

What Human resources can do to reduce the Human Rights risks as a part of Sustainability obligation?

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Master 2 - MAE Cycle Étudiant

Academic year 2023/2024

Under the supervision of Yves Châtelet

and Armelle Biton as an internship supervisor

Université

de Strasbourg



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EM STRASBOURG
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Acknowledgements

This research was made possible by the support of many people around me during my studies at EM Strasbourg and my internship at Sidel.

I am sincerely grateful to Mr. Yves Châtelet for his assistance in finding an internship and for his agreement to become my supervisor. His support gave me the opportunity to discover my potential and gain confidence in my own abilities. He was always there to answer questions or provide additional explanations. I am grateful for his patience towards me while writing this thesis. He is also an example of how confidence and professionalism help to develop and successfully build a career.

I also want to give a special thanks to Ms. Armelle Biton, who was a great mentor during my internship at Sidel. Her easy-going personality and open mindedness helped me to adapt quickly and feel comfortable during my time at the company. She skillfully balanced giving me the freedom to solve tasks and being there to support me when needed.

I am extremely grateful to both of them for accompanying me throughout this project and sharing their knowledge and experience.

The focus of my internship allowed me to gain valuable experience in working with different departments at Sidel. I am grateful to their leaders - Peter McLellan, Francesca Bellucci and Marion Alioui - for their experience and willingness to share their wisdom. I am grateful to everyone I met during my internship at Sidel for always cooperating and sharing information about the processes within the organization.

I would like to express my special gratitude to the EM Strasbourg professors who provided an interesting and useful theoretical part of the study. I am thankful to Aurélie Schirmann for the efficient organization of our learning process and assistance in solving administrative issues. The openness, friendliness and support throughout the whole learning process from Madame Aline Pereira Pündrich deserves special appreciation.

Finally, I would like to express my deep gratitude to my family for their unwavering support throughout my studies.

Abstract

English

In the modern world, large companies are increasingly discussing social responsibility and implementing actions aimed at achieving the Sustainable Development Goals for all people to live in peace and prosperity. On 25 July 2024, a directive of the European Union came into force, setting out the obligation of companies to identify and address potential and actual negative impacts on human rights and the environment. Companies are now required to conduct human rights due diligence.

Human rights is a complex and deep phenomenon that affects all aspects of human life, as well as the activities of companies. In this study, we will focus on the analysis of human rights within one department - the human resources. We will answer the question of how human rights have become part of the business's responsibilities. Analyzing the existing human rights through the prism of the HR department's responsibilities will help us to identify those that can be effectively managed by employees of the human resources department. Having considered in detail the system of risk assessment, the main activities to be carried out in order to conduct human rights due diligence were identified. The identification of the main tools and mechanisms for mitigating the risks of human rights violations by the company allowed us to answer the main question of this paper: what can the human resources department do to prevent human rights violations?

French

Dans le monde moderne, les grandes entreprises discutent de plus en plus de leur responsabilité sociale et mettent en œuvre des actions visant à atteindre les Objectifs de développement durable pour que tous les peuples vivent dans la paix et la prospérité. Le 25 juillet 2024, une directive de l'Union européenne est entrée en vigueur, établissant l'obligation pour les entreprises d'identifier et de traiter les impacts négatifs potentiels et réels sur les droits de l'homme et l'environnement. Les entreprises sont désormais tenues de faire preuve de diligence raisonnable en matière de droits de l'homme.

Les droits de l'homme sont un phénomène complexe et profond qui affecte tous les aspects de la vie humaine, ainsi que les activités des entreprises. Dans cette étude, nous nous concentrerons sur l'analyse des droits de l'homme au sein d'un département, celui des

ressources humaines. Nous répondrons à la question de savoir comment les droits de l'homme sont devenus partie intégrante des responsabilités de l'entreprise. L'analyse des droits de l'homme existants à travers le prisme des responsabilités du département des ressources humaines nous aidera à identifier ceux qui peuvent être gérés efficacement par les employés du département des ressources humaines. Après avoir examiné en détail le système d'évaluation des risques, les principales activités à mener pour exercer une diligence raisonnable en matière de droits de l'homme ont été identifiées. L'identification des principaux outils et mécanismes permettant d'atténuer les risques de violation des droits de l'homme par l'entreprise nous a permis de répondre à la question principale de ce document: que peut faire le département des ressources humaines pour prévenir les violations des droits de l'homme ?

Ukrainian

В сучасному світі великі компанії все більше починають говорити про соціальну відповідальність та впровадження дій направлених на досягнення Цілей сталого розвитку, аби усі люди жили в мирі і достатку. 25 липня 2024 року вступила в силу директива Європейського союзу, яка закріплює за компаніями зобов'язання визначати та усувати потенційні та фактичні негативні наслідки для прав людини та навколишнього середовища. Відтепер компанії зобов'язані проходити процедуру перевірки прав людини.

Права людини є комплексним та глибоким поняттям, яке зачіпає всі аспекти життєдіяльності людини, так само, як і діяльності компаній. В цьому дослідженні ми зосередимося на вивченні та аналізі роботи з правами людини в межах одного департаменту – відділ кадрів. Ми відповімо на питання як права людини стали частиною зобов'язань бізнесу. Аналіз існуючих прав людини крізь призму обов'язків відділу кадрів допоможе нам виокремити ті з них, які можуть бути ефективно керовані з боку працівників відділу кадрів. Розглянувши детально систему оцінки та мінімізації ризиків було визначено основні активності, які мають бути здійснені з метою проведення належної перевірки прав людини. Визначення основних інструментів та механізмів для зниження ризиків настання порушення прав людини з боку компанії, дозволило відповісти на основне питання цієї роботи: що відділ кадрів може зробити аби захистити права людини.

Abbreviation

CSR – Corporate Social Responsibility

ESG – Environmental, social, and governance

EU – European Union

HR – Human resources

PPGs – Policies, Procedures, and Guidelines

SDGs – Sustainable Development Goals

UN Guiding Principles – United Nations Guiding Principles on Business and Human Rights

Introduction

The Directive on corporate sustainability due diligence entered into force on 25 July 2024. This is a new document at the European Union level that regulates the activity of companies. The Directive aims to promote sustainable and responsible corporate behavior of companies. It applies not only to activities within the company, but also across their global value chains. This Directive establishes a corporate due diligence duty. Today, companies have not only a moral duty but also a legal obligation to identify and address potential and actual adverse human rights and environmental impacts.

As early as 1970, the international community began to notice that large corporations sometimes wielded power no less than sovereign states, which caused the United Nations to think about the impact of business on the world order. In the 1980s and 1990s, there was a wave of scandals related to human rights violations by large corporations, which led to serious consequences. Texaco (from 2001 Chevron) caused enormous damage to the environment of Ecuador by dumping 18 billion gallons of toxic production water into rivers. Many international corporations have begun to use military forces and mercenaries to suppress protests against their human rights violations in Colombia and Nigeria. In 1988, Dow Chemical sold a large amount of pesticides to the then president of Iraq, which were later used to create chemical weapons. Corporations such as Monsanto, Adidas, Nestlé, H&M were accused of using child labor. In 1984, one of the largest industrial accidents occurred at the Union Carbide factory, one of the reasons for which was a violation of safety standards by the company. Scandals like this had a negative impact on companies: reputational risks and financial losses from resolving these issues made companies thinking. Companies began to cooperate with each other and with governments to ensure that human rights are respected.

Business has a great influence on the modern world, but it is also dependent on the opinion of society. Respecting human rights, preserving the environment, and ensuring the development of technology is a win-win strategy for the company. For itself, the company gains a good image that attracts investors and customers, and for society, it helps to create a world where equality and prosperity prevail.

With the introduction of new reporting rules at the European Union level, the issue of human rights is becoming increasingly relevant. The concept of human rights, which is extremely broad by nature, as well as the broad powers of international corporations, do not allow for a detailed

and effective exploration of this issue in a single research paper. Therefore, this study focuses on what a company can do within its operations to manage, control and reduce human rights risks as part of the company's sustainability obligations. The choice of the human resources department is not accidental, as it is the department closest to the employee and is also present in any large business.

So, the main goal of this research is to answer the question: what can human resources do to reduce human rights risks? In order to give a comprehensive answer to this question, the structure of the study is built from the general to the specific. A detailed consideration of the origins of this issue will help to understand its basis, values and commitments, on which specific activities aimed at achieving respect for human rights will be built in the future. After all, without understanding the goal, there will be no incentive to achieve the result. We will go from the concept of sustainability to the daily actions taken by human resources department employees in individual companies. The first part of the work will help to understand the connection between human rights and business, what obligations the latter has in the face of the international community and legislation. At the end of this part, we will consider the area of responsibility of the human resources department in human rights issues.

The second part will focus on answering the practical question: what exactly and how should the human resources department do within its functions to ensure that the company fulfills its human rights obligations. We will consider the entire process of human rights due diligence, focusing on identifying and minimizing risks. Particular attention will be paid to the practices and mechanisms that are presented at Sidel and were studied during the author's internship.

Methodology

During the writing of this work, a complex methodology was used. The combining of theoretical and empirical methods makes it possible to conduct the analytical research that can be effectively used in the practical activities of the enterprise.

Given the subject matter and objectives of this paper, theoretical methods were mainly used in its writing, in particular, the method of analysis, the method of deduction, and the method of classification.

The method of analysis is a distinctive one in this work: the identification and study of individual parts of a phenomenon in order to deeply understanding of them. It can be traced throughout all stages of writing: from studying the bibliography to preparing conclusions to the thesis. Human rights are a complex phenomenon consisting of particular rights, each of which is reflected in specific actions or inactions of individuals. The search of an answer to the key question of this research required us to examine each component, each act, and answer the question of how we can change behavior and processes for the better.

In the first part of the work, which has a general theoretical nature, we used the method of historical approach. It allowed us to trace the evolution of human rights in business and understand the importance of this issue in the current world.

Building a link from a general phenomenon such as sustainability to specific activities that can be implemented within the human resources department was based on the deduction method. It helped to establish a connection between strategic approaches in business and the world in general with individual daily activities performed by specific people on the ground.

The method of systematic approach was used to review the issue of human rights due diligence as a system of actions aimed at ensuring respect for human rights. This method also helped to consider the company as a system of interdependent processes, which helped to identify possible variations of approaches to managing human rights in business.

The classification method was applied while working with different types of human rights and departments within the company. It helped to identify specific human rights related to human resources department. The part of the research based on this method is presented in the tables and figures used in this paper.

The method of observation helped to make this work more practical. This empirical method was applied during the internship at the company. Tracking the processes within the company and their evolutions allowed to identify best practices that can be applied to improve the processes related to human rights management in business.

The chosen methodology ensured the comprehensiveness of obtaining information and presenting the results of the research, which helped to achieve its objective.

1. WHAT ARE HUMAN RIGHTS AND WHY THEY ARE IMPORTANT

1.1. SUSTAINABLE DURATION AND BUSINESS

The end of the 18th century saw the beginning of the Industrial Revolution, which led to significant economic and social changes. The second stage of growth, which some researchers call the second industrial revolution, occurred at the end of the 19th century. This period is characterized by the introduction of working machines and mechanisms into production, as well as many progressive inventions, such as the steam engine and gas lighting. But what is more interesting for us in this study is not the industrial revolution itself, but its consequences. Globalization, urbanization, and the decline of agriculture improved medical care and life expectancy, a widening gap between rich and poor populations and countries, migration, child labor, lack of minimum working conditions and low wages, and the introduction of compulsory education. The further development of humanity partially smoothed out these differences between the consequences: the middle class gradually formed, the quality of education improved, technological progress accelerated, the concept of human rights developed, and cultural exchange expanded. At the same time, the global problems of humanity, such as global warming and ozone depletion, depletion of natural resources, world population growth, hunger and poverty, international terrorism and the development of military weapons, including nuclear weapons, and dangerous diseases, began to attract more and more attention. These problems affect the entire population of the Earth and require common and comprehensive actions to address them, as they affect not only our present but also our future. The concept of sustainable development was developed as a response to these challenges. The very concept of the need to conserve resources in order to take care of the future was discussed as early as the 18th century. However, one of the first official definitions of the concept of "sustainable development" was provided in the United Nations document Report of the World Commission on Environment and Development: Our Common Future in 1987:

Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs. *(Report of the World Commission on Environment and Development: Our Common Future, 1987)*

The gradual development of this concept includes such progressive documents for their time as the Peace, Friendship, and Boundaries between Peru and Ecuador (Rio Protocol) and Agenda 21, when we finally reached Agenda 30 in 2015. The preamble of this document sounds ambitious and life-affirming:

This Agenda is a plan of action for people, planet and prosperity. It also seeks to strengthen universal peace in larger freedom. We recognize that eradicating poverty in all its forms and dimensions, including extreme poverty, is the greatest global challenge and an indispensable requirement for sustainable development. (A/RES/70/1, 2015) ([Annex 1](#))



Figure 1: The 17 Sustainable Development Goals, image <https://www.agenda-2030.fr/>

To be able to achieve the goals set out in Agenda 30, the whole world must make efforts, so it is not surprising that the European Union, as one of the leaders of democracy and development, is actively involved in this process. The EU has made a positive and constructive contribution to the development of the 2030 Agenda by implementing the SDGs in all policies or developing programs such as Global Gateway, the strategy for sustainable investment in infrastructure globally. It makes reports on the Implementation of the 2030 Agenda for Sustainable Development.



