

GUIDANCE

A Guide to Business and Human Rights

How Human Rights Can Add Value
to Your Business

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Introduction

This guide explains what human rights are relevant to business. It sets out six steps to help you identify and manage human rights impacts in your business operations. It also explains how nine key human rights may be relevant to your business.

What are human rights?

Human rights belong to everyone and affect every aspect of our lives. They are about the right to be treated with dignity, respect, and fairness. They are about the freedom to voice ideas openly. They protect individuals from arbitrary and excessive action that may result in loss of life, liberty, degrading treatment or intrusion into people's personal lives. In the work place, human rights include the right to a safe working environment, the right to fair remuneration and equal pay for equal work, the right to organise and participate in collective bargaining and the right to be protected from forced labour and trafficking.

Where do human rights come from?

The Universal Declaration of Human Rights 1948 is seen as the foundation stone for modern human rights. From the Universal Declaration to our own Human Rights Act 1998, human rights laws and treaties promote and protect those rights in the UK and elsewhere.

The United Nations' Guiding Principles for business and human rights provide the first global standard for preventing and addressing human rights harms from business activities. They make clear:

- the duty of governments to protect human rights and provide access to a remedy when they are breached, and
- the responsibility of all businesses, regardless of their size, sector, location, ownership and structure, to respect human rights.

The UK government supports implementing the UN guiding principles and making business more aware of its human rights responsibilities.

Why are human rights important for my business?

Identifying your human rights impacts will enable you to assess and manage risks to your business. This can protect your business reputation and open up new commercial opportunities.

Government's duty to protect human rights is reflected through UK law and regulations. Businesses are required to comply with all applicable laws and to respect human rights. Complying with all applicable laws will help ensure that human rights are respected. For example, the Equality Act 2010 helps to fulfil the right to non-discrimination, and the Management of Health and Safety at Work Regulations 1999 help protect the right to a safe working environment.

Where businesses carry out public functions they may be required to comply with the Human Rights Act. Whether a business is carrying out public functions is in some cases straightforward (such as when a private contractor runs a prison), but in other cases it depends on a number of factors such as the nature of the function in question, whether the function is exercised under a statutory power, and the extent of any public funding provided. If you are unsure if a function you undertake is a public function, you should seek legal advice. If you respect human rights across all your activities, this will help ensure that you comply with the Human Rights Act if it does apply to you.

Failing to recognise and remedy human rights abuses may have serious consequences for a business and lead to negative media attention, loss of contracts, and most seriously, closure.

Example: In 2011, the BBC Panorama programme showed how disabled residents at the privately run Winterbourne View hospital near Bristol were routinely slapped, kicked, teased and taunted by members of staff. This prompted enforcement action by the Care Quality Commission, a criminal investigation by the police and led to the hospital's closure. The firm that ran Winterbourne View went into administration in 2013.

Public procurement rules specifically allow the exclusion of tenderers from bidding for a public contract opportunity where there is information showing grave misconduct by a company in the course of its business. This might apply where the company has been responsible for breaches of human rights in the United Kingdom or abroad.

Businesses which understand their human rights impacts may find this opens new opportunities when bidding for public sector contracts.

Example: Halton Council expects businesses bidding to provide care for older people in their own homes to respect the human rights of their clients. It's adoption of the 10-point Dignity in Care Challenge for service delivery requires suppliers to respect people's right to privacy, to take a zero tolerance approach to all forms of abuse and to enable people to live with the maximum independence, choice and control. Halton Council asks suppliers to provide evidence that they are protecting human rights and asks customers how they are treated, with specific emphasis placed on their human rights. If there are doubts about a potential supplier's history, or capacity to protect, promote and respect the rights of service users, then the supplier is unlikely to be considered for such contracts.

Many companies will also set out the standards they expect of businesses in their supply chain.

