

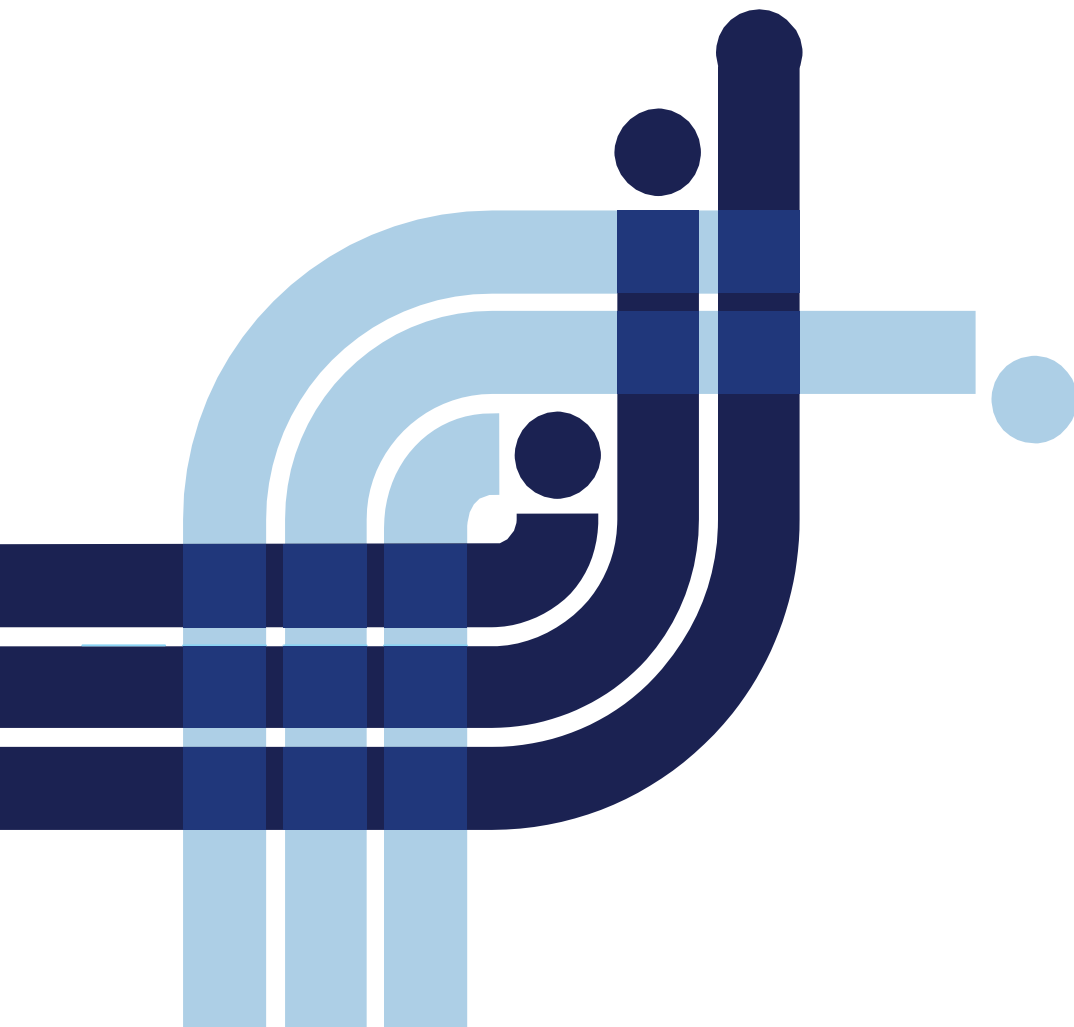


United Nations
Global Compact

Linking Human Rights And Anti-Corruption Compliance

Prepared by: Joanna Drewert and Kaustuv Banerjee

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The United Nations Global Compact is a call to companies everywhere to voluntarily align their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption, and to take action in support of UN goals and issues. In June 2006, the Global Compact Board established a Human Rights Working Group. In light of the growing recognition that labour rights are human rights and in order to ensure a coherent approach, the Chairs and members of the Human Rights Working Group and Labour Working Group merged to create the Human Rights and Labour Working Group (HRLWG) in 2013. The goal of the Working Group is to provide strategic input to the Global Compact's human rights and labour work. The following is one of an ongoing series of notes on good business practices on human rights endorsed by the Working Group. Rather than highlighting specific practices of individual companies, Good Practice Notes seek to identify general approaches that have been recognized by a number of companies and stakeholders as being good for business and good for human rights. The inclusion of company names does not constitute an endorsement of the individual companies by the UN Global Compact Office or the Human Rights and Labour Working Group.

Executive Summary

Over the last two decades, many companies have developed and implemented robust anti-corruption compliance programs in response to the promulgation of national and international standards requiring companies to prevent, detect and respond to corruption throughout their global operations. Anti-corruption compliance usually resides within a company's general compliance function, which also addresses issues such as money laundering, antitrust, environmental protection and worker safety. Anti-corruption compliance is noteworthy for having become both a risk mitigation tool and a means to embed ethical values in corporate culture.

Corporate human rights responsibilities share a similar trajectory. A growing body of guidelines, laws and regulations call for human rights due diligence and reporting based on the corporate responsibility to respect human rights. Companies are increasingly expected to "know and show" compliance with human rights standards throughout their operations by implementing measures similar to those already prescribed for anti-corruption compliance.

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There is a growing understanding of the intrinsic relationship between corruption and human rights. Adverse human rights impacts and corruption pose similar risks to companies, including coinciding geographical risk zones and the danger of reputational and financial exposure. Effectively managing these risks presents companies with common challenges such as detecting misconduct in the business organization and supply chains, and necessitates due diligence on business partners such as contracted agents and suppliers. Successful implementation of human rights and anti-corruption compliance can also contribute to corporate sustainability and profitability.

Anti-corruption compliance efforts have increasingly emphasized the importance of fostering a corporate culture that effectively prevents and resists corruption. Recognizing the linkages between human rights and anti-corruption compliance can help companies meet their responsibility to respect human rights in a systematic and structured way, and ultimately embed respect for human rights in corporate culture. Building on these linkages can also assist in improving corporate risk management, optimizing compliance systems, making anti-corruption compliance more robust and better preparing companies for mandatory human rights standards.

Businesses grappling with impending human rights obligations and seeking to integrate human rights impact management into their business structures can look to management practices from companies linking human rights to anti-corruption compliance. These good practices include learning from anti-corruption compliance programs in organizing a structured system for human rights impact management, leveraging senior management support for anti-corruption compliance, aligning human rights and anti-corruption policy commitments (such as in supplier codes of conduct and contract clauses), integrating human rights and anti-corruption procedures (such as training, reporting and non-financial auditing), combining corruption and human rights risk assessments (such as geographical risk assessment and business partner screening), building capacity where anti-corruption and human rights efforts are likely to overlap (such as grievance mechanisms and sponsorship activities), establishing cross-functional anti-corruption and human rights working groups and partnering with other companies on compliance issues.

However, in linking human rights and anti-corruption compliance, a few points need to be kept in mind. Understanding the company's human rights impacts and responsibilities is essential and requires human rights expertise. It is important to remember that the focus of anti-corruption compliance has traditionally been on risks to the company itself, while the Guiding Principles focuses on the human rights impacts on employees, communities and other rights-holders, because of which all components of an anti-corruption compliance program, as currently structured, may not be suitable for integration with human rights. Effective communication and sharing the responsibility for human rights across the company is crucial. Efforts for linking human rights and anti-corruption compliance must be tailored to the individual company. An integrated approach is not intended to be a complete solution and separate work on both anti-corruption and human rights will be necessary. Finally, while ethical corporate impact management should not be reduced to merely a matter of compliance but should be integrated into the culture of the company, compliance systems can be an important starting point for embedding respect for human rights and anti-corruption values throughout the company.

