



My business and human rights

*A guide to human rights for
small and medium-sized enterprises*



Disclaimer

This guide was written by a team from GLOBAL CSR and BBI International, and was financed by the European Commission (Directorate-General for Enterprise and Industry). The guide does not necessarily reflect the official view of the European Commission.

Foreword



The European Commission wants to support European small and medium-sized enterprises to realise their full potential. We want to create the conditions in which they will be all that they can be: innovators, creators of jobs and wealth, global leaders of business practice and excellence.

We know that the vast majority of owners and managers of smaller businesses aim to respect their employees and other people with whom they have contact through their business activity. In the modern market place, it is part of what defines an excellent, competitive enterprise.

But even if you want to make sure that your company respects others, it can sometimes be difficult to know what to do in practice. This guide to human rights helps to fill that gap. It is based on the United Nations Guiding Principles on Business and Human Rights, and translates those principles into the context of European small and medium-sized enterprises.

At the end of the guide you will find a list of the numerous people and organisations who have taken time to comment on earlier drafts. We are very grateful to them all.

We hope that this guide will be both an inspiration and a practical reference for enterprises in the EU and beyond who are seeking to integrate human rights more explicitly into what they do.

A handwritten signature in black ink, appearing to read 'Joanna Drake'.

Joanna Drake
Deputy SME Envoy
European Commission

1 Introduction

I manage a company, so why should I take an interest in human rights?

Because it is part of being a modern and successful business manager. Like most managers, you probably aim to treat your employees and customers respectfully. By actively dealing with human rights, you can make sure that this is the case. It's an opportunity to make sure your business puts people first and is a business you can be truly proud of.

Societies and markets continue to change in complex ways, and all enterprises have to cope with new rules of play. New expectations emerge that redefine what we understand by good management. Respect for human rights is part of that development.

There is now a global expectation that all enterprises should respect human rights. That expectation is contained in the UN Guiding Principles on Business and Human Rights, which are supported by the UN, the EU and governments around the world, as well as by employers' organisations, trade unions and civil society.

"As SMEs we are so busy, so focused on our businesses and on making money – but we can't do it without having a focus on the outside world. It is crucial to look outside, and around you."

- Jean-Marc Barki

Executive Director, Sealock, French SME

But what are human rights?

Human rights are the rights we are entitled to simply because we are human beings. They represent the universally agreed minimum conditions that enable

all people to maintain their dignity. Human rights are inherent to all of us, whatever our nationality, place of residence, sex, national or ethnic origin, colour, religion, language, or any other status.

We should also respect the human rights of others. This guide will help you to make sure that your business respects human rights. That means avoiding possible negative impacts on human rights, and addressing such impacts if your business is involved with them.

So will respecting human rights make my business more profitable?

Increasingly the answer is yes, but not always and maybe not immediately. Dealing explicitly with human rights can function as a radar or early-warning system. It enables you to identify potential problems and to resolve them before they become more serious and more costly. A human rights focus may also improve customer relations and reputation, and enhance employees' job satisfaction, with a positive impact on productivity and efficiency. It may help you to avoid additional costs associated with attracting and keeping the right staff, gaining permits or dealing with public opposition to new business ideas you may have. You may find that some of your clients and customers want to know how you manage various issues, including human rights. Avoiding and addressing negative human rights impacts can also inspire innovative solutions and improvements that

"There are two ways of managing: managing only by results or managing by values to get the results. Respecting human rights is a way of life."

- Marek Jurkiewicz

Managing Director, StartPeople, Polish SME

help you to be a stronger, more resilient business. In the end though, respecting human rights is about doing ‘what is right’ and what you’re expected to do. The bottom line is that you have a responsibility to respect human rights whether or not it brings financial benefits to your business.

Isn’t it mainly the job of governments to deal with human rights?

Yes. But as an enterprise, you also have a responsibility. Governments have a duty to protect human rights, through adequate laws and policies. Enterprises have a responsibility to respect human rights, meaning that you should have a process in place to avoid and address negative impacts on human rights. Enterprises have that responsibility whether or not governments fulfil their duty to protect human rights.

What kinds of enterprise is this guide for?

This guide has been written for small and medium-sized enterprises in the European Union. There is a huge variety of small and medium-sized enterprises within the European Union, and not all of the examples and advice contained in this guide will be equally relevant to all of those enterprises.

All enterprises, from small and medium-sized enterprises through to large multinational corporations, have a responsibility to respect human rights. There are a growing number of guides to human rights that have been prepared for larger, multinational companies but there are not many resources available for smaller companies. This guide should help to fill that gap.

Although it has been written with EU enterprises in mind, the guide may also be useful for enterprises elsewhere in the world. For that reason it is also

being published in various other languages in addition to the national languages of EU countries.

But aren’t human rights only relevant for large businesses?

No. Enterprises of all sizes risk having negative impacts on human rights. The particular risks your business faces depend on many factors, including where you operate, which business sector you are in, and who your business partners are. But just because you are a small business does not mean that you face no human rights risks.

My company operates just within the EU. So does my company still run the risk of having a negative impact on human rights?


Yes, you may still risk having negative impacts on human rights. The right to non-discrimination on grounds of national or ethnic origin, gender, disability, age or other differences is a good example of a human right that can frequently be at risk in the EU.

However, you’re correct in assuming that the most serious human rights impacts are more likely to occur where the law is weak or not properly enforced. This often – but by no means always – corresponds to countries that are less economically advanced, such as developing and emerging economies. Even if you operate mainly within the EU, you might have customers or suppliers in other parts of the world, which could expose you to the human rights risks associated with those places.

My company complies with the law. Isn’t that enough?

If you are operating in the EU and you comply with the law, you will usually have come a long way

towards ensuring that you do not negatively impact human rights. This is because in many cases human rights are reflected in national and EU laws. For example, complying with health and safety regulation helps you to avoid negative impacts on the right to life, the right to a safe work environment and the right to physical and mental health.



“Respecting human rights is not only relevant outside Europe - we need to look inwards as well.”

