



CEO Guide to Human Rights

CONTENT

A CALL TO ACTION FOR BUSINESS LEADERS	3
TRANSFORMING LIVES THROUGH RESPECT FOR HUMAN RIGHTS	6
KNOW AND SHOW HUMAN RIGHTS IMPACTS	10
DRIVERS FOR ACTION BEYOND COMPLIANCE	12
ACTION POINTS FOR CEOs	18
MOBILIZE ACTION THROUGH WBCSD	24

Acknowledgments: WBCSD is delighted to partner with Shift, the leading center of expertise on the UN Guiding Principles on Business and Human Rights, to advance business understanding and action in this important space. We would like to express special gratitude to Caroline Rees, President and Co-Founder of Shift, for her expert review and contributions to this guide.

Shift

We extend our sincere thanks to all WBCSD member companies and Global Network partners who shared their insights, experience and recommendations throughout the ideation and review process, and to Beth Jenkins, Managing Director, SocialSide for her editorial support.

A CALL TO ACTION FOR BUSINESS LEADERS

Companies affect human rights every day in their interactions with employees, suppliers, consumers, partners and communities.

Business has a well-established responsibility to respect human rights, laid out in international principles, standards and laws. The actions required of companies are clear, and implementing these standards significantly reduces the risk of negative impacts on people through business operations. However, business respect for human rights is more than a requirement to "do no harm".

By proactively addressing human rights, companies have the potential to break down significant barriers to

development and positively impact the lives of millions of the world's most vulnerable people. Human rights need to be an integral part of any company's sustainability agenda and the public expects CEOs to personally show leadership on issues of purpose and impact.

Pioneering business leaders are taking up the call. Forward thinking CEOs are sending clear messages to raise the bar for human rights performance, embed human rights in corporate culture, set clear expectations of suppliers and business partners, and drive innovative collaborations with peers, government and civil society.

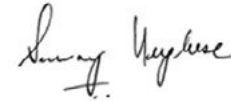
Their companies stand to enhance their business performance by reducing legal and regulatory risk, strengthening

reputation, protecting their license to operate, acquiring and retaining talent, winning customers and earning their trust and loyalty. As a result, investors increasingly care, affecting companies' valuation and cost of capital.

Most importantly, these leaders drive their companies to go beyond risk and compliance and bring transformative, positive change to the lives of people who are affected by business operations.

By contributing to the realization of universal human rights for all, a company makes a pivotal contribution to the broader vision of peaceful and inclusive societies embraced by the Sustainable Development Goals (SDGs).

This CEO Guide is a call to action to our peers. It provides insight into how companies are meeting the corporate responsibility to respect human rights, and shares actions business leaders are taking to get ahead, and stay ahead, in this crucial space. We invite you to join us in mobilizing business leadership for human rights.



Sunny Verghese
Chair of WBCSD, Co-founder and Group CEO, Olam



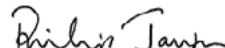

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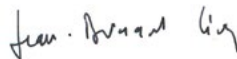

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TRANSFORMING LIVES THROUGH RESPECT FOR HUMAN RIGHTS

Human rights are fundamental rights and freedoms that every human is entitled to, without discrimination.

Laid out in the [International Bill of Human Rights](#) and in the [International Labour Organization's Declaration of Fundamental Principles and Rights at Work](#), they can be civil and political, economic, social and cultural rights.

They include our rights to be treated decently at work, to express our opinions and beliefs without fear of recrimination, to have privacy, and to be free from harassment, abuse or discrimination. They also include our right to a standard of living adequate for our health and wellbeing and that of our families.

Business has a responsibility to respect human rights.

The [UN Guiding Principles on Business and Human Rights \(UNGPs\)](#), lay out the business responsibility to respect human rights. They are widely recognized and increasingly adopted into national law. Embedding respect for human rights in company operations and business relationships is the most effective way to avoid being involved with causing harm to people and to build trusting relationships with the communities and stakeholders business relies upon.

Respect for human rights is an opportunity for transformative change in people's lives.