Figure 2: The strategy to deliver on the SDGs in the EU, image European Union

The EU also encourages EU countries to implement the SDGs in their legislation. EU countries are developing their own strategies and roadmaps: France, Germany, Italy, Poland and many other countries.

The measures envisaged in these documents are aimed not only at the efforts of countries, but also at encouraging businesses to implement best practices that will help achieve the goals set by Agenda 30. For example, at the country level, France adopted a strategy entitled "Let's Innovate Together" to encourage businesses to take corporate social responsibility to the next level and encourage social and cooperative economic initiatives. Denmark has a legal requirement on CSR reporting to encourage businesses to take a proactive stance on social responsibility. The Czech government conducts joint activities with business associations. Thus, there are two associations in the country whose profile activities include the achievement of the SDGs: Business for Society and The Association of Social Responsibility. In November 2019,

in cooperation with both of them, the Ministry of the Environment organized an Evening of Voluntary Commitments that was intended for representatives of the private sector.

Such national regulation is important because it helps to reduce the negative impacts of production and move closer to achieving the SDGs. At the same time, in today's globalized world, there are few companies whose operations are limited to one country. Raw materials and components, production facilities, and sales markets - or thus, global supply chains - are located in different countries, which, accordingly, have different levels of regulation and legal requirements.

"The Sustainable Development Goals are crucial to growing our communities, building a better future and keeping the air clean"

*Justin Trudeau,
Canada's 23rd Prime
Minister*

2024, UN News

Companies' activities have a significant impact, as they directly or indirectly affect a virtually unlimited number of people. It affects their employees and customers, as well as people affected by production facilities located in the region where they live, or the population of the country of origin of the natural resources used in production. In addition, the indirect impacts spread further in waves: to employees of counterparties and people affected by their activities, to counterparties of counterparties and people affected by the activities of the latter, and so on ad infinitum.

To prevent, manage and mitigate any negative influence from their activities, including their global supply chain, companies need to use the practice of corporate social responsibility and responsible business conduct.

In order to achieve the 17 Sustainable Development Goals set out in Agenda 30 and to ensure the regulation of companies registered in the European Union, the latter is taking steps to encourage companies to conduct business responsibly.

The EU has adopted and implemented the Conflict Minerals Regulation, the Environmental Liability Directive, Carbon Border Adjustment Mechanism, General Data Protection Regulation, Regulation concerning batteries and waste batteries, and others.

One of the latest documents concerning corporate sustainability reporting, which aims to introduce clear and transparent reporting on sustainability performance in a company's operations. Entered into force on January 5, 2023, the Corporate Sustainability Reporting Directive, which replaced the Non-Financial Reporting Directive (NFRD), aims to make it easier

for counterparties, consumers and investors to access truthful information about a company's activities. This non-financial reporting takes place in two dimensions and applies to almost all large enterprises. Companies are expected to provide information on direct indicators of their impact, such as CO2 emissions or the number of women in management positions, as well as data on how their sustainability activities affect their financial position. The report should reflect the campaign's Environmental, Social and Governance activities. Or ESG for short.

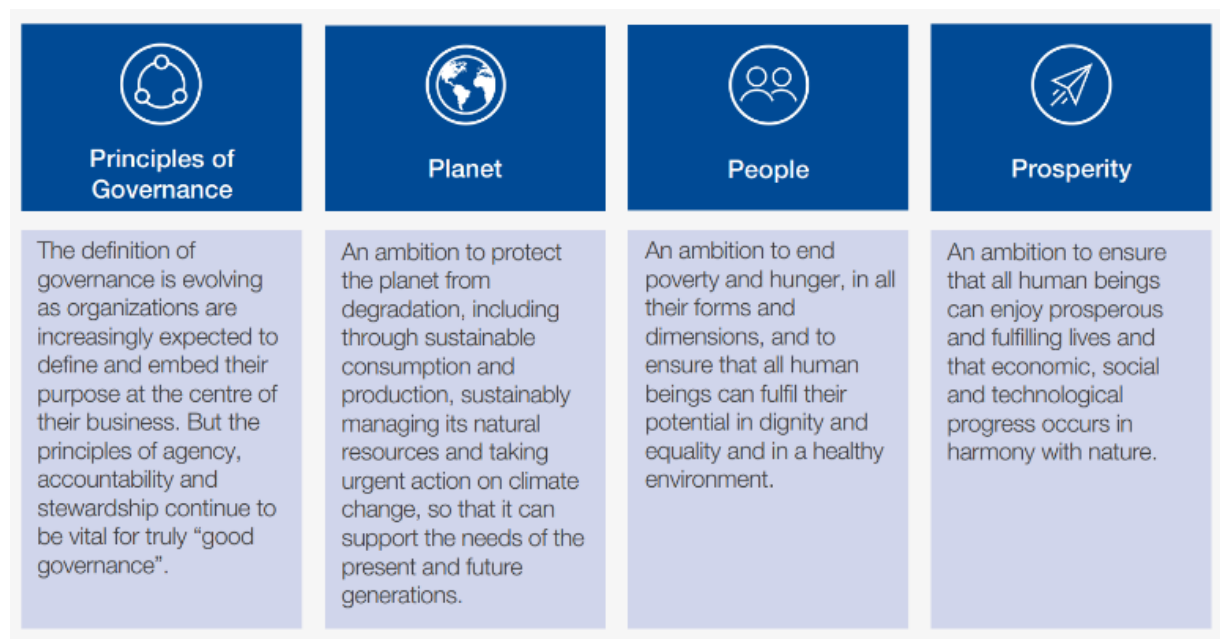


Figure 3: *The four pillars, image World Economic Forum*

Campaigns have previously included non-financial information in their reports to stakeholders. For example, back in 2020, at the World Economic Forum in Davos, more than a hundred international companies agreed on 21 core and 34 expanded metrics to ensure a unified approach to ESG reporting. This set of indicators is universal and does not depend on the sector or country in which the company is located. The indicators were divided into four thematic groups: Principles of Governance, Planet, People and Prosperity.

ESG actions largely regulate the impact of companies on the environment and welfare. Reporting on these parameters allows us to assess the values of the campaign and its business morality. Recently, such information has become increasingly important when investors make investment decisions. These indicators reflect the extent to which the ethical criteria of the company and the investor are common.

In addition, research shows that companies that are responsible in their ESG actions are also successful financially. 100% of the academic studies agree that companies with high ESG ratings have a lower cost of capital in terms of debt and equity. 89% of the studies show that companies with high ESG ratings exhibit market-based outperformance, while 85% of the studies show these companies exhibit accounting-based outperformance (John Hill, 2020).

Society is best served by corporations that have aligned their goals to serve the long-term goals of society.

The Compact for Responsive and Responsible Leadership, 2016

Global ESG assets surpassed \$30 trillion in 2022 and are on track to surpass \$40 trillion by 2030 — over 25% of projected \$140 trillion assets under management according to a latest ESG report from Bloomberg Intelligence. The latest 2030 forecast further reflects BI's inaugural ESG Market Navigator study, which was conducted at the end of last year and canvassed the views of 250 executives and 250 investors. Among many findings, this study found that most investors (85%) reported that ESG leads to better returns, resilient portfolios and enhanced fundamental analysis (Bloomberg, 2024).

is becoming increasingly important not only for investors and stakeholders, but also for campaign clients. Realizing the impact of their every decision on the world around them, a large number of people are trying to be conscious about their decisions to purchase products or services. That's why modern brands don't stop at creating an image of a supplier of high-quality, durable, unique, or moderately priced goods. They go further and highlight their features related to the SDGs: manufacturing from recycled materials, using renewable energy sources, supporting social programs, and other activities that speak to the values of the campaign.

Most theoretical analyses believe that enterprises' behavior of improving environmental performance can improve their own image and gain high social recognition, thus gaining favor from upstream and downstream enterprises of the supply chain in the process of enterprise operation, and thus improving their financial performance (Guangyou Zhou, Lian Liu, Sumei Luo, 2022).

A study conducted in 2020 in America by the telecommunications company TollFreeForwarding showed that for more than eight in ten consumers, business ethics is an important value for making a purchase. The following year, a report conducted by Ipsos showed that social

responsibility is very important for developing countries. For example, more than 80% of respondents in India, Kenya and Nigeria consider the position of companies on social aspects to be important. More socially advantaged respondents in highly developed countries, such as France, also note the importance of this topic: more than half emphasized it as a priority.

When assessing the importance of ESG standards in doing business, it is also important to remember that campaigns often act as clients and customers themselves. According to the EcoVadis platform, 91% of companies take sustainability criteria into account in purchasing decisions. With the adoption of the CSDDD in 2024, companies are obliged to identify human rights risks and environmental risks in their value chains. This requirement, which currently applies only to large companies, will gradually lead to an even higher importance of ESG reporting in companies' operations. Although this directive aims to ensure equally high standards in achieving the SDGs for all market players, it is undeniable that large corporations have the greatest ability to implement changes through their activities.

In its 2022 report, KPMG notes that almost half of the G250 (49 percent) recognize social elements as a risk to their business. A smaller share of N100¹ companies (43 percent) address social risks. The elements cover areas such as community engagement, safety and labor issues, which are key risk areas for most companies (KPMG, 2022).

1.2. HUMAN RIGHTS IN BUSINESS PRACTICE

1.2.1. Synergy of human rights and sustainability

The phrase "human rights" is not contained in any of the Sustainable Development Goals. Yet when we talk about sustainability, we always come back to human rights. Why is that?

In fact, the 2030 Agenda for Sustainable Development contains repeated references to human rights. Its preamble states that it seeks to strengthen universal peace in larger freedom and the 17 Sustainable Development Goals seek to realize the human rights of all. The text also mentions the Universal Declaration of Human

There is an almost musical harmony between the concepts of development and human rights, which works in both directions.

H.E. Mr Joaquin Alexander Maza Martelli, 11th President of the Human Rights Council, 2017

¹ Worldwide sample of the top 100 companies by revenue in 58 countries, territories and jurisdictions (KPMG)

Rights as one of the basic documents on which Agenda 2030 is based. Thus, it becomes obvious why there are no specific SDGs on human rights, as each of the goals is based on one, and mostly several, human rights. Thus, in order to make progress on the SDGs, we need to pay special attention to the human rights on which they are based.

Leading companies understand that if the communities they serve are not sustainable, the business itself will not be sustainable (*Edward E. Potter, Marika McCauley Sine, 2009*). After all, any business is interested in solvent customers, healthy employees, and a community and country interested in its development. In today's world, the society of developed countries is interested not only in satisfying basic needs, but also in developing ethical and moral qualities. Therefore, companies interested in increasing the resilience of communities are trying to contribute to this process through their activities.

Unfortunately, the modern world consists not only of developed countries. In April 2024, the World Bank noted that the gap between the poorest and richest countries continues to grow. As of 2023, 49.16% of countries were autocratic, and this figure has been increasing in recent years. And the human rights index has been declining since 2011. Countries with a low index of respect for human rights and democracy include China, Vietnam, Bangladesh, Russian Federation, Pakistan, Cambodia - countries where H&M, PepsiCo, C&A, Danone, Nestlé and other world-famous brands are located. In such circumstances, when governments are unable to ensure respect for human rights, it is the business that is being demanded to resolve violations and change the situation for the better.