- Michel Van Bavel

Managing Director, Van Bavel Business Gifts, Belgian SME

However, you can have negative impacts on human rights even if your activities are in compliance with relevant laws since the law often provides only for the minimum level of protection. In addition, you might be involved in negative impacts on human rights through the actions of your suppliers, clients, or other business partners, even if your own enterprise has not done anything illegal.

Having a process in place to avoid and address negative human rights impacts will help you to identify possible areas in which legal compliance on its own does not guarantee that your company is respecting human rights. Such a process should therefore enable you to know where and when you may need to take action that goes beyond compliance.

So what exactly are the UN Guiding Principles on Business and Human Rights?

The UN Guiding Principles define what governments and businesses should do in order to avoid and address negative impacts on human rights by businesses. They make a clear distinction between what is expected of governments and what is expected of businesses. They also include principles about “remedy” – what to do if businesses are nevertheless involved in negative human rights impacts.

This guide focuses on what is expected of businesses. The UN Guiding Principles give all businesses – small and large – the recipe for what it takes to respect human rights. They represent the global standard of expected behaviour in this area and are applicable to all businesses in all situations.

What about the positive human rights impacts of my business?

Your business almost certainly has positive impacts on human rights. By offering goods or services, by employing people, and by contributing to economic and social development, you are probably contributing to make human rights a reality for others. You may wish to consider how you can best maximise your positive contribution to human rights. But this guide is limited to describing how to avoid and address negative impacts because that is the minimum expectation on your business.

Can I deal with human rights within my existing management processes and systems?

Often you should be able to respect human rights by adjusting existing processes and systems. For example, if you carry out risk analyses you may be able to expand them to include identification of your risks of negative impacts on human rights. You may also have in place management systems to help you handle health and safety, environmental impacts or quality more efficiently. Such systems can be used to help you avoid and address possible negative human rights impacts.

If you have a policy on corporate social responsibility (CSR), you may find that this provides a good starting point. However you should be aware that while many businesses already work with CSR and elements of human rights in different ways, the UN Guiding Principles provide new and authoritative expectations for the processes that need to be in place for a business to respect human rights.

Am I expected to do this on my own?

Yes and no. The responsibility is yours, but you will probably find it useful to collaborate with others in finding shared solutions, becoming inspired from good practices, and benefiting from lessons learned.

“When reading the UN Guiding Principles I actually thought, this is something I already do! But some elements are of course new and we are going to look at them.”

- Marjanka Veljanovska

Executive Director, Farmahem, Macedonian SME

What's in the rest of this guide?

In the rest of this guide you will find:

Section II: An introduction to six basic steps expected of you according to the UN Guiding Principles;

Section III: Questions to ask yourself in relation to 15 business situations that may carry a risk of negative impacts on human rights;

Section IV: A list of human rights, with brief examples of how enterprises could, if they are not careful, have a negative impact on each one;

Section V: And a list of relevant references.

You can consult the sections in any order. If you're not exactly sure what human rights are, then the list of human rights in section IV might be a good place to start.

We would like to hear from you

Every effort has been made to make this guide as useful as possible. We would be glad to hear from businesses or advisors that have used it. Comments and suggestions for improvements are always welcome, and should be sent to the corporate social responsibility team of the European Commission (Directorate-General for Enterprise and Industry): entr-csr@ec.europa.eu.

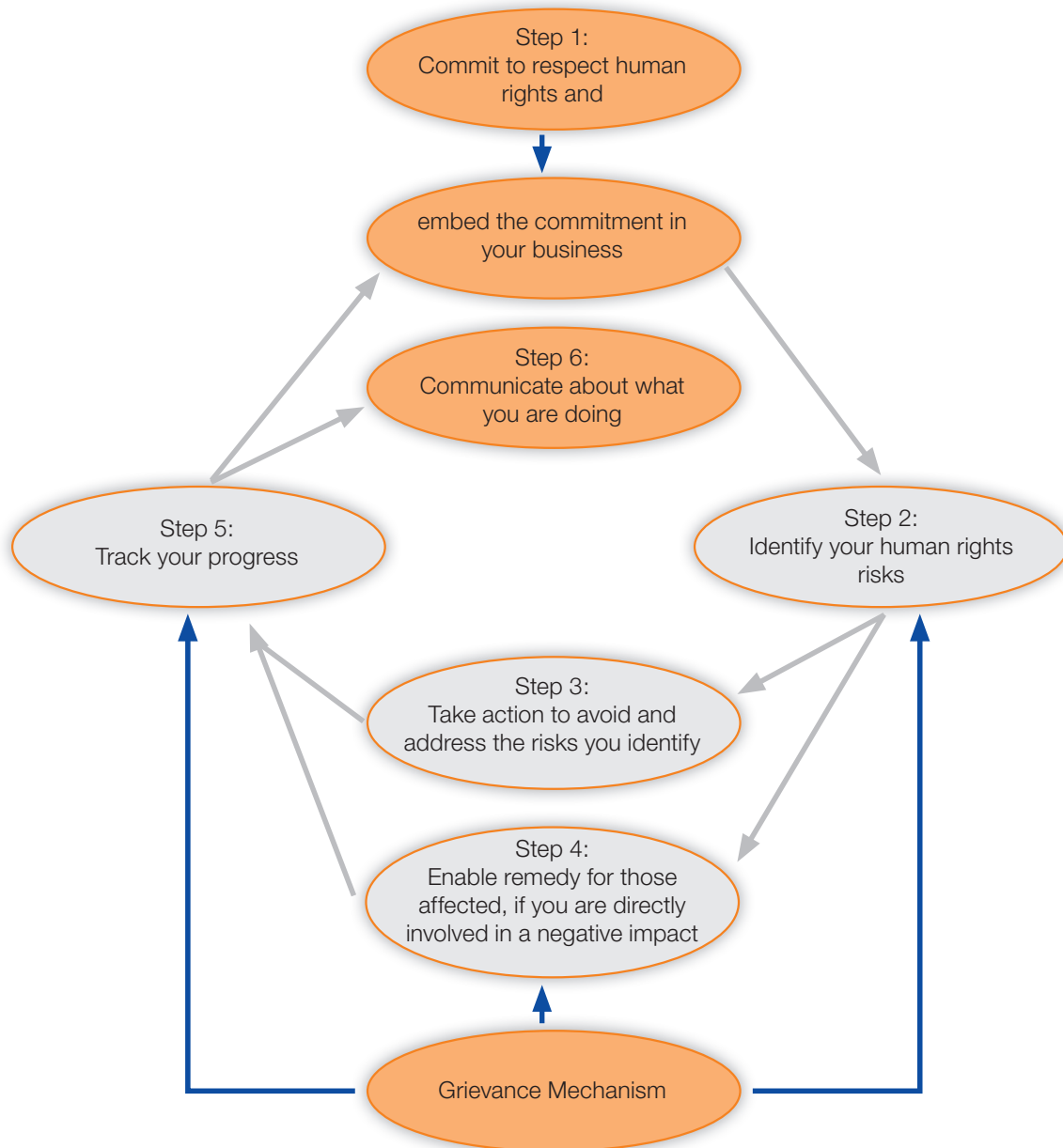
2 Respect human rights through six basic steps

