti-discrimination), and many governments have adopted the ICC/Rome Statute, which - depending on the provisions of their criminal code - may mean that they are empowered to prosecute companies for international human rights violations. Since the responsibility to respect human rights has become an international standard of conduct endorsed by business associations, NGOs, governments, and the UN, failure to live up to that standard and infringing human rights has the potential to attract legal liability, or at least allegations that might be considered by non-judicial grievance mechanisms, such as by an OECD National Contact Point.¹⁰

3. Why develop a human rights policy?

SUMMARY: Why develop a human rights policy?

- To publicly affirm a commitment to meeting the company responsibility to respect human rights.

⁴ Business and human rights: Towards operationalizing the "protect, respect and remedy" framework. UN Document A/HRC/11/12 22 April 2009.

⁵ For an SME, it might be as simple as a complaints hotline or making transparent to whom concerns should be addressed.

⁶ Over 500 institutional investors have also signed up to the UN-backed Principles for Responsible Investment and together account for more than US\$20 trillion of assets under management in 36 countries.

⁷ FTSE4Good insist on companies in high-risk sectors having a human rights policy

⁸ GE, for example, expects its suppliers to respect human and labour rights, and works to implement and audit the practices in its supply chain. "While our experience is that most suppliers seek to meet GE's expectations, we terminated approximately 160 suppliers in 2006 for poor performance in this program."

http://www.ge.com/files_citizenship/pdf/GE_2007_citizen_07rep.pdf

⁹ A global survey by New York-based consulting firm DBM found that 82 percent cite corporate leadership ethics to be important to job seekers today. "Globally, corporations are being held to the highest standards by current and future employees." http://findarticles.com/p/articles/mi_m3495/is_11_47/ai_94161915/?tag=content;col1

¹⁰ See article: Human Rights Due Diligence: Is It too Risky? http://www.hks.harvard.edu/m-rcbg/CSRI/pub_main.html

- To identify policy gaps and initiate a process that alerts the company to new areas of risk.
- To elaborate on the company's commitment to support human rights.
- To build increased trust with external stakeholders and to start to understand and address their expectations.
- To foster the development of in-house learning, management capacity and leadership on human rights issues.
- To demonstrate international good business practice.

To publicly affirm company values

A human rights policy is the first step in showing that the company understands its universal responsibility to respect human rights and is committed to making human rights part of company values and the way it does business.

To identify policy gaps and alert the company to new areas of risk

A company can impact human rights not only directly through its own operations but indirectly through its relationships. Its existing policies may not address both dimensions.

A company may not realize its potential to impact particular human rights without first identifying what human rights mean to the business. Developing a policy can be the catalyst. More and more firms worldwide report that developing and implementing a human rights policy has helped them see human rights risks and become better equipped to deal with human rights issues that arise.

Existing policies may benefit from a human rights approach. For example, environmental policies can focus solely on technical solutions to perceived technical problems and miss the potential impacts on communities and people's rights. A human rights approach can also strengthen the alignment of existing company policies by demonstrating their alignment with universal values.

To build trust with stakeholders and address their expectations

Adopting a human rights policy commits the company at some level to a human rights approach, this means engaging with stakeholders, appropriate transparency, and a human rights focus. Such an approach is rarely required by existing policies. The important point is that people are ends, not means to an end. Policies that focus only on the impact to the company may be inconsistent with a human rights approach, and miss risks.

Making people part of the process by engaging with stakeholders can help companies build trust, increasingly important after the 2008 financial collapse. A human rights policy shows a commitment to being a responsible corporate citizen and provides interested stakeholders with an accessible means of gauging company performance. Many companies also find that external stakeholders become more willing to engage constructively with them when they have a human rights policy and human rights approach in place, and will usually talk with the company before considering adversarial action e.g. boycotts or litigation.

To trigger in-house human rights learning, management capacity and leadership

The very process of developing a human rights policy can have positive managerial spin-offs. Many firms say that developing the policy helped:

- raise awareness and understanding of the company's human rights impacts across departments
- build leadership commitment around human rights so that there was political support inside the company for resources to be assigned to policy implementation, and
- generate in-house managerial capacity, insights for future priorities and enthusiasm around the topic.

A human rights policy also provides managers with a public statement to frame responses to human rights questions.

Cadbury reported that "the inspirational language used throughout the document helped motivate employees and stakeholders to show their support for the new vision."¹¹

To demonstrate good business practice

It is emerging good international business practice to have a human rights policy or position statement. Over 50% of FTSE 100 Index listed companies have such a policy. By May 2010, the Business & Human Rights Resource Centre (BHRRC) had identified some 266 companies worldwide as having an explicit human rights policy position. The BHRRC findings - which record only publicly available policies that explicitly use the term human rights - reflect a growing trend among businesses from all continents making a public commitment to respect and support human rights. This trend is also evident in the pledge signed by more than 250 global CEOs to mark the 60th Anniversary of the Universal Declaration of Human Rights in December 2008¹².

No more reasons not to have a policy

Companies are seeing that by having a human rights policy they can start to better identify risks and opportunities, and start to build in-house management capacity and demonstrate to stakeholders a sincere commitment to respect and support human rights. A BSR/GlobeScan poll of business leaders from 15 countries in late 2009 found that: "Climate change and human rights are the most significant priorities for business' sustainability efforts in the year ahead."¹³ Yet the number of firms with explicit human rights policies still represents only a fraction of the more than 7000 companies in over 130 countries who - as signatories to the UN Global Compact - have pledged to adhere to general principles on human rights and labour standards, or of the wider business community beyond.

