

## Supplier Guidance: Human Rights Policy and Due Diligence

This document aims to help you ensure the delivery of Human Rights requirements in contracts that you hold with the public sector in Northern Ireland.

Human Rights requirements in public contracts contribute to the Northern Ireland Executive's vision to "have an equal and inclusive society where everyone is valued and treated with respect".

Here we outline:

- The fundamental concepts behind maximising social value in public contracts
- NI Executive commitments, policies and procedures related to Human Rights
- What social value clauses ask of suppliers regarding Human Rights
- Tools and resources to ensure Human Rights are upheld throughout the supply chain
- How to contact the Social Value Unit for advice

### Maximising social value in public contracts

Social value is about maximising the social, economic and environmental benefits delivered through public procurement. The social value model used across the public sector in Northern Ireland is built upon 4 key themes:

- Increasing secure employment and skills
- Building ethical and resilient supply chains
- Delivering zero carbon
- Promoting Well-being

By including social value in procurement we can:

- Create job opportunities for people who face barriers to work
- Invest in skills
- Support Social Enterprises and new businesses
- Support Voluntary and Community organisations
- Reduce poverty
- Promote equality and diversity
- Reduce our carbon footprint
- Improve mental health and wellbeing

### Why does social value include Human Rights requirements?

Social value requirements addressing human rights are included on contracts where an increased risk of violation or abuse of Human Rights has been identified. This could be because the contract's supply chain includes vulnerable workers/end users or the sector as a whole has historical issues, for example.

While the language of Human Rights may be unfamiliar to some businesses, most companies have policies and procedures that cover a number of human rights issues. Examples include occupational health and safety policies or procedures prohibiting the use of child labour or forced labour.

Since 2011, the [UN Guiding Principles on Business and Human Rights](#) (UNGP) have been viewed as the authoritative global reference on business and human rights. The UNGPs recommend that businesses should expand what they already have in place to develop a Human Rights due diligence approach, through which they will be able to assure stakeholders that they are taking reasonable steps to avoid infringing upon the rights of others and tackling infringements where they occur.

Here is [a useful overview of the UN Guiding Principles](#), as well as a short video and answers to some Frequently Asked Questions.

The key to Human Rights due diligence is good communication and sharing of information between Suppliers and the Contracting Authority, so that any negative impacts on Human Rights through business are addressed and prevented. This is what the requirement aims to deliver.

## NI Executive commitment to Human Rights

The [European Convention on Human Rights](#) (ECHR) came into effect on 3 September 1953. The ECHR contains 17 key articles relating to rights and fundamental freedoms which include the right to life, the prohibition of slavery and forced labour, and the right to liberty and security.

In the United Kingdom, the [Human Rights Act 1998](#), which came into force in October 2000, incorporates the majority of rights set out in the ECHR into domestic law. The Act requires all public authorities to respect and promote Human Rights.

[Section 24 of the Northern Ireland Act 1998](#) provides that Northern Ireland Departments may not commit any acts that are incompatible with the Convention rights.

More recently, the [Modern Slavery Act 2015](#) was designed to tackle slavery in the UK, its businesses and their supply chains, and consolidates previous offences relating to trafficking and slavery. Every large company<sup>1</sup> has a responsibility under the Act to publish a statement detailing what it is doing to prevent slavery in its business and supply chain. This will in turn require smaller sub-contractors to feed in details of their relevant policies and practices.

Contracting Authorities have a duty to ensure Human Rights are respected when they enter commercial transactions with contractors.

[PGN 03/18 Human Rights in Public Procurement](#) was endorsed by the Procurement Board with effect from 19 December 2018 for use by those bodies subject to Northern Ireland Public Procurement Policy.

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<sup>1</sup> The Act applies to all organisations with a turnover, or group turnover - that is, the total turnover of a company and its subsidiaries - of £36 million or more which are either incorporated in the UK or carry on a business in the UK.

