

Operationalizing PSCI Human Rights Principles

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AGENDA

1. What are Business & Human Rights Issues?

2. Four Steps to Implement the UNGPs

3. Resources

4. Case Study



Warm-Up #1: Whose Responsibility?

A country's minimum wage is below a "living wage" and is not enough to pay for living expenses of workers and their families.

- Duty of the Government?
- Responsibility of the company?
- Both?

Warm-Up #2: Whose Responsibility?

A country has a lack of access to affordable primary education.

- Duty of the Government?
- Responsibility of the company?
- Both?

Warm-Up #3: Whose Responsibility?

There is a lack of affordable and safe of transportation to a company's work site, especially for women working the night shift.

- Duty of the Government?
- Responsibility of the company?
- Both?

Warm-Up #4: Whose Responsibility?

Some workers are dismissed who attempted to form a union.

- Duty of the Government?
- Responsibility of the company?
- Both?

Warm-Up #5: Whose Responsibility?

National laws do not define a limit on overtime work.

- Duty of the Government?
- Responsibility of the company?
- Both?

Human Rights in the PSCI Principles

“The term “human rights” in these Principles is defined in accordance with the UN Guiding Principles on Business and Human Rights, which we accept as the internationally agreed standard for the corporate responsibility to respect human rights. The PSCI supports the UNGPs and will offer and promote implementation guidance to members and the pharmaceutical sector to encourage their widest adoption.”



THE PSCI PRINCIPLES FOR RESPONSIBLE SUPPLY CHAIN MANAGEMENT

This document outlines the PSCI Principles for Responsible Supply Chain Management (the “Principles”) for human rights*, ethics, labor, health and safety, environment and related management systems. The Principles may be voluntarily supported by any business in the pharmaceutical industry.

Companies supporting the Principles:

- will integrate and apply these Principles in a manner consistent with their own supplier programs.
- understand that society and business are best served by responsible business behaviors and practices. Fundamental to this understanding is that a business must, at a minimum, operate in full compliance with all applicable laws, rules and regulations.
- are aware of differences in culture and the challenges associated with interpreting and applying these Principles globally. While companies supporting the Principles understand that what is expected is universal, it is understood that the methods for meeting these expectations may differ dependent on size and location.
- understand the Principles are best implemented through a continual improvement approach that advances supplier performance over time.

The [PSCI Implementation Guide](#) provides examples of business practices and performance related to the Principles.

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What are human rights, in practice?

Water discharge



Inadequate wages



Vulnerable workers



Impacts on community health



Workplace health & safety



Harassment



Child labor



Privacy



What are human rights?

BODILY INTEGRITY

Life • Liberty • Security • Movement
Slavery • Torture

HUMAN RIGHTS

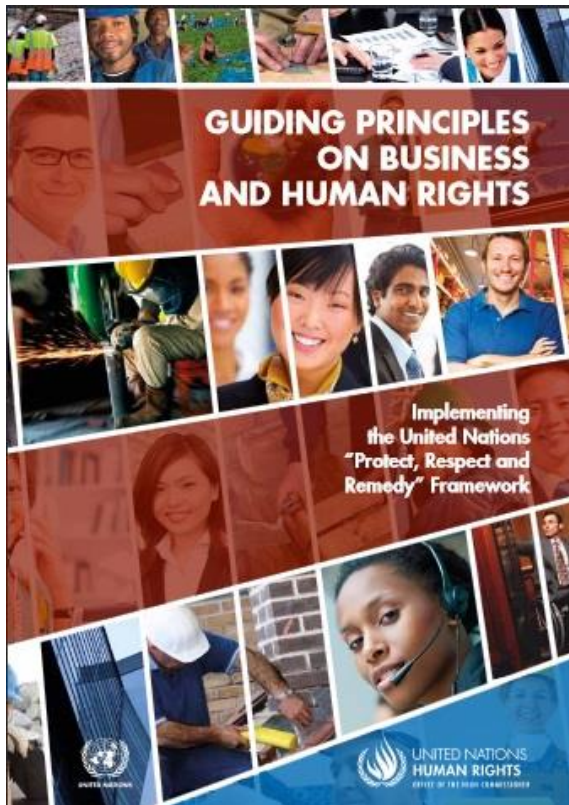
BASIC NEEDS

Food • Water • Health
• Housing • Education • Work

CIVIL LIBERTIES

Fair Trial • Opinion and Expression • Assembly
Belief and Religion • Association
Culture • Political Participation
Privacy