Why have relatively so few firms globally backed up their pledges on human rights with a policy or other due diligence measures? Historical obstacles can partly explain it. Back in 2007, human rights remained - in the words of the UN Special Representative of the Secretary-General on Business and Human Rights - "*mysterious for business*" and companies did not fully know what was expected of them. Workplace issues aside, "*human rights ... were seen as the exclusive domain of States and no universally agreed framework*" existed on the expectations of business.

However, an agreed international business and human rights framework now exists applying to companies as well as States. There is a growing body of management guidance tools that help demystify human rights for business and map practical action. The business and human rights discourse has also become global and accessible to companies of all sizes and sectors; daily updates on the Business and Human Rights Resource Centre website¹⁴ now appear in many languages, based on research from every continent. In short, there are fewer and fewer reasons not to develop a human rights policy.

KEY READINGS: Why respect human rights and why develop a human rights policy?

- *A Guide to Integrating Human Rights into Business Management*, © Business Leaders Initiative on Human Rights, the UN Global Compact and the Office of the UN High Commissioner for Human Rights, Second Edition 2010.
- *Human Rights - It is Your Business: A Business Case for Corporate Engagement*, © International Business Leaders Forum, 2005.
- *Protect, Respect and Remedy: A Framework for Business and Human Rights*, © UN Special Representative on Business and Human Rights, UN Document A/HRC/8/5 7 April 2008.
- *A Human Rights Management Framework (Poster)*, © Business Leaders Initiative on Human Rights, International Business Leaders Forum, the UN Global Compact and the Office of the UN High Commissioner for Human Rights, 2010.
- *How to Do Business With Respect for Human Rights: A Guidance Tool for Companies*, © 2010, Global Compact Network Netherlands, Business & Human Rights Initiative.
- UN Global Compact Guidance:
http://www.unglobalcompact.org/Issues/human_rights/Tools_and_Guidance_Materials.html

4. Getting started

¹² See for details: http://www.unglobalcompact.org/issues/human_rights/CEO_Statement.html

¹³ Details of the BSR/Globescan State of Sustainable Business Poll survey can be found at:
http://www.globescan.com/news_archives/bsr09/.

¹⁴ www.business-humanrights.org

SUMMARY: Getting started

- Developing a human rights policy can be a dynamic, not always predictable process. Don't expect perfection at first. Many firms update their policies as they gain experience.
- Assign senior management responsibility to drive the process.
- Involve all business operations in policy development, implementation and reviews.
- Map existing company policies to identify existing human rights coverage and gaps.
- Involve cross-functional personnel (human resources, legal, procurement, security etc) in the process to build understanding, know-how and a sense of common purpose.
- Consult with internal and external stakeholders to identify and respond to their expectations.

The development of a human policy can be a dynamic process. It may start with the release of a short statement of intent, sometimes only a few paragraphs, that is revised and becomes more sophisticated as the company gets to grips with the issues. When first developing a human rights policy managers should not feel under pressure to achieve perfection. Many best practice examples today took shape over several years and have undergone review.

Barclays developed its first human rights policy in 2004 under the sponsorship of the Group Vice Chairman, which was signed off by the company's Group Brand and Reputation Committee¹⁵. The policy was revised in 2006 and again in 2008. "Policies and practices are updated to take account of new issues raised and growing awareness and familiarity within the business of the human rights impacts of our decisions. Policies are refreshed to keep them alive and topical and ensure they are communicated regularly."¹⁶

Cadbury published its first Human Rights and Ethical Trade Policy in 2000, but to ensure "all of its corporate policies were aligned with its existing human rights related policies, as well as increasing global expectations and a maturing understanding of how business can contribute positively to the realization of human rights"¹⁷ in 2008 it released an overarching human rights policy document – Cadbury's Approach to Human Rights.

Each of the steps in this section are important, but the precise order can vary. Some companies report that they did not initially have senior management buy-in and that the impetus for a policy came from below, with the mapping analysis and stakeholder feedback being instrumental in winning senior management support and having resources assigned for policy implementation.

No single sequence will suit every company. The timing of the policy's release is largely a matter of choice. Some companies will release an initial short statement to raise in-house awareness or in response to stakeholder pressure, even before the other steps are complete; they may then follow up the initial statement with a longer policy document. Others only release their human rights policy statement when they are ready to integrate it into their management systems.

There can be overlaps between the steps needed to draft a policy, to assess the company's human rights impacts and to integrate them both in the company's management systems. Even during the first phase of developing a policy, some firms have found it helpful to do some basic mapping of the company's key human rights risks and likely priorities; this will need to be taken to another level during the assessing impacts phase. Similarly, the stakeholder consultation needed to inform a human rights policy will be specific to that task; stakeholder consultation for an impact assessment will be of a different magnitude.

Key Steps



¹⁵ The Committee was comprised of senior management from the different Barclays businesses and central functions.

¹⁶ Philippa Birtwell, Head of Public Policy Research, Barclays.

¹⁷ Cadbury and Human Rights: Finding the Best Approach, by Lauren Gula and Ye Jin, *Embedding Human Rights in Business Practices III* © 2009, UN Global Compact.

Assign senior management responsibility. The decision to draft a policy is often made by the Chief Executive or by one or more senior executives. Whoever instigates the project, a member of senior management will typically need to be appointed to lead the process, sign off on the final policy and assign resources needed for its implementation.