At the same time, people's awareness of basic rights and physical and mental health is growing, and so is the demand for goods and services from manufacturers who care about their customers. A generation ago, most people didn't think tobacco was a dangerous health threat. Just a few years ago, obesity was seen as a combination of genetics and unhealthy lifestyle choices-certainly not the

responsibility of food companies (*Simon Zadek, 2004*). Ensuring human rights leads to equality among people and their well-being. Each of the SDGs aims to build a world in which everyone



Volker Türk
UN High Commissioner for Human Rights

2023

has a decent life. That is, the link between human rights and sustainability is inextricable, and actions aimed at ensuring one have a positive impact on the other.

In such circumstances, a high level of own responsibility and measures aimed at stimulating respect for human rights not only by the company's employees but also by its contractors can become a source of competitive advantage. The larger the company, the greater the impact, both positive and negative, it can have. That is why in recent years, it is transnational large corporations that have attracted the most attention from human rights and consumer activists.

1.2.2. How human rights became a part of business responsibility

The Danish Institute for Human Rights has created a very handy tool that allows you to find the connection between each of the 17 SDGs and the relevant human rights enshrined in specific documents. [The Human Rights Guide to the Sustainable Development Goals](#) allows you to search by individual goal, target, instrument or instrument type.

In 1970, there were 7,000 transnational corporations. Over the next twenty years, this number more than quintupled, reaching 37,000. As of 2007, there were 77,000 TNCs.

The influence of large corporations was so great that it was equated with the influence of governments. In 1972, the United Nations put in place a process to study the impact of multinational corporations on economic development and international relations.

One of the largest technical disasters in the modern world (on the night of 2-3 December 1984), the explosion at the Union Carbide India Limited pesticide plant in Bhopal, India, prompted active discussions about not only the level of business influence but also its responsibility for human rights. According to official figures, approximately 5,200 people died as a result of the tragedy and upwards of 20,000 people have died since from related conditions. There are two versions of the events: the first claims that the accident was the fault of the company's management, and the second insists on deliberate sabotage by disgruntled employees. Due to the inability to conduct a proper investigation, the cause of the tragedy is not known for certain. At the same time, the public harshly criticized the company for failing to comply with proper safety conditions: employees worked overtime, failure to comply with tank operation requirements, and lack of safety equipment. And although Union Carbide Corporation claimed that it did not design, construct or operate the Bhopal plant, and the plant was at the disposal

of Union Carbide India Limited, moral and reputational responsibility was still assigned to the parent company.

In the mid-90s, another high-profile scandal occurred: in 1996, Life magazine published a photo of a child sewing a Nike ball in Pakistan. After that, the campaign was involved in a high-profile scandal related to the use of underage labor, working conditions at their factories in Asia, and very low wages. In response to this, Nike Chairman and CEO Phil Knight gave a talk on such allegations and the company's new labor initiatives to combat them, he noted that "Back in 1992, before anyone else in the athletic footwear industry-and I believe that only Levi Strauss had one-Nike instituted a code of conduct for use in factories throughout Asia." (*Phil Knight, 1998*). Nike also joined the Apparel Industry Partnership Agreement, which established best practices for manufacturers in the apparel industry: working conditions, prohibition of slave labor and labor of children under 15, and fair wages.

Over time, more and more campaigns began to join forces and engage governments and international organizations to work together to ensure human rights in their industry. Thus, in 2003, The Kimberley Process was created to regulate the diamond trade by tracing its origin. The Kimberley Process members are responsible for stemming 99.8% of the global production of conflict diamonds.

In 2009, the Global Business Initiative on Human Rights was created, which brings together a group of major multinational corporations to jointly implement human rights in daily operations and share their progress.

Recognizing that even though States have the primary responsibility to promote, enforce, respect, ensure respect for and protect human rights, transnational corporations and other business enterprises, as organs of society, are also responsible for promoting and securing human rights, the United Nations issued in 2003 the Norms on the Responsibilities of Transnational Corporations and Other Business Enterprises with Respect to Human Rights. It was one of the first systematic attempts at the international level to define business obligations in the field of human rights. At the same time, this document was very general and did not provide clear answers.

After the post of Special Representative on Business and Human Rights was created in 2005, John Ruggie took over. In his work "Promote, Respect and Remedy: A Framework for Business

and Human Rights" he maintains that states have a duty to protect rights, that companies have a responsibility to respect rights, and that access to remedies for victims of human rights abuses must be greatly strengthened (*John Ruggie, 2008*).

Within three years, the above document was finalized and operational guidance was added. In 2011, the United Nations released the Guiding Principles on Business and Human Rights, which contains fundamental and operational principles for states and corporations to respect human rights in their business activities.

The OECD Guidelines for Multinational Enterprises are also among the key documents that regulate the issue of

business impact on human rights. They contain recommendations for multinational enterprises and cover all key areas of business responsibility, including human rights. There is also a set of principles on labor rights developed by the International Labor Organization.

In 2024, the Council of the European Union approved the EU Corporate Sustainability Due Diligence Directive. This Directive lays down rules on obligations for companies regarding actual and potential human rights adverse impacts and environmental adverse impacts, with respect to their own operations, the operations of their subsidiaries, and the operations carried out by their business partners in the chains of activities of those companies. Therefore, this directive not only reaffirms the obligation of large companies to respect human rights, but also imposes a duty on them to promote the respect of human rights by other companies through their supply chains.

I am strongly in favour of business contributing to the solution of societal challenges of all sorts. But the first step is to not infringe on the rights of others; not to contribute to harm or make a situation worse; not to exploit the absence of or weakness in the rule of law in a particular country or situation. Moreover, there is no equivalent to carbon offsets in human rights: 'doing good' by building a clinic does not absolve a company from otherwise harming individuals or damaging communities.

John G. Ruggie, Special Representative on Business and Human Rights, 2012

1.2.3. What is human rights and which of them related to business

The Universal Declaration of Human Rights (UDHR) is considered to be the main and fundamental document in the field of human rights. This document enshrines a simple truth: All human beings are born free and equal. The Declaration was created in the first years after

the end of World War II, when the world, in a wave of emotions from the unspeakable horrors of war, tried to build a new world order based on equality and respect for every person.

Other fundamental documents at the international level include the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights. At the regional level, there are the European Convention on Human Rights (1950), the American Convention on Human Rights (1969), and the Asean Human Rights Declaration (2012).

All these documents are aimed at the state and oblige it to respect human rights and ensure their realization. That is why the Constitutions of many countries guarantee basic human rights ([Annex 2](#)). At the same time, the state also has an obligation to protect people from violations of their rights by a third party, which may be a campaign or a corporation. Therefore, the state may impose certain rules or restrictions on business in order to ensure its obligations under the above documents. That is, on the one hand, the observance of human rights by campaigns is conditioned by the legal requirements of the state at the national level.

On the other hand, as mentioned above, campaigns also have certain human rights obligations at the regional and international level. Of course, business is not expected to replace the state and fulfil its functions of guaranteeing rights for the population of the whole country. At the same time, the Guiding Principles on Business and Human Rights state that companies should comply with international standards, even when the national legislation of a state does not meet generally recognized standards and sets lower requirements or does not have any at all.

The specific human rights that may be affected by a campaign are determined on a case-by-case basis, depending on the sector of activity, size, production volumes, and other factors. Some of the documents explicitly provide a list of rights that they regulate. For example, the EU Corporate Sustainability Due Diligence Directive defines 16 fundamental human rights and freedoms and 16 environmental prohibitions.

At the same time, some human rights apply to any business, regardless of its size or sector of activity: the right to safe working conditions, the prohibition of slave labor and underage labor, the right to enjoy just and favorable working conditions, the right to freedom of association (trade unions), the right to privacy and the prohibition of discrimination ([Annex 3](#)).

Conflict areas

The Guiding Principles on Business and Human Rights note that in situations of armed conflict, businesses should respect the standards of international humanitarian law. Armed conflict is always a situation in which human rights are more threatened. Businesses usually try to separate themselves from conflicts by claiming political independence. In reality, even the very fact of doing business in a country that is engaged in hostilities has an impact. For example, in 2023, Western banks paid 800 million euros to the budget of the Russian Federation, which is equal to about 2.2 million AK-74 rifles. In addition, armed conflicts usually have a high impact on the labor market: the number of jobs is sharply reduced, which can lead to a significant reduction in wages in an environment of extreme competition. Conflict situations in the region can also affect the right to a healthy environment and increase the level of corruption. At the same time, the complexity of such situations lies in the fact that without foreign investment, countries in conflict situations are deprived of opportunities for effective development. In order to minimize the risk of human rights violations in such situations, businesses should refer to international humanitarian law in addition to international human rights law; be guided by international and regional principles and legislation; and conduct enhanced human rights due diligence.

Despite all the positive initiatives, documents and international institutions, human rights violations continue to occur. After all, there are still companies in the world that are willing to disregard human rights and even lives in order to meet their main goal of increasing profits. So, what can a conscious business do to reduce its negative impact on these processes?

First of all, a company must decide to respect human rights in its operations and promote them beyond its borders. Further, it should work in this area: conduct human rights due diligence, including analysis of existing risks, development of plans to minimize them, implementation of these measures and their monitoring, as well as implementing remediation processes for those affected by the company's actions.



Figure 4: *The common human rights challenges, image KPMG*

To implement these points, the business must determine the responsible parties and define the mechanisms to be applied.

1.3. WHO IS RESPONSIBLE FOR HUMAN RIGHTS IN COMPANY?

1.3.1. Human Rights and their place in the company

Human rights exist in every aspect of a company's operations. They are present in the daily activities of a business, regardless of the field of business. A company can commit discrimination in hiring new employees by making its choice based on age, or by choosing a candidate for a managerial position based on a person's gender. A security firm has high risks of violating the right to life. A company may violate the right to a safe environment by cutting down trees on a site for a new factory or polluting a river. And a machine-building corporation that uses complex machinery has a risk of violating the right to health by failing to provide proper working conditions. A company may contribute to the spread of slave or child labor by purchasing products from an unverified supplier.

Human rights are present in the activities of every department and division. The top management defines the strategy in accordance with which the business will move, the field managers manage the operational activities that must implement the stated statements on

respect for human rights in daily activities, training centers are responsible for teaching and awareness raising in the field of human rights, human resources is responsible for the safety and well-being of employees, and the sales department is responsible for the well-being of customers, the procurement department ensures the reliability of contractors and partners, and the finance department must provide all activities with money. That is why each of them needs to understand their human rights impacts and the importance of human rights ([Annex 4](#)).

As we can see from the table above, CSR, Human Resources, Health and Safety, Legal and Supply Chain departments most often face the risks of human rights violations. So, which of them should be responsible for the company's respect for human rights? Or should it be a separate function?

1.3.2. Models of HR coordination within the company

In order to choose the most effective model, it is necessary to take into account the company's specifics: its size, field of activity, management structure and historical background. Hereafter, we will focus more on large international firms and corporations, because, as mentioned above, the larger the company is, the bigger its influence.

There are several standard models for managing human rights in business:

- Working Group;
- Legal Affairs or Corporate Governance;
- Management functions in an existing department (sustainability department, CSR department, human resources, supply chain);
- Separate responsibilities divided across different departments;
- Human rights officer.

1.3.2.1. Working group

For the working group to work effectively, it is important to follow a few tips: the group should include representatives from different departments; their working meetings should be periodic; a clear division of responsibilities within the group and the availability of the necessary resources. It is important to organize support for the working group from department heads to ensure that the specific tasks defined by the working group are

accomplished. Also, for effective work, it is necessary to ensure the support of the company's management to provide sanctions and funding. This model will work well in a company with a functional or hierarchical organizational structure.

1.3.2.2. Legal Affairs or Corporate Governance

This model of managing is used in cases where it is necessary to provide an additional level of control over the observance of human rights in the organization. Given the powers of the legal affairs department, they can review policies for their adequacy to human rights before they are approved by the governing body. Having access to information related to violations and complaints against the company, they can analyze it and act proactively by creating preventive measures. This model of managing is convenient given the fact that in most democratic countries, human rights are formalized in national legal acts, and the responsibility for their observance lies with the legal affairs department. In addition, lawyers have enough knowledge to understand the concept of human rights and the system of their enforcement. This allows them to respond more quickly and effectively to changes in the situation and adapt the company's internal system to these changes.

