



De-mystifying Human Rights for Small and Medium-sized Enterprises

There is a baseline expectation on all enterprises, regardless of size, location and type of business, to take steps to make sure they respect human rights. But the concept and language of human rights can be difficult for people who own, manage or work in small and medium-sized enterprises.

Five SME Case Studies:



Industrial Adhesives – France



Temporary Employees and HR Consultancy – Poland



Communication Technology - Denmark



Business Gifts - Belgium



Laboratory Supplies and Environmental Consultancy - FYR- Macedonia

Two Key Messages:

- 1) Human rights are relevant to "ordinary" European SMEs.
- 2) Ordinary European SMEs don't have to start from zero when addressing human rights: they often have attitudes, policies, processes and practices on which they can build, even if they have not explicitly addressed human rights before.

Background

The five SMEs featured here were contacted by consultants working on behalf of the European Commission in order to assess their current policies and practices against the expectations of the [United Nations Guiding Principles on Business and Human Rights](#). Before this contact, none of the five SMEs was aware of the UN Guiding Principles. These case studies should be considered together with the [Introductory guide to human rights for SMEs](#) published by the European Commission.

These case studies have been prepared by the European Commission (Directorate-General for Enterprise and Industry). However the content of these case studies does not necessarily represent the official view of the European Commission. For any enquiries please contact the CSR Team of the European Commission's Directorate-General for Enterprise and Industry entr-csr@ec.europa.eu



Jean-Marc Barki (CEO)

Company:	SEALOCK
Size:	23 employees & €4,7 million turnover in 2011
Sectors:	Industrial Adhesives
Country:	France
Description:	SEALOCK operates in the business to business market, and is specialised in formulating water-based adhesives and hot melting adhesive products intended for manufacturers of packaging, graphic arts, woods, construction products and high technologies.

What are the main human rights risks for SEALOCK?

As a chemical production company, some of the human rights risks most relevant for SEALOCK concern health and safety. In human rights terms, this means the right to a safe and healthy work environment, the right to physical and mental health, and the right to life. Workers' human rights are also important, as is the case of any enterprise with employees.

What do you already do to address those risks? What existing policies and processes can you build on?

In SEALOCK's own operations:

- Compliance with the law is a key concern for SEALOCK and is included in its general policy statement. SEALOCK aims to respect all relevant laws, including labour and environmental laws.
- SEALOCK has undergone an evaluation against the ISO 26000 guidance standard on social responsibility.
- The company has a "Quality, Safety, Environment" management plan, with an accompanying training program. There are regular safety briefings recalling the essential rules on health, safety and environment.
- SEALOCK has developed quantitative key performance indicators (KPIs) for health and safety. It tracks these KPIs on a monthly basis, and communicates the results to its employees, and when required also to public authorities.

In SEALOCK's business relationships:

- The company screens all products and services provided by its suppliers for risks to employees and customers related to health, safety and the environment. This is done on the basis of technical data sheets signed by the supplier and controlled by SEALOCK, and through visits to suppliers' plants.
- SEALOCK expects its customers to have recycling sites. If they don't, SEALOCK seeks to find a financial agreement with the customers concerned to take the remainders of the glue back and recycle it.
- In one case SEALOCK decided to end its relationship with a big customer because it felt that the purchasing manager discriminated against certain people.

What are you doing differently since you became aware of the UN Guiding Principles on Business and Human Rights?

We have reinforced communication between the different departments in the company. We are actively encouraging employees to take more initiative, in order to become more innovative. Then we decided to participate in a training programme in order to improve our efficiency.

What advice would you give to a company looking at human rights for the first time?

Don't be afraid to establish and encourage a "Human Rights" policy, since this is helpful to develop team spirit and the productivity of the company.



Marek Jurkiewicz
(Managing Director)

Company: StartPeople
Size: 142 employees & €37 million annual turnover
Sectors: Temporary Employment and Recruitment Agency
Country: Poland
Description: StartPeople is one of the leading employment agencies in Poland. It offers comprehensive services in the area of temporary employment, recruitment, selection, payroll services and personnel counselling.

What are the main human rights risks for StartPeople?

As a provider of temporary employees to other companies, human rights in the workplace of its client companies are especially relevant for StartPeople. Particular rights that need to be considered include the rights to non-discrimination, equal pay for equal work, just and favourable remuneration, a safe and healthy work environment, physical and mental health, rest and leisure, privacy, and freedom of association, and collective bargaining.

What do you already do to address those risks? What existing policies and processes can you build on?