UN Guiding Principles on Business & Human Rights



Pillar I
States have a duty to
PROTECT human rights

Policies, legislation,
regulations and
adjudication

Pillar II
Businesses have a
responsibility to
RESPECT human rights

(Regardless of size)
Avoid violations,
conduct due diligence

Pillar III
Individuals whose
rights are harmed
must have access to
REMEDY

(Joint responsibility of States and businesses)

Judicial / non- judicial

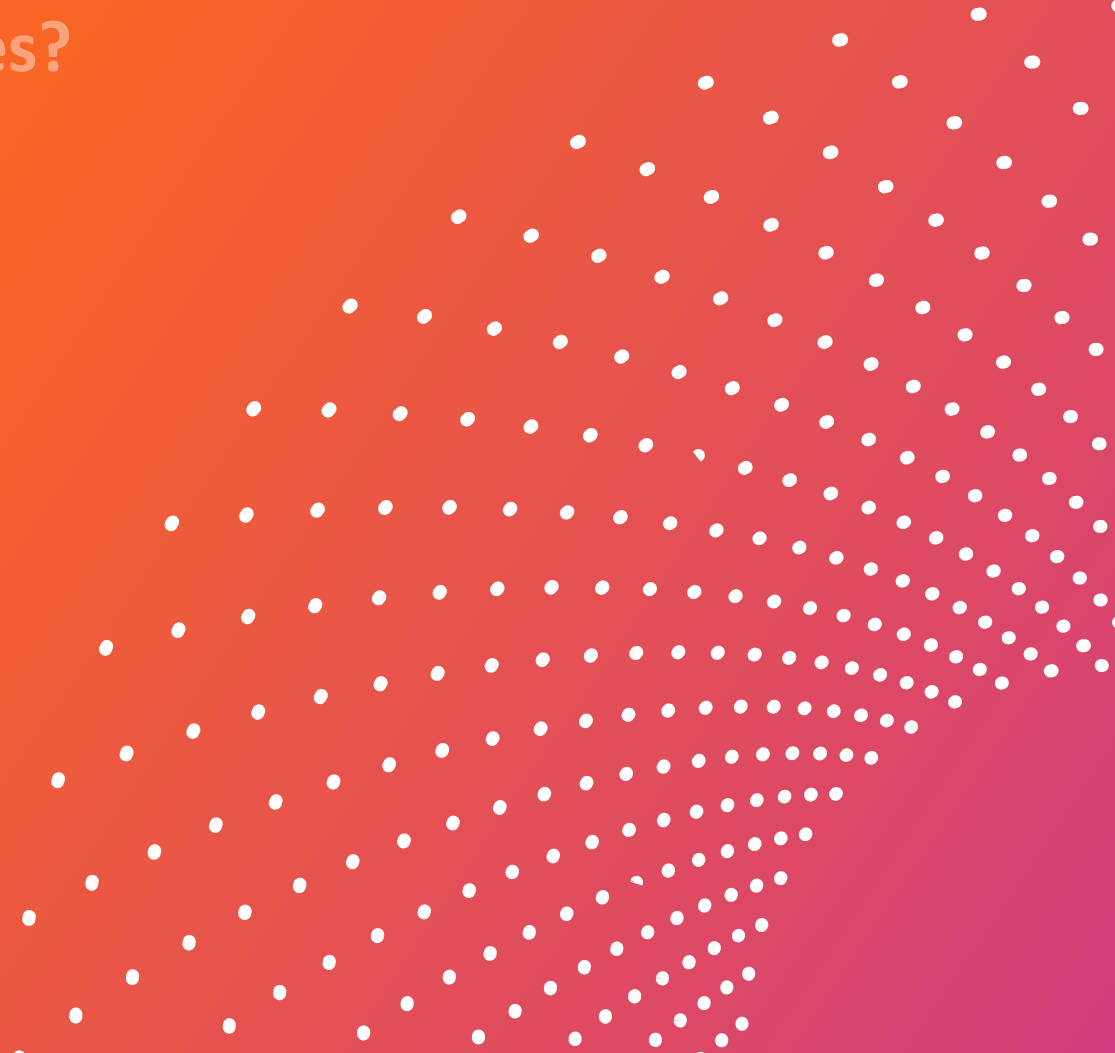
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How to Manage Human Rights Risks

