



Integrating human rights into Australian business practice



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

Ban Ki-moon, United Nations Secretary-General



The business and human rights landscape has evolved significantly over the last decade. In June 2011, the United Nations Human Rights Council unanimously adopted the Guiding Principles on Business and Human Rights (the Guiding Principles). The Guiding Principles provide a global standard for addressing and preventing human rights impacts associated with business activity. The Principles operate on a three pillar framework, known as the Protect, Respect, Remedy Framework, which consists of:

- The State duty to protect human rights
- The corporate responsibility to respect human rights
- Access to appropriate and effective remedy for victims of business-related abuse.

The Guiding Principles are available at <http://business-humanrights.org/en/un-guiding-principles>.

The widespread and rapid uptake of the Guiding Principles highlights the increasing expectation on business to address and mitigate their human rights impacts.

There is growing evidence that there is real value for a company that embeds human rights considerations into its core business practices, and significant costs when human rights are ignored. Australian businesses are increasingly recognising that respecting human rights is not only the right thing to do, it is good for business. However, for Australian businesses challenges remain, and many are unsure how to integrate human rights into day-to-day business activities and operations.

This fact sheet provides an introduction to human rights, their relevance to business activities, and some basic guidance that can help Australian businesses meet their responsibility and embed human rights into their operations.

What are human rights?

Human rights are about promoting and protecting the values of respect, dignity and equality for every person, irrespective of race, sex, religion, political opinion, disability, sexual orientation, gender identity, social status, age or any other characteristic.



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The Universal Declaration of Human Rights, adopted by the United Nations on 10 December 1948, is the cornerstone of international human rights law. The Universal Declaration, in addition to numerous UN Conventions set out the basic civil, political, economic, social and cultural rights that apply to all people.

Which human rights are relevant to business?

Almost all human rights are relevant to business. A company's operations can have an impact – both positive and negative – on many people, including employees, customers, suppliers and their employees, and communities in which a company operates. However, the following are some of the human rights upon which businesses commonly have the most significant impact and some examples of how those rights might be relevant to your business.

- **Labour rights.** How do you ensure your company doesn't participate in, or benefit from (eg through your supply chain) discrimination or harassment, underpayment of wages or unreasonable working hours, an unsafe workplace, restrictions on collective bargaining, forced labour, or child labour?
- **Right to life and security of the person.** Are your security personnel properly trained in the appropriate use of force? What workplace policies do you have to protect against bullying, injury or death? Do you provide assistance and redress to people affected by your security policies?
- **Right to health.** Do you have a policy to provide assistance and redress to people affected by industrial accidents, spillages or contamination? Do you ensure that workers are provided with the protective equipment and training necessary to perform their tasks safely?
- **Right to housing and an adequate standard of living.** Do you examine and address the impacts of your business on the land, housing, water, farming and employment needs of the local community in which you operate?
- **Rights of Indigenous peoples.** If you are developing or using land, do you consult with the Indigenous community to secure their free, prior and informed consent?

Australian companies operating in different countries and sectors may impact on different rights. We have also developed three sector-specific fact sheets (finance, mining and resources, and manufacturing and retail) to address these issues.

Aren't human rights the government's responsibility?

While the primary obligation to respect, protect and fulfil human rights lies with national governments, the preamble of the Universal Declaration of Human Rights calls on "every individual and every organ of society" to promote respect for these rights and to secure their universal and effective recognition and observance.

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



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

Following the endorsement of the Guiding Principles by the United Nations Human Rights Council, it is now widely accepted that corporations also have a distinct responsibility to *respect* human rights.

Australian companies operating domestically and abroad increasingly understand their responsibility to assess and address the human rights impacts of their operations, and provide remedies when breaches occur.

A growing number of Australian businesses are embedding human rights into their operations by developing human rights policies, referencing human rights in their annual reports or sustainability reports, conducting human rights training for employees or implementing human rights into environmental and social impact assessments.

More than 100 Australian businesses and organisations have publicly committed to integrating human rights into their practices by becoming signatories to the United Nations Global Compact, the United Nations' corporate citizenship and sustainability initiative – see <https://www.unglobalcompact.org>.

What is the business case for human rights?

There are both economic and social opportunities for a company that embeds human rights considerations into its core business practices, and significant costs for a company that does not take human rights into account.

