



Business & Human Rights in Southeast Asia Webinar series | Key insights and takeaways

Webinar 1: What business needs to know about the UN Guiding Principles

- The UN Guiding Principles on Business and Human Rights (UNGPs) are the authoritative global framework to address business-related human rights challenges. The UNGPs set clear expectations of both governments and businesses. Businesses are expected to meet their responsibility to respect human rights. This means that businesses should take proactive steps to identify and address their risk of involvement in human rights impacts including impacts they cause, contribute to or are directly linked with.
- The UNGPs are ambitious but practical. They recognise that an effective human rights risk management system cannot be implemented overnight, and that companies may need to prioritise their focus. That said, effort and creativity are expected. Engaging with relevant stakeholders including workers and other potentially affected people is key to ensuring human rights due diligence is effective and to building and maintaining trust.
- Don't confuse respect for human rights with philanthropy. Respect for human rights is about managing risks to people. It is now a baseline expectation of business. Philanthropy, on the other hand, is voluntary. The UNGPs are very clear that there are no trade-offs a company's failure to manage human rights risks effectively cannot be offset by philanthropic activities.
- Context matters. What a business needs to do to satisfy its responsibility to respect
 human rights will vary, depending on a number of factors such as its size, sector and
 operating location and environment. The local context can be both an enabler and a barrier
 it's important to tailor your business' efforts to the local context. For example, if human
 rights language can be a barrier, find other terms that can help you achieve a positive
 outcome. You can tailor the communication while implementing effective processes aligned
 with the UNGPs.

See the slides for this webinar.

Webinar 2: Training and capability building – talking to colleagues about human rights

• Be clear about what you're trying to achieve. For example, one company set a goal that, by a certain date, human rights will be well-understood and well-managed across the business and along the value chain. It made human rights training mandatory for all employees in relevant teams and created a voluntary e-learning training programme that any interested employee can complete. Consider who needs to know what and tailor your communication accordingly. The knowledge senior leaders need will be different from the know-how needed by teams in the company's business units and key functions – which will

be different again from colleagues in ESG or sustainability who are driving implementation across the business.

- Tailor your communication about human rights to your audience. One company emphasised the need for others to listen, rather than just hear this means tailoring not just the content of awareness raising and training initiatives, but the language and approaches used. Case studies can help make human rights feel relevant. The term 'human rights' will not always resonate with colleagues. One company observed that it's important to unpack terms like 'human rights' rather than avoiding them. It can be helpful to start with the basics and build from there for example, by talking about issues like privacy and data protection, or working conditions and passport retention. Ensure colleagues understand the scale and scope of rights and be prepared to answer questions about what is required in practice. Common questions include where should we start? Should we use consultants? How do we budget and will we need an auditing or due diligence methodology? Also consider the method of communication which may vary across the business.
- Human rights 'champions' can help strengthen awareness and know-how. Some
 companies are building deeper human rights know-how among key managers to enable
 them to support colleagues within their business units or locations on human rights. These
 human rights champions are tasked with helping raise awareness and understanding about
 human rights, as well as being a first point of contact for colleagues who have questions or
 need information or guidance about a human rights issue.
- Effective communication can also help create an enabling environment for your company's human rights efforts. For example, one company is looking beyond its internal communication to explore how it can help create a national and regional ecosystem that encourages and supports companies to implement respect for human rights. It has participated in discussions about National Action Plans on Business and Human Rights, engaged with the UN Working Group on Business and Human Rights and is an active member of its local UN Global Compact network. It is also engaging with the financial sector and stock exchange to encourage the alignment of 'push factors' for companies to manage human rights issues effectively.

See the slides for this webinar.

Webinar 3: Engaging with suppliers to address risks relating to migrant workers

- There are a number of drivers that prompt companies to begin engaging with suppliers to address human rights issues. One company observed that, having discovered issues in its own operations, it realised that its suppliers would likely be facing similar issues. Accordingly, it decided to get its own 'backyard' in order and work with suppliers to address these issues. Increasingly, regulatory requirements and pressure from customers, business partners and investors are also prompting companies to engage with suppliers to strengthen human rights risk management. One company observed that a social licence is a privilege, not a right and effective engagement with suppliers is key to building and maintaining that social licence.
- There is no one right way to approach engaging with suppliers find an approach that works for your company. One company decided from the outset to approach this work systematically. It established a social responsibility board and sought a mandate from senior management. It then developed a Code of Conduct and minimum requirements on labour, human rights, business ethics and health and safety issues. The company initially focused on improving standards in its own operations to ensure its approach was

practicable and effective – adjusting course as it learnt through trial and error. It then began engaging with suppliers. Audits and third-party assessments are a common part of supply chain due diligence processes. However, it's important to be aware that audits offer a 'snapshot in time'. Additional engagement with suppliers is likely to be needed. Requirements and expectations are evolving continuously, so it is important to continue to adapt your goals and approach. Understanding what the company's risks are is key.