This section introduces six steps you should take to understand your risks of having negative impacts on human rights and to avoid and address such impacts. These are:

- 1 Commit to respect human rights and embed the commitment in your business
- 2 Identify your human rights risks
- 3 Take action to avoid and address the risks you identify

- 4 Enable remedy for those affected, if you are directly involved in a negative impact
- 5 Track your progress
- 6 Communicate about what you are doing

In most cases, these six steps can be incorporated in your existing policies and processes. But remember that it is not enough to go through the six steps once. Ensuring that you respect human rights requires ongoing actions; see the below illustration.



Step 1: Commit to respect human rights and embed the commitment in your business

The first step is to publicly commit to respect human rights; to show that you intend to respect all human rights and that you expect the same from those that you do business with.

By doing so, you also empower employees and relevant stakeholders with clear guidance on the desired way of doing business.

You then need to embed, or integrate, this commitment in relevant internal systems so that it gets translated into practice and into the organisational culture of your business, reaching all employees in an appropriate way.

How can I do this?

- Make sure that the commitment comes from the owner or top management.
- Decide on how to commit. You might choose to make a commitment in writing. But depending on the size of your business, it might make more sense for you to state it orally. What's important is to adequately inform those who need to know about it e.g. possibly affected persons, staff and business partners.
- A written commitment can be a standalone statement or part of your business vision, value statement, or corporate social responsibility policy. You may also wish to include or reference the commitment in your employee manual, sales terms, codes of conduct for employees or for suppliers, or your quality policy.
- In your commitment make sure that your employees understand what is expected from them and let business partners and other businesses you work with know that you also expect them to respect human rights.

- Consider communicating your commitment through your website, if you have one.
- Whether you commit in writing or orally, ensure that the "attitude" is reflected throughout your business. This should include reviewing other policies and procedures for inconsistencies with your commitment to respect human rights, ensuring that you have appropriate incentive structures in place, and providing training to ensure that employees and partners understand your commitment and what it means for their daily work.

"Respecting human rights needs to be at the management level – it is a philosophy that you need to bring into the company from the top."

- Michel Van Bavel,

Managing Director, Van Bavel Business Gifts, Belgian SME

Step 2: Identify your human rights risks

The next step is to know your potential impacts – meaning your risk of having negative impacts on somebody's human rights.

You have to identify where your business may impact negatively on human rights. Here an important distinction needs to be made. Firstly, you may be involved in negative human rights impacts directly as result of your own activities. For example, you might risk discriminating against certain people in recruitment processes. But additionally, you might be indirectly involved in negative human rights impacts simply because of something done by another company or other kind of organisation with which you have some kind of business relationship.

Circumstances may change, so you should update your identification of potential negative impacts periodically, including, for example, when you launch a new product or project, enter a new market or establish a new business relationship.

How can I do this?

- Read sections III and IV of this Guide, so you become aware of what human rights are and have a better idea of the kind of impacts that you may identify. Initially, you need to consider all human rights when identifying your potential negative human rights impacts.
- Consider amending existing processes to include an assessment of human rights impacts. This could be a risk management system, health and safety system, environmental and social impact assessments or diversity management systems. You should also consider supply chain management systems to reflect your expectations of suppliers to respect human rights. Certain management system certifications – for instance ISO 9001, ISO 14001, OHSAS 18001 or SA8000 – require processes that could be enhanced to include assessments of negative impacts on all human rights. The ISO 26000 guidance standard on social responsibility includes a chapter reflecting the responsibility to respect human rights.
- Consider creating a complaints system open to employees, and also to external persons. This can help you identify potential negative human rights impacts, before they become a bigger problem. (See below under Step 4 for more on this.)
- Speak regularly to the people that you may affect, such as employees, the local community, customers and clients – to learn what they think your impacts might be.
- If necessary, seek human rights advice and information from human rights experts, NGOs, trade

unions, and relevant multi-stakeholder initiatives. Contacting your business association may also be useful.

- Make use of the six steps outlined in this guide when considering risks associated with other companies. If they claim to respect human rights they should be able to inform you about which negative risks they have identified and how they have addressed such risks. You may find it worthwhile to discuss their findings if they claim to have identified no or very few potential impacts. In such discussions, you can focus on human rights impacts that are known to form a risk for businesses in the specific sector or country of operation.

“My company places temporary workers in client companies. The rights most relevant for our activity are basically the right to work, the right to equal payment for equal work, the right to non-discrimination, the right to privacy, and the right to family life... Also some human rights risks might not be in my company – but they might be in my market and in my industry.”

- Marek Jurkiewicz

Managing Director, StartPeople, Polish SME

Step 3: Take action to avoid and address the risks you identify

You need to take action to deal with the human rights risks you have identified. Especially in smaller companies, such actions may be informal and aimed at modifying attitudes and the organizational culture.

If the human rights risk is the result of your company's activities (meaning that you caused or contributed to it), you should be able to take concrete action to address it.

