

How companies are communicating the relevance of human rights at an operational level

Report from JBCE Round Table on Business and Human Rights

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Contents

I. Introduction	3
II. Executive summary.....	3
III. The challenge of communicating the relevance of human rights at an operational level. ..	4
1. Getting human rights on the agenda	4
2. Organising internal human rights communication.....	5
3. Embedding human rights	6
IV. Conclusion.....	8

About the Japan Business Council Europe (JBCE)

The **Japan Business Council Europe** (JBCE) was established in 1999 and currently has 63 company members from a number of sectors. The mission of JBCE is to contribute to the development of EU policy. The organisation has 8 committees, one of them being the CSR Committee chaired by Ms. Yukako Kinoshita from Hitachi.

About this report

This report is based on the discussion at the JBCE Roundtable on Business and Human Rights held on 25 January 2013, sponsored by Hitachi. The report was written by [CSR Europe](#).

I. Introduction

On 25 January 2013, the CSR Committee of the Japan Business Council Europe (JBCE) held a Roundtable on Business and Human Rights. Focusing on sharing experiences in how companies can effectively communicate the relevance of human rights at an operational level, the event was attended by the JBCE member companies Hitachi, AGC Glass Company, Canon, Horiba, Mitsubishi Electric, NEC, Panasonic, Shimano, Sony and Toyota, as a guest company from Japan. ArcelorMittal, SAP, Unilever and TOTAL attended as European guest companies in addition to a representative from the European Commission (EC), DG Enterprise.

For the past few years the importance of business and human rights has been increasing especially since the unanimous endorsement of **UN Guiding Principles on business and human rights** (UNGPs).¹ There has been a convergence of international standards aligned to the UNGPs. Recently the European Commission has also been focusing on the issue of business and human rights at an EU policy level. In December 2012 it published an **Introductory Guide on Human Rights for SMEs**² translated into 25 languages (including Japanese) and is currently finalising three **sector-specific guidance documents**.³ During the first session of the Roundtable, the EC representative pointed out that the Commission's expectations towards companies include (1) **legal compliance** as a prerequisite to meet CSR standards and (2) **reference to internationally recognised CSR principles** contained in the OECD Guidelines, UN Global Compact Principles, ISO 26000, ILO Tripartite Declaration and the UNGPs.

Given this change in business environment, inevitably the risk for companies of not respecting human rights becomes bigger. At the Roundtable, participants shared reflections on internal communication around human rights, including what works, what doesn't and what is the key to success. For JBCE member companies the focus was on getting human rights on their corporate agendas and building a internal communications platforms, while guest European companies shared insights on how to embed human rights across the operations of different departments.

II. Executive summary

With strong leadership support and steps taken to elaborate a human rights policy/guide, the European guest companies were several years into their efforts to embed human rights. They emphasised the need for a champion within a company and for buy-in and participation of different departments. Embedding human rights is an ongoing journey with challenges ahead.

Japanese companies, on the other hand, are for the most part still at the beginning of the journey. For them the immediate challenge lies in "selling" human rights internally so as to get it on the agenda. With one notable exception of a Japanese company that has recently set up a human rights policy, JBCE member companies are looking for ways to respond to European stakeholder expectations by linking human rights with the core values and business philosophy of their companies.

The participants and guests also emphasised that there was a great diversity of potential approaches to Human Rights issues rather than a single off-the-shelf model.

¹ UN Office of the High Commissioner for Human Rights, Guiding Principles on Business and Human Rights, endorsed by the UN Human Rights Council in 2011, www.businesshumanrights.org/Documents/UNGGuidingPrinciples.

² European Commission, Introductory Guide to Human Rights for SMEs, http://ec.europa.eu/enterprise/policies/sustainable-business/files/csr-sme/human-rights-sme-guide-final_en.pdf

³ EC is currently supporting a process to develop human rights guidance for three business sectors: employment and recruitment agencies, ICT/telecommunications, and oil and gas. The guidance will be consistent with the UN Guiding Principles on Business and Human Rights, and is expected to be completed by end April 2013. For more information: <http://www.ihrb.org/project/eu-sector-guidance/index.html>

III. The challenge of communicating the relevance of human rights at an operational level

1. Getting human rights on the agenda:

Meeting the corporate responsibility to respect human rights is a journey of integration, which starts with selling the case to get internal buy-in from top management. Getting human rights on the agenda will often require the headquarters (HQ) to pick up the issue, regard it as important and identify how it fits into existing company values and policies. This could also mean being able to link human rights with profit-making.

Challenge: How to introduce human rights to the headquarters?

For many companies the CSR department (and for some, the legal department) functions as a gap-finder; it is a window function for stakeholder expectations, which gives the motivation for dealing with new issues.

