How companies can embed human rights in their organisations

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The World Economic Forum says human rights should find a permanent place in the boardroom, but companies often fail to make this key risk a priority. In fact, the private sector has a poor track record when it comes to human rights, according to the 2020 Corporate Human Rights Benchmark (CHRB). Almost half the companies assessed faced at least one serious allegation relating to human rights, and there is a disconnect between company commitments and actual performance and results.



On 24 March 2022, responsible business consultancy Trialogue held a webinar to discuss how South African companies fare and how they can move beyond compliance and embed human rights within their organisations.

The panellists were Gugu McLaren-Ushewokunze, head of social transformation at the National Business Initiative (NBI), Lindo Khuzwayo, strategic engagement principal at Anglo Platinum, and Marina Madale, general manager: sustainability and shared value at MTN.





Lindo Khuzwayo, strategic engagement principal at Anglo Ratinum



Marina Madale, general manager: sustainability and shared value at $\ensuremath{\mathsf{MIN}}$

The corporate sphere of influence

The human rights arena is broad and complex, making it difficult for companies to calibrate their responses. Issues critical to each company will depend on size, industry, and sector, McLaren-Ushewokunze pointed out.

The UN Guiding Principles on Business and Human Rights highlight three key actions for companies that want to 'do the work' – make a public commitment and articulate what they believe and stand for; understand and address their impact, which includes prevention and mitigation; and provide remedy if human rights are violated. Companies can focus on this within the context of their products and services, supply chains, and customer and community needs.

"A good framework is for companies to think about their sphere of influence. The starting place should be the workplace, because that's where they have more control and can directly address issues like pay, discrimination, and health and safety," McLaren-Ushewokunze said. "These issues change – for example, when it comes to health, there is a currently a strong focus on issues of employee wellbeing, which was not the case ten years ago; and when it comes to safety, there's a growing focus on gender-based violence in the workplace. Following workplace, companies can look further into their sphere of influence at the impacts of their products and services, as well as issues in their supply chains and communities."

Anglo Platinum's shift in focus

Although the resources industry has had a checkered past when it comes to human rights, Anglo American has set out to change this.

Human rights are one of the six pillars of its Sustainable Mining Plan and its policies and systems align with the UN Global Compact, the UN Guiding Principles on Business and Human Rights, the Voluntary Principles on Security and Human Rights, and the International Finance Corporation's Performance Standards. These include Anglo American's Group Human Rights Policy, which finds expression in its Code of Conduct, the Anglo-American Social Way, which keeps adverse social impacts at managed sites to a minimum, and its Social and Human Rights Impact and Risk Analysis (Shira) tool, which assesses social and human rights impacts on an annual basis. "There is a large focus on impact, not just on business risk," Khuzwayo points out. "This wasn't always the case."

Anglo Platinum has rolled out the Initiative for Responsible Mining Assurance (Irma) Standard for Responsible Mining across its sites, with its Unki Mine in Zimbabwe the first mine in the world to publicly commit to being independently audited in 2019.

The group has actively focused on implementing human rights across all its business units and sites, as well as shifting from a compliance to a values-based approach to protect the lives and livelihoods of employees and communities. This was evident during the pandemic – Anglo Platinum's WeCare and Living With Dignity programmes directly addressed the impacts of Covid-19 and gender-based violence on communities, in collaboration with non-profits and community groups.

"Investors have rightly asked questions about the context in which we operate, and how we intend to alleviate any negative impact," Khuzwayo says. "Anglo Platinum has engaged more meaningfully with civil society, rather than just being defensive; there's a huge trust deficit to overcome, so the process will take time, but change management has fostered a sense of psychological safety so people can raise awareness regarding human rights."

MTN upholding digital rights

For MTN, which has a presence in 19 markets in Africa and the Middle East, digital rights are an important part of a detailed, robust human rights strategy that is informed by international standards like the UN Guiding Principles on Business and Human Rights and the Global Reporting Initiative (GRI).

"They are our 'North Star', informing our policies and processes," Madale said. "Each market has its own legislation and licensing conditions, which means the human rights picture is unique in each country – we can be faced with anything from conflict minerals and labour issues to the protection of children online".

MTN's Digital Human Rights Policy is supported by a digital human rights due diligence framework aligned to the UN Guiding Principles on Business and Human Rights – protect, respect and remedy. This involves assessing risks (for

example, likely scenarios if a country is entering an election period), engaging stakeholders on incident management, providing remedy where necessary, and noting lessons learnt for the purpose of continuous improvement.

"In terms of the practical lessons learnt, we have found that no one situation is the same – the dynamics shift from Sudan to eSwatini, Nigeria to South Sudan," Madale explained. "Whether there's a request for customer data, an internet shut-down or a service interruption, there is no 'one size fits all' approach. While the policy and due diligence framework set out the minimum standards, it's important to be adaptable and weigh the consequences of each action, whether it's loss of life, security risks to staff or infrastructure, possible litigation, deportation or imprisonment, or loss of operating license."

Key lessons include a shift from viewing policies and processes as documents that simply exist to documents that guide decision-making, usually in consultation with other operators, civil society, legal institutions, governments and other stakeholders. "Consultation, engagement and management participation at every level within the company is instrumental," she said.

She cited a case where the government of South Sudan asked MTN to supply data on its customers, but MTN refused, ensuring the privacy and safety of people using its network remained intact. "For us, when there's consistent application and congruency between what we say and what we do, that's the definition of victory – putting the rights of people above all," she concluded.

Advice for companies

When it comes to improving human rights practices, companies should be adaptable, considering how the theoretical can be applied in day-to-day situations. "Give people something practical and don't overwhelm them," Madale advised. "Revisit your systems and processes to make sure they're aligned to best practice, and do what you can to achieve buy-in. If people understand they each have a role to play to protect others' rights, your efforts will be successful."

McLaren-Ushewokunze made the important point that companies should engage with all stakeholders, including suppliers and civil society, as their blind spots may prevent them from understanding their own weaknesses. "Being open to external input can strengthen the ways companies think about human rights," she asserted, adding that companies should avoid a situation where repeat offences lead civil society organisations to take them to court.

While many guidelines and codes are voluntary, it is expected that changing legislation could ensure greater compliance from companies in future. It therefore makes sense for companies to familiarise themselves with regulations and guidelines, which will help to prevent infringements, and to educate employees and suppliers.

Watch a recording of the webinar here: Trialogue webinar: Business and human rights

Further resources

- Read Trialogue's article 'Business and Human Rights', which first appeared in the Trialogue Business in Society Handbook 2021, here: <u>https://bit.ly/3IKQ2Mc</u>.
- The Global Compact Network (GCN-SA) and the National Business Initiative (NBI) produced a Toolkit for Business and Human Rights in South Africa, which guides companies regarding integration and alignment in implementation. It details the legislation, regulations, conventions and codes that speak to human rights and provide a framework for companies to understand what's applicable and relevant when navigating the space: <u>https://bit.ly/3NIvVHV</u>.
- The UNGPs Reporting Framework provides comprehensive guidance for companies to report on how they respect human rights: <u>https://www.ungpreporting.org/</u>. □
- The Ten Principles of the UN Global Compact are derived from the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development and the United Nations Convention Against Corruption. They outline fundamental responsibilities for companies in the areas of human rights, labour, the environment and anti-corruption: <u>https://www.unglobalcompact.org/what-is-gc/</u>.

- The Business and Human Rights Resource Centre is a global business and human rights knowledge hub, delivering up-to-date and comprehensive information on business and human rights in 11 languages: <u>https://www.businesshumanrights.org/en/</u>.
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