It's a bit more complicated if the risk of a negative human rights impact arises from what a customer, supplier or other business partner is doing rather than from what your company itself is doing. In that kind of situation, you should try to use whatever leverage, or power, you have to prevent a negative human rights impact from occurring, even if you can't prevent it completely. If the other organisation is a small business like yours, you might find you have a reasonable amount of leverage. If it is a much larger organisation than yours, you might not have enough leverage on your own to make anything happen. In those cases it can help to team up with others who might have the same interests.

How can I do this?

- Designate someone in your company to take the lead and decide who else should be involved in addressing each particular risk you've identified. Provide them with sufficient human resources – including external expertise when needed – and funding to do so.
- Include human rights performance in performance incentives and/or sanctions for staff members. For example, bonuses for production line supervisors can be made dependant on a reduction in the number of work related injuries.
- Include respect for human rights, with a particular focus on the identified risks from step 2, in sales terms, procurement and contracting practices and in clauses in your agreements.
- Use your leverage when risks exist within your business relationships, possibly by sharing experiences and good practices from your own operations. Team up with others – such as customers,

suppliers, business associations, unions or public authorities - if your leverage over a business partner is insufficient to prompt change.

- As a last resort, if you cannot establish enough leverage to get an organisation with which you have a business relationship to address a negative human rights impact, then you may need to consider ending your business relationship with that organisation.

What is "leverage"?

In this context, leverage means your power or ability to get another organisation to address negative human rights impacts that it is causing or contributing to. Whether or not you have leverage does not determine whether you have some responsibility for a negative human rights impact. For example, if a supplier is not respecting human rights, you have some responsibility for the negative human rights impact even if you do not have leverage to get that supplier to change its behaviour.

"In our hiring procedures we have a policy not to discriminate against people from different ethnicities or different genders or people with different religions. I think it is very important for a society like Macedonia, which is a multi-ethnic society, and I also believe this will help our businesses."

- Marjonka Veljanovska

Executive Director, Farmahem, Macedonian SME

Step 4: Enable remedy for those affected, if you are directly involved in a negative impact

If things go wrong and someone's rights are not respected, you need to make an effort to stop such impacts and, if your company caused or contributed to it, find ways to correct the situation for the victim(s). Making right what went wrong could involve apologising, financial or non-financial compensation or any other remedy that the victim and your business agree on as an appropriate response. It must also involve measures to ensure that the negative impact does not occur again. It is important to understand what those affected would view as effective remedy, in addition to your enterprise's own view.

How can I do this?

- Be open: talk to individuals that feel affected by your business. This might help resolve complaints early and directly, limiting the problem both for your business and for the affected persons.
- Put in place a complaints system, where people who feel that they, or others, have been or will be negatively affected by your business may safely raise concerns. Alternatively, enable access to such a system administered by an outside organization (for example, by an industry association or a multi-stakeholder group). This can enable effective action to correct harm before it becomes a conflict that is difficult to manage.
- Collective bargaining and constructive relations with duly elected employee representatives often provide a good basis for effective remedy in cases involving employees. Some companies also make good use of employee speak-up lines or suggestion boxes.
- For individuals from outside the company, you could consider establishing a public email address or a phone line to handle complaints or feedback.

"Our company has established an anonymous letterbox in which employees can put their proposals, their criticisms, and all the things they might observe which might be a violation of human rights."

- Tina Lund

UN Partnership Manager, Danimex Communication, Danish SME

What is "remedy"?

Providing a remedy means correcting a mistake, or in this context "making good" a negative impact on someone's human rights. It is essentially about taking care of the victim. It's much easier to make good a negative impact if you have systems in place that enable those affected to contact you and start a dialogue.

Step 5: Track your progress

To ensure good management of your responses to potential and actual negative human rights impacts, you need to track and record how you deal with them. How did you prevent a potential negative impact and did you succeed? And did you correct the situation for affected persons if negative impacts actually occurred? This may require you to use relevant indicators: both those that can be measured, quantitative indicators, and those that reveal peoples' perceptions and attitudes, qualitative indicators. These efforts should enable others to evaluate your actions.

How can I do this?

- Consider basing your tracking efforts on tools and indicators which you already use in workplace health and safety assessments, staff performance reviews, or staff surveys. You can also integrate relevant indicators in existing

quality management or environmental performance tracking systems, and use surveys of consumers', customers' or suppliers' perceptions.

- It can also be helpful to evaluate outcomes of your complaints system. Did they fully resolve the issue?
- Consider involving stakeholders and in particular affected individuals in your tracking efforts, to provide feedback on the effectiveness of your efforts in avoiding and addressing negative impacts on human rights.

"My company is stronger today than before we started this process of dealing directly with human rights. We have started a better internal communication. We used to not talk, and to be very hierarchal."

- Jean-Marc Barki

Executive Director, Sealock, French SME

Step 6: Communicate about what you are doing

This step is about showing what you do to respect human rights. You do not have to reveal all identified risks or impacts and how you have dealt with each and every one of them. However, if requested – especially by affected individuals or their representatives – you should be prepared to disclose information on particular human rights impacts, while ensuring adequate protection of private or commercial information, and, if relevant, of your staff.

How can I do this?

- Make sure to communicate what you do to the potentially or actually affected individuals. Consider meeting and consulting with affected stakeholders as a core element of your communication approach. Independent verification or endorsement

of human rights reporting or inclusion of comments from affected individuals can strengthen your communication's content and credibility.

- In addition, decide how you want to communicate. Your communication can either be informal and included in regular meetings and discussions with employees, suppliers, customers or community representatives, or it can take the form of formal, publicly available reporting.
- Include relevant information in annual reports, corporate social responsibility or sustainability reports. Relevant segments can appear in periodic health and safety performance reports. If your business participates in national or international initiatives such as the UN Global Compact or Ethical Trading Initiatives you are already expected to communicate certain information. Relevant information about your respect for human rights can be integrated into that.
- Remember to inform other relevant stakeholders. The information may be required or just appreciated by those of your customers that engage in responsible supply chain management or sustainable procurement.
- Consider making use of brief updates posted on your website or via social media.

"Danimex communicates our commitment to human rights by publishing a Communication on Progress. It's a report we publish once a year, in connection with our participation in the UN Global Compact... But we are actually not quite good yet at telling our customers and our suppliers what we do. So this is one of our future challenges, to become better at communicating what we are doing."