The UNGPs suggest a set of core areas for managing Human Rights, covering the following dimensions:

1

Commit to respecting human rights

2

Understand your risks and mitigate your impacts

3

Provide access to remedy

4

Communicate on your efforts

1. Commit to respect human rights

What can you do?

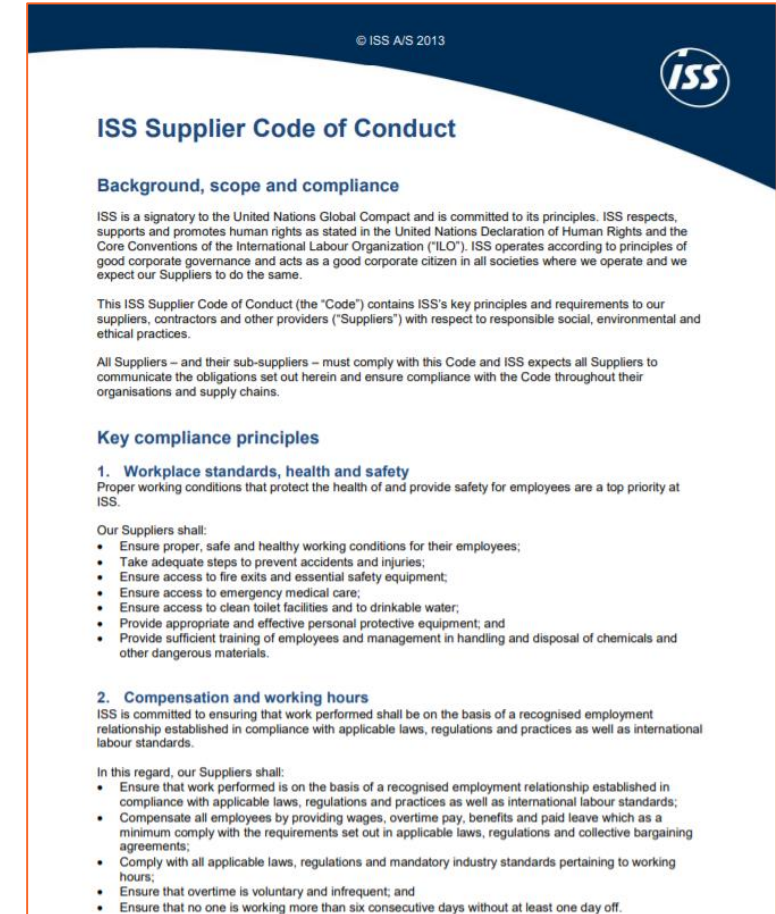
- Consider adopting a **human rights policy** if it makes sense to formalize your commitment to respect human rights in a standalone document
- **Embed human rights into relevant policies and procedures:** HR policies, EHS policies, compliance policies and procedures, procurement policies and procedures
- **Raise awareness among your employees** on expectations related to human rights – through town hall meetings, team meetings.



