

THE MOST SENIOR GOVERNING BODY AND/OR ITS RELEVANT SUB-COMMITTEES...

ensures that cross-functional processes are in place to share information about human rights risks; agree actions to address human rights risks; and monitor progress against those actions.

GOVERNANCE
NO.

6

OVERVIEW

The effective identification and management of human rights risks typically requires active communication, coordination and collaboration across different internal functions, business units and regions. The function(s) that lead(s) on human rights are often not those whose decisions and actions most directly affect whether risks and impacts will arise or be effectively addressed. Cross-functional processes need therefore to extend beyond information sharing alone to include shared responsibility for actions and monitoring of progress. These processes may be informal, involving different parts of the business in different conversations, or they may take place within a formalized cross-functional group.

Where the governing body uses its oversight role to ensure that such processes are in place, with appropriate participation and mandate, and the seniority to make or inform key business decisions, it is more likely that human rights risk management will become embedded in the work of all relevant parts of the company.

Evidence of the Governing Body's attention to these cross-functional processes signals an awareness that responsibility for reducing risks to people must be shared across the company, not least by those who make core business decisions or whose actions can negatively impact stakeholders. It signals an expectation that the business should be able to show what progress is being made.

APPLICATIONS

KEY QUESTIONS FOR LEADERS TO ASK OR BE ASKED

- Does the Governing Body discuss the existence, mandate and staff composition of cross-functional processes related to human rights risk management?
- How does it assess the scope of those processes – whether they encompass the company's salient human rights risks?
- How does it assess the effectiveness of those processes – whether they enable appropriate progress in reducing human rights risks?

CONNECTION TO CULTURE



ACCOUNTABILITY



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TYPE OF APPLICATION

The types of use, whether inside a company or by those outside a company, to which this indicator particularly lends itself:

Internal

- Self-assessment / internal audit
- Third party assessment / culture audit

External

- Required disclosure
- Regulatory provision (governance / due diligence)
- Investor engagement

APPLICATIONS

SOURCES OF EVIDENCE



DOCUMENTATION

- Governing Body briefing documents and Minutes including action points



CONVERSATIONS

- with Chair of Governing Body; Company Secretary
- with other Members of Governing Body

SUPPORTING
INDICATORS

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ADDRESSING LIMITATIONS

The limits of this indicator lie in the need for participants in such processes to recognize the relevance and importance for the company of human rights risk management, and to have adequate insight into potential human rights impacts.

This indicator will therefore be strengthened where there is complementary evidence in relation to one or more of the following indicators:

	G10	L1	L8	L10
SUPPORTING INDICATOR	The most senior governing body and/or its relevant subcommittees... approves high-level targets for assessing progress in addressing salient human rights risks.	Senior leaders at corporate, regional, country and business unit levels... talk regularly – both internally and publicly – about the company’s commitment to address risks to people across the company’s operations and value chain, and key challenges and opportunities for achieving this goal.	Senior leaders at corporate, regional, country and business unit levels... proactively seek to understand and avoid pressures on employees or contractors to act contrary to the company’s responsibility.	Senior leaders at corporate, regional, country and business unit levels... praise actions and decisions that advance the company’s commitment to respect human rights, and call out any that run counter to it.
RATIONALE	Where the governing body does this, it is more likely that targets, indicators and metrics are cascaded across different functions and help ensure these issues are embedded in relevant decisions and actions.	Where senior leaders do this, it is more likely that people across the workforce will see it as important for the company’s success and for their own roles.	Where senior leaders do this, it is more likely that participants in cross-functional processes will view engagement with them as important and value their role in the company.	Where senior leaders do this, it is more likely that people in different functions will be alert to such impacts and how they can arise.