









# About these guides

These practical guides explain important sustainability topics for businesses. Share them with the people in your organisation who are working together to meet your environmental, social and governance goals.

Respecting human rights is not only the right thing to do – it's also good for business. Human rights are based on the premise that all people have the right to lead healthy, productive and dignified lives.

Businesses can play a crucial role in promoting human rights by integrating responsible practices into their operations and influencing broader societal change.

### Guiding principles: Manaakitanga – Uplifting the mana of your team

Manaakitanga is often described as the way we look after people. The word derives from mana-ake, meaning to uplift and uphold the mana of others. To mana 'ake' each other means to respect and increase the mana of others through a number of modalities. Traditionally, one of the main acts of manaaki is through kai and the sharing of taonga, or treasured items (including any taonga species in this process).

In a modern world where businesses and organisations are considering human rights and employee and customer satisfaction for example, *how* we work with others, what values we expect and uphold *ourselves*, and the way we treat others comes from all levels throughout an organisation.

## Why should your business care about human rights?

Comprehensive human rights covering all people were set out for the first time in 1948 by the United Nations in the Universal Declaration of Human Rights. In Aotearoa New Zealand the Human Rights Act lays down the law and the Te Kāhui Tika Tangata / Human Rights Commission is the watchdog.

In 2011, the United Nations Human Rights Council adopted the UN Guiding Principles on Business and Human Rights (*UNGP*). They are a global standard to help businesses prevent, address and remedy human rights breaches.

UNGP (Principle 13) asks businesses to consider how they may be involved in causing negative human rights impacts.

- You may <u>cause</u> the impact through your own activities e.g. on your own sites.
- You may <u>contribute</u> to the impact through your activities e.g. through decisions you make about sourcing, your contractual relationships or your lobbying work.
- You may be involved because the impact is caused by an organisation you have a business relationship with (contractual and non-contractual) and is <u>linked</u> to your operations, products or services. This could be a supplier or sub-contractor.

Business opportunities	Business results
<ul> <li>Enhance and protect your reputation and brand image</li> <li>Reduce costs associated with labour disputes, stakeholder damage control</li> <li>Reduce the risk of litigation</li> <li>Improve governance</li> <li>Prevent complaints to the NZ Human Rights Commission</li> <li>Manage supply chain risks</li> <li>Reduce social impacts including unknowingly supporting modern slavery</li> <li>Market your products and services with confidence</li> <li>Build relationships (suppliers, communities, employees)</li> </ul>	<ul> <li>Increase staff loyalty, recruit and maintain staff</li> <li>Comply with regulations on modern slavery</li> <li>Meet customer expectations and remain a preferred provider</li> <li>Strengthen social licence as a responsible and trustworthy brand</li> <li>Build supplier partnerships</li> <li>Grow investor confidence</li> <li>Meet the needs of the growing conscious consumers</li> <li>Increase access to investors and government contracts</li> </ul>

## Human Rights and te Tiriti o Waitangi

Te Tiriti o Waitangi upholds Māori sovereignty (tino rangatiratanga), the rights and obligations of Māori, and three key principles (among others): partnerships, participation and protection.

- Partnership: the Treaty created a relationship between Māori and the Crown and both parties must act with the good faith.
- Participation: the Crown will provide tangeta whenua with opportunities to engage with decision-making processes at all levels.
- · Protection: active protection of Māori interests, rights, taonga and rangatiratanga must be a government priority.

These principles protect the integrity of the partnership between Māori and tangata Tiriti and the right to coexist peacefully and cooperatively in Aotearoa New Zealand. By honouring Te Tiriti o Waitangi, you uphold the mana and rights of those within your organisation at a fundamental level.

# What is human rights due diligence (HRDD)?

Human rights due diligence describes an organisation's ongoing processes to identify and act upon actual and potential human rights abuses in its operations, supply chains and the services it uses.

Your business might already have other forms of due diligence (environmental, health and safety, etc.) that you can build on to provide for human rights due diligence.

The process typically involves several steps:



Identifying human rights risks: Assess the actual and potential impacts of your operations, products and services
on human rights. This includes understanding how your activities might affect employees, communities and other
stakeholders.

