

Report

NATIONAL CONSULTATIVE MEETING ON BUSINESS AND HUMAN RIGHTS



Organised by

**Partners in Change
in
collaboration with**

Business Leaders Initiative on Human Rights

**India Habitat Centre
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Background

"Human rights are the basic rights of each human being, independent of race, sex, religion, political opinion, social status, or any other characteristic. Through international human rights conventions, governments commit to "respect, protect, promote and fulfil" the human rights of their citizens and other individuals within and beyond their borders. The starting point for ensuing discussion is the International Bill of Human Rights, which comprises The Universal Declaration of Human Rights (UDHR), the foundation framework of the international human rights system, and the two International Covenants on Economic, Social and Cultural Rights (ICESCR), and Civil and Political Rights (ICCPR), respectively. Further, India has ratified the various international human rights treaties and has enshrined the same in our constitution.

In the context of globalization, there are compelling reasons why business should involve human rights as an integral part of their policies and practices. Businesses increasingly need a stable environment in which to operate, with sustainable markets and a "level playing field" of opportunities and limitations.

Human rights offer a common framework for business to understand societies' expectations and deliver value to stakeholders in a more sustainable way, and in a business context, advancing human rights is as much about realizing new opportunities and managing risk as it is about meeting essential global standards. For business, human rights provide a universal benchmark for minimum standards of behavior.

While human rights continue to be the primary responsibilities of governments, the debate about the nature and scope of companies' human rights responsibilities is a relatively recent one, as is the idea of applying human rights to business decisions and operations. One of the most comprehensive and significant recent international effort resulted in the "Norms on the Responsibilities of Trans-national Corporations and Other Business Enterprises with regards to Human Rights" (UN Norms), developed by a United Nations Expert Group, the UN Sub-Commission for Human Rights. Although the UN Norms have no formal legal status, many leading companies

and stakeholder groups agree that the content of the Norms provides a helpful framework for human rights in business.

At the macro level, the interface between business and human rights assumes special significance in the Indian context as business searches for effective voluntary mechanisms through which to contribute to the process of sustainable and equitable/inclusive economic growth whilst balancing the increasing and often conflicting expectations of its stakeholders across its sphere of influence in regions and zones of vastly differing levels of governance, both in-country and, in the case of the rapidly growing number of multinational Indian companies, overseas.

For leadership companies in India this has, of recent, been translated into a greater attention and effort to positioning corporate responsibility issues as an integral part of their business, and with a separate and distinct identity from its wider philanthropic initiatives. Specifically, this has translated into wide support for various global initiatives, of which the UN Global Compact is a notable example, and who's first two principles call on business to support and respect the protection of international human rights within their sphere of influence, and to make sure they are not complicit in human rights abuses. However, many companies have yet to evolve the systematic strategies and plans essential for translating their human rights related commitments into effective action. In this context, the pioneering work undertaken by leadership companies assumes special significance. In May 2003 seven companies launched The Business Leaders Initiative on Human Rights (BLIHR) which is a three-year programme to help lead and develop the corporate response to human rights.

It is with this brief background that Partners in Change organized a national consultative meeting in association with Business Leaders Initiative on Human Rights (BLIHR) on 17th March, 2006 in New Delhi, to explore present levels of knowledge and interest of companies in taking forward the Business and Human Rights agenda and to base our future programmes in this field on such feedback and insights.

The National Consultative Meeting on Business and Human Rights – Summary of Speeches and Presentations

Welcome address and introduction

The delegates were welcomed by Mr. Viraf Mehta of Partners in Change and a brief overview of the agenda and its context was shared with them.

(Refer to Annexure 1 for the complete Agenda)

Panel 1: The International Context

Mr. Gerald Pachoud, Special Advisor to the United Nations Special Representative on Business and Human Rights

Mr. Gerald Pachoud, Special Advisor to the United Nations Special Representative on Business and Human Rights shared the history of the UN Norms and their origin.



