

Human Rights Policies for Supply Management



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A quick internet search will turn up stories of numerous companies on the hot seat, reacting to news that their suppliers are reported to violate human rights. While such industries as electronics, fashion or agribusiness are at higher risk, no business is entirely immune. Proactive companies build an infrastructure and processes to eliminate human rights abuses in their supply chains. Human-rights policies are typically developed at the enterprise level, applying to the entire company. You may be asked to develop one for the supply management organization or to assist your suppliers in developing their own.

Why do these policies matter to supply managers, and how can you ensure your supply management team supports your organization's mission?

Why establish a corporate or supply management policy to respect human rights?

- Organizations have a responsibility to respect human rights, to avoid infringing on the rights of others.
- It is good business practice. Establishing a policy allows your organization to compete in today's market, where customers, shareholders, employees, suppliers, community stakeholders and governments expect companies to align with good human rights practice. Being a leader can help your business.
- Supply chains are critical elements of a holistic human rights policy. Ensuring your suppliers meet your expectations is important.
- To live up to the company's commitment to human rights and social responsibility. A specific human rights policy, when followed, brings corporate missions to life.

What can a good organizational human-rights policy do?

- Build a foundation to implement the practice of respecting human rights throughout the organization and the supply chain
- Respond to customer expectations
- Identify areas of risk and where improvement is needed
- To build trust with stakeholders, employees, and other key constituencies
- To encourage a climate of continuous improvement and learning.

Once you have a policy, what are the next steps for supply management professionals?

- **Map your supply chains.** This is not easy and will take time and resources. You will need to get to the category or commodity level. It is the only way to understand your total risk. By analyzing the specific supply chain, you will have a better idea of what categories or commodities pose the greatest risk to human-rights violations.
- **Identify and prioritize high risk suppliers or supply chains.** You likely will not be able to address every issue you uncover in the supply chain mapping exercise; you must prioritize where the greatest risk or potential for abuse exists. Engage appropriate stakeholders internally to create the right action plan.
- **Assess high risk suppliers.** Identify clear criteria for assessment. Conduct supplier assessments and audits to truly understand practices within the supplier's operation. Target higher risk suppliers for action.
- **Create action plans to address gaps and continue to monitor.** Develop specific and actionable plans to rectify human rights issues with suppliers or to identify and develop new suppliers where necessary. Engage

industry-specific groups or coalitions, or local action groups to implement positive change. Prepare internal stakeholders for the potential need to change suppliers and work through contingency plans.

- **Engage with others through ISM or industry groups.** In many cases, industry consortiums can effect positive change, benefiting the entire supply chain.

Need help in writing your policy?

The resources below have been gathered to help you see examples of company's human rights policies and to give you more information into their uses.

Resources:

Institute for Supply Management®'s *ISM Principles of Sustainability and Social Responsibility*

https://www.ismworld.org/globalassets/pub/docs/526prinsussocres_1_17.pdf

A Guide for Business: How to Develop a Human Rights Policy,
Office of the High Commission on Human Rights, United Nations

<https://www.unglobalcompact.org/library/22>

Examples of companies' human-rights policies (links from ISM members):

- **Shell**

<https://www.shell.com/sustainability/transparency/human-rights.html>

- **Sonoco**

<https://www.sonoco.com/about/doing-business-sonoco/human-rights-policy-statement>

- **Intel**

<https://www.intel.com/content/www/us/en/policy/policy-human-rights.html>

More information on human rights in business and the supply chain:

United Nations Global Compact

<https://www.unglobalcompact.org/>

BSR is a global nonprofit organization that works with its network to build a just and sustainable world.

<https://www.bsr.org/en/>

ISO20400.org is a not-for-profit, free platform which aims to develop a global community of practice around ISO 20400 and sustainable procurement

<https://www.iso20400.org/>