LINKAGE TO OTHER POLICIES AND PRACTICES

As an essential element of Sodexo's broader commitment to Responsible Business Conduct, this Statement of Respect for Human Rights informs and is supported by the following Sodexo policies, statements, and agreements:

- Sodexo Human Rights Guide for Managers (forthcoming)
- Sodexo Human Rights Guide for Employees (forthcoming)
- Sodexo Statement of Business Integrity
- Sodexo Business Integrity Guide (forthcoming)
- Sodexo Fundamental Rights at Work Charter and Guide
- International Framework Agreement with International Union of Food and Allied Workers (IUF)
- Sodexo-IUF Joint Commitment on Preventing Sexual Harassment
- Sodexo Global Diversity & Inclusion Guidelines
- Sodexo Supplier Code of Conduct



2. Understand risks and mitigate impacts

What can you do?






- **Identify relevant stakeholders who can help you understand the impacts of your activities:** rights holders (employees, communities), relevant internal functions, external stakeholders (suppliers, NGOs,...)
- **Identify potential human rights risks related to your operations:** Do your employees work long hours or night shifts? Do they use dangerous chemicals? Does your company operate manufacturing sites with communities living nearby?
- **Identify vulnerable and marginalized groups:** like women, persons with disabilities, religious/ethnic minorities?

External Resources:

- [Guidance for Implementing PSCI Principles](#)
- [UN Global Compact Self Assessment Tool](#)
- [Danish Institute for Human Rights Human Rights Compliance Assessment Quick Check](#)
- [M&S Modern Slavery Toolkit for Suppliers and Partners](#)
- [BSR 10 Human Rights Priorities for the Healthcare Sector](#)
- [BSR 10 Human Rights Priorities for the Transport and Logistics Sector](#)
- [BSR 10 Human Rights Priorities for the Information and Communications Technology Sector](#)

2. Understanding risks – who to interview?

In order to help you understand your risks and impacts, here are key questions to ask colleagues in various functions:

- 
Human Resources
 - *Do we employ migrant workers or other vulnerable workers?*
 - *What's our overtime policy?*
 - *What's the lowest wage paid in our company? Is it enough to guarantee a decent standard of living for an employee and his/her family?*
- 
Procurement
 - *Who are our high risk suppliers? (in terms of sourcing countries and categories)*
 - *What human rights expectations do we set for our suppliers? How are those communicated to them?*
 - *How do we monitor their practices? How can we know if anything goes wrong?*
- 
HSE
 - *Do we have employees performing high risk tasks? (working at height, in confined space, ...)*
 - *Are they trained on procedures to minimize risks? Are they equipped with personal protective equipment and do they wear it as appropriate?*
 - *What are our environmental impacts? How do we manage those?*
- 
Legal / Compliance
 - *Are we facing bribery / corruption risks with some of our business partners? If yes, how are we managing them?*
 - *What is the level of awareness of our teams when it comes to those risks?*
 - *Do we have effective channels to ensure that challenges related to corruption, conflict of interest, facilitation payment requests are brought to our attention?*
- 
Employees
 - *Do you receive your salary on time and is it reflective of the hours you worked?*
 - *If you had a concern about your job, who would you speak with first?*
 - *If you could improve one thing on your job, what would it be?*

2. Understand risks and mitigate impacts

Local regulations do not always align with international human rights standards and buyers' expectations



UNITED STATES

Just as there are no rights to **paid annual leave or maximum hours**, the United States federal law does not include rights to paid time off for childcare or family leave or sickness. There are minimal rights in some states. Most collective agreements, and many individual contracts, provide paid time off, but employees who lack bargaining power will often get none.



GULF COOPERATION COUNCIL

Under the Kafala system, migrant workers' immigration status is legally bound to their employer or sponsor for their contract period. Migrant workers cannot enter the country, transfer employment nor leave the country for any reason without first obtaining explicit written permission from their employers.



CHINA

While the law permits **collective bargaining**, the only legal unions would continue to be those affiliated with the All-China Federation of Trade Unions, the Communist Party's official union organization.



