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**National Action Plan on Business and Human Rights**

Report on the Responsible Business and Human Rights Workshop

Thursday 10th May

9.00 – 11:30

PwC, Atria One, 144 Morrison Street, Edinburgh



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**Responsible Business and Human Rights Workshop**

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**Background**

Most businesses already play a significant role in promoting and protecting human rights, and would agree that respecting human rights has business benefits. It helps to enhance reputation and brand value; it increases customer base; it is key to attracting and retaining a diverse skilled workforce which in turn increases innovation and productivity; and it reduces the risk of litigation, to name only a few.

The development of a Scottish National Action Plan on Business and Human Rights can contribute to highlighting existing good practice in Scotland, sharing international best practice, integrating human rights standards into organisational structures and procedures, and establishing networks of collaboration so that respect for human rights becomes a distinctive feature of businesses operating in Scotland.

Business has a huge part to play in shaping the action plan. As the plan will contain actions for both government and business, it is vital that businesses take this opportunity to engage in its development so that it is achievable, efficient and effective.

Consultation with business began in November 2017 at an event hosted by PwC. This is being followed up by a workshop in March 2018 which will identify existing best practice, review the baseline assessment and propose actions to be included in the plan.

**Agenda of the day**

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| **Workshop Agenda Time**  | **Activity**  |
| 09:00  | **Registration and light breakfast**  |
| 09:30  | **Welcome and introductions** *Chaired by Diego Quiroz, Scottish Human Rights Commission and Hosted by Latifa Chomoko, PwC*  |
| 09:40  | **Discussion 1** *What does your business currently do to help promote and respect human rights, and why does it do these things?*  |
| 10:05  | **Scotland’s National Baseline Assessment overview** *Professor John Ferguson, University of St Andrews*  |
| 10:15  | **Discussion 2** *Does the national baseline assessment capture the human rights issues that are most relevant to your business?*  |
| 10:40  | **Coffee Break**  |
| 11:00  | **Discussion 3** *What support and guidance would help businesses in Scotland embed human rights in their daily operations?*  |
| 11:25  | **Closing Remarks**  |
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**Welcome and Introductions by Latifa Chomoko (PwC)**

* PwC’s activity has not always been consciously framed in terms of human rights, simply as the right thing to do for its people.
* PwC initiatives to promote good mental health include:
* Mental health advocates
* *Green Light to Talk* campaign
* A mental health app with information and advice
* A storytelling news channel highlighting how mental health affects people
* On diversity and inclusion, PwC initially focused on the protected characteristics, and now emphasizes the value that difference brings. Its approach is for (i) leadership to set the tone; (ii) visibility of diverse role models in positions of leadership; (iii) equal opportunities for progression (development needs).
* In relation to modern slavery, PwC’s initial assumption was that services companies have no impact on human rights. However, although it might be further from the supply chain, it is part of it – for example in areas such as IT, food, uniforms, corporate merchandise.
* Against the backdrop of increased public and media interest, in the modern digital age it is not credible for companies to claim no knowledge of what might be happening throughout their operations and relationships.
* Stakeholder engagement has now become part of risk assessment.

**Rebecca Hall (PwC)**

* Human rights and sustainability can be addressed on many levels:
1. Specific issue (e.g. modern slavery)
2. Labour rights (e.g. health & safety, pay & conditions)
3. Human rights (e.g. privacy, education)
4. Social issues (e.g. employee engagement, community development)
5. Sustainability (e.g. environment, business ethics)
* Industry organisations exist to track companies’ human rights performance in specific sectors, for example Banktrack.
* Motivation for businesses includes pressure from peers, customers, society. There is a need to make embedding human rights mutually beneficial.

**Discussion 1 - *What does your business currently do to help promote and respect human rights, and why does it do these things?***

What

* **Codes of conduct/practice** (rather than human rights policies or statements), including for suppliers, accompanied by long-term work to unpack what it means in practice e.g. assurance, checking compliance
* **Specific policies/statements -** human resources, Modern Slavery, procurement, whistleblowing
* **Industry standards -** Women in Finance Charter; Workforce Disclosure Initiative; FTSE4Good, Dow Jones Sustainability Index, ESG indices
* **Executive Board champions** for equality and diversity
* **Employee engagement** to drive positive action
* **Working conditions -** Living Wage, flexible working, shared parental leave, retention policies
* **Gender equality** – Athena Swan award in universities (though most do not try to progress past basic bronze level)
* **Health & wellbeing** - mental health first aiders, mental health advocates

Why

* **Legislation** e.g. Modern Slavery Act; gender pay gap reporting
* **Reputation -** licence to operate (within context of greater interest in corporate conduct and faster communication)
* **Demonstrate leadership** and principled approach
* **Social impact** **–** a tool to measure and evaluate impact
* **Expectations –** customers, investors, public (especially young people)
* **Procurement –** to meet contract or tender conditions
* **Risk** - high risks in supply chain and subcontracts
* **Long-term assurance –** decent conditions at work is a human rights not the whim of a manager

Questions

* Are human rights part of Business Gateway start-up training?
* Given the potential costs, what support and advice is available for small businesses?
* What are the levers for change in different contexts? For example, universities are the gatekeepers for careers so there is less scope for students to boycott or influence by their choices
* How can the prospect of reputational damage influence companies with no public presence in ‘hidden markets’?
* What can be done when a company simply doesn’t care and is happy to publish a report that openly declares no progress or effort?