- Tina Lund

UN Partnership Manager, Danimex Communications, Danish SME

3 Questions to consider in everyday business situations

Below you will find a list of 15 quite common business activities or business situations. Each one could entail risks of negative impacts on human rights. For each one there is also a short set of questions which hint at actions you might take to avoid or address those impacts.

Not all the situations will be relevant for your specific business, but it is likely that you recognise yourself in many of them. Human rights risks can arise in fairly ordinary business activities that most businesses undertake.

The questions are not exhaustive, so they do not cover all possible risks of negative human rights impacts in relation to each described situation. Hopefully your answer to many of the questions will be “yes, I already do that.” If so, it shows that you already do many things to ensure your business respects human rights. But you might also find new things that you have not thought of before.

There is legislation that is relevant to most of the situations described. So as you read these situations, remember that you must always make sure that you are aware of and comply with relevant laws and collective agreements. When you conduct business, always ensure that your activities take place within the intended legal and institutional framework for those activities. If you employ people, only use legally recognised employment relationships. And check that you only have business relationships with organisations and persons who are operating within the law. By doing this you will usually have gone a long way towards ensuring respect for human rights.

Some of the questions hint at actions that you may be legally obliged to take in any case. The fact that they are presented here as questions in no way implies that enterprises may choose whether or not to comply with the law.

HUMAN RIGHTS CONSIDERATIONS IN YOUR OWN ACTIVITIES

1. When you recruit employees...

Do you consider only competences and experiences when assessing who to hire?

Do you ask only for information that is relevant for the job to be fulfilled?

Do you make reasonable accommodations to allow employees with disabilities to have job opportunities with your business?

Are all employees involved in recruitment processes aware of your business' approach to discrimination?

Do you make a public commitment regarding diversity, e.g. by signing up to a Diversity Charter¹?

Do you keep private information about the applicants safely stored?

Rights at risk:

- Right to work
- Right to non-discrimination
- Right to privacy

¹ See http://ec.europa.eu/justice/discrimination/diversity/diversity-charters/index_en.htm

2. Once you have recruited employees and they are working for you...

Do you encourage a work environment in which people respect each other?

Do you have measures in place to avoid and combat discrimination in the workplace?

Do you take measures to protect employees from incidents of bullying, sexual harassment and other kinds of harassment, either from other employees or from outsiders such as customers, vendors and clients?

Do you support employees that claim to have been exposed to incidents of bullying, sexual harassment or the like?

Do you ensure that wages are paid on a regular basis, and in a timely manner?

- Rights at risk:
- Freedom from degrading treatment
 - Right to non-discrimination
 - Right to a safe and healthy work environment
 - Right to physical and mental health
 - Right to just and favourable remuneration

3. When setting salaries and deciding who to promote...

Do you ensure equal pay for equal work or for work of equal value?

Do you increase wages and provide benefits based on objective factors avoiding discrimination?

Do you ensure fair and transparent promotion and career development opportunities?

If your business employs low-skilled, migrant or seasonal labour, do you know that the overall income received by the workers concerned is adequate for their basic needs to be met, taking account of any additional wage support that may be provided by the state?

- Rights at risk:
- Right to equal pay for equal work
 - Right to non-discrimination
 - Right to work
 - Right to just and favourable remuneration

4. If employees want to join a trade union and engage in collective bargaining...

Do you allow your employees to join or form a trade union of their choice?

Do you engage in dialogue with your employees, for example through regular meetings with employee representatives?

Do you have a healthy dialogue and engage in good faith negotiations with the trade unions that your employees are involved with?

- Rights at risk:
- Right to organise and participate in collective bargaining
 - Freedom of association

5. When one of your employees gets pregnant or has a pregnant spouse...

Do you alter work plans of such employees in light of the maternity or paternity?

Do you brief your employees on how to manage and act in relation to pregnancy of colleagues?

Do you make sure that you don't discriminate pregnant employees or young women e.g. in connection to recruitment or promotion?

Do you have the same approach towards women or men taking up parental leave?

- Rights at risk:
- Right to family life
 - Right to non-discrimination
 - Right to a safe and healthy work environment
 - Right to physical and mental health

6. If you advertise products...

Do you avoid reinforcing prejudices and stigmatising people or groups in your advertisements?

Do you make sure that you do not promote the sexualisation of children in advertising?

Do you ensure that your advertising depicts women in a non-sexist manner?

Do you have a channel for feedback in place allowing the public to comment on your advertisements?

- Rights at risk:
- Right to non-discrimination

7. If you sell products directly to consumers...

Are your employees trained in non-discrimination of customers and are they, for example, informed of risks related to discriminatory or derogatory expressions?

Is consumer information securely stored and do consumers know how you will use such information?

Do you provide clear instructions for use of and warnings about hazardous products?

- Rights at risk:
- Right to non-discrimination
 - Right to privacy
 - Right to life
 - Right to physical and mental health

8. If your employees work under highly stressful conditions...

Do you pay extra attention to employees' well-being in times of particular stress and pressure?

Do you try, to the extent possible, to plan work well in advance to avoid exposing your employees to persistently high levels of stress?

Do you create an open atmosphere where employees feel confident in talking about stress or stress related symptoms?

Do you make sure that you and your employees are aware of early symptoms of stress?

- Rights at risk:
- Right to a safe and healthy work environment
 - Right to rest and leisure
 - Right to physical and mental health

9. If your employees have access to the internet at work...

Do you inform your employees under which circumstances you will access their e-mails?

Do you inform your employees about the limits of what they can state publicly about or for your business?

Do you make sure that your employees do not copy others' work for personal or business gains?

Do you make reasonable adjustments to enable employees with disabilities, such as visual impairment, to access the internet?

- Rights at risk:
- Right to privacy
 - Right to hold opinions
 - Freedom of information and expression
 - Right to non-discrimination
 - Right to participate in cultural life, benefits of scientific progress, and protection of authorial interests

10. If your employees work with harmful substances...

Do you ensure that your employees have instructions and receive training on how to handle the substances and what to do if accidents occur?

Do you ensure employee access to first aid equipment?