Gerald Pachoud Addressing the Participants at the Consultation

Later he clarified the mandate of Prof. John Ruggie, United Nations Special Representative on Business and Human Rights. According to him the UN Commission on Human Rights adopted a resolution on 20 April 2005 requesting "the Secretary-General to appoint a special

representative on the issue of human rights and transnational corporations

and other business enterprises...with the following **mandate**:

To identify and clarify standards of corporate responsibility and accountability for transnational corporations and other business enterprises with regard to human rights;

(b) To elaborate on the role of States in effectively regulating and adjudicating the role of transnational corporations and other business enterprises with regard to human rights, including through international cooperation;

(c) To research and clarify the implications for transnational corporations and other business enterprises of concepts such as "complicity" and "sphere of influence";

(d) To develop materials and methodologies for undertaking human rights impact assessments of the activities of transnational corporations and other business enterprises;

(e) To compile a compendium of best practices of States and transnational corporations and other business enterprises.

In the end Mr. Pachoud emphasised on the role of India in promoting and protecting human rights.

(Refer to the Interim report of the Special Representative of the Secretary-General on the issue of human rights and trans-national corporations and other business enterprises at <http://www.earthrights.org/files/Reports/e.cn.4.2006.97.pdf>)

Mr. John Morrison, Business Leaders Initiative on Human Rights (BLIHR)

Mr. John Morrison explained the aim of the Business Leaders Initiative on Human



John Morrison Addressing the Participants at the Consultation

Rights is to find practical ways of applying the aspirations of the Universal Declaration of Human Rights within a business context and to inspire other businesses to do likewise.

He pointed out that Human rights is the most legitimate and universal framework for determining the social dimensions for business

responsibility and issues of corporate governance, as they are objective and applicable in all countries.

Mr. Morrison also shared case studies of BLIHR member companies which have defined their sphere of influence and Integrated human rights standards in their business policies and practices.

(Refer to Annexure 2 for the complete presentation)

Ms. Sonia Shrivastava, ABB India

ABB India is a member of the Business Leaders Initiative on Human Rights and is committed to promote the human rights dimension in business. Ms. Sonia Shrivastava shared ABB’s experience in implementing Human Rights standards.

ABB developed a human rights based project checklist to be used by companies’ managers. The checklist mirrors the human rights categories listed in the UN norms - Rights of local communities, Transparency and Business Ethics, Non-discriminatory treatment, Right to security of persons, Protection of the public and the environment, Rights of workers, Occupational health and safety. Ms. Shrivastava shared ABB’s experience in testing the checklist within the parameters of ABB’s rural electrification programme in Africa. ABB believes that a human rights approach benefits all stakeholders and at the same time is lowering business risk by taking a wider view on the potential impact of such projects.



Sonia Shrivastava Addressing the Participants at the Consultation

Furthermore, Ms. Shrivastava laid emphasis on stakeholder consultation both pre and post investment and this should include human rights in a risk review process and also work on raising awareness within the company on human rights issues. *(Refer to Annexure 3 for the full presentation)*

Mr. Dinesh Agrawal, NTPC Ltd.

Giving a brief on the Power Giant of the country Mr. Dinesh Agrawal spoke of the genesis of the organization. He traced the evolution from the time when NTPC was established in 1975.

According to him; NTPC has been a socially committed organization since its inception. During the execution of its first generation projects which were located in remote rural areas – socio-economically backward and deficient in the basic civic

amenities, NTPC guided by its social conscience addressed the issues of community development in the neighbourhood area of its station, which had been impacted due to the establishment of the project. These resettlement and rehabilitation efforts of the company were the first roots of CSR in NTPC.

NTPC expanded its horizon and social vision and evolved a policy on CSR – Community Development in 2004.

The effort to link Human Rights with businesses has been made by becoming member of the global compact. Being public sector undertaking, human Rights compliance comes naturally and is integral part of the NTPC activities.

Linking the business objectives with Human Rights, Mr. Agrawal suggested that all businesses should break myths & view human rights in a more holistic & totalitarian perspective that includes all stakeholders. He proposed that businesses should put efforts to check human rights compliance and take clue from the Universal Declaration of Human Rights.