By taking action to tackle systemic human rights issues in workplaces and value chains, companies can lift people out of poverty, discrimination and abuse, transforming the lives of the world's most vulnerable people.

By contributing to the realization of human rights for all, business makes a pivotal contribution towards achieving the SDGs.





The three pillars of the UN Guiding Principles on Business and Human Rights

PROTECT

States have a duty to protect people against human rights abuses by third parties, including business.

They are expected to prevent, investigate, punish and redress abuses through appropriate policies, legislation, regulation and adjudication.

RESPECT

Business has a responsibility to respect human rights.

It should address adverse human rights impacts that may result from its own activities and its business relationships.

REMEDY

Affected people must be able to access remedy.

Both states and business have roles to play in ensuring access to remedy when negative impacts occur.

A company's responsibility to respect human rights encompasses:

- Its own operations, including joint ventures and other forms of partnerships.
- Its business relationships with public and private entities in its value chain, including suppliers, labor contractors, distributors and business customers.



Respecting and promoting human rights is one of the many ways we bring our purpose and our values to life. As part of our longstanding commitment to have a positive impact on society, we have integrated human rights due diligence processes into our policies and procedures throughout our operations and supply chains.

Magdi Batato

Executive Vice President
& Head of Operations, Nestlé



How business is expected to implement the respect and remedy pillars*

POLICY

Commit to respect human rights

Embed human rights policy in the company's culture

HUMAN RIGHTS DUE DILIGENCE

Identify potential and actual human rights impacts

Act upon the findings

Track the company's performance on preventing and mitigating impacts

Communicate the company's efforts


REMEDIATION

Establish operational-level grievance mechanisms

Provide for or cooperate in remediation

Engage
stakeholders
in meaningful
dialogue
throughout

*adapted from www.shiftproject.org/respect



In addition to ensuring the observance of human rights as an employer, we at LDC are very much aware of the challenges in our agricultural supply chains, especially where smallholder farmers are the norm. Our Code of Conduct and growing set of policies, together with the training of our staff and suppliers on human rights observance, help us to address those challenges.

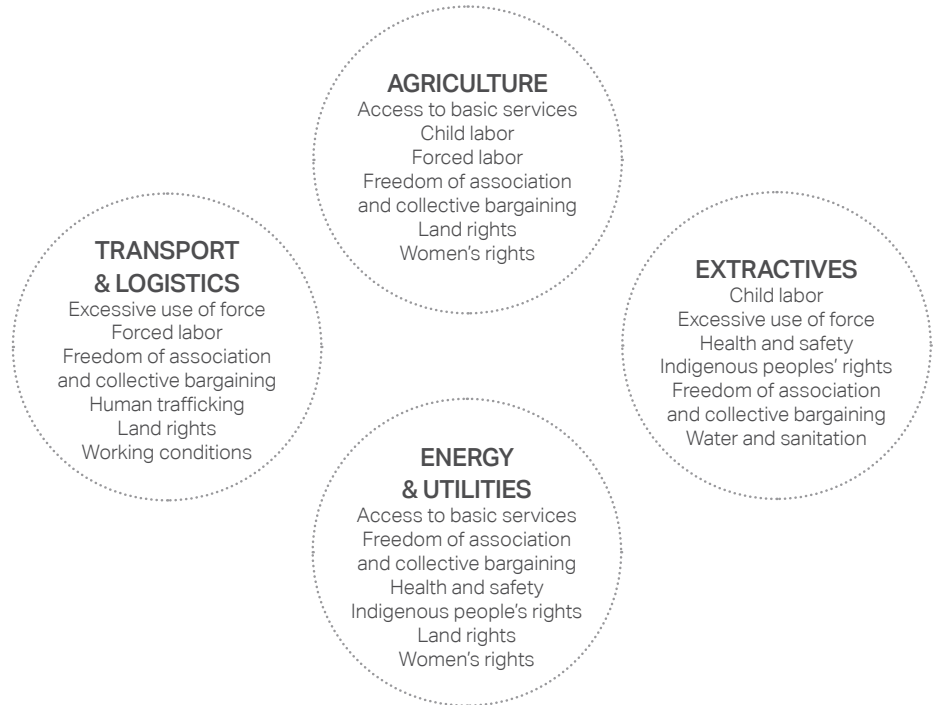
Ian McIntosh
CEO, LDC



KNOW AND SHOW HUMAN RIGHTS IMPACTS

Companies can have both positive and negative impacts on human rights at any stage of the value chain. Knowing and showing these impacts is a foundation for meaningful action.