Involve all business operations. Many firms put in place a cross-functional team, committee or task-force to help steer the policy through the company. Whether driven by a team or not, the company needs to capture in-house knowledge from across various business units and functions, consider varying legal jurisdictions, draft the policy and later communicate it internally and oversee training and reporting needs. In many cases, a team or committee will retain responsibility for the policy and any revisions in the medium to long term.

Making basic policy decisions within the overlapping frameworks of a company's existing standards and commercial management systems, while bearing in mind varying stakeholder expectations can be demanding. There is a strong case to keep the process largely in-house rather than outsourcing it, to ensure that any lessons learnt stay within the company and help build capacity over time.

Conduct a basic policy gap analysis/mapping exercise to determine which of the 30 international human rights are already covered by the company's existing policies and identify any relevant ones that are missing. This will help companies identify any priority issues.

Most companies find that longstanding corporate policies and codes of conduct already address human rights but that they do not use human rights language, e.g. policies on diversity, non-discrimination, bullying or harassment, health and safety, minimum age provision or working hours.

Drafting a human rights policy will not necessarily highlight entirely new issues for the business, but can help express and link together existing positions in a different way, or shine a light on issues that might otherwise get overlooked.

The UN Framework urges companies to consider *all* human rights not just a select few, because research found that companies have the potential to impact virtually all human rights. Robust due diligence thus requires companies to consider its impact across the board. Operationally, while firms need to be alert to all potential human rights risks, "in practice, some rights will be more relevant than others in particular industries and circumstances and will be the focus of heightened company attention. However, situations may change, so broader periodic assessments are necessary to ensure that no significant issue is overlooked."¹⁸

Resource tip: When developing a policy and assessing impacts, tools like "Human Rights Translated: A Business Reference Guide" can help managers become familiar with the full spectrum of human rights and identify which may have to be prioritised given the company's unique geographical footprint, relationships, industry and operating context.

Consult with internal and external stakeholders. The company should identify key stakeholders whose opinions it values to help ensure that the policy is fit for purpose and addresses stakeholder expectations. In addition to employees, the list of stakeholders can include industry peers that have already adopted a policy, those behind sector-based multi-stakeholder initiatives who have experience of advising companies in a similar positions and business associations. Companies should also consider involving socially responsible investors, civil society experts, campaign groups, academics and community groups. Involving potential critics in the process will give a reality check. Some firms share an early draft of the policy with their stakeholders to elicit feedback. Some of the stakeholders that provide input into the policy will become useful allies during later due diligence phases.

KEY READINGS: Getting started

¹⁸ Report of the Special Representative of the Secretary-General on the issue of human rights and transnational corporations and other business enterprises, 9 April 2010, UN Document A/HRC/14/27.

- *A Guide to Integrating Human Rights into Business Management*, Business Leaders Initiative on Human Rights (BLIHR), the UN Global Compact and the Office of the UN High Commissioner for Human Rights (OHCHR), Second Edition © 2010.
- *Human Rights Translated: A Business Reference Guide*, The Castan Centre, International Business Leaders Forum, the UN Global Compact and the Office of the UN High Commissioner for Human Rights (OHCHR) © 2008.
- *How to Do Business With Respect for Human Rights: A Guidance Tool for Companies*, © 2010, Global Compact Network Netherlands, Business & Human Rights Initiative.
- Cadbury and Human Rights: Finding the Best Approach, by Lauren Gula and Ye Jin. *Embedding Human Rights in Business Practices III*, UN Global Compact © 2009.
- Protect, Respect and Remedy: A Framework for Business and Human Rights. UN Document: A/HRC/8/5 7 April 2008.
- Business and human rights: Towards operationalizing the “protect, respect and remedy” framework. UN Document A/HRC/11/12 22 April 2009.
- Report of the Special Representative of the Secretary-General on the issue of human rights and transnational corporations and other business enterprises, 9 April 2010, UN Document A/HRC/14/27
- UN Global Compact Guidance:
http://www.unglobalcompact.org/Issues/human_rights/Tools_and_Guidance_Materials.html

5. What are the key ingredients of a good human rights policy?

Few human rights policies are the same. In the absence of regulatory guidelines, many firms simply do what fits best within the company’s existing policy commitments and internal processes. Common conventions however do exist, many of which were identified by the UN Special Representative on Business and Human Rights and his team during the first mandate (2005-8), and many good practice policy examples can be found within the policy bank available via the Business & Human Rights Resource Centre website (www.business-humanrights.org).

SUMMARY: What are the key ingredients of a human rights policy?

All policies - whether stand-alone or integrated - should at a minimum comprise:

- An explicit commitment to respect all human rights which references international human rights standards, including the Universal Declaration of Human Rights.
- Provisions on labour/workplace rights.
- Provisions on non-labour rights. These will reflect human rights priorities set and are likely to be unique to the company’s industry/areas of operations.

A stand-alone versus integrated human rights policy?

Human rights policies generally fall into two categories: stand-alone statements and policies that are integrated within the company’s wider standards literature, e.g. employee codes of conduct; ethical sourcing standards; environment, health and safety guidelines; and social/community investment commitments. Recently, there appears to be a gradual trend towards the integrated model (particularly among companies that have revised their policy approach at least once), but there are reasonable arguments in favour of either strategy and managers will need to determine for themselves which is better suited to their company.