Dinesh Agrawal Addressing the Participants at the

Aligning business objectives with human rights is not only imperative but also a mandate essential for businesses to grow.

NTPC addresses the issues of human rights in the broader perspective expanding the domain beyond internal stakeholders (employees etc.) to external stakeholders (communities). As a PSU there are adequate systems & mechanisms to ensure compliance to human rights. There is equal need to focus on rights of external stakeholders some of which are listed below:

1. Addressing the concerns of the neighbourhood community.
2. Resettlement & Rehabilitation activities.

3. Providing equal opportunities to the marginalized (Physically Challenged Persons, Schedule Caste/Schedule Tribes, women etc.).
 4. Support during natural calamity Dinesh Agrawal Addressing the Participants at the Consultation
 5. Decentralized Distributed Generation
- (Refer to Annexure 4 for the complete presentation)*

Ms. Usha Ramanathan, International Environmental Law Research Centre (IELRC)

Ms. Usha Ramanathan focused on civil society's perspective on business and human rights and how could civil society help businesses incorporate human rights within their corporate social responsibility framework. She also emphasised that human rights is an inclusive agenda and has to be stretched to the supply chains of companies as well. Apart from including human rights in the supply chain of companies these rights should also be monitored and evaluated so that they are complied by the company.



Usha Ramanathan Addressing the Participants at the Consultation

Mr. Satyajeet Subramanian, TERI – BCSD, India

Mr. Satyajeet Subramanian discussed the possible human rights issues that may arise within a company's sphere of influence. The concept of "sphere of influence" tends to include individuals to whom the company has a certain political, contractual, economic and geographic proximity. It is important to realize that every company both large and small does have a sphere of influence.

Within this sphere of influence of Indian companies, some issues, which are pertinent, include labor relations, safety and security of all employees, pricing and quality of the product, protection of health, adequate housing, and rights of indigenous people. An emerging area of importance in the Indian industry has been

promoting and practising ethical behaviour with business partners. These include joint venture partners, suppliers, contractors, sub contractors, licensees, etc.

Mr. Subramanian presented the response of several companies on their human rights policies. The key to his presentation was the survey



Satyajeet Subramanian Addressing the Participants at the Consultation

that TERI had undertaken among 60 companies comprising of 36 private and 24 public sector enterprises on the existence of Human rights policies.

According to the survey, policies on business ethics and sexual harassment are most widely found policies while freedom of

association and discipline & termination are the least popular.

To conclude, policies which were most frequently found, in their order of frequency were:

1. Business ethics
2. Sexual harassment
3. Equal opportunity
4. Labour
- 4 (A) Child labour
5. HIV / AIDS
- 5 (A) Employment of differentially abled
6. Grievance redressal procedure
- 6 (A) freedom of association
7. Discipline & termination.

(Refer to Annexure 5 for the full presentation)

Mr. Viraf Mehta

Mr. Viraf Metha’s presentation focussed on how to get started if a company wishes to address human rights within their core business operations.



Viraf Mehta Addressing the Participants at the Consultation

Mr. Metha suggested that companies should begin by developing a business case for the specific company/sector to engage in human rights. He pointed out that the Human Rights Matrix earlier presented by Mr. John Morrison for BLIHR is a good way to map both risk and opportunities and the management approaches that can link the two.

Furthermore, it is important to understand the broad contents of human rights in order to develop and encourage a rights-aware approach in the business.

(Refer to Annexure 6 for the full presentation)

Discussions

The participants engaged in discussions post each panel. The major issues that emerged during the discussion include the following:

Concept of Human Rights

- The participants felt that there is very low level on awareness on the issue of business and human rights. Furthermore, it was said that there is a need to demystify the term “human rights” and there should be an emphasis on showing business the opportunities in engaging with human rights – rather than only talk about threats, risks and violations.