Every industry and even every company will have different human rights risks. This overview shows some of the human rights most commonly associated with four industries.



In 2014, **Stora Enso** conducted a company-wide human rights assessment and developed a global human rights action plan. Stora Enso became one of the first companies worldwide to publicly report the findings of their assessment and progress in addressing the action plan.

Since then, Stora Enso has defined eight highest priority human rights that are the focus of the company's due diligence efforts throughout its operations.



We worked hard to close out our human rights action plan and we learned a lot. Today our highest priority human rights make up a lens through which we assess all our key decisions regardless of geography.

Karl-Henrik Sundström
CEO, Stora Enso



In 2018, **Eni** decided to represent its commitment to respect human rights in its operations in a single document.

Employees from several departments, stakeholders and experts were involved in the process of developing Eni's Statement on Respect for Human Rights. At the end of this participatory journey the Statement was then approved by the Board of Eni in December 2018.



Eni's Statement on Respect for Human Rights reflects our salient human rights issues. It is a fundamental landmark in Eni's journey to improve further its business and human rights standards.

Claudio Descalzi
CEO, Eni



In 2018, following a company-wide human rights assessment, **Firmenich** came up with a robust global action plan to ensure human rights standards are well embedded across its operations and key business relationships.

Delivering on its diversity and inclusion commitments, last year Firmenich became the seventh company in the world and the first of its industry to be globally certified as a gender equality employer by EDGE, the world's leading business certification standard in this area.



Ensuring a diverse and inclusive workplace is key to Firmenich's creativity, innovation and ability to make a real difference in both business and society, as diverse teams consistently deliver superior results.

Gilbert Ghostine
CEO, Firmenich



DRIVERS FOR ACTION BEYOND COMPLIANCE

The business and human rights landscape has seen a steadily expanding series of developments that are pushing corporate action beyond minimum standards.

Four deserve special attention by CEOs.

Regulation
is making expectations enforceable

Public interest
is high



Investor expectations
are rising

Business relationships
are in the spotlight

PUBLIC INTEREST IS HIGH



Respecting human rights enables a company to live up to its corporate purpose and values, protecting its credibility and strengthening its relationships with customers, employees and stakeholders.

Data and examples of human rights abuses are increasingly available.

For example, [Alliance 8.7](#) and the [Global Slavery Index](#) have published global estimates of the prevalence of forced labor and child labor. The Global Slavery Index shows which countries consume the most products at risk of having been manufactured using forced labor.

This information is making its way into mainstream media where consumers, employees, future employees, investors and governments can see it. So are specific incidents. The apparel industry made headlines with the collapse of the Rana Plaza facility in Bangladesh that killed more than 1,100 people.

The Associated Press won a Pulitzer Prize for its coverage of forced labor in the fishing sector in Southeast Asia, an issue the Guardian and the New York Times also covered. The #metoo movement is affecting companies and their leaders across industry lines. And numerous privacy-related scandals are fueling a public techlash.

The public expects more of companies and of their CEOs.

[Edelman's 2019 Trust Barometer](#) showed that approximately three quarters of people across age groups expect CEOs to be personally visible in sharing their companies' purpose and contribution to society.

Natura's decision to acquire Australian ethical beauty brand Aesop in 2013 and The Body Shop in 2017 was strongly driven by the three companies' shared purpose and common commitment to economic, social and environmental sustainability. Natura aims to leverage the combined power of the three brands to serve a global market of consumers who share the companies' values and to drive positive change on environmental and human rights issues.

BUSINESS RELATIONSHIPS ARE IN THE SPOTLIGHT



Communicating your company's human rights performance, progress and even challenges will secure and strengthen your business relationships.