1.3.2.3. Management functions in an existing department

In this model, the human rights management functions are assigned to one of the functional departments: human resources, supply chain, sustainability, CSR or another department. Usually, the choice is based on the factor of the greatest number of potential risks. For example, for a production facility located in China or Vietnam, the largest number of risks will relate to labor and employment issues, so it seems logical to delegate control over human rights to the human resources department. At the same time, when it comes to a large corporation that purchases products made in Mexico, Bangladesh or the Russian Federation, there is a high probability of encountering a contractor that violates human rights. Therefore, in this situation, it is the supply chain department that has the greatest number of human rights risks and should conduct due diligence. The consolidation of the human rights responsibility function in the sustainability or CSR department is usually a signal that the corporation is trying to be a leader and an example in this sphere of activity.

When choosing this management model, the main risk is the lack of real influence on other departments, so it is important to have active support from management and to ensure that other departments understand their impact and responsibility for human rights.

1.3.2.4. Separate responsibilities divided across different departments

This management model is most often found in companies with a matrix or functional management system. It requires a clear division of responsibilities between departments, each of which acts independently within its authority. This system allows for quick and effective management of human rights risks. At the same time, in cases where certain functions are not delegated to one of the departments or overlap, management intervention will be required to resolve the issue.

1.3.2.5. Human rights officer

This position can be used in both large corporations and small companies, and in the last ones these functions can be combined with another position. To perform effectively, a human rights officer needs leverage over the heads of individual departments or functional divisions. The advantage of such a model of managing is that the responsible person sees the whole picture and can effectively manage processes, avoiding duplication or white spots.

The described management models can be used both in their classic form and by combining different options in order to achieve the most optimal solution for the organization. Regardless of the choice of management model, it should be remembered that human rights are universal and being a part of almost any activity of the organization, their ensuring requires the inclusion of all departments, as well as the understanding and respect from all employees.

1.3.3. Human Resources

Any model implies synergy in working with human rights. They cannot be "locked away" in one department. Regardless of the company's field of activity and its management structure, the HR department has a quite large area of responsibility in this matter, because it always works directly with people.

The specific scope of human rights responsibilities will be determined for each company separately, depending on the overall scope of responsibilities of the HR department.

Hereinafter, we will consider a situation where the HR department has the broadest scope of responsibility: hiring and integration of new employees, remuneration, vacation, sick leave and dismissal, ensuring safe working conditions and physical and psychological well-being of its employees, training and development of staff.

Based on this broad scope of responsibilities, we can identify human rights that are potentially within the control of the HR department:

RIGHTS	HUMAN RESOURCES
All human beings are born free and equal in dignity and rights.	The employment contract cannot restrict the fundamental human rights guaranteed by international conventions and national legislation.
No discrimination / equality	<p>Hiring should be based on qualifications and professional skills. Discrimination is prohibited.</p> <p>Promotions should be made without discrimination. In particular, violations based on gender or age are most often committed here.</p> <p>Companies must adhere to the principle of "equal pay for equal work". In 2022, women's gross hourly earnings were on average 12.7% lower than those of men in the EU.</p> <p>Particular attention should be paid to the rights of vulnerable groups that are most often discriminated against: women, migrants, and people with disabilities.</p>
Right to life and health	<p>Work in production or with the use of complex mechanisms can potentially pose a danger to employees: explosive and flammable substances, saws and other cutting devices, work at height, etc.</p> <p>In dangerous regions, there is also a threat to the life and health of employees: armed conflict, epidemics or widespread infectious diseases, natural disasters (floods, tsunamis, droughts), etc.</p>

<p>No slavery and forced labor</p> <p>No human trafficking</p>	<p>Human Resources is responsible for ensuring that the company</p> <ul style="list-style-type: none"> - does not use forced labor; - did not use labor as a means of compensation for damages (debt bondage); - did not hire persons who do not have a work permit in this country (aiding and abetting in the crime of human trafficking); - did not withhold part of the salary; - ensured that there is contact with the employee, indicating the main working conditions; - ensure a clear and transparent dismissal process.
<p>No torture and inhuman treatment</p>	<p>Any type of harassment or humiliation in the workplace is prohibited:</p> <ul style="list-style-type: none"> - verbal abuse; - sexual harassment; - threat of violence; - physical or mental violence. <p>Inhuman treatment can also include poor or unhealthy working conditions: among other things, unsanitary conditions in the premises or an unsafe building.</p>
<p>The right to liberty /</p> <p>No unfair detainment</p>	<p>It is prohibited to restrict the right to liberty and freedom of movement: in particular, workers cannot be locked in premises, and their choice of place of residence cannot be restricted.</p>
<p>Freedom to movement and residence / No forced transfer of worker</p>	<p>Forced transfer of workers is prohibited.</p>
<p>No child labor</p>	<p>The best practice is not to use the labor of minors.</p>
<p>Right to education</p>	<p>Company can provide opportunities for apprenticeships or internship, or hard and soft skills trainings.</p>

Right to respect for private and family life	<p>The company has no right to use photo and video images of a person without his or her consent.</p> <p>During the interview, it is prohibited to ask for personal information that is not directly related to functional duties (for example, whether and when a person plans to have children, his or her sexual orientation or availability of his or her own housing).</p> <p>It is prohibited to inspect personal belongings or read mail marked "personal" without permission.</p>
Rights to marry and have family	<p>The presence or absence of children or marriage should not be made a condition for career advancement.</p> <p>A person must be guaranteed the right to take leave in connection with the birth or adoption of a child.</p>
Freedom of assembly, association (collective bargaining)	<p>Employees have the right to strike against unfair working conditions.</p> <p>They have the right to freely assemble and form associations to protect their rights.</p> <p>Retaliation against employees who use the right to strike or participate in an association to protect their rights is prohibited.</p>
Right to work	<p>Refusing to hire on the basis of disability, gender, sexual orientation, race or religion, or any other grounds that are not related to the employee's qualifications or the requirements of national law is prohibited and constitutes a restriction on the right to access to work.</p>
Right to rest and holiday	<p>The right to rest is usually enshrined in law or in a contract. The contract should not provide for less than the number of days</p>

	<p>of rest provided for by the country's legislation. If the contract provides for wider rights than the law, the former applies.</p> <p>Employees are entitled to a lunch break and a weekly rest period.</p>
The right to a standard of living adequate for the health and well-being	<p>Employees have the right to fair wages that ensure a decent standard of living. Not all countries have a minimum wage that is sufficient to provide a living wage. It is a company's duty to take care of its employees and provide them with the necessary minimum wage.</p> <p>Companies also have to take care of the well-being of their employees, ensuring a work-life balance. This may include providing opportunities for remote work, additional days off for family reasons, encouragement to play sports or eat healthy.</p>
Decent working conditions	<p>This right is complex and includes many aspects: compliance with the maximum number of working hours, observance of working hours, ensuring compensation for overtime, ensuring equal pay for equal work, ensuring decent wages, availability of compensation benefits, ensuring the safety and health of employees, ensuring a proper workplace (lighting, availability of work equipment, temperature conditions, etc.), ensuring a proper dismissal process and access to administrative and human resources management.</p>

Table 1: List of the human rights belong to the Human Resources

2. HOW TO DEAL WITH HUMAN RIGHTS IN BUSINESS

2.1. HUMAN RIGHTS RISK ASSESSMENT

As noted earlier, states and international institutions are trying to encourage businesses to respect human rights through national and international legislation. This indicates a tendency to strengthen supervision and regulation. Legislation is developing quite actively in Europe, as in 2024 the EU Corporate Sustainability Due Diligence Directive was adopted, which aims to strengthen companies' efforts to identify, prevent, mitigate and remediate these human rights risks. One of the key requirements of the Directive is that companies conduct effective due diligence.

In accordance with Principle 17 of the Guiding Principles on Business and Human Rights, human rights due diligence consists of four components: **assessing**, integrating and acting, tracking, and reporting.

In order to determine the direction of movement, the company must conduct a human rights risk assessment. This assessment can be both external and internal: conducted by companies themselves or by third-party experts. The assessment can be conducted using a quick questionnaire, or it can be an assessment based on a comprehensive

In order to gauge human rights risks, business enterprises should identify and assess any actual or potential adverse human rights impacts. This is a foundational step for effective management of human rights risks.

Guiding Principles on Business and Human Rights, Principle 18

methodology. The focus of the assessment may vary: violations that could potentially be committed by the company through its daily activities; the company's goods/products as such that may pose a threat to customer rights violations; supply chain or comprehensive assessment. The deeper the analysis, the more reliable the data, and therefore the more effective the company's action plan will be.

It is impossible to prevent and mitigate harm to people due to business activities if we do not have data on existing risks and have not assessed the likelihood of their occurrence.

There are two main principles that risk assessment should comply with. First, the measurement should cover all human rights, because even if a company's activities do not directly affect a particular human right, it may have an impact indirectly, for example through its value chain.

Second, the assessment should focus on the impact on people, not the corporation. That is, we should assess the impact of the company's actions on affected persons and communities, employees of the company and clients.

The way in which an assessment is conducted and the focus on its individual components will vary depending on the size of the corporation, geographical location, assessment focus, sector of activity, and socio-political situation.

The Danish institute for Human Rights provides a diagnostic tool to identify potential human rights risks – [Human rights compliance assessment quick check](#), which consists of 200 questions and 1000 indicators.

Існують також а guidelines для комплексного аналізу - [Human rights impact assessment guidance and toolbox](#) або [Community-based Human Rights Impact Assessment tool](#).

2.1.1. General procedure for risk assessment

The procedure for organizing risk assessment work may vary depending on the expert conducting it.

The first approach involves dividing the assessment process into two stages: a preliminary risk assessment and an actual risk assessment. In this approach, the first step is to study inherent or gross risks, i.e. risks inherent in the natural environment. Here, the situation as it exists, the global context in which the company is located, is studied. This includes a study of the country, sector of activity, global geopolitical features, and certain disadvantaged groups. The next step is to assess residual or net risks. This stage takes into account all the measures taken by the company to minimize or eliminate the risks in its environment.

The second approach involves a three-stage assessment process at the country, sector and company levels. The first step is to assess the level of risk in the countries where the company operates ([Annex 5](#)). The next step is to assess risks at the level of the sector of activity: this data can change the risk picture, either by reducing or increasing their level. The final step is, as in the previous approach, to correlate the level of risks with the policies, procedures and practices of a particular company.

Based on the specifics of its activities, a company can choose the approach that is closer to it. It should be remembered that in order to obtain reliable data, it is necessary to conduct an assessment at each stage based on the same methodology.

General requirements for assessment are contained in the Guiding Principles on Business and Human Rights. They define and describe the two components of an assessment: likelihood and severity.

To assess the **likelihood**, the local environment is taken into account first and foremost. The likelihood of a risk occurring increases if the country or region is in a war zone, the government is weak or authoritarian, or there is a previous history of numerous human rights abuses in the area. The likelihood of an adverse impact occurring also increases in large corporations, for several reasons. Firstly, large corporations have extensive supply chains, which affects many more people than in the operations of smaller companies. Secondly, a large number of employees increases the likelihood of their rights being violated.

The second component of the **severity** assessment. According to the UN Guiding Principles, Article 14, severity is not an absolute value, so its assessment depends on three criteria: Scale, Scope and Remediability. "Scale reflects the severity of the impact. It determines how much a violation affects a person, their life and health, their rights, and their communities. "Scope refers to the number of people directly or indirectly affected. "Remediability provides information on the extent to which the violated right can be restored. That is, whether it is possible to restore the state before the violation, and if not, to what state it is possible to restore the situation. For example, it is impossible to restore a person's life in case of death. It is possible to restore a forest that has been cut down, but this is a very complicated and time-consuming process. It is much easier to pay a person a monetary reward that he or she was illegally deprived of.

Based on the results of the assessment, a risk map is drawn up. Depending on the approach you use, it may contain three (low, medium and high), four or five levels of risk (low, medium low, medium high, high, critical). The company can choose the option that is more convenient for it, and the main thing is to adhere to this assessment procedure on an ongoing basis. This will allow comparing data for different periods.