Do you regularly conduct inspections to ensure that health and safety requirements are fulfilled?

Do you ensure that the substances are disposed of or stored in a safe manner following their use?

- Rights at risk:
- Right to a safe and healthy work environment
 - Right to physical and mental health

11. If your business uses machinery or vehicles...

Are the machines or vehicles used in your business safe to operate, and do you regularly check their safety features?

Are all employees using machinery or vehicles adequately trained and authorised to operate them?

Are employees trained in how to respond to a breakdown or malfunction of machinery?

Are employees using machinery or driving vehicles given adequate rest time to avoid fatigue related accidents?

- Rights at risk:
- Right to a safe and healthy work environment
 - Right to physical and mental health

HUMAN RIGHTS CONSIDERATIONS IN BUSINESS RELATIONSHIPS

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

Do your suppliers know that you expect them to respect human rights, for example by making reference to possible risks in your contracts or supplier agreements?

Do you plan your sales and your orders to avoid, to the extent possible, very tight deadlines with suppliers?

Do you consider and discuss with your suppliers the working conditions of their employees under tight deadlines?

- Rights at risk:
- Right to a safe and healthy work environment
 - Right to rest and leisure

13. If you contract another company to provide security services...

Do you make clear to your service providers that you expect them to respect human rights, for example by including this in your procurement conditions?

Do you make sure that your service provider is adequately licensed? Do you ensure that your service provider trains their personnel on relevant human rights issues, such as the appropriate use of force and non-discrimination?

Do you ensure that your service provider minimises negative impacts on the right to privacy of employees or customers that might be caused by surveillance or physical searches?

- Rights at risk:
- Right to privacy
 - Right to life, liberty and security of the person
 - Freedom from degrading treatment
 - Right of peaceful assembly
 - Right to non-discrimination

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

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

Do you have a set procedure in place in the event that you become aware that one of your suppliers is not respecting human rights? Have you considered the possibility of joining a collaborative initiative on responsible supply-chain management, such as the Ethical Trading Initiative or the Business Social Compliance Initiative?

- Rights at risk:
- Abolition of child labour
 - Right to education

15. If you sell products or services likely to be used in conflict-affected areas, or buy products made in conflict-affected areas...

Do your customers or suppliers know that you expect them to take extra care to respect human rights in view of the heightened risks that exist in conflict-affected areas?

Do you seek credible, independent advice from governments and human rights experts on how to respect human rights in conflict-affected areas?

Do you collaborate with other businesses or civil society organizations to manage identified risks?

Do you pay particular attention to the risk of becoming a part of any ethnic, religious or cultural disagreements or conflicts in the area?

Many human rights may be at heightened risk in conflict affected areas, including:

- Right to life, liberty and security of the person
- Freedom from torture or cruel, inhuman or degrading treatment
- Right to non-discrimination
- Right to self-determination
- Humanitarian law

4 Short examples of negative impacts on human rights

Business can potentially have negative impacts on all internationally agreed human rights. Therefore, your business should consider all such rights, for example when identifying your human rights risks (See Step 2, Section II).

Listed below are 29 human rights that are all contained within the International Bill of Human Rights and ILO Core Conventions². Each of the rights is presented with an example of how businesses, if not careful, can cause, contribute to or otherwise be involved in a negative impact.

Some examples are illegal actions in European countries and elsewhere. In those cases, the business in question might face legal consequences, and compliance with the law could probably have avoided the negative impact. Other examples are in 'grey zones', where it is not clear whether the action is against the law or not.

Nevertheless, they are all examples of negative impacts on human rights that need to be avoided and addressed, should they happen in your business. Note that not everyone always agrees on exactly what constitutes a negative human rights impact. This list seeks to use examples that are reasonably clear.

o **Freedom of association**

A number of employees meet outside work hours to take steps to join a trade union. The company hires a lawyer with the deliberate intention of intimidating the employees in the hope that they will not proceed with their plans to join a union.

o **Right to equal pay for equal work**

A company recruits a new employee who is an immigrant from an emerging economy country. Due to his national origin he is paid less

than his colleagues, as management is of the opinion that his salary is still well beyond what he would have made in his home country.

o **Right to organize and participate in collective bargaining**

In a country where the legal framework allows for collective bargaining regarding the terms and conditions of employment, a company refuses to engage in such bargaining with employee representatives of a legally recognised employees' organisation either directly or indirectly through employer organizations (for example at local, sectoral or national level).

o **Right to equality at work**

The manager of a small company decides to promote an employee, not based on performance, but due to the fact that he is male and thus won't be going on maternity leave as could be the case with the other candidate who is a woman.

o **Right to non-discrimination**

The manager of a small business begins recruitment of a sales assistant for her store. Several qualified and suitable candidates apply for the position, including ethnic minorities. The manager decides not to interview candidates whose minority background is visible, because in the past customers have complained about being served by visible minorities.

o **Right to just and favourable remuneration**

A company pays its full-time employees in accordance with a system of commission. However, no basic wage is guaranteed and payments are made in an inconsistent manner following the fluctuations of sales.

² The representation of the International Bill of Human Rights and the ILO Declaration of Fundamental Principles and Rights at Work stems from "Protect, Respect and Remedy: a Framework for Business and Human Rights", Report of the Special Representative of the Secretary-General on the issue of human rights and transnational corporation and other business enterprises, John Ruggie, 2008: p. 15-16

o **Abolition of slavery and forced labour**

A company works as an intermediary in supplying unskilled workers for agricultural work. The company seeks out immigrants that are willing to work under the relatively poor conditions in the fields and for the low salaries awarded. The company receives a bonus depending on the number of workers that stay with the employer throughout the season. Due to the high turnover of workers the company decides to keep their passports throughout the planned season and introduce a high 'consultation fee' if the worker wishes to retrieve the passport before the end of season.

o **Right to a safe work environment**

The procurement officer in a company visits a main supplier in East Asia. During a visit at the company grounds he is happy to see that all workers wear safety helmets. Later he forgets his briefcase and when he returns to collect it he notices that all workers have now taken off their helmets. As the supplier is crucial to his company, he chooses to keep quiet about what he saw and finish the deal anyway.