Example: The John Lewis Partnership, which includes Waitrose, has a Responsible Sourcing Code of Practice which it expects all its suppliers to meet. Waitrose states that it 'strives to maintain long-term, mutually beneficial relationships with our suppliers and has always recognised that our responsibility to them extends to their employees. We expect our suppliers to obey the law and respect the wellbeing of their employees, treating them fairly, honestly and with respect for their basic human rights. We also expect our suppliers to have a work environment that upholds ethical standards and promotes fairness, equality and inclusion within the workplace.'

Respect for human rights in the workplace can also help you to attract and retain the best staff and improve productivity and performance.

Transparent business practices can also help to protect and promote human rights and minimise opportunities for corrupt behaviour. From 1 October 2013, companies listed on the stock exchange will be required to report annually on their strategy, their business model, and any human rights issues related to business performance. The Financial Reporting Council has issued draft guidance on complying with this duty, which can be found at: <https://www.frc.org.uk/Our-Work/Codes-Standards/Accounting-and-Reporting-Policy/Ongoing-projects/Narrative-Reporting.aspx>.

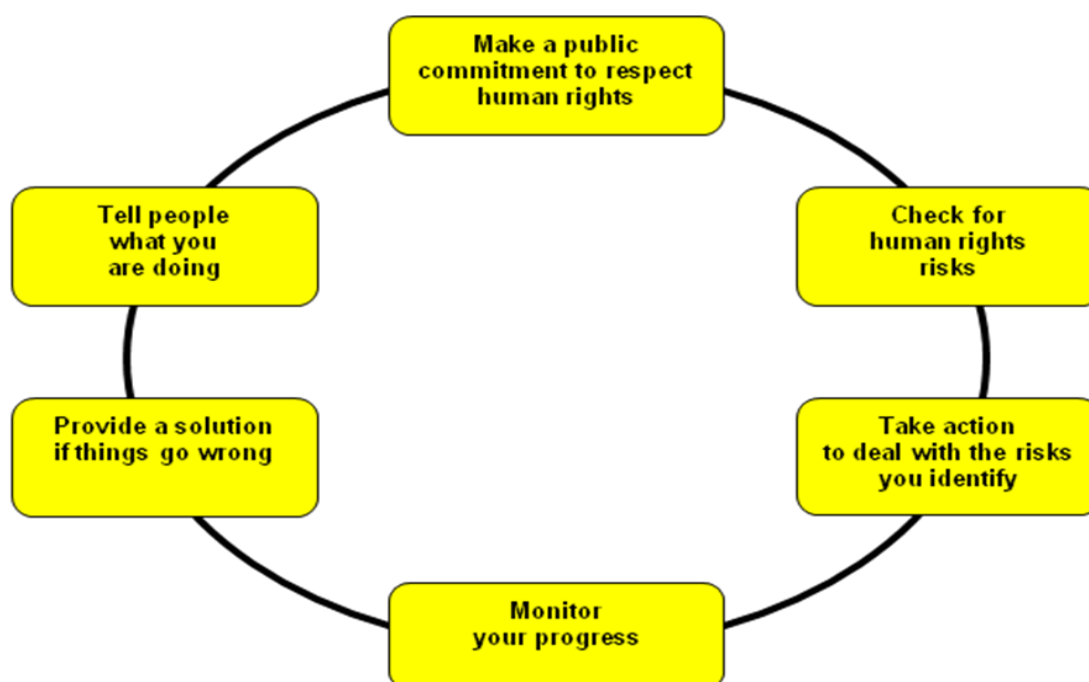
The UK government also now publishes details of its procurement and contracting arrangements with businesses and other organisations. This enables people to hold public bodies to account, and may lead to greater public scrutiny of businesses.

Six steps to respecting human rights in your business

To make respect for human rights an integral part of your business you need to be aware of the harms your activities could create and take steps to deal with them.

