

signal the importance of the internal function(s) or role(s) that lead(s) on human rights by ensuring their insights are integrated into decision-making processes.

LEADERSHIP
NO.

7

OVERVIEW

Lead responsibility for human rights may be focused within one corporate function or spread across a number of functions (or other forms of division within a company), depending on the issues concerned and how the company is structured. If the function(s) concerned is/are viewed as external to the company's core business, as a cost center unrelated to value creation, or as relevant only to limited business areas such as the supply chain, its expertise and insights are unlikely to be valued across the workforce and to influence the ways in which business is conducted.

Where leaders signal at all levels of the company that the lead function(s) is/are essential to the company's success, and demonstrate that they value and integrate their insights in key decisions, it is more likely that the wider workforce will recognize human rights risks as business-relevant and integrate the relevant experts in their own decision-making processes.

Evidence of these practices signals that attention to impacts on people is understood to be relevant to all aspects of how business gets done and that action to address potential or actual impacts is recognized as being important to the success of the business.

APPLICATIONS

KEY QUESTIONS FOR LEADERS TO ASK OR BE ASKED

- How do senior leaders keep themselves informed regarding human rights issues connected with the company's operations and value chain?
- Do senior leaders engage directly with the function(s) that lead on human rights? If so, how, and how frequently?
- Do representatives of the function(s) that lead on human rights brief senior leaders on significant human rights developments?
- Do representatives of the function(s) that lead on human rights attend meetings that determine decisions affecting the company's human rights impacts?
- What do senior leaders communicate to other functions/business units about the role and relevance of the function(s) that lead on human rights issues?

CONNECTION TO CULTURE



AUTHENTICITY



ACCOUNTABILITY



SUPPORTING
INDICATORS

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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

- Investor engagement

SOURCES OF EVIDENCE



DOCUMENTATION

- Records of meetings that determine decisions affecting the company's human rights impacts



CONVERSATIONS

- with senior leaders
- with leaders of core business functions / business units
- with representatives of the function(s) that lead on human rights issues



WORKFORCE PERSPECTIVES

Survey / interviews / other feedback from a cross-section of the workforce regarding:

- Senior management interactions with, and perspectives regarding, the lead function(s) on human rights issues
- The relevance of the lead function(s) on human rights for core business decisions
- The seniority, importance and influence of the lead function(s) on human rights issues
- The extent to which they consult with and find value in the inputs provided by, the lead human rights function(s)

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ADDRESSING LIMITATIONS

The limits of this indicator lie in the risk that such signals from the leadership may be ignored if the wider workforce faces countervailing pressures or incentives to ignore human rights concerns and expertise.

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

G1

The most senior governing body and/or its relevant subcommittees... reviews and challenges the company's business model and strategy to ensure any inherent human rights risks are identified and addressed.

Where the governing body does this, it is less likely that the workforce will face pressures and incentives to ignore or override the advice of the human rights function in decision-making.

G9

The most senior governing body and/or its relevant subcommittees... challenges any top management performance incentives that may promote behaviors that undermine respect for human rights.

Where the governing body does this, it is less likely that the workforce will face pressures and incentives to ignore or override the advice of the human rights function in decision-making.

L8

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 to respect human rights.

Where senior leaders do this, it is less likely that the workforce will face pressures and incentives to ignore or override the advice of the human rights function in decision-making.

L10

Senior leaders at corporate, regional, country and business unit levels... praise actions and decisions that advance respect for human rights and call out any that run counter to it.

Where senior leaders do this, it is more likely that the workforce will feel empowered and motivated to integrate the advice of the human rights function in decision-making.