## Social value contract clauses re: Human Rights

Human Rights clauses require suppliers to:

- Develop and/or submit a copy of their **Human Rights' policy and the processes they have in place** which demonstrate that their activities, including those within their supply chain, in relation to the contract show a consideration to Human Rights.
- Submit **an annual progress report** to the Contracting Authority which should be in writing and detail the steps taken by the Contractor and its subcontractors (if any) to implement the Human Rights policy and procedures on the contract.
- Allow the Contracting Authority to inspect supply chains, survey workers on workforce matters and request information on how payment for services is managed, if required.

(Note: Make sure to check the specific clauses included in your contract, as Contracting Authorities can edit clauses to meet their strategic priorities.)

These clauses are included by the Contracting Authority in order to:

- Reduce the risk of Human Rights violations and abuses.
- Take an active role in respecting, protecting and fulfilling Human Rights.
- Help to influence the behaviour of companies competing for public contracts.

## Helpful Tips and Resources

To learn more about Human Rights and Business:

- Watch the Equality and Human Rights Commission's short [video](#).
- Read the Northern Ireland Business & Human Rights Forum's [Guide for Businesses in Northern Ireland](#).
- Access practical advice, experiences and insights via the [Doing Business With Respect for Human Rights guide](#).

At Contract Award/Commencement:

- Check your contract to find out how many days from contract award/commencement within which your organisation has to submit your Human Rights policy and information on your processes. This is usually 30 or 60 days.
- If you need to develop a Human Rights policy, the following resources can help:
  - [Business and Human Rights: A seven-step guide for managers](#)
  - [United Nations - A Guide for Business: How to Develop a Human Rights Policy](#)
  - ['Doing Business With Respect for Human Rights'](#)
- Submit the Human Rights policy to the Contracting Authority's Project Manager within the timescale.
- Record your delivery of the Human Rights policy on the Social Value Monitoring System.

## What should be in a Human Rights Policy?

A company's Human Rights policy should provide clarity to their staff and external stakeholders about what the company expects in regard to Human Rights. This means it should be tailored to the company's particular circumstances, industry and Human Rights risks. The policy will need to be updated over time to include lessons learnt and reflect new insights into the company's Human Rights challenges.

The Human Rights policy can be a standalone statement or be integrated into existing policies, such as company statements of business principles, codes of conduct or other values-related literature.

A Human Rights Policy should:

- Explicitly use the words 'Human Rights'.
- State the company's commitment to respect Human Rights in line with national and international standards, such as the Human Rights Act 1998, UN Guiding Principles and the International Labour Organization's core conventions.
- Set out the company's expectations of its staff and other workers it employs.
- Tell customers, business partners and others what they can expect of the business; for example:
  - Set out the company's complaints/grievance mechanisms, whether these are easily accessible and who has access to them;
  - Set out the company's mechanisms for monitoring compliance and reporting thereon;
  - Set out the measures the company has in place to improve human rights protections.
- Identify the Human Rights issues most relevant to the business' operations and throughout its supply chain.
- Commit to an ongoing review of the policy and the business' Human Rights impacts.

['Doing Business With Respect for Human Rights'](#) sets out [building blocks and examples of company policy commitments](#) which can help you understand what a Human Rights policy can look like.

At Contract Review Meetings:

- Update the Contracting Authority on your progress against the contract's Human Rights requirement
- Update the Contracting Authority on any Human Rights issues, e.g. changes in the labour market or supply chain. Good communication and sharing of information between Suppliers and the Contracting Authority is key to Human Rights due diligence.

### Human Rights Annual Progress Report

The Annual Progress Report should be submitted to the Contracting Authority on the anniversary of contract/award commencement. It should be in writing and detail the steps you have taken, including with subcontractors (if any), to implement your Human Rights policy and procedures on the contract.

Describing Human Rights impacts and how they are managed often requires contextual and qualitative information. It may be useful to ask the questions set out in the table below when writing your Annual Progress Report, which are [key quality indicators identified as part of the UN Guiding Principles Reporting Framework](#):