Corporate customers increasingly care whether the raw materials and products they purchase are responsibly produced. Companies are pushing their human rights policies down the supply chain, meaning companies serving other businesses must meet new standards - or risk being cut out of supplier relationships.

At the same time, large companies also have requirements to assess their current and potential business partners and co-contractors in terms of their human rights practices. Respect for human rights is becoming a core condition for access to markets.



As a group with strong and global international operations, EDF Group has the willingness and the responsibility to preserve human dignity and make offering decent jobs the norm. We do it by being exemplary in our operations and equally by expecting the same high standards from our suppliers, subcontractors and partners.

Jean-Bernard Levy
CEO, EDF



INVESTOR EXPECTATIONS ARE RISING



Companies disclosing their human rights approach will see greater access to and reduced cost of capital.

Human rights practices affect companies' financial performance.

Missteps have led to reputational damage, litigation, lower share prices and abandoned projects, while proactive efforts have helped reduce costs and increase productivity. A quantitative [analysis of more than 300 companies by the Boston Consulting Group](#) found that companies' performance on relevant human rights issues had statistically significant effects on their valuations and margins.

Ratings agencies are incorporating human rights performance into sustainability ratings. For example, the RobecoSAM assessment used to select companies for the [Dow Jones Sustainability Index](#) includes criteria with reference to the UNGPs.

Investors are coming together to make their voices heard.

More than 85 investors with more than USD \$5 trillion in assets have endorsed the [UNGP Reporting Framework](#) and the [Corporate Human Rights Benchmark](#), a free, public ranking. A similar initiative, the [Workforce Disclosure Initiative](#), is backed by 110 investors with USD \$13 trillion in assets.

Investors are factoring companies' performance into their cost of capital.

Companies including Danone, EDF, Olam, Philips, Royal DSM and Stora Enso have all negotiated credit facilities with terms that depend on their social, environmental, and/or governance performance.

In 2017, **BNP Paribas** introduced a new feature to its 'Know Your Customer' tool, allowing the bank to search for potential human rights controversies before working with a client. BNP also revisits existing relationships, as in the case of a company accused of using forced labor in Asia. After attempts to engage the client in a dialogue were not successful, BNP Paribas froze the client's credit lines.

REGULATION IS MAKING EXPECTATIONS ENFORCEABLE



Companies that have already begun to implement the UNGPs will be ahead of the regulatory curve.

Soft law is turning into hard law.

Australia, France, Germany, the United Kingdom and the United States have

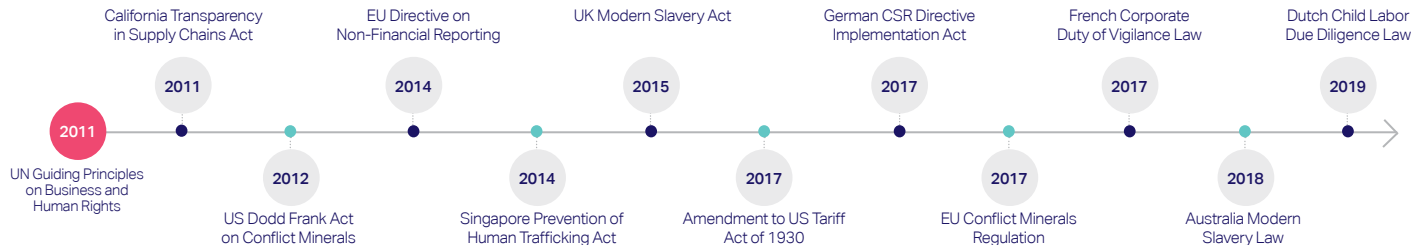
adopted human rights disclosure and due diligence laws. More legislation is expected, with 33 countries having, or in the process of developing, [National Action Plans on Business and Human Rights](#) to advance the implementation of the UNGPs.

Legislation is now extending beyond reporting requirements.

The most recent laws are starting to create corporate obligations to establish plans and processes for human rights due diligence and to report against their implementation and

effectiveness. They are also moving towards legal liability for companies in instances where these cannot demonstrate carrying out adequate human rights due diligence.