**Scotland’s baseline assessment – presentation by Professor John Ferguson (University of St Andrews)**

* The national baseline assessment tool used in Scotland demonstrates that every human right is relevant and important, not just gender equality or working conditions.
* In Scotland many laws and policies are already in place – human rights are not an extra thing to consider but are, in the main, addressed by businesses as normal practice.
* Pillar One relates to the state duty and the NBA makes recommendations on: tax avoidance (which reduces resources available to states to take action to address human rights issues); human rights awareness; policy coherence and procurement.
* Pillar Two is more relevant to businesses and recommendations include: increasing awareness and understanding so that businesses see the relevance of human rights to their operations and relationships; developing or promoting effective, consistent and credible reporting mechanisms.
* Key developments since the NBA was published include: the Modern Slavery Act (which is relevant to smaller businesses that have relationships with companies required to report); France’s corporate duty of vigilance law; the UN reporting and assurance framework; and EU non-financial reporting requirements.

**Discussion 2 - *Does the national baseline assessment capture the human rights issues that are most relevant to your business?***

* **Terminology** is important – “human rights” can be offputting; whereas speaking about “rights holders” can be more effective
* **Business case** – it must make financial sense. There is a role for investors, for example pension funds
* **Communication –** make human rights relevant, tangible and close (not just warehouses in China), tailored by size, industry and sector. Certain parts of a business will have better understanding than others
* **Information –** guidance on equality and human rights is difficult to find
* **Existing activity -** align existing activity to fit within a human rights framework
* **Embedding human rights in practice -** clear actions to communicate and promote human rights policies, possibly through extending existing practices
* **Prioritise -** when there is pressure on resources what actions are the simplest and most relevant that particular businesses can take?
* **Reporting -** a clear human rights reporting framework. The SDGs could provide a basis; others include the Corporate Human Rights Benchmark and the UN Guiding Principles Reporting Framework
* **Monitoring –** mechanisms/audits to check implementation of policies and processes within a company and through its suppliers
* **Procurement –** small businesses find it difficult meet contract criteria in the social sector and construction
* **Globalisation –** multinationalbusinesses operating in Scotland should be required to operate to Scottish standards
* **Brexit** – as yet unknown impact

**Discussion 3 -** *What support and guidance would help businesses in Scotland embed human rights in their daily operations?*

* **Action plan –** developed in collaboration with experts
* **Clarity and transparency –** clear expectations that are standardised for everybody; statement of customer/employee rights
* **Simplicity –** plain language; simplify the human rights framework; develop an app to help businesses prioritise where to start, based on size, sector and location
* **Rationale –** presentation of business benefits, packaged and promoted effectively to allay fears and misconceptions
* **Guidance –** sector-specific, with case studies; a well-resourced web hub that is legally established and independent from government/politics; to identify and store good quality and relevant guidance
* **Procurement and supply chains** – what do human rights mean in this context; how can businesses influence others; how much due diligence to undertake and where to stop (especially for SMEs)
* **Existing initiatives -** raise the profile of good examples e.g. Scottish Business Pledge and bring coherence to them
* **Universities and research centres –** opportunities to link academic expertise, research and training with businesses looking for support and guidance

**Next Steps**

A working group is being established to draft the Scottish NAP. Businesses interested in participating in either the drafting group or a consulting group to inform the drafting should indicate their interest to David Holmes, International Human Rights Policy Coordinator at the Scottish Government: David.Holmes@gov.scot

**The following organisations were represented at this workshop:**

*Business in the Community, Construction Scotland, Enterprise Rent-A-Car, Eversheds Sutherland, Glasgow Caledonian University (GCU), Highlands and Islands Enterprise, Livingston James, Pricewaterhouse Cooper (PwC), Robertson Group, Royal Society of Edinburgh, Scotbeef Ltd., Scottish Environment Protection Agency (SEPA), Scottish Government, Scottish Human Rights Commission, Standard Life Aberdeen, University of Strathclyde, University of St. Andrews, Voluntary Action Fund (VAF), Scottish Enterprise*.