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1. Introduction and Methodology

UN Global Compact participant companies commit to ensure that they are not complicit in human rights abuses, and to respect and support the protection of internationally proclaimed human rights.² The UN Guiding Principles on Business and Human Rights (“Guiding Principles”), endorsed unanimously by the UN Human Rights Council,³ affirm a corporate responsibility to respect human rights as the global minimum standard for all business enterprises. The corporate responsibility to respect human rights requires business enterprises to avoid causing or contributing to adverse human rights impacts and to address adverse impacts that occur. Companies must also seek to prevent or mitigate adverse human rights impacts directly linked to their operations, products or services by their business relationships, even if they have not contributed to those impacts. To meet their responsibility to respect human rights, business enterprises should have in place a policy commitment to meet this responsibility and a human rights due-diligence process to identify, prevent, mitigate and account for how they address their impacts on human rights. Business enterprises should also have in place a process to enable the remediation of any adverse human rights impacts they cause or to which they contribute. Given the expanding “web of potential corporate liability” through extraterritorial civil claims and local corporate criminal liability, the Guiding Principles state that businesses should treat the risk of being complicit in gross human rights abuses, even if committed by third parties, as a legal compliance issue wherever they operate.⁴

UN Global Compact participants also commit to work against corruption in all its forms, including extortion and bribery.⁵ The growing number of anti-corruption and human rights initiatives directed at corporate activity has put companies under increasing scrutiny to fulfill their commitments to both anti-corruption and human rights.⁶ The result is a widespread expectation that companies will act to prevent, detect and respond to both corrupt activity and adverse human rights impacts within their organization and in their business relationships, including their supply chains. Companies are expected to do this through due diligence, training, risk-assessment, monitoring, auditing and reporting. Reports reveal that most of the world’s largest corporations now have human rights policies in place, and that reporting laws and commercial contracts are resulting in legal and compliance departments becoming the business functions most likely to be assigned responsibility for human rights issues.⁷ Legally robust national and international anti-corruption regulations have triggered the development of well-designed and structured anti-corruption compliance programs. These programs and their promotion of an ethical corporate culture offer valuable lessons for corporate human rights management.

This Good Practice Note (this “Note”) highlights the linkages between human rights and anti-corruption compliance and how companies can benefit from integrating human rights and anti-corruption considerations in their compliance programs. It provides a brief background on the connection between human rights and anti-corruption compliance, explains some possible advantages of linking the two, presents examples of good practices on how to do so, and considers a few points to keep in mind.

² UN Global Compact, “The Ten Principles”, Principles 1 and 2 (available [here](#)).

³ Resolution adopted by the United Nations Human Rights Council, “Human rights and transnational corporations and other business enterprises,” 6 July 2011 (UN doc. A/HRC/RES/17/4).

⁴ See Guiding Principles, Principles 13(a) and (b), 15 and 23 and Commentary to Principle 23.

⁵ UN Global Compact, Principle 10.

⁶ For some of these initiatives, see Section 2 of this Note.

⁷ James Wood, “[The new risk front for GCs – nearly half of contracts have human rights clauses, LB research finds](#)”, Legal Business (UK) (September 2016) (available [here](#)).

Corporate compliance programs typically address aspects of business conduct beyond anti-corruption, such as money laundering, antitrust, environmental protection, data privacy and worker safety. Because of the connection between human rights and anti-corruption compliance, and how the latter is aimed at fostering changes towards an ethical corporate culture, this Note focuses specifically on linking human rights with anti-corruption compliance.

The content of this Note is based on (i) publicly available materials, (ii) an analysis of standards and regulations in the fields of human rights, anti-corruption and compliance, and (iii) interviews with experts in these fields and representatives of multinational companies, including members of the UN Global Compact Human Rights and Labour Working Group.⁸

2. Background – the connection between human rights and anti-corruption compliance

The relationship between corruption and human rights and the inverse correlation that each has with the other is increasingly acknowledged by business practitioners as well as human rights organizations and experts in the field.⁹ Corruption diverts resources from essential public services, affecting the ability of states to provide for basic human rights. Corruption can be linked to human rights violations both directly, for instance when bribery of a judicial officer results in the violation of the right to a fair trial, or indirectly, such as when a public official is bribed to allow the importation of toxic waste that might pose risks to the life and health of local residents. In India, for instance, the prevalence of forced child labor, despite being strictly outlawed, has been linked to failed law enforcement due to corruption.¹⁰ In April 2013, Rana Plaza, a commercial building in Dhaka hosting several garment factories that supplied products to Western apparel brands, collapsed, killing more than a thousand people and severely injuring at least twice as many. The tragedy is widely considered the result of prevalent corruption and bribery to avoid factory approvals and building inspections.¹¹ In certain cases corruption has even been regarded as a human rights violation in itself.¹²

While the Guiding Principles focus on the risks to rights holders, human rights abuses pose several risks to companies as well. These are often similar to the risks that companies face from corruption. Through their global operations, companies might find themselves operating in regions of the world that are high-risk zones for both corruption and human rights violations, either through their own activities or those of

⁸ The interviews were conducted on a non-attribution basis to ensure candor. Individuals interviewed include representatives of companies in the mining, oil and gas, food and beverage, software and technology, apparel retail, engineering, procurement and construction, energy, telecommunications, appliance manufacturing and financial sectors. These companies are headquartered in Europe, North America and Africa and have global supply chains.

⁹ See e.g. Brittany C. Prelogar & Jonathan C. Drimmer, “[Navigating Global Anti-Corruption Rules: An Integrated Approach to Anticorruption and Human Rights Compliance](#)” (Ethisphere Magazine 2013) pp. 43-47; ICHRP and Transparency International, “[Corruption and Human Rights: Making the Connection](#)” (2009); Kolawole Olaniyan, “[Corruption and Human Rights Law in Africa](#)” (Hart Publishing 2014) pp. 194-276; The UN Global Compact, “[Business Against Corruption: A Framework for Action](#)” (2011) p. 7; OHCHR official statement, “[Human Rights and anti-corruption](#)” (available [here](#)).

¹⁰ See e.g. Human Rights Watch Asia, “[The Small Hands of Slavery: Bonded Child Labor In India](#)” (1996).

¹¹ See e.g. Transparency International Bangladesh, “[Readymade Garments Sector: Problems of Good Governance and Way Forward](#)” (2013); Odhikar, “[Broken Dreams: A Report on the Rana Plaza Collapse](#)” (2013).

¹² See e.g. Julio Bacio-Terracino, “[Corruption as a Violation of Human Rights](#)” (2008) (available [here](#)); Matthew Murray and Andrew Spalding, “[Freedom from Official Corruption as a Human Right](#)” (2015) (available [here](#)).

their business partners.¹³ Being associated with alleged corruption or human rights abuses (irrespective of actual legal liability) might also result in similar reputational and business risks for companies, such as negative media coverage, public protests, boycotts and name-and-shame campaigns. These can in turn result in production shutdowns, lost investment opportunities, damaged public relations and wavering support from and attraction amongst current and potential customers, business partners, and employees. On the other hand, successful human rights and anti-corruption risk management can serve to demonstrate a genuine corporate commitment to anti-corruption and human rights, provide companies with a social license to operate and make them eligible for ethical investment funds, governmental procurement, contractual opportunities and debt financing.¹⁴

Like anti-corruption, human rights has become a corporate concern.¹⁵ A growing body of laws, regulations and initiatives expects companies to *know and show* that they respect human rights through measures similar to those already used to address corruption, such as due diligence, risk-assessment and self-regulation. Such transparency requirements are part of what is driving compliance-based management of corruption risks and human rights impacts.¹⁶ Corporate responsibility to respect human rights, as defined in the Guiding Principles, is today being referenced in international standards and instruments¹⁷ as well as in private contracts among business partners. This is similar to how anti-corruption standards are anchored in international instruments such as the UN Convention Against Corruption (UNCAC) and the OECD, Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, as well as national domestic regulation such as the U.S. Foreign Corrupt Practices Act (“FCPA”) and the UK Bribery Act 2010 (“UKBA”), which in turn are referred to in business contracts. The extraterritorial reach of these anti-bribery laws are creating a de facto global standard that requires companies to avoid corruption wherever they operate, similar to the human rights requirements under the Guiding Principles. In fact, both human rights and anti-corruption efforts are to a large extent modeled on similar principles – through *do no harm*¹⁸ standards that require businesses to refrain from violating a certain standard of care.