One participant shared the experience of how human rights were picked up as an issue first from the European team who sent the message to their HQ. After confirming that human rights was indeed an emerging global trend, the issue was taken up by the CSR department, which took on the role of communicating it internally and selling the message first to Human Resources, then to the other Group companies.

Challenge: How to bridge the company's core values and the expectations of European stakeholders?

A number of JBCE members reported that, although not explicitly mentioned, human rights is part their companies' business philosophy and represents some of the core values of the company. However, explicitly bridging the company's philosophy and the expectations of European stakeholders remains the one of the biggest challenges. One participant mentioned that once the human rights agenda is linked to the corporate philosophy, the internal translation work is almost done. The difficulty becomes then how to make people question, think and act.

Conducting an internal analysis to see how human rights fits into the overall company values and policies is the first step towards finding ways to communicate internally about human rights. It is important to "tap into the company's DNA" to see what will be effective, taking into account the culture of the company when placing human rights on the agenda.

Challenge: How to 'sell' human rights internally?

In order to get internal buy in, it is often important to link human rights with profit-making. As one participant pointed out, "the ultimate responsibility of the company is to pay taxes."

In that context, ***it is helpful to be able to make a concrete business case.***

Increasingly reports come out that link addressing social issues with competitiveness; ***presenting human rights in terms of what customers look for and what competitors do is a way to get the message across.*** Participants shared the experience that it is important to be positive and constructive and to think in terms of opportunity and not only in terms of risk.

"If a company doesn't add value to society, there is no reason for its existence."
Roundtable participant

2. Organising internal human rights communication

Building a platform for communication is an important prerequisite for embedding human rights in the organisational DNA. Engaging a top management “human rights champion” and ensuring cross-functional processes are some of the challenges companies encounter when organising internal human rights communications.

Challenge: Many functions are involved on human rights agenda, but there is nobody ‘in the driving seat’

Different departments across companies can have different takes on human rights. While many functions may see themselves as taking the lead on human rights within the company, in the end no department is, in practice, “in the driving seat.” In this context, ***having a champion at the right level can be instrumental to drive change within the organisation. This could be, for example the CEO, a board member, a Vice President or a committee chair.***

“Do we need one champion or do we all need to be champions?”
Roundtable participant

For one of the participating companies, the human rights function sits within the legal department where 10-15 lawyers work on compliance and social responsibility. The human rights champion is the chair of the Ethics Committee. With such strong managerial support, the company issued a dedicated human rights guide and is now in the process of rolling it out in all operations. Embedding human rights, however, remains a challenge.

At the same time having a human rights champion is not a must. ***Having a multi-stakeholder process inside the company with different departments involved (e.g. a cross-functional human rights committee) could be an advantage.*** While it is important to have one champion and different departments on board, it can be challenging to balance between the need for strong leadership and a cross-functional approach.

“Ultimately, every company is different, with different structures and operating environments. Therefore what works in one company will not necessarily work in another.”
Roundtable participant

Another participant emphasised the importance of choosing the right name for the function. When the company appointed a Vice President to champion human rights within the company, there was a discussion on how to name the function. It was decided not to use the term “human rights” nor “compliance” as these terms are often seen in too narrow a context to be effectively used for communication. Instead, the function was named “social development.”

Challenge: Lack of understanding of own impact and gaps

Lack of understanding of a company’s own impact can lead to miscommunication. One participant shared the experience of having brought in an external expert to identify what the company was already doing in terms of human rights and to identify the gaps. ***Based on interviews with the various functions responsible for different aspects of human rights within the organisation, the company conducted an internal benchmark and identified a checklist.*** It encouraged peer-to-peer learning as a good way to get started.

3. Embedding human rights:

Respecting human rights is a journey of integration. Similar to the way it took time for environmental issues to become part of everyday business, getting human rights on the agenda and embedding it into the organisational setup of a company can be seen as challenging in many ways. It is a ***journey from seeing human rights as a business risk or compliance issue to changing the mindset of employees so they think of it as a part of the way to business growth.***

Challenge: Integrate human rights in company policy – “Develop a stand-alone human rights policy or incorporate human rights into already existing instruments?”

One of the ways to embed human rights across an organisation is through developing a stand-alone policy on human rights and applying it consistently throughout the different markets where the company operates. One company reports having translated their policy into 19 languages, distributing it to all employees and having made training on the policy mandatory. In addition, the company made the implementation of grievance mechanisms mandatory for all units.

“We have to make sure to build trust on top of putting a process in place.”
Roundtable participant

Despite strong leadership support however, challenges associated with deploying a human rights policy include engaging with all employees, integrating human rights into different systems (e.g. the supply chain, security forces) and measuring how well it is working.

