Advancing corporate respect for human rights in Brazil

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The Global Business Initiative on Human Rights (GBI) and the World Business Council for Sustainable Development (WBCSD) recently convened an online workshop series in collaboration with BCSD Brazil (CEBDS) to support companies in Brazil with the business and human rights challenges they are facing.

More than 65 business practitioners from dozens of companies participated in the



workshop. Each peer learning session brought together business practitioners for a practical discussion on ways to manage human rights risks in their companies' operations and value chains.

Human rights have become an increasingly prominent topic for corporate responsibility professionals in Brazil, and we perceived a real need and enthusiasm for discussions that go beyond the 'why' and focus on the 'how'. Recent developments such as COVID-19 have increased the challenges companies face in Brazil – adding urgency to practitioners' efforts to advance respect for human rights across their organisations.

Managing immediate human rights challenges linked to COVID-19 – and supporting their companies to prepare for the transformations that will flow from the pandemic – is an obvious priority for many practitioners who participated in these discussions.

Four additional priorities emerged clearly:

1. Strengthening practical knowledge of key standards

Practitioners in Brazil are aware of the increasing influence of the <u>UN Guiding Principles</u> on <u>Business and Human Rights</u> (UNGPs) on stakeholders' expectations – particularly among business partners, investors and civil society organisations – and we heard a strong interest in building greater confidence in working with these standards.

As we approach the end of the UNGPs' first decade, we must continue to invest in scaling familiarity with the UNGPs and the practical know-how to implement them at a local level. To do this effectively, companies need to be able to navigate the relationship between international standards, such as the UNGPs, and relevant national standards and regulatory regimes.

2. Developing training and capability building initiatives

Raising awareness about companies' human rights responsibilities – and what this means in practice – is a high priority for a number of practitioners in Brazil. For various reasons, it's not always easy to talk to colleagues about human rights – but approached effectively, these discussions can be instrumental in shifting mindsets and building commitment to managing human rights issues effectively. There's no one right way to approach this, but practitioners observed the benefits of translating technical human rights terms into the everyday language of the business, and using examples to make human rights concepts tangible and relevant.

Different colleagues will need different levels of knowledge. Most, if not all, will require basic familiarity with the company's policies and commitments. Some will require deeper expertise tailored to their role – what a procurement colleague needs to know will be quite different from a colleague working in law, communications or community engagement.

Building know-how among company lawyers emerged as a particularly high priority for many business practitioners in Brazil, given both their influence within the company, and the emerging mandatory reporting and due diligence requirements around the world.

3. Engaging effectively with Indigenous and traditional communities

Brazil is home to many Indigenous and *quilombola* (traditional) communities. Developing effective and rights-respecting approaches to engaging with these communities is a priority for many companies in Brazil – particularly those operating in the extractives, industrial and agricultural sectors.

It is essential that companies engaging with Indigenous and traditional communities in Brazil are familiar with relevant national standards and legal frameworks, and able to meet the expectations set out in regional and international human rights and labour standards (including the UNGPs and ILO Convention 169).

Practitioners with experience in this area emphasised the importance of consulting adequately with potentially affected communities, even where Brazilian law does not require this. Meaningful consultation with Indigenous and traditional communities is essential to ensure the company has a strong social licence to operate and that the communities' rights are respected.

4. Managing human rights risks in supply chains

Most – if not all – companies around the world that are working seriously to address their human rights risks perceive managing issues in their supply chains as a priority. Practitioners based in Brazil identified challenges concerning modern slavery and labour rights more broadly as particular areas of priority.

The Brazilian government's expansive definition of modern slavery and its *lista suja* (dirty list), which was first published in 2004 and forbids ministries and banks from buying from or lending to companies included in the list, have driven a stronger focus on these issues among companies operating in Brazil.

COVID-19 has added to the challenges that Brazil-based practitioners face in managing human rights risks in their supply chains. Practitioners observed a need to support suppliers to protect workers, particularly in areas where health services are inadequate. They also emphasised the importance of finding ways to manage human rights issues at a time when business partners are facing severe resource constraints – and when their own ability to travel and conduct on-the-ground due diligence is restricted.

Looking ahead

Our discussions with Brazil-based practitioners reinforced the need for companies to be thinking and working both globally and locally.

In addition to highlighting the vulnerabilities of global supply chains, COVID-19 has demonstrated the need for companies to invest in developing human rights expertise and know-how wherever they operate, not just at a corporate level. In times like these where travel is restricted, it is local expertise, networks and action that companies rely on.

Businesses – in Brazil and elsewhere – also need to look ahead to the broader transformations that will flow from the convergence of COVID-19, the climate crisis and ever-stronger stakeholder expectations that companies operate responsibly and with respect for human rights.

GBI and WBCSD will continue to support business practitioners in Brazil and other priority regions to advance their human rights practices – and we will continue to share what we, and the practitioners we work with, learn.

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