o **Abolition of child labour**

A company buys promotional items, such as pens, key hangers and lighters with their company logo from a rather large supplier. When visiting the supplier and negotiating price and quality of the next order the procurement manager notices several young children that seem to be assembling small parts. As she represents such a small company in comparison with the supplier, she chooses to ignore what she sees and places the order.

o **Right to rest and leisure**

Due to a rush order from an important customer, a small business owner asks its supplier to double the production of an item within

the planned delivery of an existing order. As a consequence, employees of the supplying company have to work very long hours all week and throughout the weekend to meet the deadline. The employees complain and in the heat of the moment the owner threatens them with dismissal if they refuse to work the extra hours.

o **Right to work**

A company refuses to use contracts or letters of employment with newly hired employees.

o **Right to family life**

An employee announces her second pregnancy to her manager. The manager heard from the employee's previous employer that she was frequently absent during her first pregnancy. The manager decides to dismiss the employee right away.

o **Right to life, liberty and security of the person**

The owner of a company delays repair of a company van due to economic difficulties. As a result, the brakes fail and a person is killed.

o **Right of peaceful assembly**

The local union organises a peaceful and legally authorised demonstration against the working conditions in a medium sized business outside its premises. The company gets upset and hires a security company to disperse the demonstrators.

o **Right to an adequate standard of living (including adequate food, clothing, and housing)**

A farmer provides dormitories for migrant employees during high season. In order to keep costs down, dormitories are overcrowded, lack sanitation and are rarely cleaned. Employees complain since they have nowhere else to sleep.

o **Freedom from torture or cruel, inhuman or degrading treatment**

An office manager systematically harasses her employees, e.g. by calling them derogatory names whenever she is dissatisfied with their work related performance.

o **Right to marry and form a family**

A company strongly encourages an employee to postpone her wedding for one year to avoid unnecessary distractions during a busy period. She is told that there might not be room for her in the company if she carries out the wedding plans.

o **Right to physical and mental health**

A small retailer sells frozen meat and poultry. The shop owner gets a very advantageous offer on frozen meat and buys a big shipment. The good offer is due to a three months expiry date of the frozen meat. He manages to sell only a fraction of the meat before expiry and then changes the expiry dates on the remaining packages.

o **Equal recognition and protection under the law**

A company takes advantage of the fact that migrant workers are not equally protected under the national labour laws by offering them working conditions that are below national standards.

o **Freedom of thought, conscience and religion**

The owner of a company notices that some employees wear religious symbols and practice their faith whenever they have breaks. As an atheist he is provoked by their practices. Even though the practices do not pose any risk to the health and safety of others, or interfere with the employees' ability to perform their duties, he asks them to stop.

o **Right to education**

The management of a company finds that two employees are voicing too many ideas about employees' rights after they enrolled in a training program offered by the local trade union branch outside business hours. The company informs the employees that they will encounter 'difficulties' if they continue attending the classes.

o **Right to a fair trial**

A company uses a distributor for its products. During a dinner the CEO of the distributor brags that he 'convinced' a judge to dismiss a lawsuit from a former employee.

o **Right to hold opinions, freedom of information and expression**

A medium sized company sells ICT solutions to public authorities. The company is aware that some public clients use the products to track and persecute individuals that disagree with government policies. The owner reasons that a small company cannot influence such use and that other businesses would take over the profitable business if his company refrains.

o **Right to participate in cultural life, the benefits of scientific progress, and protection of authorial interests**

A small engineering company advises building projects on a global scale. In one of their current assignments they are advising a large customer on the construction of a large plant. As a result of the construction, the local population will be prevented from visiting a cultural site of big importance to them. The engineering company learns about the issue, but feels it is none of their business and decides to do nothing.

o **Right to self-determination**

A company buys a piece of land despite awareness that a group of indigenous peoples may have claims stemming from customary use of the same land. The company takes advantage of the fact that this group of indigenous peoples are very poorly connected politically and lack titles to the land. It ignores their protests and finally asks the police to evict the persons living on the land.

o **Right to political life**

An employee is running for office at a local election. The managing director of the same company supports another party and starts questioning the employee's professional competences and taking away some of his responsibilities.

o **Right to social security**

A company uses an accounting scam to avoid contributing to the state social security scheme.

o **Freedom of movement**

A small company relies on imports from a winery in a remote rural district with more than two hours travel time to the nearest town. When visiting her supplier during harvesting season the owner of the company learns that the winery forbids the farm workers to leave the winery after working hours, because of its experience that some workers would come back too late in evenings to be fit for work the next morning.

o **Right to privacy**

As a personal favour to a friend from another business the managing director of a company passes on personal information on selected customers without their prior consent.

5 References

Listed below are some authoritative sources of information on human rights.

Please bear in mind that these references might not have been written for a business audience and are not particularly SME friendly. Therefore, you might need expert assistance in making them operational, for example from national human rights institutions, civil society organisations specialised in human rights, business associations, chambers of commerce, or multistakeholder CSR initiatives.

Global reference documents and resources:

- **The UN Guiding Principles (UNGPs):**
The United Nations Guiding Principles on Business and Human Rights, Office of the United Nations High Commissioner for Human Rights, 2011:
http://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf
- **An interpretive guide to the UN Guiding Principles:**
The Corporate Responsibility to Respect Human Rights: An Interpretive Guide, Office of the United Nations High Commissioner for Human Rights, 2011:
<http://www.ohchr.org/Documents/Issues/Business/RtRInterpretativeGuide.pdf>
- **UN Global Compact:**
Global Compact is the UN's global corporate social responsibility initiative. The initiative can be visited at www.unglobalcompact.org. For information on the relationship between the UN Guiding Principles on Business and Human Rights and the Global Compact see: http://www.unglobalcompact.org/docs/issues_doc/human_rights/Resources/GPs_GC%20note.pdf

- **The International Bill of Human Rights:**
<http://www2.ohchr.org/english/law>
- **UN Office of the High Commissioner for Human Rights:**
Authoritative online information on human rights:
<http://www.ohchr.org>
- **The ILO Declaration on Fundamental Principles and Rights at Work:**
<http://www.ilo.org/declaration/thedeclaration/textdeclaration/lang--en/index.htm>
- **The International Labour Organisation:**
Authoritative online information on labour rights: <http://www.ilo.org>. The ILO helpdesk for Business on International Labour Standards:
<http://www.ilo.org/empent/areas/business-helpdesk/lang--en/index.htm>