Discussions of an international legally binding treaty are now taking place in the UN Human Rights Council. Negotiations have been contentious, but it is one of many indicators that the world has entered a game-changing period with regards to corporate respect for human rights.





From the beginning, Michelin has been a pioneer in providing programs and an environment that improve the well-being of its employees. Michelin puts human rights at the center of its operations throughout the world, whether regarding employees, local communities, customers or the public at large. Respecting human rights is part of Michelin's DNA.

Florent Menegaux
CEO, Michelin



It is critical that, as the pace of change in business accelerates, we stay fully focused on doing business in the right way. At the heart of this is respecting and advancing human rights, something we are fully committed to at Unilever. Indeed, I see it as everyone's responsibility, both those who work for Unilever, and with us, to ensure we continuously uphold our standards and further raise the bar on our performance.

Alan Jope
CEO, Unilever



Veolia's raison d'être is to make a decisive contribution to human progress through the provision of environmental services. I encourage others to join us in our firm commitment to the United Nations' Sustainable Development Goals, with respect for human rights as a guiding thread.

Antoine Frérot
CEO, Veolia



ACTION POINTS FOR CEOs

There are a number of actions that you can take to advance respect for human rights in your organization and beyond.



KNOW
the most important
human rights for your
company



LEAD
from the top



ENGAGE
transparently with
stakeholders



COLLABORATE
beyond your
comfort zone



KNOW the most important human rights for your company

International standards call on companies to prioritize those human rights impacts where the harm to people would be most severe.

Typically, these also bring the greatest risk to the business.

- **Identify risks to people and assess their relative severity**, especially by listening closely to those affected by the company's products and services, operations and supply chains.
- **Keep track of emerging hot topics**, by industry (e.g. cobalt supply chains in electronics and e-vehicle battery manufacturing) and public attention level (e.g. #metoo).
- **Be prepared to communicate** on challenges faced and the company's efforts to continuously improve.



I consider it my personal obligation to visit our Symrise Lighthouse projects to see for myself and understand how we enhance the quality of life of the people we work with at the very beginning of our supply chains.

Dr. Heinz-Jürgen Bertram
CEO, Symrise



For many years, CEO Dr. Heinz-Jürgen Bertram has been an active supporter of the **Symrise** involvement with people producing high quality vanilla in Madagascar. The company is building on farmers' know-how – and improving their living conditions in many areas. The foundation of this commitment is to ensure that human rights are guaranteed along the entire value chain and that both sides benefit from this close collaboration.



LEAD from the top

CEO leadership plays a critical role in ensuring that human rights are taken seriously across a company, and embedded in corporate culture, by providing visibility, leadership support and resources.

- **Send a clear and unequivocal human rights message to staff** across the organization, from R&D to procurement to sales and marketing, to present a shared vision.
- **Empower staff to set clear expectations** in their dealings with business partners whose practices can impact human rights.
- **Provide the performance objectives, incentives, and resources** staff need to address human rights issues effectively, and discuss them openly.



I would like to take this opportunity to ask you all to consider your responsibilities from the point of view of whether you are respecting the rights of people involved and linked to your business.

Toshiaki Higashihara
President and CEO, Hitachi,
in his annual human rights message,
10 December 2018



Since 2014, every year on the occasion of Human Rights Day on 10 December, Hitachi's President and CEO Toshiaki Higashihara sends a human rights message to executives and employees of Hitachi, Ltd. and Group companies. In 2018, 258,000 executives and employees in and outside Japan received the e-mail message regarding global trends in human rights, Hitachi's human rights policy and activities, and the importance of individual employees respecting human rights in their work.



ENGAGE transparently with stakeholders

The public expects CEOs to be visible on issues of purpose and impact, and human rights are some of the most pressing.

- **Demonstrate that your company values its relationships with people and society** by being personally aware, prepared and willing to take action.
- **Listen directly to stakeholders whom your business can impact** to understand their perspectives and the difference your decisions and actions can make to their lives.
- **Share your human rights message with stakeholders** including investors, industry peers and government officials.