Business and Human Rights strategy

- There was a discussion on how to convince a company board to adopt human rights within their business context. Ms. Sonia Shrivastava during her presentation suggested bringing along the Human Rights Matrix – which is a practical business tool which can be implemented. Mr. John Morrison commented that the logic should be explained, i.e., human rights are an objective, common and universally accepted framework.



Participants engrossed in discussion during the consultation

- The BLIHR pyramid invoked a discussion on how to define what is essential, expected and desirable when designing a human rights strategy. Mr. John Morrison explained that “desirable” are actions through which the company can demonstrate leadership. It is an area that is company and region specific and could include partnerships with other stakeholders, philanthropic donations or donating technical expertise to help the most disadvantages.

Expected are voluntary activities society (relevant stakeholders) expects a responsible business to do. Essential are mandatory requirements such as complying with national and international legislation or regulatory requirements.

It was furthermore pointed out that it does not make sense for a company to engage in “desirable” behaviour within a specific area of human rights, if its “essential” and “expected” behaviours are not in place.

Training and Capacity Building

- There was a discussion on how to best communicate Human Rights among all employees and how the message can be conveyed in a simple and relevant manner.

Human Rights and Labour standards

- Participants were interested in the discussion on how to define a living wage and especially in the Indian context of SMEs and contract labour; as in India still the traditional norms of wages are practiced. Participants were also interested in how to incorporate living wage into their systems.
- There was a discussion on adoption of supply chain responsibilities by companies and the issue of labour especially permanent labour versus contractual labour.

General Comments

- There were recommendations that business does not want another code or certification – but that human rights should be integrated into existing codes.
- ITC commented that the supply chain needs to be addressed. ITC was explaining the impact of their CSR policies on their supply chain. The supply chain receives guidelines and is later on visited and given suggestions on which area they can improve on.

Recommendations by Participants

Mr. Viraf Mehta of PiC moderated the final session where the participants were asked whether their companies are interested in getting engaged in the business and human rights approach and what their future steps should be.

Many of the participating companies expressed their interest in addressing human rights in their business. It was felt though that a lot of support and guidance will be required and the following suggestions were made:

- Training and workshops on Business and Human Rights
- Consultancy for companies which are interested in integrating a human rights based approach
- A collection of case studies
- Involvement of and awareness raising among CEO on the issue of Business and Human Rights
- Active involvement of companies which have signed the Global Compact
- Simple and practical guidance material
- To create network of companies interested in incorporating human rights in their business practices

Outcomes of the Consultation

1. Increased awareness and sensitization among Indian businesses on the importance of incorporating human rights within their operations and functioning in accordance with the legislation of the land, international labour standards and codes of conducts.
2. Enhanced capacity of staff of Indian businesses and their empowerment through increased knowledge and awareness on human rights.
3. Highlighting emerging issues of human rights abuse in various sectors serving the global community.
4. Engage with other civil society players for forwarding the notion of Business and Human Rights.

1. Develop a business case for human rights

Human rights is the most legitimate and universal framework for determining the social dimensions for business and responsibility and issues of corporate governance.

Furthermore, Human rights can be a way of identifying new business opportunities; sometimes what might be first perceived as a risk to a business can be converted into an asset. The Human Rights Matrix (<http://www.blihr.org/Pdfs/GIHRBM.pdf>) is a good way to map both risk and opportunities and the management approaches that can link the two.

The commercial benefits of incorporating human rights in core business practices and policies have been identified:

- Improved stakeholder relations
- Improved employee recruitment, retention and motivation
- Improved risk assessment and management
- Reduced risk of consumer protests
- Enhanced corporate reputation and brand image
- A more secure licence to operate
- Strengthened shareholder confidence
- More sustainable business relationships with government, business partners, sub-contractors and suppliers

2. Familiarize yourself with the broad content of human rights and the available resources

Please see Chapter "Further Resources and Information" to find a list of available resources

3. Understand your companies' sphere of influence

Understanding your company's sphere of influence can be accomplished by mapping the stakeholder groups affected by your business operations. A key stakeholder group that will normally lie at the centre of any company's sphere of influence is will be employees. Other groups, such a business partners, suppliers, local communities and customers will follow. The final groups will usually be government and wider society.