¹³ For further information on coinciding geographical risk-zones, see e.g. Transparency International, “[Corruption Perceptions Index](#)” (2015); Maplecroft’s “[Human Rights Risks Atlas](#)” (2015); Human Rights Watch, “[World Report](#)” (2016). See also the Danish Institute for Human Rights, “[The Human Rights and Business Country Guide](#)”.

¹⁴ See e.g. Klaus M. Leisinger (former Special Advisor to the Secretary General on the UN Global Compact), “[On Corporate Responsibility for Human Rights](#)” (2006) (available [here](#)); for example, companies may be excluded from investments by the Government Pension Fund of Norway if there is a risk of the company contributing to serious or systematic human rights violations, see the Guidelines for the observation and exclusion of companies from the Government Pension Fund Global investment universe (GPF Global Ethical Guidelines); through the Equator Principles, lending decisions can now also be dependent on human rights performance (available [here](#)).

¹⁵ See e.g. DNV GL, UN Global Compact, “[Impact Transforming Business: Changing World](#)” (2015) (available [here](#)); “[Integrating Human Rights into Crisis Planning](#),” a Good Practice Note prepared by Anthony P. Ewing for the UN Global Compact Human Rights and Labour Working Group (6 October 2015) pp. 6-7 (available [here](#)). See further Anita Ramasastry, “[Closing the governance gap in the business and human rights arena: lessons from the anti-corruption movement](#)” in Surya Deva et al (eds.), *Human Rights Obligations of Business* (Cambridge University Press 2013) pp. 162-190.

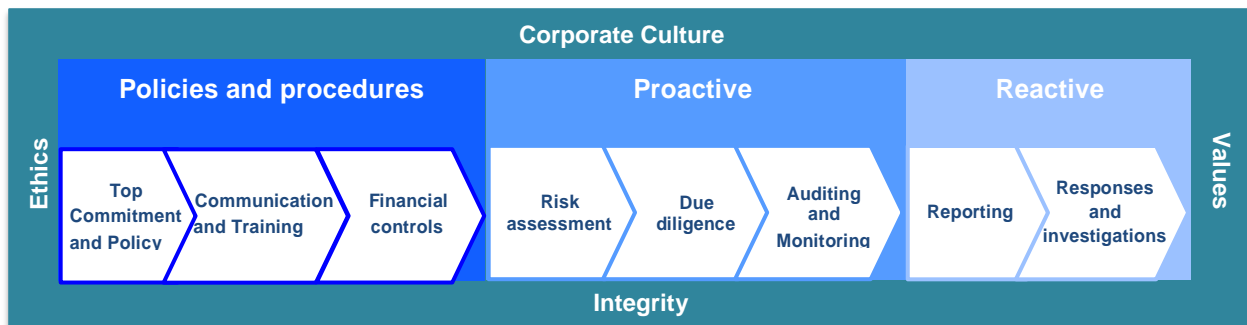
¹⁶ The Guiding Principles, Commentary to Principle 15. See e.g. the Dodd-Frank Wall Street Reform and Consumer Protection Act (2010) §§ 1502 and 1504; the U.S. Embassy of the United States in Burma, “[Responsible Investment Reporting Requirements](#)”; California Transparency in Supply Chains Act of 2010; the EU Non-Financial Reporting Directive (2014/95/EU); the UK Modern Slavery Act of 2015; the Global Reporting Initiative (GRI) Guidelines and the UN Global Compact’s Communication on Progress Policy (available [here](#)). See also e.g. the Extractive Industries Transparency Initiative (EITI), Publish What You Pay (Canada) (available [here](#)) and stock exchange requirements (e.g. Hong Kong).

¹⁷ See e.g. UN Global Compact, Principles 1 and 2; the OECD Guidelines for Multinational Enterprises, Chapter IV. See also multi-stakeholder initiatives such as the Voluntary Principles on Security and Human Rights (2000), international guidelines such as the Guidance on Social Responsibility from the International Organization for Standardization (ISO 26000) (2010), and policies and standards such as the Sustainability Framework of the International Finance Corporation (2012).

¹⁸ UN Global Compact, Principle 1, which states that companies should respect human rights. This includes using due diligence to avoid human rights infringements (“do no harm”), see UN Global Compact (available [here](#)).

The promulgation over the past few decades of sectoral, domestic and international anti-corruption standards, coupled with significant law enforcement actions against corporate corruption, have prompted companies to develop and implement robust anti-corruption compliance programs. Through anti-bribery policies such as the FCPA and UKBA that prescribe compliance as a defense against corporate liability, policy-makers have promoted corporate compliance, self-regulation and a company culture that resists corruption.¹⁹ Combined with extensive responsibilities imposed for actions of third parties,²⁰ these policies encourage companies to look beyond simply obeying the law and make genuine efforts to eliminate and avoid corruption by complying with the spirit as well as the letter of the law. In order to effectively identify and prevent corruption, most transnational companies have well-established anti-corruption compliance programs.

Anti-corruption compliance programs vary from company to company. However, a consensus on best practices has emerged, largely thanks to the guidance published by governments and international organizations providing companies with official guidelines and descriptions of effective anti-corruption corporate compliance programs.²¹ The aim of these programs is to go beyond risk mitigation and help companies internalize ethical values in corporate culture by promoting positive behavioral change,²² making anti-corruption compliance a model for how compliance-driven efforts can help in creating a values-driven approach to corporate governance.



Anti-corruption compliance system²³

¹⁹ The UKBA requires companies to have adequate procedures in place to prevent bribery, such as risk-based due diligence, top-level commitment and risk assessment across the organization, in order to avoid criminal liability, see the Six Principles of Adequate Procedures in the UK Ministry of Justice’s “[The Bribery Act 2010 Guidance](#)”; see also the U.S. Department of Justice (DOJ) and Securities and Exchange Commission (SEC)’s “[FCPA Guidance](#)”. Similar strategies can be seen in anti-bribery initiatives all over the world, such as the Australian Criminal Code Act 1995; Brazilian Clean Companies Act, Law No. 12.846/2013; Italian Law No. 231/2001; the Criminal Code of Spain; and Thailand’s Counter-Corruption Act.

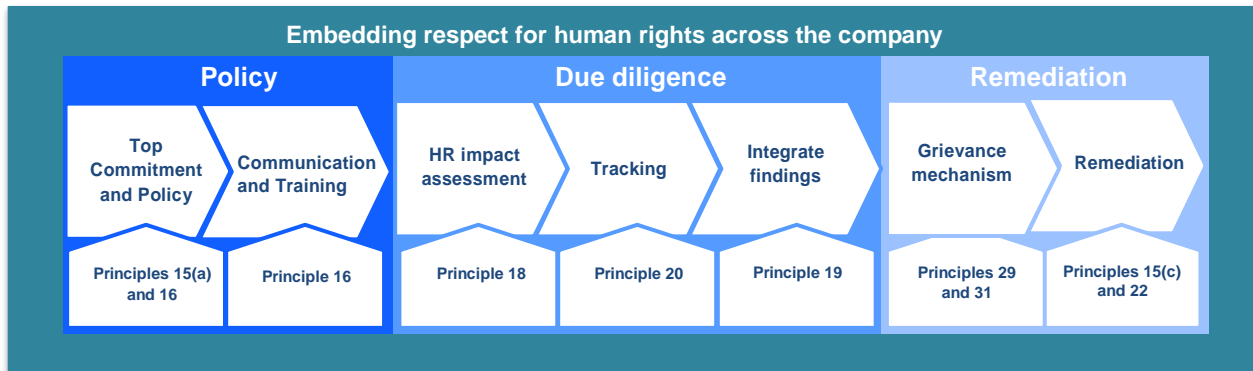
²⁰ Such as contracted agents, employees, suppliers and subsidiaries, see e.g. UK Bribery Act 2010, Article 7.