“An advantage cited for free-standing procedures is that the relevant issues get the attention and professionalization they deserve. But a disadvantage may be that it is not connected to the rest of the company. In contrast, folding human rights due diligence into ongoing processes may put human rights on par with other key issues when managers evaluate potential projects, but the unique attributes of human rights may thereby get diminished.” UN Special Representative, April 2009¹⁹

Stand-alone or free-standing policies have an advantage in terms of external communication; making it easier for interested stakeholders to access information they require. Stand-alone statements are commonly employed by companies that are developing a human rights policy for

¹⁹ Business and human rights: Towards operationalizing the “protect, respect and remedy” framework. UN Document A/HRC/11/12 22 April 2009.

the first time and allow the company to set out its intentions while it goes about building the requisite in-house knowledge and capacity to assess and manage its human rights impacts.

For companies with well-established codes of conduct on employment or ethical sourcing guidelines etc., the integrated approach may be easier to deliver and avoid a multiplicity of standards that could generate internal confusion. Integrated policies can suggest that human rights considerations are more deeply engrained within the company's overall thinking, which can appeal to external stakeholders. Neither approach is right or wrong.

A compromise option, which draws on both models, is to produce a readily accessible public human rights statement that cross-references established codes and policies, highlighting where the human rights-related elements can be found within existing management standards. This allows for effective communication and can sit well with current systems. It may however require new policy elements to be drawn up to address human rights issues that had previously gone unaddressed.

Language tip: to gain buy-in within the company it is important to use practical, clear and concise language to explain the context and issues. Since much human rights language was originally designed for States it can initially seem alien to business readers, so a company may need to make a few adaptations; stakeholder consultation can help ensure that both in-house and external stakeholders are comfortable with the end product. Some firms find that the inspirational language associated with human rights can actually be helpful in generating internal support.

*Human rights refers to basic standards of treatment to which all people are entitled. It is a broad concept, with economic, social, cultural, political and civil dimensions. For Ford, this means ensuring that our products, no matter where they are made, are manufactured under conditions that demonstrate respect for the people who make them. It also means respecting the rights of people living in the communities around our facilities, and those of our suppliers, who may be affected by these operations. **Ford Motor Company***

Step 1: A commitment to respect international human rights standards

A human rights policy will need to include a statement of commitment to respect international human rights standards, that makes explicit use of the words human rights. Some stakeholders view policies that fail to use the words human rights less favourably.²⁰ The litmus test is to reference the Universal Declaration of Human Rights, but good practice is also to refer to:

- The International Covenant on Civil and Political Rights
- The International Covenant on Economic, Social and Cultural Rights, and
- The Core Conventions of the International Labour Organisation (ILO).

[The UDHR and two Covenants are commonly referred to collectively as the International Bill of Rights]

Process tip: In some countries the language of human rights is considered sensitive. Where managers encounter this they may find it helpful to explain to colleagues that all 192 Governments of the United Nations have endorsed the UN Global Compact and its ten principles, including its human rights and labour principles.²¹

Referencing business standards and voluntary initiatives

Some companies additionally reference other business standards or particular voluntary initiatives, many of which have principles or codes that address a unique set of human rights challenges, e.g.:

- The UN Global Compact
- OECD Guidelines for Multinational Enterprises
- ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy
- The Ethical Trading Initiative
- The Fair Labour Association
- The Global Network Initiative

²⁰ The Business & Human Rights Resource Centre website only "links to statements by companies that explicitly refer to human rights" in its policy bank, see: <http://www.business-humanrights.org/Documents/Policies>

²¹ Adopted by consensus of the General Assembly (see paragraph 14)

http://www.unglobalcompact.org/docs/news_events/9.1_news_archives/2009_12_04/GA_Resolution_Towards_Global_Partnerships.pdf

- The Kimberley Process
- The Voluntary Principles on Security and Human Rights (Extractive Sector).

Good practice examples:

General statements of human rights commitment

*ABB is committed to developing an organizational culture which implements a policy of support for internationally recognized human rights and seeks to avoid complicity in human rights abuses. We support the principles contained within the Universal Declaration of Human Rights, the OECD Guidelines for Multinational Enterprises and the ILO Core Conventions on Labour Standards. **ABB***

*Respect and protect the fundamental human rights, as stated in the Universal Declaration on Human Rights of the UN, as well as the dignity of the individuals working in its operations. **Codelco***

*[The Mitsubishi Corporation] embraces and complies with international conventions on human rights. These conventions include the Universal Declaration of Human Rights, Fundamental ILO Conventions and Voluntary Principles on Security and Human Rights. **Mitsubishi***

*[...] We respect international human rights principles aimed at promoting and protecting human rights, including the United Nations Declaration of Human Rights and the International Labor Organization's Declaration on Fundamental Principles and Rights at Work, and we actively participate in the United Nations Global Compact. **The Coca-Cola Company***

Commitments to support human rights

Some companies also elaborate on the company's commitment to support human rights, i.e. to make a positive contribution to human rights. Note, however, that the responsibility to respect is a baseline expectation, and "a company cannot compensate for human rights harm by performing good deeds elsewhere."²² So such commitments should complement, and not purport to substitute for provisions implementing the company's responsibility to respect international human rights.

