



**Australian  
Human Rights  
Commission**

*everyone, everywhere, everyday*

2009

Good practice,  
good business

Fact Sheet No. 1

## Integrating human rights into Australian business practice

Ever-increasing numbers of Australian companies recognise that respecting human rights is good business. It is about managing business risks and creating new business opportunities.

More than 40 Australian organisations have publicly committed to integrating human rights into their business practice by joining the United Nations Global Compact ([www.unglobalcompact.org](http://www.unglobalcompact.org)) – the United Nations corporate citizenship and sustainability initiative for business. Some Australian companies discuss human rights in their annual reports or sustainability reports. They also incorporate human rights considerations into their policies and practices.

However, it is not always clear what it takes to make human rights part of core business practices.

This fact sheet provides some basic guidance and links to tools that can help Australian businesses meet their responsibility to respect the human rights of those people impacted by their activities.

### 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, sexuality, social status, age or any other characteristic.

Human rights standards are part of international law. The *Universal Declaration of Human Rights* is the best known of these standards. But there are many other human rights treaties dealing with a wide range of civil, political, economic, social and cultural rights.

### Which human rights are relevant to business?

A company's operations can have an impact on so many people, including employees, customers, suppliers and their employees, business partners, and communities in which a company operates. So there are hardly any human rights that are not relevant to business.

However, the following are some of the human rights on 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?
- **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?

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

## Aren't human rights the government's responsibility?

In 2008, the United Nations Human Rights Council recognised that, while the primary duty to *protect* and *promote* human rights lies with national governments, corporations also have a distinct responsibility to *respect* human rights.

In 2008, an Australian Senate motion emphasised the government's responsibility to 'foster a corporate culture respectful of human rights at home and abroad'. This speaks to the Australian government's responsibility to make and enforce laws and policies which ensure that companies don't breach human rights.

However, an Australian company that complies with Australian laws (or the local laws of a country in which the company operates), does not necessarily satisfy its responsibility to respect human rights. Companies must assess and address the human rights impacts of their business and provide remedies when breaches occur.

Corporate responsibility is emerging as an issue of critical importance in Australia's business community... and involves both managing risk and creating value.

Parliamentary Joint Committee on Corporations and Financial Services

## What is the business case for human rights?

There is real value for a company that embeds human rights considerations into its core business practices. And there are real costs for a company that does not take human rights into account.

Embedding human rights helps a company manage business risks by:

- 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 litigation, including for allegations of complicity in human rights breaches
- safeguarding reputation and brand image
- improving governance

- strengthening a company's social licence to operate through stronger relationships with governments, business partners, NGOs, local communities, trade unions, sub-contractors and suppliers
- 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 and in emerging and niche markets
- increasing access to finance by meeting investor expectations
- increasing access to government contracts

## How should business integrate human rights into core business practice?

Undertaking due diligence is the first step to embedding human rights into core business practices. The due diligence 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 five steps:

1. **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).
2. **Adopt, implement and integrate a human rights policy** throughout your company's operations and your supply chain.
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 internal and independent monitoring and reporting** of your human rights policy, its implementation and its impacts.
5. **Develop 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 and appropriate systems to address grievances.

## Need help getting started?

The following are a sample of practical tools to help conduct a human rights impact assessment and integrate human rights policy, practice and reporting into your business operations:

- *Good practice, good business - eliminating discrimination and harassment in the workplace*, Australian Human Rights Commission  
[www.humanrights.gov.au/info\\_for\\_employers/index.html](http://www.humanrights.gov.au/info_for_employers/index.html)
- *Development and indigenous land: A human rights approach*, Australian Human Rights Commission  
[www.humanrights.gov.au/social\\_justice/publications/corporateresponsibility/development.html](http://www.humanrights.gov.au/social_justice/publications/corporateresponsibility/development.html)

**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, UN Special Representative on Business and Human Rights

- *Human Rights Compliance Assessment, Quick Check*, Danish Institute for Human Rights  
[www.humanrightsbusiness.org/Updates12.04/QuickCheck\\_august\\_2006.pdf](http://www.humanrightsbusiness.org/Updates12.04/QuickCheck_august_2006.pdf)
- *A guide to integrating human rights into business management*, Business Leaders Initiative on Human Rights  
[www.blihr.org/Reports/GIHRBM.pdf](http://www.blihr.org/Reports/GIHRBM.pdf)
- *Risk Awareness Tool for Multinational Enterprises in Weak Governance Zones*, OECD  
[www.oecd.org/dataoecd/26/21/36885821.pdf](http://www.oecd.org/dataoecd/26/21/36885821.pdf)
- *Global Reporting Initiative*  
[www.globalreporting.org/](http://www.globalreporting.org/)
- *Corporate Duty and Human Rights Under Australian Law*, Allens Arthur Robinson  
[www.reports-and-materials.org/AAR-Ruggie-Mar-2008.pdf](http://www.reports-and-materials.org/AAR-Ruggie-Mar-2008.pdf)
- *Human rights translated – a business reference guide*, International Business Leaders Forum, UN Office of the High Commissioner for Human Rights, Castan Centre of Human Rights Law  
[www.iblf.org/resources/general.jsp?id=124073](http://www.iblf.org/resources/general.jsp?id=124073)
- *Protect, respect and remedy: a framework for business and human rights*, UN Special Representative on Business and Human Rights  
[www.reports-and-materials.org/Ruggie-report-7-Apr-2008.pdf](http://www.reports-and-materials.org/Ruggie-report-7-Apr-2008.pdf)

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

- Business and Human Rights Resource Centre  
[www.business-humanrights.org/Home](http://www.business-humanrights.org/Home)
- International Business Leaders Forum  
[www.iblf.org/resources.jsp](http://www.iblf.org/resources.jsp)
- Human Rights and Business Project  
[www.humanrightsbusiness.org/](http://www.humanrightsbusiness.org/)

See *Good practice, good business* fact sheets 2, 3 and 4 to read more about human rights for the Finance, Mining and Resources and Retail and Manufacturing sectors, respectively. You can find these on the Australian Human Rights Commission website (see below).

**Sign up to our Employers mailing list:** [www.humanrights.gov.au/about/mailing\\_lists](http://www.humanrights.gov.au/about/mailing_lists)

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W: [www.humanrights.gov.au/human\\_rights/corporate\\_social\\_responsibility](http://www.humanrights.gov.au/human_rights/corporate_social_responsibility)

**The responsibility of companies to respect human rights is in part a matter of due diligence.** Due diligence describes the steps a company should take to become aware of, prevent and address adverse human rights impacts.

John Ruggie, UN Special Representative on Business and Human Rights



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