²¹ See e.g. the Bribery Act 2010 Guidance; FCPA Guidance that lists ten “hallmarks” of effective compliance programs; OECD, “[Good Practice Guidance on Internal Controls, Ethics and Compliance](#)”; World Bank Group, “[Integrity Compliance Guidelines](#)”; UNODC, “[An Anti-Corruption Ethics and Compliance Programme for Business: A Practical Guide](#)”. See also the ISO 37001:2016 standard on anti-bribery management systems, reflecting international good practice (available [here](#)).

²² On the importance of promoting a corporate culture that effectively prevents and resists corruption, see e.g. Article 10 of the ICC Rules on Combating Corruption (2011) and Principle 2 of the Bribery Act 2010 Guidance; §8B2.1. of the U.S. Sentencing Commission Guidelines Manual; Transparency International UK, “[UK Bribery Act Adequate Procedures: Guidance on good practice procedures for corporate anti-bribery programmes](#)” (2010) p. 13; UN Global Compact, “[Fighting Corruption in the Supply Chain: A Guide for Customers and Suppliers](#)” (2010) p. 10 (available [here](#)); Paul H. Cohen et al. “[International Corruption](#)” (Sweet & Maxwell 2010) pp. 358-360.

²³ Many companies arrange their anti-corruption compliance programs around three pillars – policies and procedures, proactive measures, and reactive measures. Chart inspired by Brian Loughman & Richard Sibery, “[Bribery and Corruption: Navigating the Global Risks](#)” (Ernst & Young LLP 2012) p. 3. See also Thomas Fox, “[Doing Compliance: Design, Create, and Implement an Effective Anti-Corruption Compliance Program](#)” (Ark Group 2014); Paul H. Cohen & Arthur Marriott QC, “[International Corruption](#)” (Sweet & Maxwell 2010) pp. 342-360.

Similar to anti-corruption compliance, the Guiding Principles call on businesses to integrate respect for human rights throughout their operations through practical measures appropriate to their size and circumstances.²⁴ The measures constitute three sets of cornerstone policies and procedures that together make up what can be viewed as a system for meeting the corporate responsibility to respect human rights.



The Guiding Principles' system for meeting the responsibility to respect human rights

The system prescribed by the Guiding Principles bears striking resemblance to best practice anti-corruption compliance systems, although individual elements, such as human rights due diligence, are notably different.²⁵ Despite being a different process compared to traditional due diligence, human rights due diligence can be integrated within existing corporate risk-management systems, provided that it goes beyond identifying risks to the company itself and also considers rights-holders.²⁶ Other human rights processes such as tracking should be integrated into existing internal reporting processes and companies can employ existing tools – such as audits – to track the effectiveness of their response to adverse human rights impacts.²⁷

Furthermore, the findings from human rights impact assessments need to be integrated across relevant internal functions and processes.²⁸ This horizontal integration can only be effective if the company's human rights policy commitment has been embedded across all relevant departments and functions of the company.²⁹ Similar to anti-corruption compliance strategies, the Guiding Principles urge that human rights as an ultimate goal should be built into the very core of a company by emphasizing rules and values in a way that influences positive behavioral change and promotes an ethical corporate culture.³⁰

²⁴ See Guiding Principles, Principle 15, elaborated in Principles 16 to 24.

²⁵ The concept of human rights due diligence (see Guiding Principles, Principles 15(b) and 17-21) goes beyond traditional due diligence as a means of becoming informed about potential hidden risks to the company before a specific transaction, and includes detection of risks to and impacts on the rights of affected individuals and communities, see report of the Special Representative of the Secretary-General on the issue of human rights and transnational corporations and other business enterprises, John Ruggie, "Business and Human Rights: Further steps toward the operationalization of the 'protect, respect and remedy' framework," Section IV C para. 81 (available [here](#)). It is also intended to be an ongoing process to help a company know and show that it respects human rights over time, including when there are changes in its operations or operating contexts, see Guiding Principles, Principle 17(c).

²⁶ Guiding Principles, Commentary to Principle 17.

²⁷ Guiding Principles, Commentary to Principle 20.

²⁸ Guiding Principles, Principle 19 and Commentaries to Principles 17 and 20.

²⁹ See e.g. Guiding Principles, Principle 16(e) and Commentaries to Principles 16 and 19. For information on the difference and the link between "integration" and "embedding", see OHCHR, "The Corporate Responsibility to Respect Human Rights: An Interpretive Guide" (2012) (available [here](#)) pp. 46-47.

³⁰ See Guiding Principles, e.g. Commentary to Principle 19.

3. Advantages of linking human rights and anti-corruption compliance

Because of the connections between human rights and anti-corruption, recognizing the linkages between them in compliance systems can result in significant benefits. It can help companies meet their responsibilities in a systematic and structured way, better prepare them for mandatory human rights standards and make anti-corruption compliance more robust. It can also result in practical advantages such as efficiency gains by saving time and money, and boost compliance efforts through the sharing of learnings and information. Companies have found that it is often easier to address human rights by integrating human rights considerations into existing corporate systems.³¹ Companies also note that integrated procedures can help prevent against so-called compliance fatigue from multiple trainings and audits. Developing interconnected strategies on anti-corruption and human rights can help optimize the message delivered to both internal and external stakeholders. By not cluttering it with details and making the company's expectations on them clear and concise, the audience can be made more receptive to the message. This can in turn serve as a step towards creating a corporate culture of values based compliance.

This Note does not suggest a complete integration of human rights and anti-corruption compliance efforts in all cases, or that the same employees always be responsible for both. However, there are advantages to sharing of systems, processes and methodology without necessarily developing a single integrated compliance program. In a compliance context, anti-corruption and human rights can be thought of as different but overlapping subjects taught in one school (such as chemistry and physics) for which the same building, materials, examination systems and (at an elementary level) even instructors can be used. Although the different subjects will vary fairly in content and require focused education at a higher level as well as specialists designing the curriculum and overall strategy, the same systems and processes can be applied to a great extent, and can in some cases be fully integrated.

4. Good practices

Enterprises that effectively link human rights and anti-corruption compliance can be better prepared to manage the risks of both. Set out below are a few emerging good practices shared by companies on how this can be done in practice. These examples can serve as inspiration to companies and illustrate when, where and how human rights and anti-corruption efforts can be linked in compliance programs.

A. Learn from anti-corruption compliance programs in organizing a structured system for human rights impact management

Some companies are looking to the structure of anti-corruption compliance programs to guide their human rights impact management, especially where executives with anti-corruption experience are responsible for the company's human rights strategies.

³¹ See Institute for Human Rights and Business and Global Business Initiative on Human Rights, "[State of Play: The Corporate Responsibility to Respect Human Rights in Business Relationships](#)" (2012) pp. 42-43 (available [here](#)) describing an expressed preference by companies to embed human rights into existing management systems rather than create standalone programs.

One company in the oil and gas industry describes using its anti-corruption compliance program, consisting largely of the components listed in the anti-corruption diagram in Section 2, as a blueprint for what it refers to as its *human rights compliance program*. According to the company’s legal counsel, internal anti-corruption procedures such as policy development, training and confidential grievance reporting have carried over particularly well to this human rights program. Other procedures, such as due diligence conducted on third parties, did not translate as readily to human rights because different staff in that company are responsible for carrying out the procedures. The general structure of the compliance program has however largely been retained. Both anti-corruption and human rights share the goal of the company’s overall compliance strategy – changing attitudes and behavior throughout the organization.