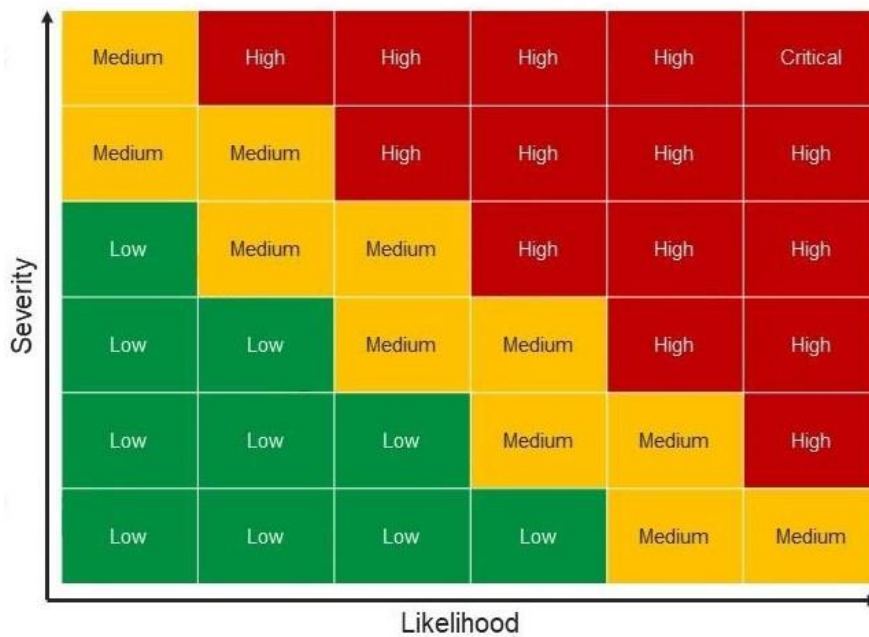


Figure 5: *The example of risks map*

As noted above, there are two approaches that divide the assessment process into two or three stages. In both of these approaches, the final stage is the assessment of net risk at the company level. This means determining the level of risk for an individual company based on its characteristics.

At this stage, information about the company's direct impact on human rights is studied. It helps to assess how well the company is able to eliminate the risks existing in its environment. For an effective assessment, it is necessary to collect information from both open sources on the company's human rights performance (lawsuits against the company or, on the contrary, best practices) and internal information: policies, procedures, practices and employee surveys.

After collecting the information, the following questions are answered based on the data obtained

- the level of the company's impact on human rights: direct commission of violations in this area by its actions, facilitating violations, creating an environment conducive to violations, cooperation with companies that cause violations or no connection with violations;
- the company's ability to eliminate/mitigate existing human rights risks;
- availability of procedures, policies and practices for managing human rights risks and their effectiveness.

Based on the analysis of the data obtained, the risk level on the risk matrix is adjusted. Companies with a strong corporate culture and stable values usually have a lower risk level.

The result of the assessment should be a list of risks associated with the company's activities. For a better understanding, this list should include a description of the risk, its connection to the company, and the groups that could potentially be affected by the alleged offense.

2.1.2. Human Rights Risk Assessment in the Human Resource

Typically, human rights risk assessments are conducted at the company or corporation level and are a comprehensive exercise that assesses all existing risks without dividing them into themes or rights holders. At the same time, the rights that are usually managed by the HR department have certain peculiarities that may be reflected in the company-level assessment. Involvement of rightsholders and stakeholders is key to conducting a human rights impact assessment. It is necessary to conduct surveys and conversations with employees regarding their labor rights, as well as safety and health issues in the workplace, as well as development and education opportunities. For the most complete assessment, it is advisable to involve both current employees and those who have recently left the company: retired, resigned, or been fired. Special attention should be paid to employee unions, trade unions and other types of employee associations, as they may have valuable information on the situation with employee rights and their needs. Such surveys will help to get a broader picture and make the assessment as grounded as possible.

The assessment should review the observance of all human rights, including children's rights, non-discrimination and migrants' rights, while paying particular attention to human rights impacts on individuals from groups that may be at increased risk: women, children, foreigners, people with physical or mental disabilities. The identification of a group that requires closer scrutiny is based on the risks inherent in a particular country (region) or area of activity. For example, in countries with a patriarchal system, attention should be paid to women's rights, in non-democratic countries there is a greater risk of violating children's rights, and in countries with a high risk of human trafficking, migrants require special attention. In such situations, the efforts made by companies to minimize risk should be researched and evaluated in light of the special situation surrounding these groups.

2.1.3. What's next?

After the assessment is completed, rights holders should be actively involved in discussing the results. At this stage, risks are prioritized. The main problems that are in the upper right corner of the risk matrix - high-priority risks - require immediate response from the company. The results of the assessment become a tool that will further help businesses plan their actions to minimize and eliminate human rights risks. Considering the level of risk, the company's actions may be as follows:

low level of risk	the company can continue to use existing mitigation measures and continue to conduct regular scheduled assessments to monitor the situation; human rights issues identified in this category will require additional mitigation measures or other responses from the company only in the event of a significant change in the environment (country, area of operation)
medium risk level	the company can continue to use existing mitigation measures, continuous monitoring of the risks identified in this category should be introduced, if possible, the company can introduce additional mitigation measures to reduce the level of risk
high risk level	the company should take measures to reduce the risk as soon as possible
extremely high risk level	the company should stop actions that could potentially lead to human rights abuses and take steps to reduce the risk of harm

Table II: *List of measures need to be taken based on the level of risk*

As the table above shows, the next step after risk assessment is Integration and Action.

2.2. HOW TO MINIMISE THE RISKS

As noted above, human rights violations can lead to negative reputational, financial and legal consequences for a company. That is why it is important not only to identify and assess potential risks, but also to minimize or eliminate them.

According to Principle 19 of the UN Guiding Principles, companies should implement measures to mitigate and prevent potential impacts of human rights abuses within their internal functions. In doing so, priority should be given to the most serious risks, as a delay could lead to negative consequences.

Depending on the risk level and the specifics of each individual right, the company may take various measures to minimize or prevent the occurrence of negative consequences. If the company has not previously committed to respecting a particular right, the first step will be to make a decision and a statement on respecting and observing this principle.

The human resources department ensures the availability of employees in the company: recruitment and familiarization, development and retention, because the first two stages require financial and time costs from the company, so the management does not want to lose a good employee. Risks of human rights violations exist at each of these stages. It is the HR department that is responsible for the company's observance of employees' rights, and therefore it is the department that develops and implements actions to minimize the risks of violating the rights of its own employees. This work may involve external experts or specialized specialists from other departments (for example, legal).

Human rights are not limited to the employment stage. Although there are many risks associated with discrimination during this crucial stage, it is not the only potentially threatening stage of working with people. Human rights exist in the company's daily activities: ensuring the safety of employees, applying the principle of equal pay for equal work, preserving the mental health of employees, and many other issues.

2.2.1. Instruments

The main tools that can be used to address and mitigate human rights risks are policies, procedures, and guidelines (PPGs), practices, training, whistleblowing mechanisms, and audits.

A policy provides information on the basic principles to be followed, while a procedure provides more detailed information on how to achieve this. Both of these documents are binding. Guidelines usually also contain detailed information and instructions, but very often they are voluntary or optional.

In order for PPGs to be an effective tool for the protection of human rights, they must meet several key requirements. First, they must contain indicators that allow for tracking changes and achievements. Secondly, they must be accessible and written in plain language. This approach will ensure that all employees have free access to this information and can use it to assert their rights. Third, they should be regularly reviewed and updated to meet the requirements of the times and circumstances. Fourth, there should be a person responsible for maintaining, updating and reviewing the procedure.

There may also be practices in the company that are not enshrined in the PPGs. They may relate to any aspect of employees' lives. As for financial remuneration, there may be an established practice of paying an annual bonus. The company may offer sports activities, such as yoga or stretching, which take place in the office. Organizing joint activities can have a positive impact on employee morale.

Training programs can have three key areas of focus: awareness of one's rights; hard skills and soft skills. Training can be in an electronic format or in person. The best approach is a combination. Online training provides access to a wide range of topics and no restrictions on access or time. At the same time, in-person trainings or sessions allow you to fully focus on a single issue. Training can also be mandatory or optional.

Specialized training on human rights should be mandatory for people in leadership positions. Managers should understand what human rights are, what situations may constitute human rights violations, and how to act in case of potential human rights violations.

At the same time, all employees should be familiarized with their rights. This can be done through a clear online training program. Best practice suggests that such familiarization should take place at the beginning of employment and be repeated periodically, at least once every two years. This approach will ensure that all employees are familiar with their rights and the system of their protection.

The organization should have tools for reporting violations. The following requirements are put forward for an effective mechanism:

- Awareness: all employees should be aware of the existence of such a tool and understand what situations they can report;

- Convenience and accessibility: the process of reporting a potential violation should be clear and understandable; filling out cumbersome forms in complex language is an obstacle to accessibility;
- Security: a person reporting a potential violation should be confident that he or she will not be penalized for this action, and there should be an option to report anonymously.

No complaint should be ignored. The complaint handling process should be transparent. The main key to the effective operation of the grievance mechanism is the trust of employees.

Anonymized information on complaints received and reviewed can serve as another source of risk assessment and help improve existing practices.

An additional mechanism for minimizing risks can be an external audit. It helps to analyze the current state of human rights observance and provides recommendations on how to eliminate existing shortcomings.

2.2.2. High risk circumstances

Conflict and weak governance are high-risk circumstances that require increased attention. They can lead to physical insecurity of employees, demographic changes, migration, lack of jobs, human traffic, corruption, denial of the right to strike, lack of restrictions on maximum permissible working hours, and minimum wages that do not correspond to the real cost of living.

High-risk circumstances and the risks they pose are not always within the control of companies. Depending on the size and influence of companies, the ability to manage the identified risks may be beyond their control.

In such circumstances, businesses should be prepared to make quick decisions. The best practice would be to have pre-agreed procedures aimed at minimizing the risk, which are activated in the event of a risk situation. The development and activation of such procedures should take into account the views of those closest to the situation: those who are in the country, have special knowledge of the issue, or are directly responsible for the human rights impact caused by the situation.

When working in high-risk circumstances, there should be a reliable communication channel that allows for immediate and secure reporting of risky situations to the company's management. This will help to implement procedures aimed at minimizing the risk as soon as possible and eliminate the inevitability of negative consequences.

High-risk circumstances should be an incentive to improve human rights tracking and analyze the situation more frequently.

2.2.3. Particular rights and minimizing their risks

The best practice of minimizing risks involves not only creating a formally enshrined rule, but also backing it up with practice and effective protection mechanisms. Each right is a full-fledged right, while life situations often combine several rights or freedoms. For example, recruitment touches on the right to work, respect for family and private life, the prohibition of forced labor, child labor, and discrimination. Therefore, mechanisms aimed at minimizing risks are often complex and protect several rights at once.

2.2.3.1. No forced labor and no child labor

In order to minimize the risks of violating the prohibition of forced labor or child labor, it is necessary to have a clear policy and procedure governing this issue. The PPGs should provide for the things that are obvious for a democratic society: the prohibition of slavery, forced labor and child labor; the prohibition of taking away personal documents (such as a passport, residence or work permit) from employees; the obligation to pay for the work performed; the prohibition of unpaid work on account of damage caused to the company. The procedure should include verification of documents for work permits prior to signing the contract. The person being hired must be in the legal field of the state.

The official employment status provided by the company's official documents is a guarantee of avoiding forced or slave labor.

A person must understand the selection procedure and the conditions of future work at the stage of submitting his or her candidacy.

The contract should include working conditions, remuneration, and working hours, even if this is not required by national law.

It is best practice in the field of child protection to comply with the highest standard required by national or international law.

2.2.3.2. No torture and inhuman treatment

Workplace safety implies the exclusion of any form of harassment: physical, sexual, verbal or mental. One of the main problems in this area is the lack of knowledge about the concept of harassment. Thus, people often do not understand that jokes about appearance, religion, sexuality can be an insult, and unauthorized touching by another person can be harassment. Therefore, the first step in this matter should be a system of education and training that would explain to employees what behavior is unacceptable. The second important element is a system of reporting violations.

The inadmissibility of torture or violence against a person is obvious, but stating this in the PPGs will once again remind us that violence is unacceptable in modern society.

2.2.3.3. The right to equality and non-discrimination

Eliminating discrimination is one of the most difficult tasks. Only a comprehensive approach and the use of all available tools will allow to minimize the risks.

PPGs should clearly provide for the prohibition of discrimination in all company activities, not only in hiring. Potential grounds for discrimination should be defined as broadly as possible.

Equal and transparent approaches to determining remuneration, promotion, layoffs, and vacation time will ensure equality of employees.

Respect for diversity can be showed through a flexible vacation policy that allows for time off to accommodate cultural and religious holidays; flexible dress code that allows a person to show their own style and national culture.