Example: Two human rights relevant to the workplace are the right to a safe work environment and protection from forced labour. The Equality and Human Rights Commission’s inquiry into employment in the meat and poultry processing sector in 2008 found that some workers did not have access to adequate personal protective equipment. Some agency workers also reported that they were forced to work overtime or threatened with losing their jobs. Businesses in this sector responded to the identified human rights risk, and took remedial action. When the Commission reviewed progress in 2012, it found real improvements by the industry.

The six steps shown in the diagram will help you to identify and deal with your human rights impacts.



Step 1: Make a public commitment to respect human rights

You need a clear commitment from the top of your business to respect human rights. This should be backed up by expectations about the behaviour of your employees and subcontractors in your supply chain. You might also want to think about how you communicate your commitment publically.

Step 2: Check for human rights risks

Checking for human rights impacts looks at the risks to the rights of people affected by your business and not simply the risks to the business. You might begin by assessing human rights impacts that are particularly relevant for your sector. For example, an internet business might think about the right to privacy and the confidential information it holds about its customers.

Step 3: Take action to deal with the risks you identify

After assessing your impacts and risks, you need to take action to deal with the most important ones. These may be risks within your own business that you can manage through training or improving your management systems. These risks may relate to your supply chain or partners. If so, you need to consider how to use your influence, for example through your contracting arrangements, to prevent or reduce the adverse human rights impact.

Step 4: Monitor your progress

Regular monitoring of risks and how you manage them helps businesses to assess their human rights impacts, take action to prevent harm and provide solutions when things go wrong. An open and responsive attitude to complaints enables people affected by your operations to report instances when they feel their human rights may have been harmed. Complaints may give you early warnings of human rights risks.

Step 5: Provide a solution if things go wrong

Taking steps to improve your performance where you identify risks is at the heart of showing respect for human rights. You will need to review your policies and procedures to reduce the risk of it happening again. You may need to think about further training for your staff or reminding suppliers of their obligations.

Step 6: Tell people what you are doing

If you identify adverse impacts and risks, you need to think about how you inform your customers, your suppliers or your contractors about the steps you have taken to put things right. When people complain it is important that they hear what has been done to address their complaint. You can enhance your credibility by being open about the human rights challenges that you are trying to address.

Nine human rights issues relevant to your business

The United Nations' Guiding Principles for business and human rights sets out the responsibility of businesses to respect human rights. This means your business should avoid harming the human rights of others and should address adverse human rights impacts in which you are involved. Here we explain how nine human rights are particularly relevant for business.

How is the right to non-discrimination relevant to business?

Equality and non-discrimination are core principles in international human rights law. In the UK, legislation such as the Equality Act 2010 protects people from discrimination.

To respect the right to non-discrimination, you should not discriminate against your employees or customers, directly or indirectly, on the grounds of their gender, age, religion, marital status, race, social background, disability, pregnancy, ethnic and national origin, nationality, membership of worker organisations (including trade unions), political affiliation, sexual orientation, or any other personal characteristic.

You should make a clear commitment to equality and human rights and put in place policies that are understood and implemented across your business. These might include training, a complaints procedure and arrangements to deal with any discrimination you find.

How can your business respect the right to a safe work environment?

Businesses demonstrate respect for the right to a safe work environment when they comply with domestic health and safety legislation. For example, businesses must demonstrate respect by:

- ensuring that workplaces, machinery, processes, and chemical or biological substances under their control are safe and without risk to health.
- providing adequate protective clothing and protective equipment to prevent risk of accidents or adverse effects on health.
- being prepared for emergencies and accidents
- ensuring their workers receive regular and documented health and safety training
- ensuring access to clean toilet facilities and to drinking water

Where businesses provide accommodation to employees, they must ensure it is clean, safe, and meets basic needs.

Why is the right to rest and leisure a human right relevant to business?

The right to rest and leisure covers working hours for adults and younger workers, overtime and holidays. These also enable your business to provide a safe working environment.

You should not regularly require workers to work over 48 hours per week and adult workers should have at least one day off for every seven day period on average. Adult workers may choose to 'opt out' of the 48 hour week restriction but this must be voluntary and in writing.