B. Leverage senior management support for anti-corruption compliance

Support from the senior management (so-called “tone from the top”) is essential in order to effectively embed compliance strategies throughout the organization and demonstrate corporate commitment externally. The risks arising from charges or allegations of corruption have in some instances resulted in unprecedented top-level support for compliance measures. Such senior-level support is often driven by an incident or scandal that involved reputational, business-related and/or legal consequences. Some compliance officers have found that the resulting corporate commitment towards an anti-corruption culture provides a unique opportunity for enhancing human rights impact management and socially responsible business practices overall. The momentum created by senior management support for anti-corruption compliance can be leveraged to raise the necessary resources for these in-house human rights compliance efforts.

A clear commitment from the top also serves to inculcate the human rights message across all personnel and business partners, creating a positive “mood in the middle”. Finally, existing top-level support can be drawn upon in order to back up corporate commitments with tangible consequences in case of non-compliance. For instance, one engineering, procurement and construction company describes how it recently rejected a potential major client because of corruption issues, which would not have been possible without senior management support.

C. Align human rights and anti-corruption policy commitments

Corporate policy commitments are communicated in documents such as codes of conduct, security policies, contracts and due diligence questionnaires. Anti-corruption commitments are a common feature of these policies for international businesses. Aligning policy commitments to respect human rights with a company’s anti-corruption commitments can demonstrate that the company adheres to pro-social values and takes its human rights responsibilities as seriously as it does the combatting of corruption.

(i) Codes of conduct

Highlighting the synergies between a company’s human rights and anti-corruption responsibilities in the company’s codes of conduct can help foster a pro-social corporate culture, aligned with the UN Global Compact values, that recognizes risks of both corruption and adverse human rights impacts in its business activities. When doing so, reference can be made to the company’s fundamental values and the relevant human rights and anti-corruption policies.

- One company illustrates how it has included the key requirements from both its anti-corruption policy and human rights policy in its code of business conduct and ethics. The code further states that every employee and director must also read and comply with the company’s individual policies on anti-corruption and human rights as well as the applicable policies of his or her particular country. As part of the annual code of conduct training, employees are asked to recertify their compliance.

- Many companies are incorporating human rights commitments alongside anti-corruption commitments in external documents, as well as internal business codes of conduct, governance reports and operating policies on different issues (such as security).
- One apparel retail company describes including human rights considerations in their vendor code of conduct³² as well as in their code of business conduct for employees, both of which also include corruption issues.

(ii) Human rights considerations in contract clauses

Adding human rights language alongside standardized anti-corruption clauses in contracts, such as share purchase agreements and supplier agreements, can enhance corporate human rights efforts by extending the company's human rights commitments to include its business partners, consistent with the expectation set in the Guiding Principles.³³

- A telecommunications and an oil and gas company describe adding language declaring the company's expectation that the contracting partner will adhere to human rights standards in their commercial contracts, such as joint venture and supplier agreements. This language is being added to anti-corruption clauses, in warranty or indemnity clauses, or as a stand-alone clause.³⁴
- Contract clauses that include human rights considerations often reference provisions of relevant legal instruments (such as the Guiding Principles, the core ILO conventions or the Voluntary Principles on Security and Human Rights)³⁵ as well as ethical standards including the company's Code of Conduct. The clauses sometimes also require that the contracting party provide certain human rights-related certifications, or that the business partner undertake human rights training and put in place a code of conduct that is continuously monitored.

D. Integrate human rights and anti-corruption procedures

According to the Guiding Principles, human rights policies and processes can be integrated within existing corporate management structures.³⁶ Opportunities to integrate human rights and anti-corruption procedures include:

(i) Training

Companies can integrate human rights with anti-corruption training in existing training modules, e-trainings and risk workshops. While specialized training will be necessary for the personnel responsible for the company's human rights and anti-corruption strategies and procedures, joint training can often be an option, especially with regard to more generalized trainings. Induction training for new employees is one example where both anti-corruption and human rights can be included. Joint training sessions can not only reduce the length of the training process, but ensure that the responsibility to respect human rights is

³² For guidance on how to incorporate human rights in supplier codes of conduct, see the joint UN Global Compact-BSR publication "[Supply Chain Sustainability: A Practical Guide for Continuous improvement](#)" (2015) pp. 23-27 (available [here](#)).

³³ Guiding Principles, Principle 19. For guidance on how to integrate the management of human rights risks into contract negotiations, see OHCHR, "[Principles for responsible contracts: Integrating the management of human rights risks into State-investor contract negotiations: guidance for negotiators](#)" (2011) Principle 2 (available [here](#)).

³⁴ For examples of sample clauses on human rights, see Practical Law, "[Anti-slavery and human trafficking clauses](#)" (available [here](#)).

³⁵ The International Labor Organization's eight fundamental conventions and the Declaration on Fundamental Principles and Rights at Work (available [here](#)); Voluntary Principles on Security and Human Rights (available [here](#)).

³⁶ See Section 2 of this Note.

highlighted right from the start. Human rights considerations can also be integrated into anti-corruption training sessions for external suppliers and other business partners, with specific examples of how certain business activities impact human rights and how to act when confronted with such impacts. Human rights and anti-corruption training can also be integrated on a transaction- or activity-specific basis.

- One telecommunications company describes providing real life scenarios and examples as part of its employee training. These trainings include visual examples and role playing, and discuss scenarios in which employees are confronted with corruption issues such as gifts from customers. The trainings also highlight examples of situations where the company might be involved with violations of workers' and other stakeholders' rights.
- One mining company includes human rights guidance in on-site compliance training on corruption while operating in a high-risk country. The training includes a set of exercises dealing with behaviors that the company had decided to implement while on site, such as requiring individual staff members to avoid making any commitments to the community he or she could not keep personally, and to report grievances from the public directly through a "nothing will be hidden" attitude.
- A company describes conducting an online introduction training for every new employee on its code of conduct, anti-bribery and human rights policy, which consists of 20-25 slides with links to the relevant policies, the company compliance hotline, and other key resources. The presentation briefly describes the contents of the policies, gives examples of high risk-situations (e.g. working with a government entity or contracting with local security providers), explains who the employee should consult or report a suspected violation to (e.g. if they see labor trafficking in the community) and warns of the consequences of bribery or human rights violations to both the company and the individual.

The companies emphasize that joint trainings should be focused on explaining the company's expectations in practical situations relating to the relevant job function, region and industry to make the training more accessible to the audience. In this context, each employee does not need a complete legal and philosophical understanding of the company's obligations, which will be left to the corporate management and the people in charge of human rights and anti-corruption within the company. These trainings do not need to list all laws and regulations applicable, but explain what the company policies and procedures require of the employees and who to turn to in a given situation.

(ii) Using KPIs and tracking metrics for internal control

A crucial component of a compliance program is making sure that the corporate policies are communicated and implemented properly throughout the organization. Companies describe a variety of ways to collect information and data to test whether the messages of anti-corruption and human rights are being satisfactorily received and understood by management and other staff. For example, companies are using Key Performance Indicators (KPIs) and tracking metrics, both as part of their Sarbanes-Oxley (SOX) testing³⁷ and to track and analyze the robustness and effectiveness of their compliance programs.³⁸

³⁷ Sarbanes-Oxley Act of 2002 Section 404 requires publicly traded companies to pay closer attention to accounting, financial reporting and internal controls and in essence perform better due diligence. To demonstrate compliance with the requirements of the Act, companies assess the operation of its financial controls either by direct testing or through monitored self-assessment.

³⁸ For further guidance on how to develop KPIs and tracking metrics to evaluate the hallmarks of an effective compliance program, see Jonathan Drimmer and Matthew Herrington, "[Developing Key Performance Indicators and Tracking Metrics for an Anti-Corruption Program](#)" (Parts one and two) The FCPA Report (2016). For examples on potential metrics for a human rights compliance program, see Jonathan Drimmer, Presentation to BSR HR working group (March 2016).

- One mining company describes including human rights indicators and KPIs in its SOX testing. This includes conducting employee surveys and collecting other data, such as training completion rates. Employee survey questions can include:
 - Do you know who to report to if you see a suspected violation of the corporate human rights or anti-corruption policy?
 - How confident are you that anything you report will be kept anonymous and investigated thoroughly without retaliation?
 - Do you believe senior management leads by example when it comes to compliance?
 - Do you know whether the corporate human rights/anti-corruption policy will be triggered by [a specific situation]?