The company can contribute to the fight against discrimination through affirmative action. For example, by encouraging people with disabilities or pregnant women, mothers with small children, or migrants to work. At the same time, such actions may require additional resources from the employer, as there is a need to provide these people with decent working conditions. Depending on their personal needs, this may include language or social integration courses, childcare facilities or partial compensation for babysitting services, elevators and ramps, screen readers or Braille documents, etc.

2.2.3.4. Right to liberty and freedom to movement

The company should have a clear policy on the transfer and relocation of employees, which should provide that there is no penalty for refusing to transfer (unless expressly provided for in the contract and permitted by national law).

Within the workspace, employees should have freedom of movement and the right to leave the office at any time. Forcible detention of employees in the workplace, even during working hours, is prohibited. Areas or rooms that are restricted for security reasons should be clearly marked.

2.2.3.5. Freedom of assembly and association

The main principle under this right is non-interference and respect. The company must comply with national legislation on the right to free association, organization and collective bargaining, respectively. In the absence of such a right at the national level, corporations should refer to the requirements established by regional or international instruments.

Any kind of punishment for participation in trade unions, activities within them or participation in strikes should be expressly prohibited.

2.2.3.6. Right to respect for private and family life

Personal information about employees may be collected only with their permission and exclusively for business purposes. Each employee should be familiarized with the procedure for storing information, accessing it and disclosing it to third parties.

In order to ensure the right to respect for family and private life, the right to family and parenthood, an important element is the leave granted in connection with certain circumstances: birth or adoption of a child, death of a relative, maternity leave, relocation. A person must also be entitled to sick leave in connection with a child's illness. All these additional days off should be granted on a gender-specific basis: men have the same right to adoption leave as women. The only exception may be childbirth.

Providing support when returning to work from a long leave or sick leave is important, and discrimination against a person on this basis is prohibited.

2.2.3.7. Right to education

The company's actions in this area can be directed at its own employees or externally.

External audiences can include university students and graduates. Providing opportunities for internships or part-time work facilitates the opportunity to gain practical knowledge.

For its own employees, the company can develop various training programs aimed at developing and improving the skills necessary to perform their functions (advanced training), at acquiring new professional knowledge (professional reorientation), which will allow them to perform new functions, and at acquiring knowledge that is not directly related to professional functions. This last category may include training on human rights, health and safety, environmental protection, etc.

To ensure the full and diverse development of employees, training plans should be developed for at least a year. The number of employees involved should be recorded. Programs should be diversified to enable people to acquire new knowledge.

2.2.3.8. Right to life and health

The basis for ensuring this right is PPGs and audits (checks on their implementation). Health and Safety policies vary depending on the company's business area. However, they have common requirements: they should cover all hazards as much as possible, be as detailed and accessible as possible. The best practice is to have a separate responsible person.

Health and safety training should be mandatory for all employees. All new employees should receive such training on the first day of work.

There should be regular monitoring of employees' compliance with the PPGs, drills, and checks on the health of production machinery and equipment.

If the company has the need and resources, it can provide occupational health, sports, or a doctor at the workplace.

The company can also introduce brochures and posters in the workplace with basic safety rules.

2.2.3.9. Right to rest and holiday

Depending on the sector and the specifics of the company, employees' work schedules may vary: classic or shift work. However, the company must guarantee employees sufficient rest time between working hours to allow them to recover.

During work, employees are entitled to a lunch break. The duration of the break should be sufficient for eating and resting. It usually ranges from thirty minutes to two hours, depending

on specific circumstances: availability of a kitchen and a sufficient number of places to eat, distance of the office from public catering facilities, and other circumstances.

Employees must be guaranteed the right to vacation. Usually, the number of vacation days is regulated by national legislation. However, if national law does not provide for a statutory minimum number of vacation days, the company must ensure that employees take enough vacation time to restore and maintain their mental and physical health.

Employees should also be guaranteed the right to unpaid leave, which they can take due to personal circumstances.

2.2.3.10. Decent working conditions

Working conditions are a broad concept. They include many different aspects that must be provided by the employer:

- Proper workplace conditions include compliance with sanitary and hygienic standards, temperature control, and workplace safety (e.g., no exposed wires, untreated surfaces, or buildings in emergency condition);
- Provision of the tools necessary for the performance of duties: depending on the type of work, this may include a stationary workplace equipped with a computer, access to the Internet, machines and tools, special clothing or protective equipment, etc;
- Conditions that affect the moral and psychological state: salary, safe team, absence of factors that cause overwork or stress, and the possibility of professional growth.

2.2.3.11. Decent salary

The minimum requirement in this regard is compliance with national legislation on the minimum wage. At the same time, this amount is not always sufficient to meet basic human needs. Therefore, companies should be guided by the realities of a particular country and guarantee an employee a salary at a level that ensures a standard of living.

In matters of remuneration, it is necessary to remember the right to equality, which here requires that two persons performing the same work receive the same pay. Compliance with this principle can be ensured through two tools:

- a transparent remuneration policy that is accessible and allows an individual to assess his or her salary level;

- conducting an annual analysis to determine whether there are global pay gaps between women and men and to address them.

2.2.3.12. Well-being

This is a broad concept that includes many employee well-being issues. Usually, their scope depends on the company's resources and capabilities.

The company can promote the personal and professional development of its employees by providing optional training. Provide support in achieving individual goals.

Taking care of an employee's mental and psychological health and building a healthy team spirit can be part of ensuring employee wellbeing: joint art events or team building, psychological support, meditation classes, effective communication courses, and much more.

To maintain physical well-being, the company can partially cover the cost of food to ensure that employees have a nutritious and healthy diet or provide a gym or training ground.

The company can provide an opportunity to regulate their own working hours. For example, by allowing employees to choose their own working hours within a certain range or by providing the opportunity to work remotely.

In fact, any actions by the company that improve the lives of employees are aimed at ensuring the right to a standard of living adequate for health and well-being.

Some of these opportunities can be incorporated into the work of other departments: for example, the legal department can handle complaints, well-being can be assigned to ESG, and the department with the highest level of danger, such as testing, can be responsible for the physical safety of employees.

2.2.4. What if a violation has occurred?

If the right has been violated, it is necessary to correct or minimize the negative consequences. But first of all, the violation must be stopped if it is ongoing.

The company must have effective and accessible internal remedies for victims. The grievance process must be fair and transparent, otherwise it will not be trusted by employees.

There are usually two ways to resolve disputes: judicial and extrajudicial. The latter may be more beneficial from an economic and reputational point of view. In addition to their own internal mechanisms, out-of-court instruments include ombudsmen and mediators.

The ultimate goal should be to restore the violated right.

Human resources are important in promoting human rights in companies. Guaranteeing the rights of employees will give them a sense of security and stability, which will have a positive impact on their performance. This, in turn, will also have a positive impact on the company's resources: it will ensure that there is no staff turnover and reduce the number of lawsuits.

2.3. BEST PRACTICES OF SIDEL

Sidel is a leading provider of equipment, services and complete solutions for packaging liquids, foods, home and personal care products. It is a part of Tetra Laval Group. Sidel join 5 059 employees across 5 continents.

Based on the size of the company and its matrix management structure, Sidel has a broad and extensive HR system. It includes a division into regions: Europe, Asia and Africa, and America - and topics such as development and training, compensation and benefits, and health and safety.

One of the main risk management instruments are PPGs. Given that Sidel is a large international company, a two-tiered system is applied to them: global policies at the group level and local policies at the level of individual sites. This approach allows the company to manage common processes and define the basic principles and scope that all employees must follow. At the same time, individual sites can specify processes, considering the peculiarities of the country and local legislation, the number of employees in the office and the size of the sites.

The company also tries to create documents that help employees navigate its vast network. For example, the “HR site user guides”, which covers the main issues related to working conditions at each individual site: the procedure for organizing working hours, taking vacations, organizing business trips, benefits, and a contact person for any clarifying information. The onboarding procedure is an important document that helps new employees not to get lost in a large

corporation. For better adaptation within the company, Sidel has implemented a “Buddy program”. It means that a newcomer receives support from a person who knows the organization well and is oriented in it. Buddy facilitates the integration process, helps to understand the company's culture, and shares information about interesting programs and projects. Another tool that helps with adaptation and administrative work is an internal corporate website. It contains information about the general and local news, forms of official documents, information about employees and the organization, links to the tools used by the company, and a database of all global PPGs. The latter provides access not just to policies and procedures, but actually allows a person to find an answer to almost any question about the organization's activities on their own.

Sidel takes care of its employees by paying great attention to their health and safety. The company has set zero work-related illnesses and accidents as its main goal in this area. In order to achieve this goal, managers rely on the following basic principles, regardless of their geographical location: all accidents and incidents must be reported, the performance of regular HSE audits is required, all employees must receive training on relevant safety-related issues and environmental standards, all deviations from HSE standards must be corrected promptly, employees are responsible for implementing and complying with HSE standards and contributing to their continuous improvement. Within the framework of these principles, each site organizes its health and safety activities as efficiently as possible, taking into account the specifics of its operations, office location and number of employees. A system of periodic internal and external audits is implemented to check the level of safety at each site. There are also global initiatives, such as the Safety week, during which employees at each of its sites around the world discuss problematic issues such as road safety. There is also a series of topic-specific guidelines that provide specific advice for various health and safety issues, such as a guide to back exercises that can be done during the day, a guide to working at heights, a guide to safe driving, or a guide to noise.

For example, Sidel Reichstett has implemented the following elements in its operations to ensure the health and safety of its employees. As part of road safety, clear road markings were organized with directional signs for cars, pedestrian paths, signs and traffic mirrors. To ensure fire safety, the building has a clear no-smoking policy, several designated smoking areas, and periodic fire safety training. The site has an internal hotline that can be used to report any life-

and health-threatening situations, from wet floors to a colleague's asphyxiation. A nurse is available to provide first aid in case of an accident or illness. Defibrillators and fire extinguishers are placed in the halls of the building. Their locations are marked with special signs that can be seen from afar.

The company has taken some measures to ensure proper nutrition. The dining rooms are equipped with microwave ovens and refrigerators for in-house meals. There is also a possibility of corporate food delivery. Beverage vending machines, drinking water tanks and snack machines are located in the halls. In summer, employees can have lunch at outdoor tables. Sidel Reichstett has a small aromatic garden with herbs and berries.

The super-fast rhythm of the modern world, endless information flows and social media create high pressure on people's moral health. Therefore, in recent years, Sidel has been focusing not only on the physical but also on the psychological health of its employees. As a result, the company has a special committee responsible for improving mental health. One of the main challenges is to eliminate the stigma associated with this issue. That is why special attention is paid to educational activities to explain the importance of this topic. The committee's actions are also aimed at providing tools to combat stress and develop self-confidence. The company provides anonymous counseling services as well.

Sidel pays special attention to equality. The company has an annual system for checking salary equality for people working in the same positions. If a difference is found, the system informs the manager, who analyses the situation and corrects the inequality if necessary. In addition, a special budget line exists to achieve gender pay equality. If a manager has identified a difference in pay between a man and a woman that is not justified in terms of their functions or qualifications, he or she can use this budget line to raise a woman's salary to the level received by a man.

Working conditions have a significant impact on a person's well-being, as we spend most of our time at work. Sidel tries to create a comfortable environment that will help increase work efficiency and prevent stressful situations. As a global organization that takes into account the peculiarities of local legislation, the company adheres to standard obligations, such as normalized working hours and respect for private time. In particular, access to the company's offices is only possible during the day from Monday to Friday, and work-related issues should be limited to the employee's working hours. At the same time, prioritizing the well-being of

employees, Sidel tries to implement the best approaches in its operations. Every year, employees have an annual interview with their manager about their working conditions. During this interview, the issues of training that the employee would like to receive for development purposes and work-life balance are discussed. To foster the compassionate and resilient work environment Sidel recognizes family well-being as paramount. The company has committed itself to providing parental leave at all sites by 2026: implementing it at the company level in those countries where there is no legal obligation. Sidel Reichstett has a document that regulates gender equality issues. For example, a pregnant employee is entitled to take days off work in order to attend mandatory medical examinations during pregnancy. A person whose partner is pregnant is also entitled to days off to attend four medical examinations during the period of pregnancy. These days off are equivalent to the period of actual work. At the beginning of the school year, employees whose children go to school (from the first to the sixth grade) are given the opportunity to be absent for half a day to organize school events.

