

## **BENCH MARKS PRINCIPLES – The Wider Community**

### **SECTION 1.1 - ECOSYSTEMS**

#### **Principles**

- 1.1.P.1** The presence of unused, unexploited, non-renewable, natural resources within a particular area is recognized as an asset of the community of that area.
- 1.1.P.2** The company has responsibility for the environmental impact of its production processes and its products and services throughout the life-cycle of these products and services.
- 1.1.P.3** The company affirms the precautionary principle that must be invoked prior to the development of genetically modified organisms (GMOs).
- 1.1.P.4** The company develops genetically modified organisms only where there are safe and clear health, social and environmental benefits.
- 1.1.P.5** The company affirms the principle that patent rights do not supercede farmers' rights to pursue traditional sustainable agriculture or forest use.
- 1.1.P.6** The company affirms the right of communities to be involved in any proposals regarding the development of GMO products.
- 1.1.P.7** The company affirms that situations of hunger and famine are not used to impose the GMO system of agriculture over traditional methods.

#### **Criteria**

- 1.1.C.1** A company-wide environmental code has been adopted and implemented.
- 1.1.C.2** An active environmental committee has been established by and reports to the Board of Directors.
- 1.1.C.3** The company has in place appropriate management systems to implement its policies.
- 1.1.C.4** Environmental assessments are completed by the company in which the unused, unexploited natural resources are stated as assets of the community.
- 1.1.C.5** The company provides to the public regular reports on its environmental performance and future plans. These are based on a pattern of environmental auditing and reporting according to, at a minimum, internationally recognized standards and include data for each facility.
- 1.1.C.6** The company holds public consultations and seeks collaboration from interested individuals and groups to review both its past performance and its future plans, including the location of new facilities.
- 1.1.C.7** Where environmental damage does occur, every effort is made by the company to reduce its impact immediately, to provide technical data to those working on the containment and repair, to restore the damaged ecosystem and to ensure appropriate measures are taken to redress injuries to persons caused by environmental hazards created by the company.
- 1.1.C.8** The company has policies, practices and procedures to prevent pollution, reduce

- resource and energy use in each stage of the product or service life-cycle.
- 1.1.C.9** The company has a designated person to provide assurance of compliance with its environmental policies.
- 1.1.C.10** The company has established a regular procedure to monitor the environmental impact of the production process on the health and safety of workers.
- 1.1.C.11** Prior to development, the company establishes a process for determining the benefits and safety of GMOs through independent stakeholder groups in order to satisfy stakeholder concerns, such as, unknown long-term effects of GMOs on human and animal health, soil ecology and local germplasm
- 1.1.C.12** Prior to the introduction of GMO products, the company initiates and makes public a study that takes into account the impact on land, soil, natural limits on gene flow, indigenous farming techniques and the sustainability of local agriculture and forest management.
- 1.1.C.13** The company adopts a policy of consultation with credible and recognized local and national bodies, especially civil society, before exporting GMO products.
- 1.1.C.14** The company adopts a policy of transparency so that consumers can make fully informed choices about GMO ingredients in food.

### **Bench Marks**

- 1.1.B.1** Natural resources, which become an asset to the company, are stated as a debit to the community, which the company addresses in a mutually agreed negotiation with the community.
- 1.1.B.2** Environmental assessments are made periodically and include, but are not limited to:
- environmental impact;
  - physical infrastructure impact;
  - social infrastructure impact;
  - cumulative (synergistic) impacts.
- 1.1.B.3** The company has a policy, which includes performance standards relating to:
- protection of the biosphere;
  - sustainable use of natural resources;
  - reduction and disposal of wastes;
  - reduction of anthropogenic greenhouse gas emissions;
  - the development of renewable and alternative energy sources in place of reliance on fossil fuels;
  - energy conservation;
  - risk reduction;
  - safe products and services;
  - environmental restoration;
  - informing the workers involved and the public.