4. Develop and encourage a rights aware approach to your business

Understanding the relationship your business has with human rights means taking a “rights-aware approach” to your business practices. This allows you to understand challenges and dilemmas from the perspective of other stakeholders and to better manage social risk.

It will also enable you to choose a **globally recognised and legitimate framework** that is applicable everywhere and to any stakeholder group. A human right analysis can help highlight additional risks and opportunities for a particular project before any technical or investment decisions are made. In this way, a rights-aware approach can enable better informed business decisions.

Proposed Next steps

One of the learning of the consultation was participants / companies not fully aware about human rights and need for training module for capacity building of companies on human rights and how to incorporate them within the realm of CSR was greatly felt by companies. Hence, while designing the next steps of this consultation it was decided to:

1. Bridge the human rights awareness gap among the companies through a specifically designed workshop on Business and Human Rights.
2. Enable companies’ access to other global human rights networks, contacts, resources and websites related to making companies aware about human rights.
3. Share global best practices of other companies on human rights.
4. Create a network of companies interested in incorporating human rights into their business practices.
5. List names of interested companies to design a training model on business and human rights.

Business Human Rights Websites

Business & Human Rights Resource Center:

<http://www.business-humanrights.org/Home>

Business Leaders Initiative on Human Rights:

<http://www.blihr.org>

Danish Institute for Human Rights (The Human Rights and Business Project):

<http://www.humanrightsbusiness.org/>

Amnesty International Business Groups:

<http://www.amnesty.org.uk/business/>

Promotion and Protection of Human Rights: Interim report of the Special Representative of the Secretary-General on the issue of human rights and trans-national corporations and other business enterprises

<http://www.earthrights.org/files/Reports/e.cn.4.2006.97.pdf>

Human Rights Tools for Business

A guide for integrating Human Rights into Business Management:

<http://www.blihr.org/Pdfs/GIHRBM.pdf>

Human Rights Quick Check:

http://www.humanrightsbusiness.org/pdf_files/Quick%20Check%20English%20.pdf

Company Human Rights Guidelines and Case Studies:

Rio Tinto: "Human Rights Guidance"

http://www.riotinto.com/library/reports/PDFs/corpPub_HumanRights.pdf

BP: "Human Rights – A guidance note"

http://www.bp.com/liveassets/bp_internet/globalbp/STAGING/global_assets/downloads/H/Human_rights_guidance.pdf

Reebok: Human Rights webpage:

<http://www.reebok.com/static/global/initiatives/rights/home.html>

Shell Human rights webpage:

http://www.shell.com/home/Framework?siteId=royal-en&FC2=/royal-en/html/iwgen/environment_and_society/key_issues_and_topics/issues/human_rights/zzz_lhn.html&FC3=/royal-en/html/iwgen/environment_and_society/key_issues_and_topics/issues/human_rights/dir_human_rights_19032004.html

ABB: Road testing Human Rights criteria:

<http://www.abbcontrol.com/global/abbzh/abbzh251.nsf!OpenDatabase&db=/global/gad/gad02077.nsf&v=9D86&e=us&c=B007BC7B53F085BDC1256FDA00282803>

BT:

<http://www.btplc.com/Societyandenvironment/PDF/2005/HumanRights.pdf>

National Grid:

<http://www.nationalgrid.com/corporate/Our+Responsibility/Our+Impacts/humanrights/>

Statoil Human Rights Matrix:

[http://www.statoil.com/STATOILCOM/HMS/SVG03503.NSF/Attachments/HumanRightsMatrix/\\$FILE/humanRights.pdf](http://www.statoil.com/STATOILCOM/HMS/SVG03503.NSF/Attachments/HumanRightsMatrix/$FILE/humanRights.pdf)

HP Human Rights Information:

<http://www.hp.com/hpinfo/globalcitizenship/gcreport/employees/humanrights.html>

Novartis:

http://www.novartisfoundation.com/en/publications/corporate_ethics/human_rights/index.htm

List of Participants

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