

BUSINESS & HUMAN RIGHTS DGCN PEER LEARNING GROUP



REPORT 2018

GROUP MEMBERS AND ACTIVITIES

Eleven companies from Germany and Italy participated in the 2018 Human Rights Peer Learning Group, convened by the Global Compact Network Germany and management consultancy twentyfifty ltd. The participating companies represented the chemical, banking, logistics, textile, pharmaceutical, extractive, infrastructure, technology and ICT sectors.

Two webinars and two meetings were held throughout 2018, including an exchange with more than 40 representatives from other European Global Compact Networks.

The group members actively participated in preparation and delivery. They presented good practices, joint analysis or lessons learned related to the following topics:

Webinar March	Internal and external awareness raising about modern slavery; training slides for internal engagement on modern slavery were developed for the group following the webinar
Meeting May	Responsible recruitment – human rights in the recruitment of workers in supply chains and subcontractor networks
Meeting September	Responsible sourcing through a human rights lens – European Peer Learning Group Exchange with members of the Spanish, Italian, UK, French and German Global Compact Networks at the ICEX in Madrid, Spain.
Webinar December	Trends in human rights communication

In addition to participants' contributions, external experts shared experiences and contributed to thematic discussions. This included Aditi Wanchoo, Social and Environmental Affairs Officer at adidas, Ajda Cevc, Sustainability Development Leader at Inter IKEA Group and their representative at the Leadership Group for Responsible Recruitment, and Shivani Kannabhiran, Policy Advisor Responsible Supply Chains, OECD.



European Peer Learning Group Meeting in Madrid in September 2018

GROUP MEMBERS' PROGRESS OF EMBEDDING HUMAN RIGHTS

In 2018, participants' human rights due diligence related activities included:

- Roll-out of a collaborative supplier engagement programme on tier 1-3 of the supply chain that provides improvement recommendations and implementation support as well as train-the-train modules to allow for scaling effects in the supply chains.
- Roll-out of an internal human rights training programme to raise awareness on the newly adopted human rights policy. Trainings were tailored to country risks.
- Development of a database for continuous monitoring of human rights risks and mitigation activities and establishment of a cross-functional Human Rights Working Group.
- Analysis of status quo of human rights due diligence across operational entities in country

About the Peer Learning Group

The Human Rights Peer Learning group is an active learning and leadership platform for European companies hosted by the Global Compact Network Germany. In the group, individuals tasked with steering human rights due diligence processes within their business come together to exchange their experiences, discuss challenges they face and learn from each other on how to overcome barriers to implementation. Group meetings are held under the Chatham House Rule to allow for an open and honest exchange among practitioners. Group members are free to communicate publicly about their involvement.

In 2018 the members were Evonik, Deutsche Telekom, Commerzbank, Puma, C&A, Deutsche Bahn, Merck, Munich Re, Wintershall and Telecom Italia. At the end of the year the group was joined by Siemens, Osram and MediamarktSaturn.

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ORGANISATION



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REPORT 2018

LESSONS LEARNED

2018 was marked by a stronger focus on some of the root causes of modern slavery and its prevalence in Europe, as well as the preparation of the German National Action Plan monitoring process. Within the framework of the 2018 activities, members of the PLG exchanged experiences on awareness-raising for modern slavery across functions and in their supplier base, explored the building blocks of responsible sourcing in supply chains beyond tier one and discussed trends in human rights communication - particularly in light of the German monitoring process and a growing number of international human rights benchmarking initiatives.

Insights gained this year on member companies' practices and challenges included:

Internal and external awareness raising about modern slavery
Members exchanged experiences regarding effective supplier trainings on modern slavery. Members found that successful training interventions are typically able to showcase the topic's relevance for the industry, present the material in a tangible way that is tailored to the daily work of the audience, when necessary are conducted in the local language and include concrete action points for participants. Some of the challenges experienced in supplier trainings included getting the right people to attend, setting incentives for participation and adapting the material to the local context.

Responsible recruitment – human rights in the recruitment of workers in supply chains and subcontractor network
Member companies were first among their national peers to examine responsible recruitment as a key building block of proactive modern slavery due diligence. Group members explored the potential of integrating recruitment into their ongoing due diligence activities, i.e. by including the issue into onboarding activities, audits and specific KPIs. They identified subcontractor networks as a higher risk group for recruitment issues and discussed the possibility to expand existing grievance channels to include employees of contractors.

Responsible sourcing through a human rights lens
The 2018 European meeting, held in Madrid and opened by Xiana Méndez Bértolo, Spain's Secretary of State for Commerce, was dedicated to responsible sourcing in supply chains beyond tier one. It was attended by >40 participants from both Corporate Responsibility and procurement teams.

Case studies from four companies from Spain, the UK, Italy and Germany reflected on experiences with collaborative supplier engagement programmes. The members discussed typical challenges associated with risks in deeper supply chains; amongst others how to create transparency and prioritize actions in complex supply chains and how to motivate suppliers to make changes.

During an innovative coaching exercise the members had the opportunity to peer-coach each other on real-life challenges.

"The events have given me ideas how to involve other departments in the implementation of human rights due diligence agenda."
Member of the Peer Learning Group

Human Rights communication

Member companies noted that in light of a growing number of non-financial reporting requirements it remains important to make a strong case for human rights communication, both internally and externally. The group examined the connection between SDG and human rights communication and acknowledged that both areas are intertwined.

The discussion highlighted that one of the most significant challenges in human rights communication remains the translation of abstract concepts into practical and concrete ideas that can be understood by different stakeholders. Another challenge is the lack of trustworthy and comparable quantitative indicators that could guide reliable communication.

NEXT YEAR'S ACTIVITIES

Meetings and webinars in 2019 will allow for an ongoing exchange on participants' implementation activities as well as current business and human rights trends. The group participants will jointly prepare meetings or webinars on the following topics:

- Integration of human rights aspects in corporate risk management and M&A due diligence
- How technology can support human rights due diligence
- Investor perspective - changing external landscape for human rights due diligence

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