As to the working conditions Sidel also organizes small one- or two-seat conference rooms within its office space, which make it possible to hold telephone conversations with partners without distracting colleagues in a shared workspace, or to work quietly without distractions. Another tool that helps to ensure work-life balance is the integration of teleworking. For example, at Sidel Reichstett, employees can take ten working days a month to work remotely. This approach allows employees to save time on the way to the office (the absence of trips to the office also has a positive impact on the environment by reducing CO² emissions), be more flexible in planning personal affairs, and allows them to work in the comfort and cosiness of home. The company also has a “quiet room”. It is equipped with a workplace, armchairs, and couches. Employees can read, sleep, work, and reflect in a calm environment. The main condition for staying in the room is to be quiet.

Given the international and intercontinental nature of Sidel, an important issue facing the company was to create unity among employees and build a common mental space across the spatial domain. The “Together WE” project brings together Sidel employees from all over the world to support the SDGs in a collaborative way. The project includes activities at the level of individual sites and the company as a whole. Employees donate blood, visit the houses of elderly people, organize walking tours and trash collection, play sports, learn foreign languages,

organize holiday celebrations, plant trees and organize other useful activities. Such projects have a positive impact on the psychological state of employees, as they give them the opportunity to feel useful, cared for by the company, and realize that the company follows its values. At the same time, such projects have practical benefits for the company as well, as employees build stronger social ties with each other and with the company, which reduces employee fluctuation and ensures higher levels of efficiency.

Education is part of the Sidel spirit, and employees are encouraged to learn as part of their work life. The company provides training in two areas: professional and general. This allows for the comprehensive development of employees, which will further provide opportunities for professional development within the company. The company uses various tools to achieve its goal. Sidel has a “Future Talent Program” that provides an opportunity for 16 months of training in the company, gaining practical skills and visiting sites in different countries. Employees also have access to educational courses on LinkedIn. The eXtra Leadership program was created for senior managers to improve their leadership skills and strengthen the sense of community among them. A new tool that has been implemented in the company since this year is the “Together We Grow” platform. This mechanism allows gaining knowledge about sustainable development through gamification. This integrated approach to educational processes provides access to knowledge for all employees, regardless of their position. Investing in employee training helps to improve their professional level, effectiveness and quality of work.

An important part of ensuring compliance with human rights is the procedure for reporting violations and remedying them. This type of procedure includes the whistleblowing procedure. Important aspects that characterize the Sidel procedure as an example of best practice are

- Defining specific and clear steps within the procedure;
- Writing the procedure in understandable language;
- Clear identification of responsible persons with their contacts;
- The ability to submit a report anonymously online or in person to one of the responsible persons;
- Accessibility of the procedure for any person: employees, former employees, job candidates, interns and volunteers, officials, shareholders, contractors, suppliers, temporary workers - any person with a legitimate interest in the company's commercial activities;

- An unlimited list of issues to be addressed, which at the same time contains many examples for better orientation: corruption, conflict of interest, discrimination, harassment, sexual misconduct, health hazards, human rights violations;
- Reasonable timeframes for review are clearly defined: not too short to prevent proper consideration of the complaint, and not too long to remain relevant;
- Feedback includes actions taken or planned and their justification;
- Procedures for protecting whistleblowers, including clear provisions for responsibility for their retaliation;
- Implementation of corrective actions to remediate compliance.

The practices described in this section are effective and appropriate for an international company with a large number of employees. At the same time, some of them are applicable to any company regardless of its size. One of the main secrets of responsible business behavior and building a system that ensures respect for human rights is compliance with the principles and values declared by the company.

2.4. DOES THE HUMAN RIGHTS DUE DILIGENCE HAVE AN END?

As noted above, human rights due diligence consists of four components: assessing, integrating and acting, tracking, and reporting. We have already considered the first two elements of this scheme. The focus of this paper is on "integrating and acting," thus, what the business should do to mitigate human rights risks, which is impossible without an effective and correct assessment. At the same time, it would be wrong to stop at the implementation of measures to reduce the risks of human rights violations, as the human rights due diligence process is complex. Therefore, we will briefly address the next two stages: Tracking and Reporting.

2.4.1. Tracking (monitoring)

To ensure respect for human rights, it is not enough to remove or mitigate existing risks. The situation in the environment and in the company is constantly changing. Hiring new employees, expanding production, establishing branches in new countries, political changes, migration policies and other factors can significantly affect the identified risks. But even in the absence of significant changes, human rights risks are a permanent phenomenon. Therefore, in order

to fulfill its human rights due diligence obligations, a company should conduct ongoing monitoring that will allow it to track the current state of human rights compliance.

Tracking should be integrated into relevant internal reporting processes to ensure the continuity and effectiveness of this process. One of the mechanisms can be the whistleblowing procedure mentioned in the previous section.

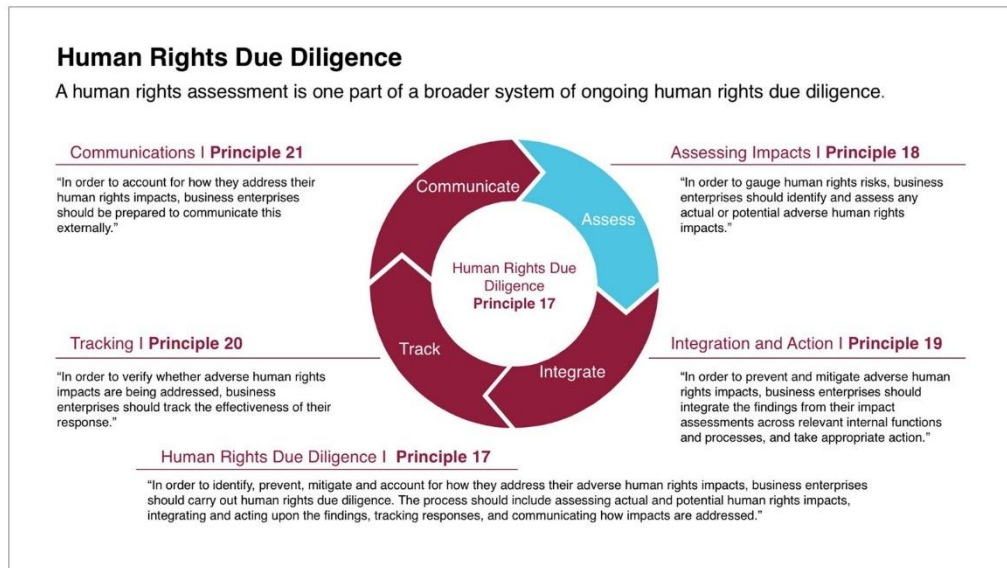


Figure 6: *The human rights due diligence process, image BSR*

2.4.2. Reporting (communication)

This part of human rights due diligence is intended to show whether and how the business respects human rights. Public reporting has become mandatory in recent years. This practice allows clients, investors, partners, and other stakeholders to obtain information on how a company manages human rights risks. Such reports should contain not only information about the existing procedures for eliminating or minimizing risks, but also the results achieved.

Public reporting allows companies to demonstrate themselves as reliable and responsible partners. Evidence of effective risk management will have a favorable impact on investors' decisions.

Thus, human rights due diligence is not a process for one or several years, it is an ongoing work that requires a systematic approach and continuous monitoring and improvement.

Conclusion

Human rights seem to be an abstract category that cannot be measured or touched. At the same time, their violation can have very real and tangible consequences even after years.

In 1997, The New York Times published an article reporting that Hugo Boss had made Nazi uniforms during World War II. Moreover, it was mentioned that Hugo Ferdinand Boss was Hitler's "personal tailor". This message severely damaged the reputation of the famous brand. Hugo Boss ordered an investigation from a well-known historian. Fourteen years later, the results of this investigation led to the publication of a book that confirmed that Hugo Boss collaborated with the Nazis during World War II and used the labor of people held in concentration camps. In 2011, the company publicly apologized. Obviously, this apology could not change their actions: helping the Nazi regime and using the labor of people from concentration camps. At the same time, paying for an independent investigation and publicly acknowledging the facts of the violation indicates a change in the company's policy now and its attempts to be committed to human rights.

In today's world, large companies and corporations are increasingly able to influence the world around them through their actions. Ensuring the rights of their employees is the first step towards creating a stable society. This study has helped to form a vision of how a company can ensure human rights through its daily activities.

The disclosure of the connection between sustainability development and human rights allowed us to understand the importance of this topic and the need for everyone to make efforts to ensure prosperity. We were able to identify possible models of human rights management and understand the role of the human resources department in this system. By analyzing the existing human rights and comparing them with the functions typical of human resources, specific rights that they can influence were identified, such as equality and non-discrimination, the right to life and health, the right to rest and vacation, the right to a standard of living adequate for health and well-being, and others. Having considered the process of risk identification in detail, the main tools and ways to minimize them were identified. Finally, the study of Sidel's practical experience allowed us to formulate examples of the best practices of a multinational company with offices around the world.

This work is just one piece of the puzzle that can help to build a picture of the important role of companies in achieving sustainable development. Further work in this area could focus on a deeper examination of the meaning and impact of human rights on business: the impact on attractiveness to investors and customers, the impact on revenues and employee productivity. To consider the global impact of a company on the world order, how the activities of one player can create waves on the water, it is necessary to focus on the supply chain. The depth and comprehensiveness of each human right makes it possible to study it more specifically, tying it to the specifics of a particular sector of activity or even a company. This will provide the most practical instructions for action for individual players. But it is also possible to move in the opposite direction, focusing on the strategic vision: the values and motives that drive companies to conduct responsible business. This topic in her research allows you to go both down to the roots and up to each individual branch of this tree.

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General Assembly

Distr.: General
21 October 2015

Seventieth session
Agenda items 15 and 116

Resolution adopted by the General Assembly on 25 September 2015

[without reference to a Main Committee (A/70/L.1)]

70/1. Transforming our world: the 2030 Agenda for Sustainable Development

The General Assembly

Adopts the following outcome document of the United Nations summit for the adoption of the post-2015 development agenda:

Transforming our world: the 2030 Agenda for Sustainable Development

Preamble

This Agenda is a plan of action for people, planet and prosperity. It also seeks to strengthen universal peace in larger freedom. We recognize that eradicating poverty in all its forms and dimensions, including extreme poverty, is the greatest global challenge and an indispensable requirement for sustainable development.

All countries and all stakeholders, acting in collaborative partnership, will implement this plan. We are resolved to free the human race from the tyranny of poverty and want and to heal and secure our planet. We are determined to take the bold and transformative steps which are urgently needed to shift the world on to a sustainable and resilient path. As we embark on this collective journey, we pledge that no one will be left behind.

The 17 Sustainable Development Goals and 169 targets which we are announcing today demonstrate the scale and ambition of this new universal Agenda. They seek to build on the Millennium Development Goals and complete what they did not achieve. They seek to realize the human rights of all and to achieve gender equality and the empowerment of all women and girls. They are integrated and indivisible and balance the three dimensions of sustainable development: the economic, social and environmental.

The Goals and targets will stimulate action over the next 15 years in areas of critical importance for humanity and the planet.

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People

We are determined to end poverty and hunger, in all their forms and dimensions, and to ensure that all human beings can fulfil their potential in dignity and equality and in a healthy environment.

Planet

We are determined to protect the planet from degradation, including through sustainable consumption and production, sustainably managing its natural resources and taking urgent action on climate change, so that it can support the needs of the present and future generations.

Prosperity

We are determined to ensure that all human beings can enjoy prosperous and fulfilling lives and that economic, social and technological progress occurs in harmony with nature.

Peace

We are determined to foster peaceful, just and inclusive societies which are free from fear and violence. There can be no sustainable development without peace and no peace without sustainable development.

Partnership

We are determined to mobilize the means required to implement this Agenda through a revitalized Global Partnership for Sustainable Development, based on a spirit of strengthened global solidarity, focused in particular on the needs of the poorest and most vulnerable and with the participation of all countries, all stakeholders and all people.

The interlinkages and integrated nature of the Sustainable Development Goals are of crucial importance in ensuring that the purpose of the new Agenda is realized. If we realize our ambitions across the full extent of the Agenda, the lives of all will be profoundly improved and our world will be transformed for the better.