The survey results are analyzed using various criteria and a result below a certain level can lead to a request for follow-up, a finding of a significant deficiency that gets reported to external auditors and the audit committee, or in serious cases a finding of a material weakness and public disclosure. The raw data on the results is also circulated to relevant personnel internally on a spread-sheet, who can then assess the degree of success of human rights and anti-corruption compliance efforts and decide what actions need to be taken.

- The company also describes tracking other things for its metrics and KPIs in order to assess the strength and depth of its compliance systems. Examples include the number of trainings, the percentage of the total workforce that has undergone training, the percentage of training completion rates for certain groups, the number of human rights impact assessments undertaken, and the number and type of findings in the assessments and findings that are uncorrected after six months. The aim of the company's testing is to gauge employee confidence in the internal procedures and awareness of their responsibilities under the company policies.

Some companies use KPIs or personal balanced score cards (BSCs) to tie bonuses to the company's and the individual staff member's performance in the area of anti-corruption. These incentivization efforts are aimed at building a corporate culture that resists corruption through collective action.

- One engineering, procurement and construction company describes extending this strategy to encourage human rights efforts by allocating a certain percentage of employee bonuses to the employee's efforts and track-record in living up to the company's human rights policy statement.
- The mining company referred to above also describes linking responses from its internal tests to bonus systems, for instance by testing the understanding of both corporate human rights and anti-corruption policies and number of messages on these policies delivered by senior managers.

(iii) Internal reporting

Joint internal reporting on human rights and anti-corruption compliance can help prevent compliance fatigue.

- One company in the oil and gas industry describes coordinating its internal reporting on human rights and anti-corruption compliance through its compliance department. The chief compliance officer receives information on both anti-corruption and human rights from other departments of the company and reports jointly on them to the board, group executive committee and CEO. Joint reporting on anti-corruption and human rights is also being carried out externally, often under umbrella terms such as transparency, integrity or ethics, as part of both voluntary reporting (e.g. on the company webpage) and mandatory reporting (e.g. through annual sustainability reports).

- One telecommunications company has organized a board level ethics and sustainability committee with a broad compliance mandate of acting on anti-corruption, human rights, sustainability and privacy. The committee liaises with board members around the world to promote awareness on these issues within the company's governance system.

(iv) Non-financial auditing

Companies can integrate human rights impact assessments and tracking with non-financial anti-corruption monitoring and auditing that goes beyond purely monetary aspects and focuses on all quantitative and qualitative data. Subject-matter audits that investigate issues connected to a certain area such as use of force, security, safety or the environment can assess both anti-corruption and human rights risks within each area. By including human rights indicators in the auditing protocols, and ideally a human rights expert in the auditing team, both human rights and anti-corruption can be evaluated simultaneously in periodic audits. Considering the causal relationship between corruption and negative human rights impacts this is most beneficial in high-risk contexts and can serve to mitigate overlapping harmful effects. For instance, if an anti-corruption audit shows that there is a culture of facilitation payments where government labor inspectors expect to have their palms greased for factories to pass compliance inspections, a human rights impact assessment included as part of the audit is likely to show that the same factories have issues relating to working conditions.

Conversely, non-financial anti-corruption auditing can be integrated with corporate human rights impact assessments as part of a due diligence process, which usually involves direct engagement with staff (such as through unannounced workplace visits) and external stakeholders (such as local community members). Human rights impact assessments are an important means for initiating meaningful dialogue, internally and with stakeholders. Incorporating anti-corruption indicators into human rights impact assessments can make corruption subject to more robust sampling and testing procedures, and provide valuable information on potential corruption risks.

While there can be some overlap in substance and content, such as on the history of use of force by security forces, the main potential for integrating human rights and anti-corruption procedures in non-financial auditing is primarily from a process standpoint – the same methodology can be used when carrying out non-financial audits in relation to both.

- One mining company closely examines its existing management systems and pays attention to overlap when conducting assessment work, in order to identify opportunities where indicators on anti-corruption (such as the level of engagement with public officials and other government stakeholders) can be added to human rights auditing protocols.
- An energy company describes conducting ethical evaluations of its subsidiaries to examine both human rights and anti-corruption considerations.
- One company describes integrating human rights and anti-corruption in its non-financial auditing on community relations, environment, health and safety, and security. For an audit on community relations, the company uses a standard auditing protocol to test whether its policies are being followed by local business units. The protocol outlines questions, the scope of application, internal requirements to which the question relates, key points for measuring compliance and the degree of compliance on a numbered scale. As an example, it includes questions on local employment that test for human rights related issues such as discrimination, as well as anti-corruption related issues such as whether the local government plays any role in hiring/positions/pay.

E. Combine corruption and human rights risk assessments

(i) Geographical and regional risk assessments

Corruption and human rights abuses tend to occur in the same settings. Countries where perceived corruption levels are the highest also suffer high rates of grave human rights abuses.³⁹ Companies can collect and analyze regional data and socio-political information on the territories where they operate for both corruption and human rights risks.

- This can be accomplished through a single integrated risk-screening system, or through organized communication between the different teams charged with human rights and corruption risk-screening. Many companies are already engaged in such information sharing on an ad hoc basis.
- External risk assessment teams used by companies to investigate corruption risks can also be instructed to share their findings with human rights impact assessment teams, and vice versa.

(ii) Business partner and client screening

Multinational businesses face risks of both corruption and adverse human rights impacts, not only from their own business activities but also from actions of third parties with whom they do business (including in their supply chains). Companies can combine corruption and human rights risk assessment as part of their due diligence in relation to their business partners. For example, a company can review a prospective local security firm's record for instances of both violence and corruption.

In practice, corporations face significant challenges detecting both corruption and human rights abuses throughout potentially complex business operations and supply chains. Detection of red-flags, such as unusual compensation paid to government officials or a previous record of complaints from the local community, is key.

- Some companies have started expanding their screening procedures to include both anti-corruption and human rights screening through one formalized process. Such consolidated business partner assessments can be directed by the use of Know Your Customer (KYC) guidelines, for example, based on international anti-corruption standards and national criminal and labor law, which have been modified to cover certain human rights issues.⁴⁰ Initial business partner screening can be carried out through desk based research such as internet and public record searches, as well as background and reference checks, in order to see whether the subject has a record of corruption or human rights abuses.

Where a company detects red-flags it can conduct more detailed risk assessment and evaluation to determine whether it should go ahead with the relationship, or if living up to its responsibilities requires that it walk away. As with geographical risks, sharing information about business partners among corporate functions, or implementing a fully integrated screening procedure, may be necessary.

(iii) Human rights questions in due diligence and procurement questionnaires

Questions on human rights risks (such as forced labor or a history of use of force by security contractors) can be added to existing anti-corruption due diligence and procurement questionnaires and checklists. For example, human rights questions are being included in manager interviews with potential new business partners. While human rights due diligence is not the type of mechanical process that can be reduced to a Q&A sheet, companies have found that including questions on human rights in existing corporate

³⁹ On coinciding geographical risk-zones, see *supra* note 13.

⁴⁰ See State of Play, *supra* note 31, p. 55.

procurement and due diligence documents can be a starting point to initiate a dialogue internally and with stakeholders as part of their human rights impact assessments and tracking.