INDIA

While the Constitution makes it clear that no form of **discrimination** is allowed at workplaces of the government, there is no anti-discrimination umbrella law to regulate private workplaces.

3. Provide remedy and access to remedy

What can you do?

- Consider different options for grievance channels:
 - ❑ **Formal:** *Ethics hotlines; customer complaints; Human Resources; Management; workers' committees employee resource groups...*
 - ❑ **Informal:** *informal conversations (team meetings, employee town hall meetings)*
 - ❑ **Third Party:** *Unions; Worker Voice Apps; Audits; NGO Reports; Media Reports*
- **Communicate on channels available** for employees / communities / business partners on a regular basis
- **Assess effectiveness of those channels:** Are the various channels effective at raising problems? Use UNGP #31 "Effectiveness Criteria" as a guide.

LI & FUNG

An innovative **voice app called Apprise Audit** is being tested in factories in Thailand in a move to protect workers against exploitation.

Apprise Audit's goal is to enhance worker interviews during social audits – by increasing frequency, inclusivity, confidentiality and consistency of worker screening. The app allows questions in multiple languages to be asked through audio recordings, answered through a smartphone and saved on a server. The app's testing is being backed by global corporations VF Corporation and Li & Fung.

4. Communicate on your efforts

What can you do?

- Focus on the greatest risks to people that are connected to the company's operations and value chains, and use these issues to guide the company's reporting and actions.
- Share examples of work that provide meaningful insight into how policies and processes are implemented in practice.
- Identify and explain challenges and dilemmas faced by the company in working to respect human rights.
- Develop a clear narrative about the company's approach to understanding and addressing human rights risks.

OUR STRATEGY

Phase I

Setting our Social Sustainability Ambition:

We set our social sustainability ambition, created a new human rights pillar – Fairness in the Workplace, for our USLP and strengthened Unilever's Human Rights policy framework across functions and geographies to include new policies aimed at guiding our relationships with Unilever employees, suppliers, partners and stakeholders.

Status: **Achieved**

Phase II

Building Capacity and Public Reporting:

The focus is on creating awareness, engagement, training, effective implementation of our expanded Human Rights policy framework and related programmes across functions and geographies and delivering our commitments including public reporting under the UN Guiding Principles Reporting Framework.

Status: **Advanced**

Phase III

Moving from Do No Harm to Do Good:

Once the foundational human rights work is well-established, our focus shifts to promoting and driving best practices across industries where we operate with target areas that we believe are critical but in no way exhaustive and in partnership with others.

Status: **In progress**

OUR FIVE FOCUS AREAS

We continue to have five areas of focus for our work in embedding human rights across our business:



Source: [Unilever Human Rights Progress Report](#)