During the work day adult workers should have a break of 20 minutes if their daily working day is more than 6 hours long, and a minimum rest break of 11 hours between finishing their job and starting the next day. Employees only have to work overtime if their contract says so.

You should respect all workers' right to public and annual holidays. Most workers who work a 5 day week should have a minimum of 28 days paid leave each year.

Is child labour relevant in Britain?

Businesses should not employ children younger than 13 and should not employ children younger than 18 for night work or work which is likely to be harmful to their health, wellbeing or education.

Until children reach the minimum school leaving age, they can only work a certain number of hours per week and only do certain jobs as defined by local bylaws, for example delivering newspapers.

Children are not allowed to work without an employment permit issued by the education department of the local council, if this is required by local bylaws. Without this there is a risk that the employer won't be insured against accidents involving the child.

Young workers, above minimum school leaving age and under 18, are usually entitled to:

- A break of 30 minutes if they work more than 4.5 hours at a stretch
- A minimum daily rest break of 12 hours
- 48 hours off for every seven day period

How can your business respect the right to just remuneration?

Your workers have the right to fair and favourable remuneration that offers them and their families a dignified life. In the UK businesses should comply with the National Minimum Wage Act 1998. When operating abroad, you should, as a minimum, ensure that the wages you pay are enough to meet basic needs and to provide some discretionary income.

Deductions from your employees' pay are only allowed in limited circumstances. These must not reduce the pay below the National Minimum Wage rate (except a limited amount for accommodation), even if your employee has given permission for it. Deductions from wages should not be carried out as a disciplinary measure.

What is the right to freedom of association and the right to organise and take part in collective bargaining?

Freedom of association refers to the right of workers to set up and to join organisations to promote and defend their interests. Collective bargaining refers to workers being able to negotiate together with others to reach jointly acceptable agreements about employment conditions.

You should not hinder the right of workers to collective bargaining nor their right to establish and join organisations of their own choosing. Businesses can voluntarily recognise a trade union. Alternatively, where you have 21 or more employees, trade unions may seek statutory recognition.

You should not discriminate against workers due to their membership of a trade union or an association when you recruit, employ or dismiss employees. Neither should you use agency labour or contractual work to hinder the right to freedom of association and collective bargaining.

What is the role of business in protecting against the use of forced labour?

Everyone has the right to be protected from forced or compulsory labour. Your business should not use forced labour and you should be aware of how your supply chain treats its workers.

Forced labour practices include:

- demanding labour as a means of repayment for a loan (also called bonded labour)
- Labour undertaken due to violence or threat of violence against a worker or a worker's family
- Labour undertaken because the employer retains the worker's identity papers or threatens to report workers because of their immigration status ; or
- Labour paid less than the agreed or legal minimum wage.

You should ensure that workers are free to leave their positions after reasonable notice and respect the right of workers to leave the workplace after their shift. Workers should not be forced to live or remain in 'tied' accommodation linked to their work.

What is the role of business in preventing trafficked labour or slavery?

Human trafficking is modern day slavery. It is a growing, organised and lucrative crime and is a gross violation of a person's dignity and human rights. The UK government's 'Human Trafficking' strategy published in 2011 sets out the role for businesses to help prevent trafficking. You should take all possible steps to avoid direct, or indirect, involvement in human trafficking. You should also make sure that your staff, particularly those recruited through third parties, are working voluntarily and have not been trafficked. If you suspect trafficking, you have a duty to report this to the authorities, for example the police or Gangmasters Licensing Authority.

All businesses should make sure that traffickers are not using their company's products, premises and/or services for their trafficking activities. You should also make sure that none of your suppliers are involved in trafficking. This implies an obligation on your business to require that subcontractors, recruitment agencies and labour brokers do not engage in human trafficking.

What does respecting the right to privacy mean for how I do business?