Good practice examples:

*We do encourage the creation of education, training or apprenticeship programs tied to formal education of young people. **Alcoa***

*We encourage our employees to fully utilize their potential by offering ample training and education opportunities. **Bayer***

An overview of the policy's scope and the steps taken to develop the policy

Often accompanying the human rights policy or position statement is an outline by the company of the policy's scope and the steps it has taken to develop the policy/position statement. Overviews of this kind do not usually go into huge detail but simply summarise some of the processes the company has undertaken to develop the policy, for example, if they appointed a cross-functional team, if any policy mapping exercise was carried out, or how they consulted with stakeholders. Companies tend to use this overview to highlight any human rights priorities it has set and to establish some parameters. While companies need to give consideration to *all* human rights, the scope of the company's responsibility to respect will be determined by its actual context, activities and relationships.

Other items sometimes addressed in this context are:

- How the company will deal with discrepancies between national laws and international standards, and
- How the company will apply the policy, i.e. if all employees, business units, suppliers, sub-contractors, franchisees, vendors and other business partners will be expected to comply. In short, where does the company draw the line.

²² According to the *Protect, Respect and Remedy: A Framework for Business and Human Rights* (UN Document: A/HRC/8/5 7 April 2008): "doing no harm" is not merely a passive responsibility for firms but may entail positive steps - for example, a workplace anti-discrimination policy might require the company to adopt specific recruitment and training programmes.'

Good practice examples:

Senior management leadership and cross-functional task-forces

*The importance ascribed to human rights by Eni ... is also demonstrated by the fact that the CEO... has adhered to the initiative promoted by the High Commissioner for Human Rights as well as by the Global Compact document drafted at the time of the sixtieth anniversary of the Universal Declaration of Human Rights. **Eni***

*[Yahoo!] has launched a Business & Human Rights Program. This program brings together a core team of professionals across the company, including Public Policy, Law Enforcement, Ethics & Compliance, International Legal, Public Affairs, Privacy, Paranoids [sic], IT, Yahoo! For Good, and the Operations teams, among others, to integrate human rights decision-making into all of our business operations. **Yahoo!***

Human rights mapping exercises

*This commitment follows an expert third party review of our business to understand the extent to which ANZ policies and practices are meeting the requirements of these standards, with a particular focus on human rights. The review assessed ANZ's performance against guidelines set out in global human rights instruments [...]. It found that ANZ complied with, and in many cases exceeds, most criteria in Australia and New Zealand, [...]. The review also found more work was required to understand and mitigate human rights risks in our supply chain, our lending decisions in our Institutional business and our operations and partnerships in Asia, Pacific and India. [...]. **ANZ Bank***

Stakeholder consultation

*We listen to the views of our stakeholders. For customers, shareholders, employees and suppliers we have formal ways of doing this [including] specific mechanisms ... to encourage open feedback. We have engaged our employees... through our representation committees, known as Business Involvement Groups and carried out an anonymous survey to gauge their views. [...] During the last year, we carried out detailed research with our customers. [...] We also had regular discussions with government, regulators, community partners, trade associations as well as environmental, human rights and animal welfare groups [...]. CSR is constantly evolving as expectations change and new issues emerge. This means that whilst our approach to CSR is underpinned by a core set of values, it also has to be adaptable and flexible. **Marks & Spencer***

Setting boundaries and human rights priorities

*One of the most significant and multifaceted challenges facing AngloGold Ashanti is that of artisanal and small-scale mining (ASM). It is a material issue at the company's operations in Ghana, Guinea, Tanzania and to a lesser extent Mali as well as the exploration sites in Colombia and the Democratic Republic of Congo (DRC). **AngloGold Ashanti***

*A particular challenge for any business of our size and scale is drawing the boundaries of responsibility. We do not believe that it is appropriate for AstraZeneca to promote proactively individual rights and freedoms more widely in society than described above, but we believe that we can, and do, influence others through leading by example. [...] The 'Right to Health' debate in some quarters allocates accountabilities to both governments and pharmaceutical companies. We believe that in this context, it is governments who are accountable for providing a robust healthcare infrastructure for their populations [...]. AstraZeneca nevertheless recognises that we have a part to play[...]. **AstraZeneca***

*We believe our main responsibilities lie in a number of critical areas: employee rights, the right to access finance for vulnerable and disadvantaged members of the community and the risk of human rights violations within our supply chain. **The Westpac Group***

Legal jurisdiction issues

*This Statement draws together the policies principles and standards to be adopted by all parts of the Barclays' Group.... Where local legislation imposes more rigorous requirements, Group operations in those countries must ensure that they comply with such requirements while having regard to the content of this Statement. **Barclays***

We are committed to comply with effective law. This also applies if, in some countries, the resources or the political will to implement and enforce applicable law are lacking...

- *As a responsible employer, we in the BASF Group strictly uphold the ILO core labor standards as long as this is not explicitly prohibited by applicable law.*
- *If the implementation of international conventions is restricted by national law, we develop innovative approaches to adhere in our actions to the principles underlying the internationally recognized standards. For example, we have developed suitable solutions for a dialogue in locations where the*

employees' right to elect employee representatives is restricted. In these cases we discuss with employee representatives topics of common interest at the regional level [...] BASF

Applying the policy:

[W]e recognise that achieving these standards presents unique challenges in different parts of the world. Going forward together with our suppliers, our intention is to drive towards the adoption of these, or comparable standards by our suppliers for their own operations, and those of their suppliers in turn. Diageo

With Our Direct Business Partners: Incorporating appropriate principles of The Spirit & The Letter into contracts with suppliers, business partners and distributors. Monitoring adherence by key suppliers in emerging markets to environmental, health and safety standards, prohibitions against forced and child labor, and local wage and hour laws. Evaluating human rights issues involving our direct business partners—particularly in emerging markets—and considering practical responses within the relevant context. Advancing application of the ILO Declaration through engagement and collaboration. GE