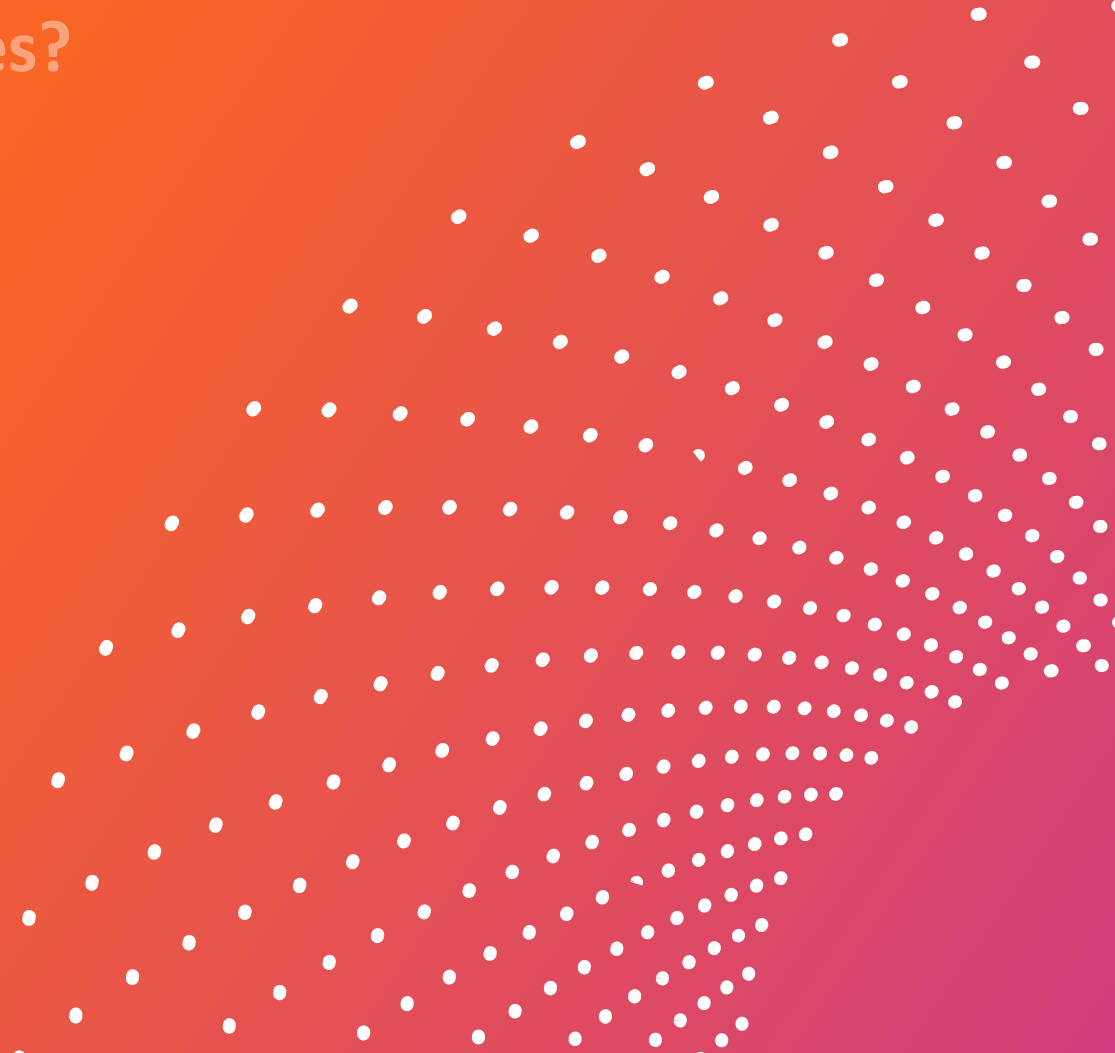
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Resources

Country Human Rights Risk

- [Human Rights and Business Country Guides](#)
- [ITUC Global Workers' Rights Index](#)
- [Amnesty International country profiles](#), [Human Rights Watch country profiles](#)
- [Verite Responsible Sourcing Tool](#)

Working hours

- [ILO – Decent Working Time Balancing Workers' Needs with Business Requirements](#)

Wages

- [Wageindicator Foundation](#)

Child Labor

- [US Department of States List of Goods Produced by Child Labor or Forced Labor](#)
- [Global Mica Mining and the Impact on Children's Rights – SOMO, Terre des Hommes, 2018](#)

Migrant workers, recruitment

- [Building Responsibly Guidance Notes](#)
- [Verite Fair Hiring Toolkit](#)
- [EU Guidance for Employment & Recruitment agencies](#)

Communities

- [IFC Performance Standard 4 - Community Health, Safety, and Security](#)
- [IFC Good Practice Handbook – Use of Security Forces: Assessing and Managing Risks and Impacts](#)

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Our company manufactures pigments used in medicine...



How can we apply the 4 steps to manage this issue?

We source mica from India. I read a few articles about cases of child labor in mica mines in India. Should I be concerned about this?

Human Rights Management Approach

Top human rights risks in this situation

- Child labor in mining is considered to be one of the Worst Forms of Child Labor by the International Labour Organization (ILO).