How deep and broad do you need to go?		
Breadth	Depth	
<ul> <li>Cover the entire value chain, including:</li> <li>your operations</li> <li>your supply chains (direct and indirect suppliers)</li> <li>your labour and service providers, contractors</li> </ul>	Start by focusing on the operations, products or services that are most important to your business. This could include your own sites and labour providers, cleaners and security on those sites. It should also include the most important products, ingredients, raw materials and/or services that you purchase.	
and sub-contractors. Address potential human rights impacts in all regions, sectors, and activities.	Then focus deeper analysis on areas with heightened human rights risks, such as regions with weak governance, labour-intensive industries, or supply chains linked to vulnerable groups.	

### Example assessment of relevant human rights for your business

Human right	Could my business have CAUSED these rights to be violated?	Could my business have CONTRIBUTED to these rights being violated?	Could my business be LINKED to violations of these rights?
Right to life	Y – Poor health and safety in own operations leading to loss of life	Y – Sourcing decisions made which result in loss of life in supply chains	Y – Loss of life in suppliers' or service providers' workplaces
Right not to be subjected to torture, cruel, inhuman and/ or degrading treatment or punishment	Y – Workplace bullying and harassment in own operations	Y – Changing product requirements at the last minute without adjusting deadlines and prices thus pushing suppliers to verbally abuse workers in order to meet deadlines	Y – Workplace bullying and harassment in supply chains
Right not to be subjected to slavery, servitude or forced labour	Y – Using forced labour in own sites	Y – Negotiating a price for products which does not cover the suppliers' cost of production and results in the use of forced labour	Y – Suppliers or service providers sub- contracting production to companies who use illegal prison labour
Right to freedom of movement	Y – Keeping workers' passports locked in a safe without their permission	Y – No or poor due diligence of suppliers locking workers into accommodation on site	Y – Suppliers or service providers using state visa bonded labour schemes
Right to recognition as a person before the law	Y – Use of undocumented migrant labour in own operations	Y – Use of undocumented migrant labour in supply chain as a result of sourcing decisions	Y – Use of undocumented migrant labour supply chains
Right to privacy	Y – Failing to adequately protect personal details of workers in own operations	N/A	N/A
Rights to freedom of thought, conscience and religion	Y – Failure to allow religious observances on own sites	N/A	Y – Failure to allow religious observances in supply chain
Right to freedom of assembly	Y – Not allowing trade unions on site to meet	Y – Not promoting worker representation and trade unions to suppliers	Y – Suppliers or service providers who do not allow trade unions to meet with workers
Right to freedom of association	Y – Your company or one of its wholly owned subsidiaries posting notices in the workplace threatening retaliation against workers who join a union	Y – Encouraging a supplier facing strikes to threaten retaliation against workers who are members of a union in order to ensure prompt delivery of your order from the supplier	Y – Suppliers do not promote workers right to join trade unions

Source: M&S Human rights and due diligence remediation guidance



2. Preventing and mitigating risks: Once you have identified risks, start developing and implementing measures to prevent or mitigate negative human rights impacts. This could involve changing business practices, improving working conditions and developing a Supplier Code of Conduct or a Responsible Sourcing Programme. This may also involve engaging with local Māori communities to respect and incorporate indigenous rights.



**Tracking and Monitoring:** Monitor whether your actions successfully address human rights risks. This involves regular audits and assessment and tracking to ensure that human impacts in your business and in your supply chain are being effectively managed.



**4. Communicating:** Report on how you address human rights impacts. This could be through public reporting or direct communication with stakeholders. Transparency is crucial to building trust and accountability.



5. Remediation: If you identify any issues that cause or contribute to adverse human rights impacts, you must provide or cooperate in providing a remedy to those affected. This could involve compensation such as working with suppliers to change sourcing practices or ending contracts with non-compliant supplier.

# What is modern slavery?

Modern slavery describes extreme forms of exploiting people and taking away their freedom for personal or commercial gain. This includes human trafficking, slavery and slavery-like practices, such as servitude, forced labour, forced marriage, selling and exploiting children and debt bondage. Modern slavery is a serious global issue that breaches human and labour rights.