[...] We seek to establish relationships with entities that share the same principles and values as Vale. We also promote human rights awareness and respect along our value chain, including the adoption of legal contractual clauses. In the event of disrespect to human rights, duly proven by government authorities and mechanisms provided by legislation, we notify the supplier/partner or the customer so they may adopt corrective measures and, in cases in which such measures are not taken, we then are entitled to rescind the respective commercial relationship. Vale

Step 2: Provisions on labour standards/working conditions

Human rights policies/position statements include provisions on employment or workplace rights. For bigger companies these issues may already be covered under existing employee codes of conduct; the policy-mapping exercise referenced in the Getting Started section should help identify any gaps.

The level of detail a company goes into will vary. Some offer a short sentence on key labour rights issues that outline their commitment. Others refer stakeholders to company literature, such as codes of conduct, where additional detail is to be found. Some companies publicly disclose more than others.

More detailed provisions may be needed for some rights if the firm operates in countries where a particular right is known to be at special risk, or if the industry faces a unique rights challenge. For example, retail firms with operations where child labour is prevalent may have more detailed child labour provisions than firms for whom the risk of using child labour is low.

Key human rights-related areas regularly covered in human rights policy documentation include:

- Non-discrimination,
- Child labour/minimum age workers/worst forms of child labour
- Forced/bonded/compulsory labour
- Freedom of association/collective bargaining
- Health and safety
- Working conditions - including working hours
- Fair wages/compensation
- No harsh or degrading treatment/harassment

Good practice examples:

Non-discrimination

The Fortune Global 500 Survey and Business Recognition Report into over 300 companies conducted by the UN Special Representative during his first mandate both found that over 90% of companies already had policies addressing non-discrimination.

We respect each individual's human rights and will not discriminate on the basis of race, color, religion, creed, sex, age, social status, family origin, physical or mental disability or sexual orientation, nor will we commit other violations of human rights. Such discrimination will not be tolerated. We will be resolute in upholding human rights in everything we do and will not tolerate such discrimination in others. Ignorance and inaction do not constitute excuses for discrimination. Fujitsu

We provide equality of opportunity and treatment for the purposes of eliminating discrimination based on race, colour, gender, sexual orientation, gender identity, religion, political opinion, nationality, social origin

and status, indigenous status, disability, age or other status of individuals unrelated to the individual's ability to perform work. **National Grid**

All policies of Novartis, including but not limited to those relating to recruitment, hiring, discharge, pay, promotion and training, are non-discriminatory. Novartis treats all its employees with equal respect and dignity. It supports the principle of equality of opportunity and personal treatment and therefore strives to eliminate discrimination based on race, colour, sex religion, political opinion, nationality, social origin, social status, indigenous status, disability, age (except for adolescents, who may be given greater protection) or other status of an individual unrelated to the individual's ability to perform his/her job. Intimidation or degrading treatment are not tolerated within the sphere of our influence; no employee is disciplined without fair procedures. **Novartis**

Child labour

As per Chilean law and conventions ratified by Chile, children under 18 are not allowed to work in operations or jobs requiring excessive force, nor in activities that may be hazardous to their health or safety. Those under 21 years require pre-employment medical examinations to work in underground mines. [...] Codelco adheres to the principles established in the Convention on the Rights of the Child of the United Nations, and in Convention 138 of the ILO. **Codelco**

Child labour is not used. There is no recruitment of child labour. If any incidence of child labour is identified in the supplier's industry and region, the supplier shall initiate, or participate in, a programme to transfer any children involved in child labour into quality education until they are no longer children.

No one under eighteen years old is employed at night or in hazardous work or conditions.

In this Code, "child" means anyone under fifteen years of age, unless national or local law stipulates a higher mandatory school leaving or minimum working age, in which case the higher age shall apply; and "child labour" means any work by a child or young person, unless it is considered acceptable under the ILO Minimum Age Convention 1973 (C138). **Pentland Group plc**

Forced/bonded labour

Freely-chosen employment: Ensure no forced, bonded or involuntary prison labor is used in the production of HP products or services. Ensure that the overall terms of employment are voluntary. **HP**

Business partners must not use forced labour, whether in the form of prison labour, indentured labour, bonded labour or otherwise. No employee may be compelled to work through force or intimidation of any form, or as a means of political coercion or as punishment for holding or expressing political views. **Adidas**

Freedom of association/collective bargaining

We respect the rights for individuals to join legal labour unions as provided by United Nation's declaration on human rights, Article 23 (4), and United Nation's convention concerning freedom of association and protection of the right to organize[...] to the extent that it does not conflict with the relevant local laws and regulations of the countries we operate. **Anadolu Efes**

We recognize and respect our employees' right to associate freely and bargain collectively. We will work constructively with recognized representatives to promote the interests of our employees. In locations where employees are not represented by unions, we will seek to provide opportunities for employee concerns to be heard. **Ford Motor Company**

We respect that employees have the right to choose whether or not to be represented by a trade union for the purpose of collective bargaining. No employee who exercises this right shall be discriminated against. All employees should know the basic terms and conditions of their employment. Legislated minimum wages will always be a minimum rather than a recommended level. **TeliaSonera**