Commit to respecting human rights

- Adopt a policy regarding child labor in the supply chain
- Train procurement team to identify high risk suppliers and engage them adequately on this topic
- Cascade expectations across your supply chain (Tier 1 and beyond) with a supplier code of conduct, and consider adopting specific contractual clauses and delivering appropriate training for high risk suppliers

Understand your risks and mitigate your impacts

- Map high risk suppliers based on sourcing countries and known risks of child labor in those countries
- Consider engaging civil society organizations to further understand risks related to mica sourcing
- Consider performing onsite risk assessments with one or two high risk suppliers

Provide access to remedy

- If you/ your supplier identify a child laborer, don't dismiss them immediately without support to avoid further potential harm to the child
- Engage high risk suppliers to identify relevant grievance channels that could be used by their employees and that they can share with their own suppliers

Communicate on our efforts

- Report on how procurement teams are trained and on how your company is working to build suppliers' capacity on that issue
- Report on risk assessment performed at suppliers
- Report in a transparent manner on cases of child labor identified in your supply chain and on actions taken with suppliers when such cases are found



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About the Secretariat

Carnstone Partners Ltd is an independent management consultancy, specialising in corporate responsibility and sustainability, with a long track record in running industry groups.

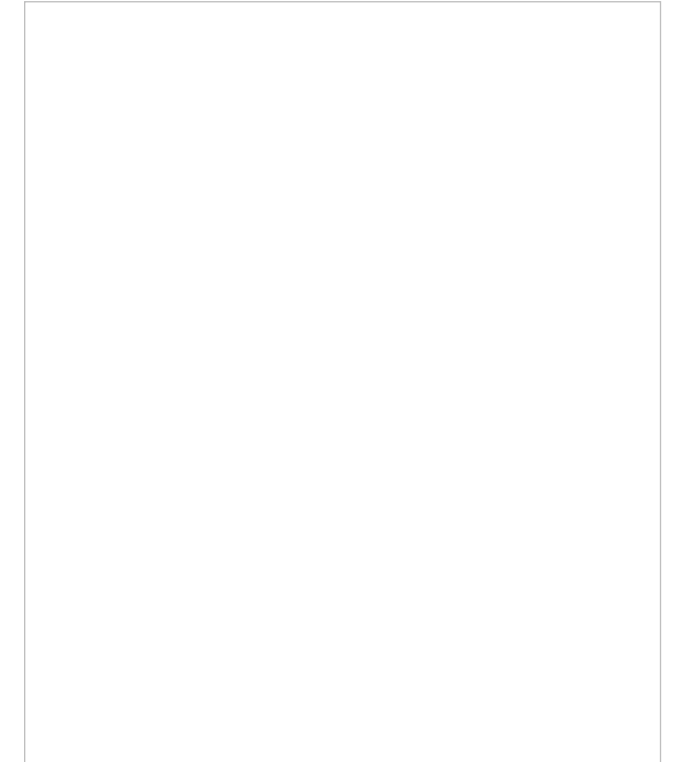
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Speaker Bio – Samah Abbasi

- [Self introduction, 自我介绍]

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- Past experience 工作经历
- Contact information 联系方式



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Speaker Bio – Peter Nestor

Peter Nestor, Human Rights Manager, Novartis

Experience & Training

- Peter joined Novartis after 8 years as Director of Human Rights at BSR, a non-profit organization advising companies on corporate responsibility and human rights.
- Peter is currently the Co-Chair of the Human Rights and Labor Subcommittee of the PSCI (Pharmaceutical Supply Chain Initiative), where he has spearheaded projects to investigate pharmaceutical supply chains, develop human rights training, and delivered webinars to the PSCI membership on modern slavery supply chain risks.
- He has published over 20 articles on business and human rights and is a frequent contributor and guest lecturer in universities on business and human rights.
- Peter holds a BA from Middlebury College, and law degree from the University of Washington School of Law.

