

Adopting and Implementing Corporate Human Rights Policies

commentary by Rev. David Schilling,
Director of human rights, [Interfaith Center on Corporate Responsibility](#)

May 2010

Over 260 corporations have adopted human rights policies--an important development and a positive step in respecting human rights. We should applaud, encourage and celebrate this action taken by companies in many different sectors operating in dozens of countries. But there is so much more to be done.

First, many corporations have adopted policies that only cover a small range of human rights, most often human rights focused on the workplace. Policies need to be based on human rights as spelled out in the Universal Declaration of Human Rights, the International Covenants on Economic, Social and Cultural Rights and Civil and Political Rights and the International Labor Organization's core labor standards, while recognizing that a company will focus primarily on those rights most directly and indirectly impacted by corporate activities.

Second, a range of implementation strategies need to be executed, including:

- Ongoing human rights training of personnel
- Human rights impact assessments to identify potential and actual human rights violations
- Creation of internal accountability structures anchored in the Board of Directors and integrated into all operations, including supply chains
- Performance incentives for personnel based on how well the policy is implemented
- Monitoring and verification of human rights performance
- Effective complaint mechanisms available to employees, communities and other stakeholders to address human rights abuses and prevent future abuses
- Continuous process of community engagement based on respect, equity and full participation of affected stakeholders
- Alignment of public policy lobbying with the strengthening human rights accountability by governments
- Comprehensive public reporting so all stakeholders are informed.

A few leading companies are well on their way to implementing the above strategies and practices. More companies need to accelerate implementation of policies to demonstrate their respect for human rights.

For over a decade, Interfaith Center on Corporate Responsibility members have filed shareholder resolutions "requesting a company's Board of Directors to adopt a comprehensive, transparent, verifiable human rights policy and report to shareholders on the plan for implementation." This action has led to the adoption of corporate policies that have gotten a number of global companies on the road to addressing human rights impacts. Mainstream institutional investors have supported these resolutions and are raising questions of companies with greater frequency about their human rights policies and practices.

Why is it important for a company to adopt and implement a human rights policy? It is the right thing to do; it is an essential part of a risk mitigation strategy; it provides the framework for building a corporate culture that respects human rights, which can pave the way for recruitment and retention of top talent; it helps attract investment from public and private sources; it is a key ingredient in securing the social license to operate; it enhances the reputation of a company as

a leader in making a difference in the lives of people and communities where it operates and it addresses the emerging minimum standard of the 'corporate responsibility to respect" by putting in place a human rights due diligence system as recommended by the UN Special Representative on Business and Human Rights and adopted by the UN Human Rights Council.

In the past month, executives of two companies told me that adopting and implementing human rights policies have resulted in a positive impact on stakeholder relations. This is but one concrete indicator of the difference a human rights policy can make.