We recognise the rights of our employees to freely choose to join trade unions or similar external representative organisations. Where representation by trade unions is conferred automatically by legislation, these rights will be upheld. Local operating companies will respect the wishes of the majority of their employees in deciding whether to recognise a trade union to negotiate terms and conditions of employment, where legislation permits. We seek to work in a constructive partnership with recognised trade unions in the best interests of employees, shareholders and customers. **Vodafone**

Health and Safety

Balfour Beatty regards high standards of safety and health as a cornerstone of a successful business. You have a clear duty to take every reasonable precaution to maintain a safe and healthy working environment in order to avoid the possibility of injuring yourself or putting at risk those with whom you work and members of the public. Strict adherence to the Group's Health & Safety Policy is expected of every employee. **Balfour Beatty**

*We believe that all injuries and occupational illnesses, as well as safety and environmental incidents are preventable, and our goal for all of them is zero. We will promote off-the-job safety for our employees. Our commitment is set forth in the DuPont Safety, Health, and Environmental Commitment. **DuPont***

Working conditions, including hours

*Workers shall not be required to work more than 60 hours per week, including overtime, except in extraordinary circumstances. In countries where the maximum workweek is less, such local standard shall apply. Workers shall be entitled to at least one day off in every seven-day period. **Reebok***

*We will treat all employees fairly and honestly regardless of where they work. All staff will have a written contract of employment, with agreed terms and conditions, including notice periods on both sides. All staff are entitled to reasonable rest breaks, access to toilets, rest facilities and portable water at their place of work, and holiday leave in accordance with the legislation of the country where they work. All employees are provided with appropriate job skills training. **Tesco***

Fair wages/compensation

*To give workers remuneration which satisfies their basic needs and those of the members of their family who are directly dependent on them. **Carrefour***

*We will only do business with vendors who pay employees, as a floor, at least the minimum wage required by local law or the prevailing industry wage - when available, whichever is higher, and who provide all legally mandated benefits. Employees shall be compensated for overtime hours at the rate established by law in the country of manufacture or, in those countries where such laws do not exist, at a rate at least equal to their regular hourly compensation rate. **Phillips-Van Heusen***

No harsh or inhuman treatment/Harassment

*The IKEA supplier shall not engage in or support the use of corporal punishment, threats of violence or other forms of mental or physical coercion. The IKEA supplier shall not make use of public warning and punishment systems. [...]The IKEA supplier shall not engage, support or allow any form of harassment or abuse in the workplace. [...]Harassment can be any offensive act, comment or display that humiliates insults or causes embarrassment, or any act of intimidation or threat [...]. **IKEA***

*Employees of a Tata company shall be treated with dignity and in accordance with the Tata policy of maintaining a work environment free of all forms of harassment, whether physical, verbal or psychological. **Tata Group***

*[The Company is] ... opposed to violent behavior, sexual harassment or power harassment. **CNOOC Ltd***

Step 3: Provisions on non-labour related rights issues

Each company will need to determine for itself which given human rights may need to be prioritised - whether because they pose unique challenges to the company's industry, its relationships or because the company does business in one or more high risk location - and whether these merit a specific policy provision.

Companies do not always use human rights language to describe policy provisions that address non-labour rights issues, for example company security arrangements may impact on the rights to life and security of persons, but will normally be listed by the company as a policy on security arrangements, rather than a policy on the right to life.

*Resource tip: A list of non-labour rights can be found in the UN Framework²³. The publication *Human Rights Translated: A Business Reference Guide* is also a recommended resource.*

²³ Protect, Respect and Remedy: A Framework for Business and Human Rights. UN Document: A/HRC/8/5 7 April 2008
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Examples:

Security

It is the policy of Cerrejón to maintain its relationship with Private Security Companies and the legally constituted State Security Forces, within the highest standards or practices and with the greatest transparency possible, thus developing corporate behaviour in accordance with the Voluntary Principles; for this reason it trains them and keeps them abreast of matters of Human Rights [...]. **Cerrejón**

We only allow armed security when required by law or when considered that there is no other way to manage security risks. All armed guards must meet our standards, based on UN guidelines and conventions on the use of force and the Voluntary Principles on Security and Human Rights. Armed guards must first try to resolve a security incident without using force. If this fails then they should only use the minimum force needed and offer help to anyone – including offenders – injured as a result. **Shell**

Indigenous People's/Traditional/Land rights

[We] have regard to the principles of ILO Convention No. 169 on Indigenous and Tribal Peoples, wherever our operations may impact the human rights of indigenous peoples **BG Group**

The Company recognises and respects the importance of Indigenous peoples' culture, heritage and traditional rights and supports the identification, recording, management and protection of indigenous cultural heritage sites. **BHP Billiton**

Clinical trials

We put safeguards in place to ensure that the human rights of people taking part in our clinical research are protected. This includes the informed consent process and procedures to protect patient privacy. We are especially careful to protect the rights of any children involved in our clinical trials. **GSK**

Engaging with Government Officials/Advocacy

Yahoo! has been and will continue working to secure the release of certain political dissidents through ongoing discussions with high-ranking U.S. and Chinese officials, congressional leaders, human rights groups, and the State Department. **Yahoo!**

We reserve the right to express to governments our position concerning our operations, employees and shareholders and our belief in the importance of respecting human rights. **Total**

Migrant workers

Migrant workers shall have exactly the same entitlements as local employees. Any commissions and other fees in connection with employment of migrant workers must be covered by the employer. The employer must not require the employee to submit his/her identification documents. Deposits are not allowed. Workers employed through an agent or contractor are the responsibility of H&M's supplier and other business partners, and are thus covered by this Code. **H&M**