There are companies that have experienced initial challenges translating global human rights risks into objective criteria to be inserted into checklists and due diligence questionnaires. However, by looking for creative solutions and seeking assistance from the array of existing external guidance (including those providing companies with specific questions to ask their business partners), companies have been able to identify relevant human rights criteria. These companies have described experiencing significant efficiency gains, as well as the promotion of both human rights and anti-corruption, arising out of the integrated procedures once implemented.⁴¹

- In some cases, only minor additions to the questionnaire will be required, as some questions can be used for detecting both human rights and corruption risks. Examples of such questions provided by one company include:
 - whether there have been any controversies involving the business partner that can represent a substantial business risk,
 - whether there have been any inspections involving human health or environmental risks,
 - whether a permit that concerns human rights (such as an environmental, health or construction permit) is coming up for renewal that might lead to pressure from government officials, and
 - whether there have been any security-related fatalities recently in the relevant region (which can lead to both human rights risks arising from the fatality itself as well as corruption risks such as the police being paid to not investigate).
- One company describes finding guidance on integrated due diligence for human rights and anti-corruption in online supply chain due diligence and transparency tools. These tools are aimed at helping ensure anti-bribery compliance as well as compliance with emerging cross-border government regulations, conflict minerals reporting requirements and forced labor trafficking laws.⁴²
- Some companies include questions on anti-corruption and human rights (e.g. on government official affiliations and past accusations or convictions of human rights violations) in employee onboarding procedures such as job application forms.

F. Build capacity where anti-corruption and human rights efforts are likely to overlap

Companies can devote resources to and build capacity in the functions and processes most likely to encounter both human rights and corruption risks.

(i) Grievance mechanisms

Companies are directed to establish effective operational-level grievance mechanisms, both by anti-corruption compliance requirements⁴³ and the Guiding Principles⁴⁴. Combined confidential grievance mechanisms can be used to pick up on and identify corruption and human rights issues simultaneously.

⁴¹ See e.g. BSR, “[Conducting an Effective Human Rights Impact Assessment: Guidelines, Steps, and Examples](#)” (2013) (available [here](#)).

⁴² See e.g. Trace International’s TRACE Registered Access Code (TRAC) (available [here](#)).

⁴³ See Thomas Fox, *supra* note 23. For example, the US Sentencing Guidelines and the OECD Good Practices prescribe an anonymous reporting mechanism by which employees can report compliance and ethics violations; reporting requirements such as the Dodd-Frank whistleblower provisions give companies an incentive to implement an internal hotline; the FCPA Guidance

- Many companies have set up a joint hotline for corruption-related grievances that is also prepared to handle complaints of discrimination, harassment, infractions of labor laws and standards, etc. One African financial institution describes having in place an anonymous tip line that receives reports on corruption and bribery as well as employee grievances involving discrimination, racism and other human rights related issues.
- Companies describe ensuring that the contact details for their integrated hotline are clearly publicized on the company webpage and workplace notice boards in order to increase accessibility to the company by providing one main channel of contact, which in turn increases the likelihood that the company is made aware of irregularities.

In dealing with overlap in grievance reporting situations, companies emphasize the need to make sure that the personnel tasked with handling grievances have sufficient understanding of both corruption and human rights issues. This is important since all grievances need to be met with an adequate, timely and well-informed response or they will risk going undetected or ignored,⁴⁵ endangering the credibility of the grievance mechanism within the organization. Integrated grievance mechanisms therefore require the provision of human rights and ethics training to operators of compliance hotlines, whether these are administered internally or by an outside organization.

Human rights aspects are also being added to the categories of issues that trigger automatic reporting and are covered by corporate sponsored or independent investigations.

(ii) Sponsorships

Human rights and corruption risks also coincide in the context of specific corporate activities. One example of such activity is sponsorships, which should be assessed as part of carrying out human rights due diligence.⁴⁶

- One company in the energy sector shared its experience of being criticized in a public report for sponsoring a major international sports event, which connected the company to violations of migrant workers' rights as well as corruption in the region at the time. The experience triggered the development of a risk-assessment procedure in the sponsoring department, which now includes both human rights impacts and corruption.

G. Establish cross-functional working groups

Companies are increasingly establishing cross-functional working groups or steering committees to address overlapping issues including human rights and anti-corruption. Cross-functional teams can develop and manage corporate policies, assess progress being made, and identify shared risks and further

states: “[a]n effective compliance program should include a mechanism for an organization’s employees and others to report suspected or actual misconduct or violations of the company’s policies on a confidential basis and without fear of retaliation.”

⁴⁴ To make it possible for grievances to be addressed early and remedied directly, companies should establish or participate in operational level grievance mechanisms, see Guiding Principles, Principle 29. To be effective, these grievance mechanisms should be legitimate, accessible, predictable, equitable, transparent, rights-compatible, a source of continuous learning and based on engagement and dialogue among all the involved stakeholders, see Principle 31. For further information on these effectiveness criteria see e.g. Caroline Rees, “Piloting Principles for Effective Company-Stakeholder Grievance Mechanisms: A Report of Lessons Learned,” Corporate Social Responsibility Initiative, Harvard University (2011); SOMO briefing note, “The Patchwork of Non-Judicial Grievance Mechanisms: Addressing the limitations of the current landscape” (2014).

⁴⁵ *Ibid.*

⁴⁶ An integrated approach in sport sponsorship aligns with UN Global Compact guidance, see “Fighting Corruption in Sports Sponsorship and Hospitality: A Practical Guide for Companies” (2014), that recommends the implementation of an integrated code of conduct addressing corporate commitments to anti-corruption as well as respect and support of human rights, pp. 37-42, and describes how risk-assessments in sports sponsorship can be carried out, pp. 19-21.

areas of collaboration. Teams commonly include representatives from several corporate functions including legal, compliance, human resources, security, sustainability, CSR, health and safety, environment and supply chain, as well as the finance, sales and IT departments to some extent.⁴⁷

- One company's cross-functional body is currently focusing on integrating human rights into its compliance system and creating efficiencies by developing cross-functional trainings and overseeing how joint red-flag reviews can be carried out in third party audits. The team is also developing systems for responding to incidents (which often have company-wide impacts), including a template for incident reporting and joint strategies for public disclosure. The company has found it helpful to start with a discrete number of issues in order to define a concrete starting point and an agenda.

Cross-functional working groups may also be created on an ad hoc basis, such as to prepare for pending legal requirements.

- A European energy company describes establishing a cross-functional group initially aimed at formulating adequate procedures in light of a proposed national law making human rights due diligence mandatory for larger companies. The company later determined that it needed to develop a cross-functional due diligence plan in order to prevent violations of human rights, environmental and anti-corruption standards applicable to it through its international business activities – irrespective of the eventual outcome of the proposed legislative initiative.

Companies can also consider awarding board members a joint portfolio that includes both human rights and anti-corruption, possibly under an umbrella term such as “responsible business practices”.

H. Partner with other companies on compliance issues

Through multi-company initiatives and roundtables, companies are sharing compliance knowledge and experiences. By identifying shared interests, such as industry-wide reputational and business risks and country-specific vulnerabilities, companies can work together and share information on both business partner and geographical risks. Companies can also collaborate on compliance activities and training materials, such as e-learning programs on both corruption and human rights.

- One company in the energy sector describes being part of a national group of large enterprises for human rights who work together and organize joint training sessions on the Guiding Principles and the UN Global Compact for employees in management positions. The trainings are designed much like their anti-bribery trainings and include role-playing sessions.

These joint activities can also spread compliance costs across companies and help those lacking sufficient compliance resources avoid being involved with a potentially damaging business relationship.⁴⁸

⁴⁷ For more on cross-functional teams, see the UN Global Compact and Linklaters LLP, “[Guide for General Counsel on Corporate Sustainability](#)” (2015) (available [here](#)) and Rachel Davis and David Kovick (Shift), “[Organizing the Human Rights Function within a Company](#),” a Good Practice Note endorsed by the UN Global Compact Human Rights and Labour Working Group in 2014 (available [here](#)).

⁴⁸ See e.g. the IPIECA (International Petroleum Industry Environmental Conservation Association) and the IOM3 (Institute of Materials, Minerals and Mining), which bring together collective knowledge to provide members with access to information, peer expertise and internationally recognized good practices.

5. Additional considerations

While linking human rights and anti-corruption compliance has many potential benefits, companies seeking to do so identify a number of additional considerations.