- Collaborating with suppliers can be more effective than policing them. A collaborative approach enables information, lessons and approaches to be shared between a company and its suppliers. It can also help break down the resistance or fear that can accompany a more compliance-oriented approach. One company observed that it has trained its audit firms to do a consultation audit rather than a policing audit. It has also standardised its audit findings globally this helps the company compare results and communicate the findings more effectively. Colour-coding audit findings can also help communicate more clearly for procurement teams what action is needed. As with communicating internally with colleagues, it's important to identify what messaging and approach will best resonate with suppliers in different industries or different locations.
- Human rights risks relating to migrant workers are currently a high priority for many companies. For example, some companies have observed migrant workers paying excessive fees to labour agents and finding themselves in a situation of debt bondage. Migrant workers can also have their passports held by their employer and can be more at risk of human rights-related impacts such as poor dormitory and working conditions. One company recognised that if it had this problem, its suppliers almost certainly did too. It introduced a strict policy prohibiting recruitment fees. Initially, the company experienced pushback from suppliers because the employment contract is between the worker and the labour agent. In response, the company has worked to change the business model for the recruitment of migrant workers to ensure the contracts are directly with the suppliers, not the agents. Achieving this required many rounds of discussion between the company's senior management and that of its suppliers.
- COVID-19 has increased the challenges for companies seeking to manage human rights-related risks concerning migrant workers. In part, these challenges stem from restrictions on site visits and face-to-face conversations with workers. One company has designed a pulse survey to better understand the situation at suppliers' operations for migrant workers. It has also initiated a remote audit process that included video interviews with workers. An audit that would take 2-3 days onsite took 19 days remotely, but helped the company better assess the situation of migrant workers. Another company collaborates at a global level to address some of the underlying systemic challenges that place migrant workers at risk. It has found that cross-industry engagement helps build a common understanding of the issues and develop a common approach to overcoming challenges. It has also enabled more effective engagement with governments.

See the slides for this webinar.

Webinar 4: Looking ahead – the next decade of business respect for human rights

 Momentum behind business and human rights in Southeast Asia has grown significantly in recent years. In part, this is due to increased focus on these issues in Europe and other regions that trade with Southeast Asia. Both governments and companies in the region face greater incentives to address business-related human rights issues. Countries within Southeast Asia are also following each other's lead. However, there has been some loss of momentum – even regression – in recent months due to COVID-19. Government engagement is now increasing again, having stalled for approximately six months. However, the media focus on vulnerabilities in global supply chains and the need to 'build back better' has helped raise awareness of business and human rights challenges.

- A number of countries in Southeast Asia are developing a National Action Plan on Business and Human Rights (NAP). Thailand adopted the first standalone NAP in the Asia Pacific region. The process through which it was developed helped catalyse discussion among different stakeholders about companies' human rights responsibilities at a national level. Thailand's progress encouraged Indonesia and Malaysia to commence a similar process, and Vietnam is now engaging in a policy process on responsible business. Myanmar and Laos are considering doing so also. These NAPs can set expectations for companies and identify priority issues at a national level.
- There is increasing momentum behind the introduction of mandatory human rights due diligence laws in Europe. The European Commissioner of Justice has committed to introduce mandatory due diligence legislation in the European Parliament in early 2021, and national-level processes to develop similar laws are underway in several European countries. These developments are likely to affect businesses in Southeast Asia both those that are doing business in Europe, and those that are part of global value chains. Companies that are already working to meet the expectations set out in the UNGPs should be well positioned to comply with these laws (or business partners' expectations). Companies that are not yet working seriously to manage human rights risks should start dong so.
- The UNGPs will reach their first decade next June. Ahead of this milestone, the UN Working Group on Business and Human Rights is leading a collaborative project to assess progress made to implement the UNGPs over the past ten years and to set a roadmap and priorities for the next decade. Business practitioners and other interested stakeholders can input into this project by completing a short survey, which can be accessed following this link.

See the slides for this webinar.