It was an honor to speak at the UN Forum on Business and Human Rights to share Total's human rights journey. Having the private sector "on board" is essential for human rights respect worldwide!

Patrick Pouyanné
CEO, Total



The UN Forum on Business & Human Rights is the world's largest annual gathering on business-related human rights issues. It brings together more than 2,000 participants from government, business, civil society, UN bodies, academia and media. In 2018, on the occasion of the 70th anniversary of the Universal Declaration of Human Rights, Patrick Pouyanné, CEO of **Total** spoke in the opening plenary of the Forum, becoming one of the few CEOs of a multinational company to engage with the Forum's audience.



COLLABORATE beyond your comfort zone

Many human rights issues are endemic and systemic, meaning that diverse capabilities, significant resources, and strong leverage are needed to address them.

- **Engage other CEOs** in your industry to build the leverage needed to change incentives in supply chains at scale.
- **Establish dialogue and partnerships with stakeholders**, including government, international non-governmental organizations and civil society.
- **Incentivize your team** to think about root causes and develop unique collaborations with the power to move the needle on these intractable issues.

The CEOs of **BP, Equinor, Shell and Total** announced the establishment of a joint framework for human rights supplier assessments in the energy industry. The desired outcome is to make it easier and more efficient for suppliers to demonstrate how they respect human rights, and support the participating companies in improving the working conditions in the energy supply chain. Conducted assessments are based on agreed criteria and are shared with the participating companies through an independent third party.



We believe that this collaboration will carry benefits for all parties, by reinforcing shared expectations of respect for human rights and strengthening our ability to assess and address modern slavery risks in our industry's supply chains.

Bob Dudley
CEO, BP



In an effort to eradicate bonded and forced labor, **Randstad** has been strongly engaged with the International Labour Organization (ILO) and its key stakeholders in defining and negotiating recommendations that prohibit the malpractice of recruitment fees. Following the adoption of the recommendations by the ILO's Governing Body in March 2019, the recommendations have fed into Randstad's revised business and human rights policy, hence forming part of the company's governance.



As a market leader it is our responsibility to lead by example. Workers should never need to pay to secure a decent job.

Jacques van den Broek
CEO, Randstad



Through the Tech Against Trafficking initiative, **Amazon, AT&T, BT, Microsoft, Nokia, Salesforce.org and Vodafone** are pooling their expertise, capacity for innovation and global reach to advance tech applications that help prevent and disrupt human trafficking and empower survivors. Trafficking is a crime that affects an estimated 40 million people worldwide, and private sector engagement is vital. Together, companies and global antitrafficking experts identify and investigate opportunities to develop and scale promising technologies.

Human trafficking is a complex issue and impossible to tackle alone. That's why we're working with others in the tech sector to make a genuine difference in people's lives.

Philip Jansen
CEO, BT

Microsoft works every day around the world to address the potential human rights impact of our technology and business operations. But our commitment doesn't stop there. We are also focused on harnessing the power of our own technology to improve people's lives while also promoting good governance, advancing the rule of law, and engaging with people and governments everywhere to help realize and sustain human rights.

Brad Smith
President, Microsoft Corporation

A safe, responsible and sustainable supply chain respects people and human rights. Our collective actions – together as industry, communities, government and non-governmental organizations – improve rural livelihoods, raise incomes, and ensure children and adults have every opportunity to prosper.

David MacLennan
Chairman and CEO, Cargill

MOBILIZE ACTION THROUGH WBCSD

WBCSD brings companies together to tackle complex sustainability issues that they are unable to resolve alone, shape and amplify the voice of leading business, and scale up business action.



Join us in
mobilizing
business
leadership
for human
rights.



STAY INFORMED

WBCSD's Business and Human Rights Gateway connects business with the dynamic human rights landscape. It provides easy access to resources, tools, news & insights that support you in the navigation of this space.

<https://humanrights.wbcd.org/>



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This guide is the result of collaborative efforts by the WBCSD secretariat and executives from member companies and partners, thus ensuring that the document represents the opinion of the majority of members of the WBCSD and its partners. It does not mean, however, that every member company and every partner of the organization agrees with every word.

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