

Human Rights Guidance for Boards

Luke Wilde, Chief Executive at twentyfifty, explains why executive and non-executive directors should pay attention to the latest UK guidance on human rights for boards





“Make no mistake, this is not CSR as we know it,” says **Luke Wilde**, Chief Executive at twentyfifty, regarding the UK’s [latest board guidance](#) on human rights from the Equality and Human Rights Commission.

“The intention behind this is to focus the board on how business is done; the core business and impacts the business is linked to via a business relationship, such as a supplier relationship.”

There are a growing number of laws, normative tools and forms of international guidance that address the human rights impacts of commercial activities which boards must take note of. Not least because these establish reporting obligations, such as the UK’s [Modern Slavery Act](#), but also because the link between corporate reputation, ethics and transparency is clear to all global businesses.

No company wants to be in the position where it’s having to explain its ignorance of conditions in its supply chains – such as those we’ve seen in retail and food regarding slave labour or unfair working conditions – not only due to legal repercussions, but because customers, investors and other stakeholders won’t stand for it.

Here, Luke talks us through the background to the guidance and why boards should take note:

For those unfamiliar with the Equality and Human Rights Commission, it’s the UK’s national human rights institution (there are additional commissions in Scotland and Northern Ireland). It’s role is to promote and monitor human rights in the UK, including the government’s performance in this regard.

With respect to business, it has conducted a number of in-depth inquiries including into what holds women back from senior roles in the financial sector, and labour issues in the meatpacking and cleaning industries.

What is this latest guidance really getting at? It’s encouraging boards to ensure their businesses are being proactive in understanding the business’ impact on people and their livelihoods – not just employees, but also those who work in supply chains, purchase products or services, or live or work near the operations. And where impacts are undesirable, it encourages businesses to address them.

It tasks companies with looking deep into supply chains, seeking out and addressing cases of forced labour, debt bondage and child slavery, but also opening up the requirement to consider other impacts, such as land ownership, privacy, or those with learning difficulties.

Further to this, companies should make sure that all the people affected can easily raise concerns directly and confidentially to the company.

The international human rights standards provide an objective framework against which these impacts can be evaluated. [The UN Guiding Principles on Business and Human Rights](#), to which the Guidance refers, also helps to clarify whose responsibility it is to address the impact: the company, those it has a business relationship with, the government, or someone else.

For companies operating overseas, this proactive approach to understanding

social impacts can be very useful. In fact, it’s key to navigating the complex and changing social landscapes ■

BUSINESS AND HUMAN RIGHTS: A FIVE STEP GUIDE

The guidance recommends that boards follow five steps to ensure that their company is fulfilling its responsibility to respect human rights in a way that meets the expectations of the UN Guiding Principles and UK statutory reporting obligations.

Boards should ensure the company:

1. Embeds the responsibility to respect human rights into its culture, knowledge and practices
2. Identifies and understands its salient, or most severe, risks to human rights
3. Systematically addresses its salient, or most severe, risks to human rights and provides remedy when needed
4. Engages with stakeholders to inform its approach to addressing human rights risks
5. Reports on its salient, or most severe, human rights risks and meets regulatory reporting requirements.



Luke Wilde
Chief Executive
twentyfifty

Luke founded the business consultancy twentyfifty in early 2004. He and the team have worked with over 30 multinationals and large national businesses in the finance, pharma and specialist chemicals, extractives, FMCG and utilities sectors in Europe, Asia and Africa.

Contact Luke through:
www.criticaleye.com