

**Notes from CSR Europe/Enterprise 2020 Conference on
Shared Responsibility for Human Rights & Global Value Chains**

March 16, 2016, Renaissance Hotel, 1050 Brussels

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On March 16, 2016, I attended this event. This is a synopsis of my notes taking during the day, focusing on the key points that stood out for me.

Richard Howitt, MEP, Rapporteur on CSR, co-hosted the event with CSR Europe. Richard referenced **the low awareness of the UN Guiding Principles Reporting Framework**. If you would like information on this, see <http://www.ungpreporting.org/> and contact me if you would like to discuss the Framework.

Giulia Genuardi, Head of Sustainability Planning and Performance Management with **Enel**, said that **what is meant by 'Human Rights' needs to be specifically defined for the company or organisation**. Depending on personal experience, people have different associations around the term 'human rights'. For others, it is about individual workers; for other, it's about respecting local communities and/or the rights of indigenous people; for others, it's connected to issues around privacy and transparency! For Giulia and Enel, 'human rights' refers to excessive working hours; not being paid; not being paid the agreed amount and not being paid over-time.

"Human Rights have to be embedded in all company processes to ensure risk is mitigated at all levels of the chain", says Giulia. "It's about compliance at a minimum, implemented by a cross-functional team – human resources, sustainability, procurement, legal & process. She says that Enel ensures that "the actions identified during audit are implemented. The materiality assessment is key for driving the sustainability strategy. 'Transparency' is the guiding key word, when conducting due diligence".

For **Hans Dems**, Group Public Affairs Officer, **Hitachi Europe**, it's about developing a specific human rights policy and engaging with stakeholders on what it contains. What has worked well in Hitachi is the fact they they rolled-out training with the management team across the full business and with the people on the ground doing the work. Hans tip is to "use the incentive structures in the company to ensure the human rights policy is upheld. Due diligence must be by geography and be issue-based".

For **Peter Buijze**, Senior Legal Counsel Labour Relations & Human Rights Europe with **Coca-Cola**, it is vital to know how your supply chain works. Due diligence is now linked to reporting on forced labour, child labour and land rights. Regulatory development in the UK and California is helping companies to get focused. Peter says Coca-Cola adopted the UN

Guiding Principles in 2011 to develop their policy, understand what due diligence was needed and how to enable remediation.

“It is in Tiers 2 & 3 where the challenges lie” said **Yves Nissim**, Head of Transformation & Operation in CSR, **Orange**.

BASF operates a confidential worker hotline but **Thorsten Pinkepank**, Director of Corporate Sustainability Relations says it is still an issue to integrate human rights across their 350 sites. As part of their stakeholder relations practice for the last number of years, BASF operates a Community Advisory Panel (CAP) and have incorporated Human Rights into these. 80% of feedback arising are recommendations rather than grievances. They also have a Responsible Care Management System for Chemicals.

Gilles Goedhart, Ministry of Foreign Affairs, the Netherlands, says “Dutch Consumers are keen that Dutch companies take action to uphold human rights”. The Ministry uses a Risk Register for Companies and Countries. **Harrison Cooter, with the UK Home Office** said the Modern Slavery Act Statements¹ allow a freedom within the statement (by not being too prescriptive). That freedom is creating a level playing field and the fact of having to issue statements annually will serve as a tool for continuous improvement.

Dante Pesce, Chairperson of the UN Working Group on Business & Human Rights was excellent. He said, “the business case for Government is still not clear enough. ‘Risk’ is still seen as something for a company to consider, rather than ‘risks that impact on real people’. Only 17% of 1400 GRI reports mentioned negative impacts. The UN has asked GRI to revert on this by the end of May this year. “The National Action Plans on Human Rights have a key role to play in enabling engagement by companies in the human rights agenda to be scaled and speeded up”. For Dante, the UN Guiding Principles must have a central role in the EU 2030 Agenda.

A number of presentations followed on **Sustainable Supply Chain Collaborative Platforms**:

1. **Bettercoal** (Marieke van der Mijl, Assessment Program Manager). Established in 2012, it has 13 members (including ESB). For them, it’s about Self-Assessment, Site Assessment & Re-Assessment.
2. **Electronic Industry Citizenship Coalition (EICC)** (Rob Lederer, Executive Director, Together for Sustainability). This was set up to drive resilience, efficiency & sustainability. 5000 sites have been assessed to date. Education & empowerment of workers is key.

¹ 2015 UK Modern Slavery Act - companies with a turnover of £36 million or more (operating in any part of the UK, regardless of where they are headquartered) are now required to publish an annual anti-trafficking statement signed by a Company Director. The **Transparency in the Supply Chain** clause requires companies to disclose the steps taken to **mitigate the risk of human trafficking and modern day slavery in their supply chain**. The statement must be available on the **company website**, linked from the homepage. If a company is taking no steps to prevent human trafficking, they must also issue a statement to this effect.

3. **European Automotive Working Group on Supply Chain Sustainability** (Catalina Pislaru, Project Manager CSR Europe). This initiative is seeing suppliers and companies coming together “to share challenges in one room”. A Supplier Learning Network, a collaborative approach and some excellent material has already resulted from the work of this group. For an example, see <http://www.csreurope.org/sites/default/files/CSR%20SAQ%20automotive%20sector.pdf>
4. **Cocoa Sustainability** (Kate Clancy, Business Development Manager). Details are at <http://www.cargill.com/corporate-responsibility/responsible-supply-chains/cocoa/index.jsp>
5. **Federation of the Dutch Food & Grocery Industry** (Floor Uitterhoeve, Sustainability Manager) represents 400 Food & Drink Manufacturers in Holland. There was a need for a common framework on sustainability sourcing that was food-sector specific. The Dutch Government are now supporting this Sectoral Covenant and have identified a need for continuous learning and capacity building.

Points made from attendees included an exhortation to the EU to co-ordinate and facilitate more. “Public policy on human rights impact needs to be improved. The role of Government is not to duplicate industry schemes but to support, promote and utilise them”.

“In China the key issue is working hours and for it to be addressed, business has to work with Government”.

“Neutral conveners are needed to drive change and provide a pivotal link between the private and public sectors. Investment is also needed. Micro enterprises need support and incentives via capacity building workshops”.

Pedro Ortun, CSR & Tourism Principal Adviser, European Commission, DG Grow had the last word and said many investors are now ready to play a stronger role than before. He also said, “the Non-Financial Reporting Directive impacts on suppliers. If this is well transposed into the legislation (of all member countries), it will ensure policy coherence on sustainable global and European value and supply chains”.

Will the Irish government transpose the legislation well?

During the conference, CSR Europe launched the **Blueprint for Embedding Human Rights in Key Company Functions**. A copy is available here:

http://www.csreurope.org/sites/default/files/uploads/Human_Rights_Blueprint.pdf

For the **full conference programme** see:

http://www.csreurope.org/sites/default/files/uploads/16_March_agenda_1102.pdf

For **comments and main points** made through-out the day, see **twitter** @CSREuropeorg #SupplyChain2016 & #bizhumanrights

Useful Reading:

Beyond Supply Chains: Empowering Responsible Value Chains - published by the **World Economic Forum** in collaboration with **Accenture**

http://www3.weforum.org/docs/WEFUSA_BeyondSupplyChains_Report2015.pdf

The **UN Guiding Principles Reporting Framework** <http://www.ungpreporting.org/>

OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas <http://www.oecd.org/daf/inv/mne/mining.htm>

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