EU reference documents:

- **The Charter of Fundamental Rights of the EU:**
http://ec.europa.eu/justice/fundamental-rights/charter/index_en.htm
- **The European Convention on Human Rights:**
<http://www.echr.coe.int/ECHR/EN/Header/Basic+Texts/The+Convention+and+additional+protocols/The+European+Convention+on+Human+Rights/>
- **European Commission strategy 2011-14 for Corporate Social Responsibility:**
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2011:0681:FIN:EN:PDF>

Acknowledgments

The European Commission and the project team from GLOBAL CSR and BBI International would like to thank the many people who have provided comments on earlier drafts of this guide, including:

The members of Expert Advisory Committee established by the European Commission to give advice on this project

- Jim Baker, Global Trade Unions
- Alexandra Guáqueta, UN Working Group on Business and Human Rights
- Tom Koenen, Econsense
- Viraf Metha, Centre for Responsible Business, India
- Geneviève Paul and Elin Wrzoncki, Fédération Internationale des Droits de l'Homme
- Brent Wilton, International Organisation of Employers

Other people and organisations who submitted comments on the draft version of the guide:

- BANKIA
- Plamen Christov, Management Systems Services
- Confederation of Danish Industry
- Sebastien Coquoz, Norwegian Centre for Human Rights
- Danish Ethical Trading Initiative (DIEH), Ethical Trading Initiative (ETI), Ethical Trading Initiative Norway (IEH)
- Andres Dochao, Unión de Asociaciones de Trabajadores Autónomos y Emprendedores (UATAE)
- ENDESA
- European Network for CSR & Disability (CSR+D)
- Beata Faracik, Instytut Allerhanda
- Irish Business and Employers' Confederation
- Ales Kranjc Kuslan, Ekvilib Institute, Network for Social Responsibility of Slovenia
- Amanda Ortega, Lavola
- Repsol
- Gabriel Spaeti, Federal Department of Foreign Affairs, Human Security Division, Bern, Switzerland
- Nicolas Zambrana Tévar, Grupo de Estudio sobre el Derecho Internacional Privado y los Derechos Humanos
- Mika Vehnäkäki, Ministry for Foreign Affairs, Finland
- Neill Wilkin, The Institute for Human Rights and Business

Other participants at the roundtable discussion hosted by the European Commission on 12 September 2012:

- Signe Andreasen, GLOBAL CSR, Denmark
- Jean-Marc Barki, Sealock, France
- Ajnacska B. Nagy, European Commission, DG Enterprise
- Peer Bondevik, Ethical Trading Initiative, Norway
- Kerstin Born, Bernard Brunhes International (BBI), Germany
- Mile Boshkov, Business Confederation of Macedonia
- Guy Bultinck, Van Bavel Business Gifts, Belgium
- Iulia Buttu, Bernard Brunhes International (BBI), Romania
- Daniele Cavallotti, La Fucina, Italy
- Pascale Charhon, Bernard Brunhes International (BBI), France
- David Connor, Coethica, United Kingdom
- Rachel Davis, Shift, United States
- Gerdien Dijkstra, MVO Nederland
- Tom Dodd, European Commission, DG Enterprise
- Kirsty Drew, Trade Union Advisory Committee to the OECD (TUAC)
- Jean-Luc Fasseur, Unie van Zelfstandige Ondernemers (UNIZO), Belgium
- Evie Francq, International Peace Information Service (Ipis), Belgium
- German Granda, Foretica, Spain
- Jana Heinze, Ecosense (Forum for Sustainable Development of German Business)
- Luc Hendrickx, European Association of Craft, Small and Medium-Sized Enterprises (UEAPME)
- Henning Høy Nygaard, Danish Federation of SMEs
- Marek Jurkiewicz, StartPeople, Poland
- Jutta Knopf, adelphi, Germany
- Ales Kranjc, Network for Social Responsibility, Slovenia
- Olatz Landa Pena, The Rights Factory, Spain
- Tina Lund, Danimex Communication A/S, Denmark
- Andrew Marshall Roberts, Scottish Business in the Community
- Alan Miller, European Group of NHRIs – Scottish Human Rights Commission
- Aleksandar Nikolov, Bernard Brunhes International (BBI), Macedonia
- Jurgen Noack, Eurocommerce
- Vladimir Petkovski, CSR Madeconia
- Grzegorz Piskalski, CentrumCSR, Poland
- Anna-Elina Pohjolainen, European Commission, DG Justice
- Veronica Rubio, Business Social Compliance Initiative (BSCI/FTA)
- Joanna Serdyska, European Commission, DG Justice
- Emily Sims, International Labour Organisation (ILO)
- Sune Skadegaard Thorsen, GLOBAL CSR, Denmark
- Mariya Stoyanova, CSR Europe
- Damla Taskin, United Nations Industrial Development Organization (UNIDO), Turkey
- Matthias Thorns, International Organisation of Employers (IOE)
- Michel Van Bavel, Van Bavel Business Gifts, Belgium
- Marjon van Opijnen, CREM, Netherlands
- Marjonka Veljanovska, Farmahem, Macedonia
- Juan Villamayor, Consultant in Corporate Sustainability, Spain
- Sarah Vlastelic, Bernard Brunhes International (BBI), France
- Margaret Wachenfeld, Institute for Human Rights and Business (IHRB)
- Mark Wright, Equality and Human Rights Commission, United Kingdom

Quotes from people who work in small and medium-sized enterprises

The quotes highlighted in this guide come from people who manage or work in five European small or medium-sized enterprises. These companies were contacted by the project team from GLOBAL CSR and BBI International to assess their existing policies and practices in relation to the expectations of the UN Guiding Principles on Business and Human Rights. The quotes are the personal opinions of the individuals concerned. Case studies of the companies concerned can be accessed at www.ec.europa.eu/enterprise/business-and-human-rights.