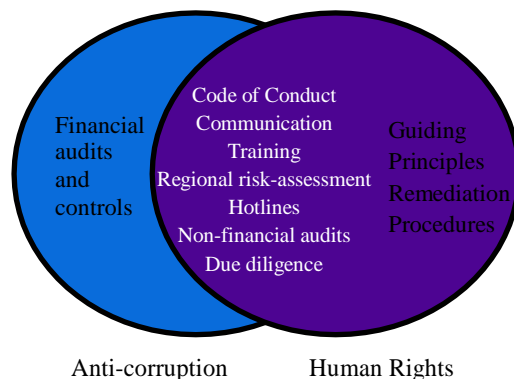
A. *Understanding the company’s human rights impacts and responsibilities is key and requires human rights expertise*

Consistent with the Guiding Principles, corporate human rights impact management should consider the full range of internationally recognized human rights. Companies need to evaluate the actual and potential impacts of their business activities on all global human rights in order to determine the scope of their responsibilities and the focus of their compliance efforts. They also need to periodically assess and update their programs against the constantly shifting legal human rights risks and compliance expectations. Doing this requires an understanding of rights, impacts and corporate responsibilities, especially since the Guiding Principles require companies to consider their impacts on rights-holders and not merely risks to the companies themselves. For this, businesses should seek guidance from human rights experts with insight into the relevant normative framework.⁴⁹ They can also make use of the plethora of existing tools and guidance kits developed specifically for human rights impact assessments.⁵⁰

Human rights expertise will be necessary to help companies draft the right language to incorporate into corporate policies and contracts, aligned with the Guiding Principles and reflecting a genuine understanding of the scope of the company’s responsibilities. Using simplified or general statements, such as “we respect human rights”, fails to adequately help a company live up to its human rights responsibilities. Policy commitments need to be detailed and tailored to cover relevant conduct by staff and third parties in order to embed requirements to address adverse human rights impacts.⁵¹

B. *All components of an anti-corruption compliance program may not be suitable for integration with human rights*

It is important to keep in mind that the focus of anti-corruption compliance has traditionally been on risks to the company itself, while the Guiding Principles focuses on the human rights impacts on employees, communities and other rights-holders. This might change as anti-corruption and human rights approaches learn from one another, but the difference in focus so far has resulted in practices that do not always complement each other seamlessly.



⁴⁹ On the importance of the right expertise and an understanding of the practical meaning of all recognized human rights, see Yousuf Aftab and Audrey Mocle (Enodo Rights), “[A Structured Process To Prioritize Supply Chain Human Rights Risks](#)”, a Good Practice Note endorsed by the UN Global Compact Human Rights and Labour Working Group on 9 July 2015.

⁵⁰ E.g. the Danish Institute for Human Rights assists companies in measuring their human rights impacts through its Human Rights Compliance Assessment tool (HRCA), see “[The Human Rights Compliance Assessment Tool: Legal and Governmental Affairs](#)” Consultation draft (2015) (available [here](#)). See also Business Leaders Initiative on Human Rights, “[Guide for Integrating Human Rights into Business Management](#)” online tool; Global Reporting Initiative (GRI), “[Human rights indicators for sustainability reporting](#)”; UN Global Compact, “[Guide to Human Rights Impact Assessment and Management](#)” (2010).

⁵¹ For guidance on how to develop a human rights policy, see UN Global Compact, “[Guide on How to Develop a Human Rights Policy](#)” (2015).

This means that not all aspects of compliance programs can be easily translated between human rights and anti-corruption. For instance, remediation procedures may not be suitable for integration due to some key differences in procedure and ultimate aim. Remedies for breaches of corporate anti-corruption standards are often focused on the regulatory aspects of the violation and the issue of whether to terminate a particular employee or business relationship. Corporate procedures for human rights remediation, as prescribed by the Guiding Principles,⁵² also envisage termination of a relationship as one method of remediation, but only after the company has considered whether it can build the capacity of the partner to better respect human rights. Furthermore, in human rights remediation there is a significant emphasis on initiating a dialogue with stakeholders whose rights are affected or potentially affected by the company's operations and, where appropriate, considering compensation to identified groups.

Similarly, while financial audits and controls are useful tools in detecting corrupt transactions and monitoring anti-bribery policies, they might serve less of a purpose in detecting human rights violations because of the usually non-monetary aspects of such violations.

C. Effective communication and sharing the responsibility for human rights across the company are essential

The Guiding Principles call for corporate human rights policies to be “embedded from the top of the business enterprise through all its functions, which otherwise may act without awareness or regard for human rights.”⁵³ Companies should be flexible and open to recognizing the synergies between human rights and areas of compliance such as anti-corruption. Successful implementation of human rights impact management systems depends on shared responsibility among corporate functions. In particular, corporate legal, compliance and CSR functions might need to be increasingly involved in the development and implementation of human rights procedures in order to prepare for the evolving legal requirements to ensure respect for human rights through compliance measures.⁵⁴

In this context, some companies have experienced reluctance from their in-house human rights experts and personnel when seeking to integrate human rights with their anti-corruption and compliance processes. These companies have described challenges in expanding the focus of their staff to view human rights not only as a matter of sustainability or ethics, but also one of compliance and risk management. Depending on the circumstances of the company, the shifting role of human rights might motivate cross-functional ownership of human rights measures between corporate functions and departments, including shared accountability on human rights related issues.⁵⁵ In order to inculcate the necessary sharing and awareness of these responsibilities, expectations and mechanisms for highly effective interaction and communication across the different departments of the company will be essential so as to enhance trust and mutual respect. Regardless of which corporate function coordinates the human rights efforts, it is crucial that the implementation of the policies and procedures is spread out over relevant parts of the business in a way that makes human rights everybody's business.

⁵² See Guiding Principles, Principle 22.

⁵³ Guiding Principles, Commentary to Principle 16.

⁵⁴ See Guide for General Counsel on Corporate Sustainability, *supra* note 47, on the role of legal counsel in demonstrating increased ownership with regards to human rights related issues; Cheryl Joseph and Julia Cherlow, “[Developing Corporate Human Rights Policies and the Role of Legal Counsel](#),” a Good Practice Note endorsed by the UN Global Compact Human Rights and Labour Working Group in 2012 (available [here](#)).

⁵⁵ See Organizing the Human Rights Function within a Company, *supra* note 47, on how to organize the human rights function internally within a company.

D. Efforts for linking human rights and anti-corruption compliance must be tailored to the individual company

There are no “easy fixes” to ensure corporate respect for human rights. While the good practices identified in this Note for linking human rights and anti-corruption compliance have helped some companies, it is important to remember that there is no one-size-fits-all method. All corporate compliance programs as well as corporate human rights efforts have to be individually tailored and will depend on the particular company’s size, industry, location and circumstances. For example, a company can have suppliers who initially lack the capacity to meet all human rights but are willing to improve, which will need to be taken into consideration when deciding the phrasing of the human rights clauses to be included in contracts with those suppliers, or whether for the time being to include such clauses at all.

E. An integrated approach is not intended to be a complete solution

While companies have described benefits from linking human rights and anti-corruption in compliance systems, such an approach is not intended to constitute the entirety of a company’s efforts with respect to anti-corruption and human rights. Going back to the analogy in Section 3, just like different subjects being taught in the same school require the development of separate curriculums and tests, separate work on both anti-corruption and human rights – in addition to the efforts undertaken on an integrated basis – will always be necessary.

F. A compliance based vs. a values-based approach

Several human rights experts caution against a siloed or perfunctory approach in which human rights become compliance-driven (rather than values-driven) in the company. As with anti-corruption compliance efforts, respect for human rights will be effectively safe-guarded not by merely sticking to the letter of the law and using compliance check-lists as an easy fix, but by deep engagement with the hardest issues and creating a corporate culture that truly respects human rights. Compliance systems can however be an important starting point for embedding respect for human rights and anti-corruption standards in corporate policies and procedures. Properly conceived and structured, they can promote a values-based culture by embedding corporate policy commitments throughout the company.