All businesses need to respect the privacy of their workers and their customers. You must follow data protection rules whenever you store or use personal information. This might include information from recruiting and managing staff, when you market your products or services or use CCTV. Data should be processed fairly and with the consent of the person concerned or some other legitimate basis laid down by law. You should have a data protection policy for customers and staff to ensure the protection of this right.

A fuller list of human rights relevant to business

Twelve human rights are particularly relevant to the workplace. These are:

- freedom of association
- right to equal pay for equal work

- right to organize and participate in collective bargaining
- right to equality at work
- right to non-discrimination
- right to just and favourable remuneration
- abolition of slavery and forced labour
- right to a safe work environment
- abolition of child labour
- right to rest and leisure
- right to work
- right to family life

Eighteen human rights that shape people's lives and can be affected by the way a business runs its operations:

- right to life, liberty and security of the person
- right of peaceful assembly
- right to an adequate standard of living (including food, clothing, and housing)
- freedom from torture or cruel, inhuman or degrading treatment
- right to marry and form a family
- right to physical and mental health; access to medical services
- equal recognition and protection under the law
- freedom of thought, conscience and religion
- right to education
- right to a fair trial
- right to hold opinions, freedom of information and expression
- right to participate in cultural life, the benefits of scientific progress, and protection of authorial interests
- right to self-determination
- right to political life
- right to social security
- freedom of movement
- right to privacy.

Directory of useful contacts

More information about why human rights matter to business is available on our website: www.equalityhumanrights.com/advice-and-guidance/here-for-business

We have also listed a number of other organisations below which we think could be helpful to you.

Acas

Provides advice and guidance on a wide range of employment issues such as contracts, discrimination and working hours.

- Website: www.acas.org.uk
- 08457 474 747

Business and Human Rights Resource Centre

Provides information for businesses and others, both practitioners and those new to the subject.

- Website: www.business-humanrights.org

Business Disability Forum

Provides advice and guidance on employing and conducting business with disabled people.

- Website: www.businessdisabilityforum.org.uk
- 020 7403 3020

Central Arbitration Committee

Step-by-step guidance for businesses considering voluntary or statutory trade union recognition.

- Website: www.cac.gov.uk
- 020 7904 2300

The Chartered Institute of Personnel and Development (CIPD)

Provides introductory guidance about human resources and leadership capacity.

- Website: www.cipd.co.uk

GOV UK

Offers guidance on a range of business and employment issues such as recruitment and hiring (including child employment), workplace health and safety, and socially responsible business.

- Website: www.gov.uk

Health and Safety Executive

Provides practical advice and guidance on work-related health and safety, including working time regulations.

- Website: www.hse.gov.uk

Institute for Human Rights and Business

A centre of excellence and expertise on the relationship between business and human rights standards.

- Website: <http://www.ihrb.org>
- 020 3411 4333

Ministry of Justice

Provides guidance for commercial organisations of all sizes and sectors to understand the steps they can take to prevent bribery.

- Website: www.justice.gov.uk/legislation/bribery

Northern Ireland Human Rights Commission

Promotes best practice for business and human rights issues.

- Website: www.nihrc.org

Scottish Human Rights Commission:

Promotes best practice for business and human rights issues.

- Website: www.scottishhumanrights.com/ourwork/business

United Nations Global Compact Network United Kingdom

Practical guidance on doing business with respect for human rights.

- Website: <http://www.unglobalcompact.org.uk/about-the-uk-network>

Contact us

This publication and related equality and human rights resources are available from the Commission's website: www.equalityhumanrights.com.

For advice, information or guidance on equality, discrimination or human rights issues, please contact the **Equality Advisory and Support Service**, a free and independent service.

Website	www.equalityadvisoryservice.com
Telephone	0808 800 0082
Textphone	0808 800 0084
Hours	09:00 to 20:00 (Monday to Friday) 10:00 to 14:00 (Saturday)
Post	FREEPOST Equality Advisory Support Service FPN4431

Questions and comments regarding this publication may be addressed to: correspondence@equalityhumanrights.com. The Commission welcomes your feedback.

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