### *Quality indicators of good corporate Human Rights reporting*

1. **Governance:** Does the reporting explain how the company's governance structures support the management of Human Rights risks?
2. **Specific processes:** Does the reporting go beyond high-level statements of policy and commitment and discuss specific processes for implementing respect for Human Rights?
3. **Specific impacts:** Does the reporting refer to specific impacts that occurred within the reporting period and are associated with the company's operations or value chain?
4. **Clear examples:** Does the reporting provide clear, relevant examples of how the company's policies and processes have influenced practice and outcomes within the reporting period?
5. **Stakeholder perspectives:** Does the reporting explain how the company gains the perspective of stakeholders who could be negatively impacted?
6. **Challenges:** Does the reporting discuss complex or systemic Human Rights challenges and how the company grapples with them?
7. **Metrics:** Does the reporting include specific data, key performance indicators or other metrics that offer clear and relevant evidence to support the narrative?
8. **Forward focus:** Does the report include information about the company's plans for advancing its efforts to respect Human Rights?
9. **Strategic initiatives:** If the reporting references particular initiatives, for example, projects, third-party assessments or participation in industry or multi-stakeholder organisations, does it make clear how these initiatives help the company advance its own management of Human Rights risks?
10. **Improving disclosure:** Where this is not the first year of Human Rights reporting for the company, does the reporting show improvements in the quality of its disclosure in comparison with previous years, taking into account the indicators set out above?

The [Reporting Framework website](#) contains a range of examples of company reports that have met these indicators to a moderate or strong degree. Examples are drawn from the reporting of AngloAmerican, Coca-Cola Company, Ericsson, Gap Inc., H&M and Unilever. It can be useful to read these to understand how other companies approach their Human Rights progress reports.

We are conscious that this type of monitoring and reporting may be new to Suppliers, and that the key to minimising any Human Rights risks is good communication and sharing of information between Contracting Authorities and their Suppliers. Whilst the contract requirements must be met, we recognise that Suppliers may need support and advice in their delivery of the Human Rights requirements. We hope that this document offers a number of useful resources. If you require further assistance, you can speak to the Contracting Authority's Contract Manager and/or contact the Social Value Unit.

### *Monitoring of Human Rights requirements*

You may be required to record the delivery of the Human Rights policy on the Social Value monitoring system. You are not required to upload it to the system – you deliver the policy to the Contracting Authority.

You can use the Notes section of the Social Value Monitoring System to log your progress against the delivery of the requirements.

Both your company's and the Contracting Authority's Contract Managers will receive an automated report via email from the Social Value Monitoring System that sets out the requirements and what has been delivered against each of them to date. These reports should be reviewed regularly at contract review/progress meetings.

#### [How to contact the Social Value Unit for advice](#)

The Strategic Investment Board's Social Value Unit are available to offer support and advice to both Contracting Authorities and Suppliers who deliver contracts which include social value requirements. The Social Value Unit's Advisors can attend contract initiation and progress meetings, if required.

To contact the Social Value Unit, email [info@buysocialni.org](mailto:info@buysocialni.org)

## Frequently Asked Questions

### Can I submit my Modern Slavery Statement?

You can refer to your Modern Slavery Statement as part of your Human Rights policy and procedures but this forms part of the response, it does not fulfil the requirements.

### Can I submit our overall company Human Rights Policy?

You can include your company's Human Rights Policy as part of your response but the conditions of contract also require you to set out the processes you have in place which demonstrate that your activities, including those within their supply chain, in relation to this particular contract show a consideration to Human Rights.

### We are a large corporate and there are a lot of colleagues/departments who need to sign off strategic documents, what can I do?

The clauses require a response which applies specifically to the contract you've been awarded by the Contracting Authority. It does not need to be a company-wide policy, although you may see the value of a company-wide policy after completing it.

As the Contract Manager, the response should set out the steps you are taking to respect and protect Human Rights in the delivery of the contract. One of the processes you include may be raising Human Rights due diligence with other colleagues/departments, for example.

All organisations are at different stages with regards to Human Rights due diligence but suppliers should demonstrate continuous improvement in how they mitigate the risk of human rights abuses.

### Do I have to upload the strategy documents on to the Social Value monitoring system?

You will be required to record the delivery of the Human Rights requirements on the Social Value monitoring system. You are not required to upload it to the system – you deliver the response to the Contracting Authority.

### Where can I get help?

The Strategic Investment Board's Social Value Unit are available to offer support and advice to both Contracting Authorities and Suppliers who deliver contracts which include social value requirements.

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