Another approach is to incorporate human rights topics into already existing instruments, such as the company Code of Conduct, procurement policy, etc. “***There is no off-the-shelf model that you can take and apply,***” one participant shared, “***each company has to figure out how it works.***”

Challenge: Translate human rights across departments

It is important to tailor the language and the messages to the particular audience they are intended for, but this is often challenging. ***Human rights has to be seen in the business context in order to understand how to convey the message across the company.***

Those who are dealing with business and human rights within a company have a huge role to play in translating the term into language which can be understood. For example, to a finance officer you would speak in terms of revenue, for HR you could phrase it as diversity, discrimination, etc., for a health and safety officer the business case would be different. In order to be able to ‘translate’ human rights, the knowledge about your own business and country environment is important.

“With personnel changes, people come and go. A continuous convincing is needed.”
Roundtable participant

Challenge: Everyone agrees on the general idea, but it is difficult to connect human rights with concrete work

It is challenging to maintain momentum in communications, and to make people question and act. One way to do this is to ***bring human rights to every-day business situations through role-play and training.***

In order to make human rights operational and have employees relate, it is important to focus on specific human rights issues that are relevant in everyday business. ***Building on real cases, providing guidance***

on “grey” areas in day-to-day realities, and tailoring the training to the specific function were some of the approaches mentioned at the roundtable. With human rights training, it is important to be concise, formulate clear messages and give practical examples that business units can relate to. The remaining issue is, however, **having a set of KPIs to measure effectiveness.**

Challenge: ‘Human rights’ as a word has a lot of history and the term itself can be an obstacle

Depending on the context, companies might find it difficult to use human rights language. In the US, for example, the term ‘human rights’ conjures the image of unionisation of all facilities. In other countries, it might be aggressive to use human rights language. In yet other cases, the general language of human rights may not be well-understood by the employees, or could be associated with negative impacts, such as child labour, which has served as a reason to refrain from using human rights terms.

A number of participants in the roundtable suggest that **using different language that is more familiar to employees could be more effective. Choosing to speak about diversity, discrimination, water, security, privacy, etc. is one way of promoting human rights content.** At the same time, it is important to have somebody within the company who knows what the human rights “package” contains. Finding the right balance between business and human rights language is challenging.

There is no right or wrong approach. In fact, the UNGPs advocate the “principled pragmatism”: Don’t use human rights language now if it won’t work for your company, but introduce it over time as it becomes acceptable and effective to use it.

“The biggest challenge in communicating internally is to make sure that human rights are embedded in the structure; you need to engage with businesses, measure compliance and find the risks and gaps. At the same time, human rights needs to be rolled out in every aspect of the business and embedded in the organisational DNA.” Roundtable participant

Challenge: Make all employees engaged and feel the relevance to human rights

Sending the right message is key to getting people engaged. At the same time, the UN Guiding Principles set a minimum standard of not infringing on human rights – how do you get people excited about that?

Turning human rights into something that employees can make a positive contribution to is more effective than framing human rights in terms of compliance. The extractive industry, for example, has found a way to frame human rights in terms of positive Health & Safety targets: E.g. ‘XX days without an injury at the plant.’

When speaking about human rights, however, companies raise expectations, one participant cautioned. **Companies need to be consistent in the messages they send and the actions they take.**

Inconsistency between what the policy says and what the everyday operations are can be a business risk.

“We may need to raise awareness on Human Rights among employees in a more positive way. A negative message does not inspire.” Roundtable participant

IV. Conclusion

The JBCE Round Table on Business and Human Rights proved valuable for various reasons. It provided a platform for Japanese and European companies to share experiences and thoughts on internal communication about the relevance of human rights for business. Many issues were raised and some of these, such as how to integrate human rights into daily business, should be further investigated. The discussion encouraged JBCE members to reflect on the best ways to internally communicate the relevance of human rights, including how to build more effective communications platforms at their companies, in order to get Human Rights on to the agenda.

Another fruitful discussion focused on how to respond to European stakeholders' expectations by linking business and human rights directly to business philosophy and the core values of the company. It is agreed that fulfilling the corporate responsibility to respect human rights would help lead to business prosperity in a sustainable society.

Key messages shared at the Round Table include:

- **Tailor the message** to key audience groups in terms of function, country, position, etc.
- **Translate human rights** into a language that can be understood in the business context. Using human rights terminology may not always be appropriate.
- **Think in terms of opportunity for business.** Human rights can be linked to competitiveness, sustainability, existing company values, etc.
- **Get top management buy in.** A human rights champion at the right level can be instrumental to drive change.
- **Find a way to positively contribute to human rights** and articulate this in order to engage employees. A negative message does not inspire.
- **There is no one-size-fits-all model.** Each company needs to build on its own culture and model to implement human rights.

Much work remains to be done to embed human rights within companies but this round table proved to be a constructive step in the right direction. JBCE acknowledges the importance of similar opportunities in the future and seeks to continue to take the lead in providing a platform for companies to share experiences and to discuss ways to develop the definite link between business and human rights.