Sexual exploitation of children

Marriott condemns all forms of exploitation of children. The Company does not recruit child labor, and supports the elimination of exploitative child labor. Marriott also supports laws duly enacted to prevent and punish the crime of sexual exploitation of children. Marriott will work to raise awareness concerning such exploitation, and will cooperate with law enforcement authorities to address any such instances of exploitation of which the Company becomes aware. Marriott has a long history of supporting programs and partnerships that help at-risk young people and their families prepare for and find meaningful employment [and] programs that help children break out of the cycle of poverty that makes them and their families vulnerable. **Marriott**

KEY READINGS: What are the ingredients of a human rights policy

- Business & Human Rights Resource Centre website: <http://www.business-humanrights.org/Documents/Policies>
- Maplecroft Policy Bank: http://www.maplecroft.com/portfolio/policy_bank/policies/

6. Next Steps - Path to Implementation

Developing a human rights policy is only the first step in knowing and showing respect for human rights. The due diligence menu suggested in the UN Framework advises companies to also:

assess their human rights impacts, implement the policy within their management systems and decision-making procedures, track and report on performance, and put in place some form of grievance mechanism. These and the other management actions business can take to respect and support human rights are reflected in the poster: *A Human Rights Management Framework*. The key readings boxes in this report flag other publications that can help.

What is key is that the human rights policy becomes more than just a piece of paper that no one looks at. Having a policy and doing nothing to implement it can potentially be worse than having no policy at all. Failing to act, or inadequately acting, in contradiction with a policy, can open a company to criticism from a wide variety of sources, not just human rights NGOs but also from those who look at the integrity of its corporate governance. Implementation therefore is critical

Key points to consider

Assessing impacts

- Undertaking a human rights base-line study for the business, including country risk-analyses.
- Undertaking a human rights impact assessment at the pre-feasibility stage of any major project with the potential to negatively impact on human rights, for new operations, and on an on-going basis, especially for activities in so-called weak governance zones. As part of their human rights approach, companies need to consult with stakeholders.

Integrating human rights throughout the company

- Integrating and acting on the findings of the impact assessment.
- Engaging in ongoing stakeholder consultation to build relationships across the company and with external groups.
- Reviewing company training to include human rights criteria as appropriate and identifying target groups that may need additional learning support.
- Embedding human rights into management systems, including responsibilities in job descriptions and performance appraisals.
- Integrating human rights into the company's internal and external communications, e.g. intranet or Web2.0 systems, to ensure relevant stakeholders understand the policy and business implications of not adhering to it or failing to act on impact assessment findings.

Tracking performance

- Identifying indicators for measuring human rights performance, developing and implementing systems for acquiring qualitative and quantitative data, and reviewing the findings to inform future strategy.
- Reporting on commitments, targets and performance (through the Global Compact Communication on Progress for UN Global Compact participants).

KEY READINGS: Next steps - the path to implementation

- *A Guide to Integrating Human Rights into Business Management*, Business Leaders Initiative on Human Rights (BLIHR), the UN Global Compact and the Office of the UN High Commissioner for Human Rights (OHCHR), Second Edition © 2010.
- *A Human Rights Management Framework (Poster)*, Business Leaders Initiative on Human Rights, International Business Leaders Forum, the UN Global Compact and the Office of the UN High Commissioner for Human Rights, ©2010.
- *Human Rights Compliance Assessment*, Danish Institute for Human Rights (on-line resource).
- *Guide to Human Rights Impact Assessment and Management*, International Business Leaders Forum, International Finance Corporation and UN Global Compact, <http://guidetohria.org/guide>
- *Human Rights and Business Dilemmas Forum*: <http://human-rights.unglobalcompact.org>
- UN Global Compact Guidance: http://www.unglobalcompact.org/Issues/human_rights/Tools_and_Guidance_Materials.html

Human rights policies for SMEs

The universal baseline expectation that companies should respect human rights applies to all companies regardless of size. Many of the legal pressures and some, though not all, of the commercial drivers for respecting human rights also apply equally to big and small companies. For companies to show respect for human rights requires due diligence, of which a human rights policy is only the first step. How companies go about this in practice will depend considerably on the resources available, as well as the level of the company's risk of negatively impacting human rights

It is not unusual for multinational companies to have formal policies and procedures to ensure that non-financial issues like human rights are properly addressed company-wide, including across functions and business units. Whereas such policies are rare or nonexistent among small-to-medium-sized enterprises. Human rights however is a new consideration even for many large companies and in the absence of a uniform definition or regulation governing human rights policies, SMEs and multinationals alike can draw upon examples in this Guide to help develop a policy or position statement that is best suited to their own circumstances.

SMEs are reminded that many larger firms' human rights policies often started as statements a few paragraphs long; this may be the best model. In developing a human rights policy specific to their needs and situation, SMEs could check that their human rights policy/position statement has:

- Given overall responsibility for the policy to a senior figure in the company,
- Taken steps to understand the human rights issues that might be relevant (human rights focus)
- Involved colleagues from all departments or teams, and
- Talked with and listened to its stakeholders, possibly including those that may be affected by company activities.

And that the human rights policy or statement at a minimum has a sentence that is:

- An explicit commitment by the company to respecting human rights that references international human rights standards (including the Universal Declaration of Human Rights).