In StartPeople's own operations:

- Compliance with the law is considered an integral part of the company culture and the expectation of management.
- A Code of Ethics outlines the company's commitment to principles such as non-discrimination, healthy and safe working conditions, data protection, payment of taxes and social security contributions, and timely and transparent remuneration break downs.
- StartPeople conducts regular interviews with all temporary employees and visits client companies to identify potential problems and areas for improvement, e.g. non-discrimination and equal payment
- StartPeople has quantitative and qualitative KPIs in place for risk areas such as non-discrimination, working conditions, and communication with supervisors. KPIs are reported annually to employees, client companies, peer organisations, and, where required, to government bodies.
- StartPeople has a 24-hour anonymous complaint phone line and letter boxes on client companies' sites for both permanent and temporary employees. All complaints are followed up, often in cooperation with the sector organisation and the client company.

In StartPeople's business relationships:

- The Code of Ethics includes expectations regarding client companies.
- In one case of frequent complaints from temporary employees about unequal and unjust treatment by a line manager, StartPeople initiated an inquiry through the top management of the user company which lead to the dismissal of the line manager.
- In cases of illegal or unethical requests (e.g. providing temporary workers without social security contributions), StartPeople refuses, refers to its Code of Ethics, uses its leverage to achieve a different approach, and ends the relationship if it cannot change the partners' intent.

What are you doing differently since you became aware of the UN Guiding Principles on Business and Human Rights?

- Our management and the whole team are now more aware about all human rights and more conscious about them in our business
- Better knowledge about the principles has enabled us to talk with our clients about it and sometimes provide a kind of educational advice
- It helps a lot in everyday operations and contacts with our internal/external customers.

What advice would you give to a company looking at human rights for the first time?

- Be aware of all of the human rights and consider which human rights are closely connected to your business, or may be relevant in your wider business environment
- Inform your employees about all human rights and the right approach
- Incorporate human rights into your strategy and live in line with them



Michel Van Bavel
(Owner)

Company:	Van Bavel
Size:	14 employees & €6 million annual turnover
Sectors:	Business gifts and promotional items
Country:	Belgium
Description:	The Van Bavel family has been selling business gifts and promotional items for three generations. Its main clients are international companies and governmental organizations.

What are the main human rights risks for Van Bavel?

Van Bavel orders gifts from production companies in countries such as China. Many of the human rights risks most relevant for Van Bavel come through its supply-chain and relate to working conditions in supplier factories, for example the abolition of child labour and the rights to a safe and healthy work environment, physical and mental health, freedom of association, just and favourable remuneration, and rest and leisure.

What do you already do to address those risks? What existing policies and processes can you build on?

In Van Bavel's own operations:

- Van Bavel seeks to be in compliance with the law wherever it operates.
- Van Bavel uses the ISO 26000 guidance standard on social responsibility to cross-check and optimise its CSR management and to make strategic choices about key issues to address.
- Meetings with all employees are held at least twice a year during which complaints and opportunities regarding personal skills and other work related issues are addressed.

In Van Bavel's business relationships:

- Van Bavel has a publicly accessible code of conduct that suppliers are expected to respect. The code references human rights such as freedom of association, non-discrimination, and the prohibition of forced and child labour as well as maximum work hours and minimum wages.
- When requested, Van Bavel communicates directly with its customers on the social performance of suppliers.
- Van Bavel has developed a CSR questionnaire for its suppliers, covering some human rights issues as well as anti-corruption and environmental responsibility. Van Bavel assesses its suppliers against this questionnaire during yearly visits to China and, when expected by customers, additional checks are performed by external Chinese consultants.

What are you doing differently since you became aware of the UN Guiding Principles on Business and Human Rights?

We became aware that human rights don't only concern the Far East countries where we have a lot of manufacturers. Human rights are also very important in our region, and they are much more detailed than most people think. We now have a workgroup to discuss this (we will do it twice a year), and it is especially about our company and our direct stakeholders that are closest to us. We analyse what is going on, and make a report about how we can improve.

What advice would you give to a company looking at human rights for the first time?

I would advise any company to look first at how human rights are respected in their own companies and concerning their own staff. In the second stage they need to 'go up the ladder' and look at their supply chain and see what is going on there.



Christina Lund
(Partnership Manager UN)

Company: Danimex Communication
Size: 100 employees & €3 million annual turnover
Sectors: ICT
Country: Denmark
Description: Danimex is a global distributor of communication solutions and equipment with more than 30 years of experience in deliveries to humanitarian organisations, NGOs, defence, security and government organisations as well as modern industry.

What are the main human rights risks for Danimex?

