

# Boardroom questions

## Addressing human rights & modern slavery in business



### What are human rights issues for business?



#### Potentially, negative impacts on people caused by a corporation, its suppliers or associated parties might include:

- use of child labour, forced labour, or trafficked persons
- underpayment of workers
- unsafe or unhealthy working conditions
- displacement of communities
- use of excessive force when protecting assets
- damage to people’s health, e.g. through pollution
- discrimination against employees, e.g. on the basis of race, gender or sexuality
- depletion or contamination of water sources
- infringing rights to data privacy

### What risk factors should directors use in conversations with management?



#### Vulnerable populations

- The most vulnerable are more likely to experience negative human rights impacts. Examples include migrant workers, base-skill workers and Indigenous Peoples.
- Has the company’s stakeholder mapping specifically identified the most vulnerable employees, customers and community members?
- Has the company put in place mechanisms to listen to those vulnerable stakeholders and mechanisms that are respectful, culturally appropriate and trusted?

#### High risk business models

- Specific business models are identified as being of higher likelihood of human rights and modern slavery risk.
- Does your business model mean you have seasonal changes in workforce demand met by labour hire firms? Or do you have state-owned enterprises as JV partners?



#### High risk categories

- Certain products and services are inherently high risk because of the inputs needed to deliver them.
- Certain agriculture categories such as fruit and vegetables can be considered high risk because they require large amounts of base-skilled labour.
- Building services, especially cleaning and security, require base-skilled labour.

#### High risk geographies

- If you source or operate in geographies with poor rule of law and pervasive systemic human rights abuses, the likelihood of your business having negative human rights impact is increased.
- Are you operating in geographies with significant challenges in terms of bribery and corruption? As this context intersects strongly with human rights risks.

## Boardroom Questions



- 1 Are we taking a narrow modern slavery risk response to the new legislation rather than a **comprehensive human rights risk** approach?
- 2 Do we fully understand the human rights impacts of our company **now**, and in the **future**?
- 3 Who in our company is **accountable** for human rights issues?
- 4 Do we have the appropriate **internal capability and expertise** to identify and address human rights issues?
- 5 Do we have a process for managing **conflicts** between national and international human rights regulations?
- 6 How could we use our modern slavery response to **deepen the relationship** with suppliers?
- 7 How mature are our **human rights due diligence** processes and systems?
- 8 How robust and defensible is the process the Board uses to give itself comfort that there are slavery-like practices in the company's **operations, key contractors, suppliers** or franchisees?
- 9 How does our **business growth strategy** take account of potential human rights risks? Are our **merger & acquisition or joint venture activities exposing us** to new human rights risks?
- 10 Does the Board have visibility of the results from **grievance** and whistleblowing mechanisms?

## What actions could the Board consider?



-  **Set the tone at the top** by appointing a Board member to lead on business and human rights
-  Ensure the Board, CEO and/or Chairperson are **clear in their commitment** to business having a responsibility respect human rights
-  Ensure a **cross-functional working group** is set up so that it includes the sales, procurement, operations, legal, ethics, safety and human resources functions to implement the human rights policy
-  Build human **rights actions into annual business** unit plans and ensure accountability sits with heads of business units
-  Integrate people-centred human rights risks considerations into the corporation's **risk management process**
-  Ensure there is a **clear line of reporting** to the Board on the most severe human rights risks and impacts so that the effectiveness of responses can be tested

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