According to the latest Global Estimates of Modern Slavery (2023) from Walk Free, on any given day:

- 50 million people live in modern slavery; 28 million of those in forced labour and/or 22 million in forced marriage
- Roughly a quarter of all victims of modern slavery are children
- · Migrant workers are particularly vulnerable to forced labour

#### Modern slavery in New Zealand

While Walk Free describes Aotearoa New Zealand as one of the 'least vulnerable' countries to modern slavery in the Asia Pacific region and globally, the organisation estimates that 8,000 people are living in modern slavery conditions in the country at any time. Forced labour exploitation has been reported in labour-intensive industries such as agriculture, dairy, horticulture, construction, hospitality and domestic service industries.

A <u>World Vision report</u> states that \$8 billion (or 10%) of imports to Aotearoa every year are linked to modern slavery, meaning Kiwis are spending on average up to \$77 a week on goods linked to modern slavery – this number has doubled since 2021.

#### Hiding in the supply chain

Businesses are responsible for every part of their supply chains. Risk can be heightened by different factors such as sector, geography, interaction with vulnerable groups and business model.

#### **Modern Slavery Legislation:**

While New Zealand doesn't have modern slavery reporting legislation, a look over the fence shows what might be coming.

- Australia's Modern Slavery Act 2018 (MSA) requires larger companies and other entities to report on the risks of modern slavery practices in their operations and supply chain and the actions they are taking to assess and address those risks.
- Similarly, the EU's Corporate Sustainability Due Diligence Directive (CSDDD) requires companies to identify, prevent, and mitigate adverse impacts on human rights and the environment throughout their supply chains.

## How to get started

### 1. Assess your business's human rights risk profile

Identify the human rights your business could negatively impact. Map stakeholders. This is critical to help you understand the stakeholders up and down your value chain. Once you have completed your risk assessment, use commercial information to prioritise which of your highest risks you will start tackling.

#### 2. Develop human rights policies, procedures and governance

Evaluate your current HRDD approach to identify gaps. Build on existing systems and ensure senior management is responsible for driving the process. Read more: Guide to developing a <u>human rights policy</u>.

#### 3. Take action

Establish a transparent system to monitor human rights impacts, identify gaps, and create action plans to address them.

## Making progress



#### 1. Set your scope

Determine what actions, levels of effort, investment and direct involvement your company will take to reduce or address your human rights impacts.



#### 2. Develop a remediation process

Establish accessible systems to address grievances to make sure that if your organisation has caused or contributed to any human rights infringements, these can be resolved. This could include a confidential hotline or an internal dispute resolution process. Work with high-risk suppliers to make effective changes.



#### 3. Choose a reporting framework

A good reporting framework provides a structure for managing human rights risks. It helps you to ask the right questions. Read more: Guiding Principles reporting framework.



### 4. Communicate your progress

Report externally on your impacts and the steps you have taken.

For more detailed advice on actions wherever you are in your journey, download Marks & Spencer Human Rights Due Diligence and Remedy Guidance

# Leading the way

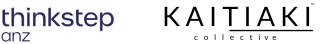
Lead industry initiatives, share knowledge and work with others. Together you're stronger.

Human rights due diligence is not a one-off action, but an ongoing process. New conflicts arise in different geographic areas, you start using new services, use different suppliers – or your suppliers change their suppliers or existing products or services used for new/unintended purposes. Keep your processes active and your people trained.









## **About us**

The Sustainable Business Council (SBC) is a CEO-led membership organisation that mobilises over 130 ambitious businesses to build a thriving and sustainable future for all.

thinkstep-anz is an independent trans-Tasman sustainability firm. We offer a full range of sustainability services and specialise in plain English sustainability communications and design. thinkstep-anz's sustainability communicators have written this guide.

Kaitiaki Collective promotes transformational thinking through sustainability, environmental and stakeholder engagement. We reflect whakaaro me mātauranga Māori in everything we do.

### More information

You'll find the other guides in this series here: sbc.org.nz/sustainability-toolkit

To learn more about SBC's work in the human rights space, visit <a href="https://sbc.org.nz/our-work/thriving-people/">https://sbc.org.nz/our-work/thriving-people/</a>

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