ANNEX 2 - Citations on human rights from the Constitutions of European countries

FRENCH REPUBLIC	<p>The French people solemnly proclaim their attachment to the Rights of Man and the principles of national sovereignty as defined by the Declaration of 1789, confirmed and complemented by the Preamble to the Constitution of 1946, and to the rights and duties as defined in the Charter for the Environment of 2004.</p> <p>CHARTER FOR THE ENVIRONMENT</p> <p>Art 1 – Each person has the right to live in a balanced environment which shows due respect for health.</p>
UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND	<p>By popular mandate, we establish this Constitution:</p> <p>To recognise every citizen as an equal partner in government—at a local, regional, and national level.</p> <p>To affirm that each citizen is entitled to fair and equitable treatment under the law.</p> <p>To establish the principle of equality of opportunity for all citizens.</p> <p>To eradicate poverty and want throughout the nation.</p> <p>To protect and cultivate community identities within the four great countries of the union: England, Scotland, Wales, and Northern Ireland.</p> <p>To preserve our common environment, and to hold it in trust for future generations.</p> <p>To safeguard freedom of thought, conscience, and assembly; and to facilitate peaceable dissent.</p> <p>And to protect these fundamental rights against the encroachment of tyranny and the abdication of reason.</p>
ITALIAN REPUBLIC	<p>Art 2</p> <p>The Republic recognises and guarantees the inviolable rights of the person, both as an individual and in the social groups where human personality is expressed. The Republic expects that the fundamental duties of political, economic and social solidarity be fulfilled.</p> <p>Art 4</p> <p>The Republic recognises the right of all citizens to work and promotes those conditions which render this right effective.</p> <p>Art 8</p> <p>All religious denominations are equally free before the law.</p>

	<p>Art 13</p> <p>Personal liberty is inviolable.</p> <p>Art 14</p> <p>The home is inviolable.</p> <p>Art 15</p> <p>Freedom and confidentiality of correspondence and of every other form of communication is inviolable.</p> <p>Art 17</p> <p>Citizens have the right to assemble peaceably and unarmed.</p>
FEDERAL REPUBLIC OF GERMANY	<p>Art 1</p> <p>Human dignity shall be inviolable. To respect and protect it shall be the duty of all state authority.</p> <p>The German people therefore acknowledge inviolable and inalienable human rights as the basis of every community, of peace and of justice in the world.</p> <p>The following basic rights shall bind the legislature, the executive and the judiciary as directly applicable law.</p> <p>Art 2</p> <p>Every person shall have the right to free development of his personality insofar as he does not violate the rights of others or offend against the constitutional order or the moral law.</p> <p>Every person shall have the right to life and physical integrity. Freedom of the person shall be inviolable. These rights may be interfered with only pursuant to a law.</p> <p>Art 3</p> <p>All persons shall be equal before the law.</p> <p>Men and women shall have equal rights. The state shall promote the actual implementation of equal rights for women and men and take steps to eliminate disadvantages that now exist.</p> <p>No person shall be favoured or disfavoured because of sex, parentage, race, language, homeland and origin, faith or religious or political opinions. No person shall be disfavoured because of disability.</p>
NETHERLANDS	<p>Art 1</p> <p>All persons in the Netherlands shall be treated equally in equal circumstances. Discrimination on the grounds of religion, belief, political opinion, race or sex or on any other grounds whatsoever shall not be permitted.</p>

	<p>Art 6</p> <p>Everyone shall have the right to profess freely his religion or belief, either individually or in community with others, without prejudice to his responsibility under the law.</p> <p>Art 7</p> <p>No one shall require prior permission to publish thoughts or opinions through the press, without prejudice to the responsibility of every person under the law.</p> <p>Art 8</p> <p>The right of association shall be recognized. This right may be restricted by Act of Parliament in the interest of public order.</p> <p>Art 9</p> <p>The right of assembly and demonstration shall be recognized, without prejudice to the responsibility of everyone under the law.</p> <p>Art 10</p> <p>Everyone shall have the right to respect for his privacy, without prejudice to restrictions laid down by or pursuant to Act of Parliament.</p>
UKRAINE	<p>Art 3</p> <p>The human being, his or her life and health, honour and dignity, inviolability and security are recognised in Ukraine as the highest social value.</p> <p>Human rights and freedoms and their guarantees determine the essence and orientation of the activity of the State. The State is answerable to the individual for its activity. To affirm and ensure human rights and freedoms is the main duty of the State.</p> <p>Art 21</p> <p>All people are free and equal in their dignity and rights.</p> <p>Human rights and freedoms are inalienable and inviolable.</p> <p>Art 22</p> <p>Human and citizens' rights and freedoms affirmed by this Constitution are not exhaustive.</p> <p>Art 23</p> <p>Every person has the right to free development of his or her personality if the rights and freedoms of other persons are not violated thereby, and has duties before the society in which the free and comprehensive development of his or her personality is ensured.</p>

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Art 7. Human dignity

Human dignity must be respected and protected.

Art 8. Equality before the law

Every person is equal before the law.

No person may be discriminated against, in particular on grounds of origin, race, gender, age, language, social position, way of life, religious, ideological, or political convictions, or because of a physical, mental or psychological disability.

Men and women have equal rights. The law shall ensure their equality, both in law and in practice, most particularly in the family, in education, and in the workplace. Men and women have the right to equal pay for work of equal value.

The law shall provide for the elimination of inequalities that affect persons with disabilities.

Art 9. Protection against arbitrary conduct and principle of good faith

Every person has the **right to be treated by state authorities** in good faith and in a non-arbitrary manner.

Art 11. Protection of children and young people

Children and young people have the **right to the special protection** of their integrity and to the encouragement of their development.

They may personally exercise their rights to the extent that their power of judgment allows.

Art 12. Right to assistance when in need

Persons in need and unable to provide for themselves have the right to assistance and care, and to the financial means required for a decent standard of living.

Art 13. **Right to privacy**

Every person has the right to privacy in their private and family life and in their home, and in relation to their mail and telecommunications.

Every person has the right to be protected against the misuse of their personal data.

ANNEX 3 - Table: human rights related to the business

RIGHTS	BUSINESS
All human beings are born free and equal in dignity and rights.	All people are born equal and have fundamental rights. A person cannot be deprived of fundamental rights. The latter also cannot be granted under certain conditions, but belong to a person only by virtue of being a human being.
No discrimination / equality	<p>Discrimination can occur when hiring, promoting, determining the level of remuneration for work, or determining working conditions. Discriminatory treatment can also be based on how often a person takes sick leave.</p> <p>Discrimination is a complex and complicated phenomenon that can manifest itself in the daily activities or systemic approaches of a company.</p> <p>Discrimination may be based on race, color, sex, language, religion, political or other opinion, national or social origin, property, birth, age, sexual orientation, disability or other status.</p>
Right to life and health	<p>The company may pose a threat to both employees and other persons. Risks associated with this right may vary depending on the company's field of activity.</p> <p>Working in hazardous industries, for example, those involving flammable or explosive substances, can lead to the death of employees. At the same time, in companies manufacturing medical products or security agencies, there is a risk that an employee may endanger the life of a third party.</p>
No slavery and forced labor No human trafficking	Modern slavery is defined as the exploitation of a person through coercion or deception. This also includes human trafficking, work in exchange for food or accommodation, confiscation of documents, etc.
No torture and inhuman treatment	Businesses may violate this prohibition by creating inhumane or degrading working conditions. This includes, but is not limited to, verbal abuse, threat or use of violence, sexual or other forms of harassment.
The right to liberty / No unfair detainment	People should be free to leave the premises at will. Locking people up, even during working hours, without the possibility of leaving the premises is a violation.
Freedom to movement and residence / No forced transfer of worker	Direct physical forced displacement of workers, such as moving them from a factory in one country to a factory in another country, is prohibited.

	Except as expressly provided for in the contract, it is prohibited to force a person to move or transfer them to another city or country.
No child labor	<p>Child labor is the work of persons under the age of 18. Currently, international law allows children from the age of 15 to be engaged in light work. At the same time, the International Labor Organization hopes to completely end child labor by 2025. This means that businesses should refuse to engage children under the age of 15 in any circumstances and to engage minors in dangerous activity. The best practice is to refuse to use the labor of persons under the age of 18.</p> <p>Internships for young people as part of a training program are not a violation, but rather encouraged.</p>
Right to education	<p>This right is closely related to the previous one: the use of child labor is considered to violate the basic right to education.</p> <p>Companies can also contribute to the realization of this right by providing opportunities for apprenticeships or work-based learning, as well as by introducing training systems/training to improve the skills and awareness of their employees.</p>
Right to respect for private and family life	<p>This right guarantees a person the opportunity not to disclose private information.</p> <p>The company may also commit a violation in relation to clients or partners in case of improper storage and use of their personal data.</p>
Rights to marry and have family	The company has no right to interfere in the family life of its employees.
Freedom of thought and religion	This right may be violated by the introduction of an unjustified ban on the wearing of religious symbols by employees, or by discrimination based on religious beliefs.
Freedom of opinion and expression	A person has the right to freely express his or her own opinions and assessments. This right may be restricted by trade secrets and the right to respect for other people (prohibition of insult or humiliation).
Freedom of assembly, association (collective bargaining)	Employees have the right to freely assemble and form associations to protect their rights.
Right to work	Everyone has the right to work.

Right to rest and holiday	The right to rest is usually enshrined in law or in a contract. The contract should not provide for less than the number of days of rest provided for by the country's legislation.
The right to a standard of living adequate for the health and well-being	<p>Employees have the right to fair wages that ensure a decent standard of living. Not all countries have a minimum wage that is sufficient to provide a living wage. It is a company's duty to take care of its employees and provide them with the necessary minimum wage.</p> <p>Companies also have to take care of the well-being of their employees, ensuring a work-life balance.</p>
Decent working conditions	This right is complex and includes many aspects: compliance with the maximum number of working hours, observance of working hours, ensuring compensation for overtime, ensuring equal pay for equal work, ensuring decent wages, availability of compensation benefits, ensuring the safety and health of employees, ensuring a proper workplace (lighting, availability of work equipment, temperature conditions, etc.), ensuring a proper dismissal process and access to administrative and human resources management.
The right to a safe environment	The company shall respect and observe the rights of individuals and communities to a safe environment: prohibition of uncontrolled deforestation and use of other limited resources, pollution of rivers and the natural environment, control and minimization of CO2 emissions.

ANNEX 4 - Table: human rights and functional division

RIGHTS	FUNCTIONAL DIVISION
All human beings are born free and equal in dignity and rights.	Human Resources Legal department
No discrimination / equality	Human Resources Supply Chain Legal department
Right to life and health	Human Resources (Health & Safety) Legal department
No slavery and forced labor No human trafficking	Human Resources Supply Chain Legal department
No torture and inhuman treatment	Human Resources Legal department Supply Chain
The right to liberty / No unfair detainment	Human Resources Supply Chain Legal department
Freedom to movement and residence / No forced transfer of worker	Human Resources Supply Chain
No child labor	Human Resources Supply Chain Legal department
Right to education	Human Resources (Training and education)
Right to respect for private and family life	Legal department Human Resources (Well-being)
Rights to marry and have family	Human Resources
Freedom of thought and religion	Legal department
Freedom of opinion and expression	Legal department
Freedom of assembly, association (collective bargaining)	Human Resources Legal department Supply Chain

Right to work	Human Resources Legal department
Right to rest and holiday	Human Resources
The right to a standard of living adequate for the health and well-being	Human Resources (Well-being)
Decent working conditions	Human Resources (Health & Safety, Well-being)
The right to a safe environment	Legal department Supply Chain

ANNEX 5 - Data sources to calculate the country-level risks

1. Environmental Performance Index <https://epi.yale.edu/>
2. International Labour Organization <https://www.ilo.org/regions-and-countries>
3. IOM UN Migration <https://www.iom.int/>
4. OECD <https://www.oecd.org/>
5. Our World in Data <https://ourworldindata.org/>
6. Transparency International <https://www.transparency.org/en/countries>
7. UNEP FI <https://www.unepfi.org/humanrightstoolkit/resources.php>
8. Walk Free <https://www.walkfree.org/>
9. World Population Review <https://worldpopulationreview.com/>
10. Global Estimates of Modern Slavery (ILO) <https://www.ilo.org/publications/major-publications/global-estimates-modern-slavery-forced-labour-and-forced-marriage>
11. Freedom in the World (Freedom House) <https://freedomhouse.org/report/freedom-world#Data>
12. Human freedom index (CATO Institute) <https://www.cato.org/human-freedom-index/2023>
13. Prosperity Data360 (World bank) <https://prosperitydata360.worldbank.org/en/resources>
14. Universal Human Rights Index (UN) <https://uhri.ohchr.org/en/countries>