For Danimex, some of the most important human rights risks are related to its clients activities. Because Danimex's clients often use the communication equipment in countries affected by weak governance and conflict, some of the human rights most specific to the company are: freedom from torture and cruel, inhuman or degrading treatment, right to self-determination and right to life, liberty and security of the person. Workers human rights are also relevant, as is the case of any enterprise with employees.

What do you already do to address those risks? What existing policies and processes can you build on?

In Danimex's own operations:

- Danimex has a Code of Conduct approved by top management and the board which says that the company is "committed to work in accordance with the UN Human Rights Declaration". The Code is communicated to all employees via the employee handbook, and is also available on the company website.
- Danimex continuously measures performance using key performance indicators (KPIs). It adapts policies on its environmental commitment and impact and has directly involved employees and stakeholders in the environmental impact assessment.
- Danimex has signed the UN Global Compact. It therefore has to publish an annual Communication on Progress on how it has implemented the 10 principles of the Global Compact. In 2012 Danimex started reporting on its commitment to non-discrimination, and included KPIs that apply to this particular human right.
- Employees can anonymously raise questions through a "question to management" mechanism.

In Danimex's business relationships:

- Local dealers and resellers are asked to sign the company's Code of Conduct.
- Danimex is required to use 'end user declarations', which they report to Danish authorities, to ensure that their communication solutions do not end up in the wrong hands and risk contributing to gross human rights abuses.
- Employees are trained to detect possible suspicious orders – such as people wishing to pay in cash – that might fall into the hands of terrorists, war factions or the like.

What are you doing differently since you became aware of the UN Guiding Principles on Business and Human Rights?

We are going to implement them into our Code of Conduct and along the way we have to find a way to implement them throughout the whole supply chain: from our suppliers, us, our resellers and end-users.

What advice would you give to a company looking at human rights for the first time?

Start to look at how things work and whether there are already some mechanisms in place which could be aligned to the UN Guiding Principles on Business and Human Rights. Most companies have some kind of Code of Conduct or similar which can be adapted. Make sure to inform your suppliers and clients about your efforts. It is important to be visible as responsible supplier.



Marjonka Veljanovska
(CEO)

Company:	Farmahem
Size:	33 employees & €4 million annual turnover
Sectors:	Laboratory supplies and environmental consulting
Country:	fyr Macedonia
Description:	Farmahem operates on the B2B and business to government markets. It sells laboratory equipment, chemicals and reagents, as well as additives for the food industry. Farmahem also has a small environmental consultancy department, which is gradually developing.

What are the main human rights risks for Farmahem?

Through the diversification of its business Farmahem's human rights risks are varied. Some of the most relevant rights are: right to a safe and healthy work environment, right to life, non-discrimination, equal pay for equal work, just and favourable remuneration, physical and mental health, and rest and leisure.

What do you already do to address those risks? What existing policies and processes can you build on?

In Farmahem's own operations:

- The commitment to act as a socially responsible company is part of internal communications, approved at top management level, communicated through the company web-site, and emphasised at professional and business associations' events and gatherings.
- Farmahem aims to respect national law, and promotes standards which are above national law.
- The company has employees from different religions and is open to their religious practices such as periodical fasting and gives extra free days for religious holidays.
- Farmahem's quality management and workplace health and safety systems specify indicators to track some human rights impact and prescribe that employees are provided with all the necessary protective equipment. Health and safety performance is reported annually to external stakeholders, including the authorities.
- Preventative measures also arise from the ISO 17025:2006 accreditation, for testing and calibration laboratories, such as equipping personnel with detectors for dangerous gases.
- Employees can file concerns, complaints, grievances and proposals for improvement electronically or in a book. Complaints are investigated and the relevant manager has to propose a measure for improvement to correct the issue.

In Farmahem's business relationships:

- In terms of leverage Farmahem used its position and launched a campaign to promote natural colours and to reduce the use of artificial colours in the food industry and engaged in educating clients of the health and reputational benefits of such change in production processes.

What are you doing differently since you became aware of the UN Guiding Principles on Business and Human Rights?

Last year, we incorporated human rights in our business policy and currently we are working on integrating them in our business procedures in compliance with our quality management system ISO 9001:2008. We also joined the initiative UN Global Compact in 2012 by which we committed to the ten principles relating to corruption, environment, labour and human rights and have a responsibility to report annually on progress in CSR.

What advice would you give to a company looking at human rights for the first time?

Respecting human rights has always been one of our core values and practices and we believe that it is a basis for a better business. This is a longstanding commitment and we focus on risks that are most relevant and significant to our business and stakeholders. By becoming aware of the importance of respecting human rights you will have more motivated, satisfied and loyal employees, customers, suppliers and all stakeholders, that will consequentially lead to a more successful business.