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Human rights in supply chains: Promoting positive practice

Many businesses lack clear strategies and processes to monitor and manage human rights risks in their supply chains, despite recent high profile violations, new research finds.

In a landmark collaboration, the Australian Human Rights Commission, Australian Centre for Corporate Social Responsibility (ACCSR) and the Global Compact Network Australia sought to map how Australian businesses currently deal with human rights issues in their supply chains.

The report shows that Australian business is increasingly recognising its responsibility to do the right thing, but also the risk of *not* doing the right thing. Increased media attention around labour rights violations in Australia, particularly in reference to fresh food supply chains and significant underpayments in retail, has cemented this understanding, highlighting that this is not just an offshore issue.

This report provides a unique insight into the current drivers, practices, and challenges of Australian businesses in managing human rights in their supply chains. It provides practical guidance to help business identify and address human rights risks in their supply chains including through reference to core international standards such as the [UN Global Compact](#) and [UN Guiding Principles on Business and Human Rights](#).

Key findings:

1. Addressing human rights issues has become more important to Australian businesses since 2009, and businesses are increasingly linking human rights issues to their supply chains.
2. Businesses say that they are committed to human rights because it is the right thing to do. They are also seeking to align with employee values and expectations and build brand and reputation as a responsible business.
3. Businesses tend to focus their human rights efforts where they have direct operational control. Consequently, they place high importance on traditional workplace issues such health and safety, non-discrimination, and diversity and inclusion.
4. While they have the aspiration and commitment to address human rights impacts in their supply chains, many businesses lack clear strategies and processes to trace, monitor and address such risks.
5. Limited visibility into suppliers' practices, and limited staff capacity and authority to address human rights impacts are the biggest barriers to Australian businesses improving their management of human rights issues in their supply chains.

Further information:

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About the project partners

Australian Human Rights Commission (the Commission)

The Australian Human Rights Commission is Australia's national human rights institution. It is a statutory body funded by, and operating independently of, the Australian Government through its President and Commissioners.

The Commission operates under the *Australian Human Rights Commission Act 1986* (Cth) as well as federal laws that seek to ensure freedom from discrimination on the basis of age, disability, race, sex, sexual orientation, intersex status and gender identity. The Commission also has specific responsibilities under the *Native Title Act 1993* (Cth) and the *Fair Work Act 2009* (Cth).

It provides direct services to the Australian community, in particular by assisting people to resolve disputes about discrimination and breaches of human rights. Much of its work is also at the policy level – encouraging government, industry and community groups alike to see fundamental rights and freedoms realised.

The Commission's vision is for an Australia where human rights are enjoyed by everyone, everywhere, everyday.

www.humanrights.gov.au

Global Compact Network Australia (GCNA)

The UN Global Compact is the world's largest corporate sustainability initiative, and a call to action to businesses everywhere to align their operations and strategies with ten universal principles in the areas of human rights, labour, the environment and anti-corruption, and to support broader societal goals. It is both a practical framework for action and a platform for demonstrating commitment and leadership.

In Australia, the business-led Global Compact Network Australia brings together signatories to the UN Global Compact, including a number of Australia's leading companies, non-profits and universities, to advance corporate sustainability and the private sector's contribution to sustainable development. The GCNA offers a platform for dialogue, learning and influence that is inclusive, practical and leading edge. Through its activities, the GCNA provides a meeting point where organisations can build best practice around sustainability, and builds relationships and partnerships across the region and globe to advance sustainable business models and markets.

www.unglobalcompact.org.au

Australian Centre for Corporate Social Responsibility (ACCSR)

The Australian Centre for Corporate Social Responsibility helps organisations create lasting value through responsible business strategies and productive stakeholder relationships. It is Australia's leading management consultancy wholly dedicated to building competitive advantage and stakeholder wealth through corporate social responsibility (CSR).

ACCSR advisory services help organisations take their next steps in creating value for all their stakeholders, building organisational capability. Its approach is grounded in the disciplines of strategic management and organisational change management, applied to the fields of CSR, sustainability, and organisation-stakeholder relations. ACCSR's learning programs underpin the professionalisation of the corporate responsibility management function, building individual capability.

Since 2008, ACCSR has produced *The Annual Review of the State of CSR in Australia and New Zealand*, the largest ongoing research study of CSR capabilities and practices in Australian and New Zealand organisations.

www.accsr.com.au