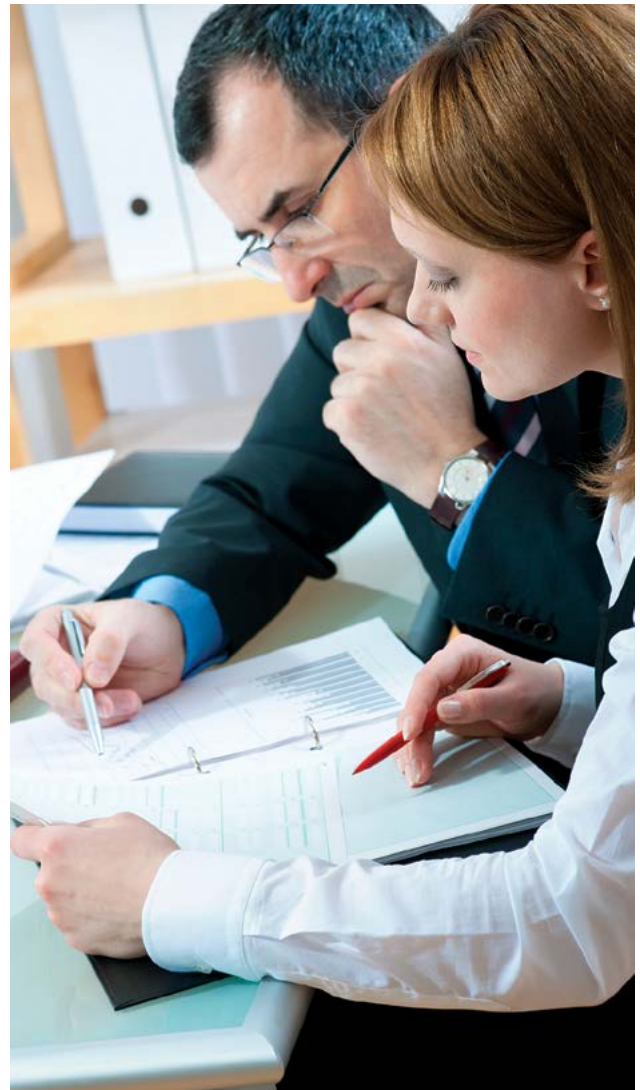
Embedding human rights helps a company **manage business risks** by:



- safeguarding reputation and brand image
- highlighting human and environmental risks before technical or investment decisions are made
- reducing cost burdens associated with labour disputes, security issues and stakeholder damage control
- reducing the risk of costly litigation
- improving governance
- preventing complaints to the Australian Human Rights Commission or the OECD National Contact Point.

Embedding human rights **creates new business opportunities** by:

- increasing staff loyalty, improving recruitment possibilities and fostering greater productivity through a settled workplace
- gaining a strategic advantage amongst competitors in emerging and niche markets
- strengthening brand reputation and customer loyalty
- strengthening a company's social licence to operate through stronger relationships with governments, business partners, NGOs, local communities, trade unions, sub-contractors and suppliers
- increasing access to finance by meeting investor expectations
- increasing access to government contracts.



How should business integrate human rights into core business practice?

It's important to keep in mind that the [Guiding] principles are principles. They're not a toolkit. You don't take it off the shelf and plug it in and get an answer.



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



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The Guiding Principles outline a number of steps that businesses should take to embed human rights into core practice, and provide a framework to manage human rights risks through due diligence. The process will vary for each company depending on the type of business and where it operates, but it should include, as a minimum, the following steps:

1. **Adopt, implement and integrate a human rights policy** throughout your company's operations and your supply chain. A guide to developing a human rights policy is available at www.unglobalcompact.org/docs/issues_doc/human_rights/Resources/HR_Policy_Guide.pdf
2. **Assess the human rights impacts** of your company's operations, directly or indirectly, on all people connected to the company's business activities (for example, workers, business partners, suppliers, contractors, trade unions, local communities and customers).
3. **Ensure compliance with all local laws and adopt codes of practice** relevant to the human rights impacts of your business and your supply chain.
4. **Implement a credible and transparent system of monitoring and reporting** on your human rights impacts and performance.
5. **Communicate externally** about your company's impacts and the steps taken to mitigate them.
6. **Establish accessible and appropriate systems to address grievances** to ensure the remediation of negative impacts your company may have caused or contributed to. Operational-level grievance mechanisms may include a confidential hotline and internal alternative dispute resolution processes.

With each of these steps, it is important to consider the potential of partnerships with other companies, NGOs, community groups, unions, indigenous and other local communities and government to ensure respect for those human rights impacted by the company's business operations.

Need help getting started?



To find out more about relevant business and human rights guidelines, voluntary codes of practice and case studies see

www.humanrights.gov.au/employers

See the following *Good practice, good business* fact sheets at www.humanrights.gov.au/employers to read more about human rights and specific sectors: *The Australian finance sector and human rights*, *The Australian mining and resource sector and human rights* and *The Australian manufacturing and retail sectors and human rights*.

Further information

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