

HUMAN RIGHTS POLICY GUIDE



WHAT IS A HUMAN RIGHTS POLICY?

A Human Rights Policy is a public expression of a company's commitment to respecting internationally recognised human rights standards within its operations, supply chains and business relationships.

At a minimum, this commitment should encompass the rights set out in the <u>International Bill of Human Rights</u> (the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, and the International Covenant on Economic, Social and Cultural Rights) and the principles concerning fundamental rights set out in the <u>International Labour Organization's Declaration on Fundamental Principles and Rights at Work.</u>

The policy should send a clear signal to internal and external stakeholders that your business:

- Understands its responsibility to respect human rights as a baseline expectation.
- Has embedded human rights considerations within its operational policies and procedures.
- Is committed to understanding and addressing the human rights impacts of its business activities.
- Will allocate management time and resources to developing and implementing the policy.

WHY DEVELOP A HUMAN RIGHTS POLICY?

THE UNIVERSAL RESPONSIBILITY TO RESPECT

Under the UN Guiding Principles on Business and Human Rights (the global authoritative standard endorsed by the UN Human Rights Council) all businesses have a responsibility to respect human rights. This exists independently of whether governments enforce human rights laws.

This means recognising that business activities can impact virtually the entire spectrum of internationally recognised human rights, from workers' rights to community impacts, privacy and data protection.

MANAGING RISK AND BUILDING TRUST

A human rights policy helps companies to:

- Anticipate and manage operational risks
- Meet legal and regulatory requirements
- Identify policy gaps
- Build stakeholder trust
- Strengthen supply chain relationships



HIGH RISK INDUSTRIES

Industries with complex global supply chains, heavy labour demands, or significant environmental and social footprints tend to face the highest human rights risks. These include, but are not limited to: extractives; agriculture and food production; apparel and footwear; electronics and technology; construction; transportation and logistics; hospitality and tourism; private security; and financial services, which may be indirectly linked through their investments.

Common issues range from forced and child labour, to unsafe working conditions, land rights conflicts, exploitation of migrant workers, and privacy concerns.

WHAT HUMAN RIGHTS SHOULD YOUR POLICY COVER?

Human rights are the rights of all human beings, regardless of gender, age, nationality, ethnicity, religion, sexuality, colour, caste, neurodiversity or disability, to live and work freely and without discrimination.

At a minimum, your Human Rights Policy should be aligned with:

- The International Bill of Human Rights (Universal Declaration of Human Rights and its two implementing covenants)
- The ILO Declaration on Fundamental Principles and Rights at Work
- The UN Guiding Principles on Business and Human Rights

In a Business Context, Human Rights Include:

Workers' Rights:

- Non-discrimination and equality in employment
- No child labour or forced labour
- Freedom of association and collective bargaining / right to strike
- Health and safety
- Fair working conditions, including reasonable working hours
- Fair wages and compensation
- No harsh, degrading treatment or harassment
- Accessibility for persons with disabilities
- Maternity, paternity, adoption and family leave
- Secure employment relationships



Community and Broader Impacts:

- Rights of indigenous peoples and local communities
- Rights to water, food security and adequate housing
- Right to privacy and data protection
- Freedom of expression and access to information
- Rights of migrants and vulnerable groups
- Security and protection from violence
- Access to remedy and grievance mechanisms

CONSIDERING "MATERIAL" HUMAN RIGHTS ISSUES

While businesses have a responsibility to respect all internationally recognised human rights, in practice some rights will be more relevant (or "material") than others depending on your industry, geographical operations and business relationships. Your policy should acknowledge this while maintaining awareness that situations may change and broader periodic assessments are necessary.

WHAT SHOULD YOUR POLICY COVER?

We recommend that all human rights policies, whether stand-alone documents or integrated within broader codes of conduct, should contain certain key elements.

- OPENING STATEMENT / COMMITMENTS: State clearly that your company understands its
 responsibility to respect human rights and is committed to meeting this responsibility. Set
 out the specific human rights commitments relevant to your business operations, as well as
 your expectations of employees and business partners.
- **SCOPE AND COVERAGE:** Clearly define who and what the policy applies to, i.e. which parts of your company are covered (geographic locations, subsidiaries, joint ventures, franchises), and how it applies to your supply chain and business partners.
- GOVERNANCE AND OVERSIGHT: Explain how you embed the responsibility to respect
 human rights throughout your business operations and decision-making processes. This
 should include details of leadership and governance oversight; integration into relevant
 business functions (procurement, operations, HR, security, product development); risk
 assessment and due diligence processes.
- GRIEVANCE MECHANISMS: Describe how individuals can raise human rights concerns and how complaints will be investigated and addressed.

- ADDRESSING CONFLICTS WITH LOCAL LAW: Acknowledge that your responsibility to respect human rights exists even where local laws are weak or conflict with international standards.
- REMEDY AND REMEDIATION: State that where your company identifies that it has caused or contributed to adverse human rights impacts, you will provide for or cooperate in legitimate remediation processes.
- TRANSPARENCY AND REPORTING: Commit to being transparent about your human rights performance, including how you will communicate the policy internally and externally; and how you will track and measure effectiveness.
- REVIEW AND CONTINUOUS IMPROVEMENT: Commit to reviewing the policy regularly (typically annually, or every 2-3 years) to identify any new areas of human rights risk, reflect changes in your operations, business relationships or operating contexts, and incorporate evolving best practices and standards.

IMPLEMENTATION AND NEXT STEPS

Establishing a human rights policy is just the beginning. Effective implementation requires embedding the policy throughout your business operations.

ASSESSMENT AND DUE DILIGENCE

This involves conducting regular human rights impact assessments, especially when entering new markets, launching new products, or forming new business relationships.

Where relevant, it also includes undertaking country-level risk analysis for higher-risk operating contexts and assessing impacts at the project level for significant new ventures. Companies should pay particular attention to conflict-affected areas and regions with weak governance, ensuring that they consult with potentially affected groups and other stakeholders.

INTEGRATION THROUGHOUT THE COMPANY

This requires assigning clear roles and responsibilities across all relevant functions and embedding human rights criteria directly into core business processes such as procurement, due diligence, partner selection, and project approval. It should also involve incorporating human rights topics into employee training programmes, especially for teams whose work directly influences human rights outcomes.



TAKING ACTION

Taking action on human rights impacts depends on the nature of your company's involvement. Where your business directly causes an impact, you should immediately stop the harmful activity and take steps to prevent it from happening again. When you contribute to an impact, the responsibility is to use your leverage to mitigate any remaining harm while also ensuring future recurrence is avoided.

In situations where you are linked to an impact through a business relationship, you should assess the extent of your influence over the entity causing the harm and determine the most appropriate course of action, including whether the relationship can responsibly continue.

COMMUNICATING ON HUMAN RIGHTS

Transparency is essential, including openness about challenges, limitations, and areas where improvement is needed. Ongoing dialogue is also key, which means responding to stakeholder questions and concerns to maintain trust and demonstrate accountability.

NEED MORE HELP?

For further guidance, reach out to your FuturePlus Advisor.

We also offer extended consultancy services if you need further support with topics such as:

- Understanding material human rights risks for your business.
- Implementing governance structures.
- Carrying out human rights due diligence or supply chain audits.
- Support with stakeholder communications concerning human rights.
- Whistleblowing and grievance mechanisms.

Contact the team at: info@future-plus.co.uk