- The company has adopted and implemented at least one or more of the recognized environmental monitoring programmes.
- 1.1.B.4** Environmental performance standards are set and applied on a comparable basis throughout the company's operations.
  - 1.1.B.5** The company is in full compliance with all international, national, and sub-national environmental regulations and breaches are recorded.
  - 1.1.B.6** The company discloses for each of its operations the same or better categories and levels of information as are required in their 'home' country.
  - 1.1.B.7** An annual, standardized, environmental report, including data on the extent to which performance goals have been met, is publicly issued and its contents are verified by an independent authority.
  - 1.1.B.8** On-going environmental performance evaluation is conducted and the results are periodically audited by an independent auditor. The results of the audit are reported to the stakeholders.
  - 1.1.B.9** Employee remuneration/compensation packages, especially those of senior executives, are linked to corporate environmental performance.
  - 1.1.B.10** The company produces useful products which fulfill community needs and which avoid built-in obsolescence. It employs process technology that reduces life-style impacts.
  - 1.1.B.11** The company commits to the on-going transparent and independent monitoring of environmental, social and health impacts accompanying any production of GMOs.
  - 1.1.B.12** The company publicly reports on the results of testing for long-term safety of its crops, organisms or products on humans, animals, the environment and local agronomic cultures.
  - 1.1.B.13** The company develops its GMO policies based on the recommendations of the International Treaty on Plant Genetic Resources for Food and Agriculture.
  - 1.1.B.14** The company clearly labels its GMO food products to inform consumers of the genetically engineered ingredients.

## **SECTION 1.2 - NATIONAL COMMUNITIES**

### **Principles**

- 1.2.P.1** The company is fully committed to respecting internationally recognized human rights standards, including the Universal Declaration of Human Rights, International Covenant on Economic, Social and Cultural Rights, International Covenant on Civil and Political Rights, corresponding international covenants adopted by the General Assembly of the United Nations, and International Labour Organization Conventions and standards found in International Human Rights Law and International Humanitarian Law.
- 1.2.P.2** The company recognizes that the state has a duty to protect and promote internationally recognized human rights standards and is aware that human rights treaties, which are legally binding on states that ratify them, require the state to regulate the behaviour of the private sector as non-state actors in respect of the

rights guaranteed by treaty.

- 1.2.P.3** The company makes a commitment to, as a minimum, the internationally recognized standards of performance in each and every country in which it operates.
- 1.2.P.4** The company, in all its locations, holds it to be the responsibility of every employee to ensure that there is full compliance with all internationally recognized labour, health, environment and safety standards.
- 1.2.P.5** The company contributes in a responsible and transparent way to each society's efforts to promote full human development for all its members.
- 1.2.P.6** The company respects the political jurisdiction of national communities.
- 1.2.P.7** The company does not use the mobility of capital and the immobility of labour as a tool against workers.
- 1.2.P.8** The company subscribes to the principle that every person has the right of access to health care, including access to affordable therapies and medicines.
- 1.2.P.9** The company views health in holistic terms of body, mind and spirit, rather than the absence of sickness.
- 1.2.P.10** company is committed to peace in all its endeavours.
- 1.2.P.11** The company that produces arms or raw materials for arms, safeguards participation of all stakeholders in lobbying for the restructuring of companies so that workers' interests will not be threatened.
- 1.2.P.12** The company aims at converting from arms production to the production of socially useful life sustaining products that promote peace.

### **Criteria**

- 1.2.C.1** The company adopts a comprehensive and verifiable human rights policy which includes an explicit commitment to secure the principles and values contained in the Universal Declaration of Human Rights and its two covenants and the International Labour Organisation standards.
- 1.2.C.1** The company links executive compensation to social as well as financial performance, including the company's efforts to secure basic human rights within its operations.
- 1.2.C.2** The company carefully considers the international human rights implications of entering into business relationships, either as a direct partner or through a third-party venture in which it holds an interest with the parties or entities of any state recognized or known for its widespread violations of international human rights standards.
- 1.2.C.3** In instances where legislation or the actual practices of any public institution violate fundamental human rights, the company does everything in its power to secure those fundamental rights in its own operations. The company also seeks to exercise its corporate influence to contribute to the establishment of such fundamental rights.
- 1.2.C.5** The company has a policy that, when there is a movement from within the country calling for withdrawal, in instances where there are gross and systematic violations of human rights, it will withdraw from that country.

- 1.2.C.6** An active human rights committee, with a designated responsible person, has been established by and reports to the Board of Directors and publicly discloses any significant material effect on the company.
- 1.2.C.7** The company pays appropriate taxes and uses no covert means (such as inflated internal or transfer prices) for removing profits from a host jurisdiction.
- 1.2.C.8** A drug company creates and implements a policy of price restraint on prescription drugs, utilizing a combination of approaches to keep drug prices at affordable levels, and refrains from enforcing patents in developing countries where this will exacerbate health problems.
- 1.2.C.9** A tobacco company acknowledges the inherent hazards connected to the use of its products.
- 1.2.C.10** The company ensures that its activities respect all life on the Planet.
- 1.2.C.11** The company is committed not to involve itself in military or war activities.
- 1.2.C.12** The activities of the company are geared towards peacemaking.
- 1.2.C.13** The company involved in the arms industry will adopt a policy for the conversion of its products from military to civilian use.

#### **Bench Marks**

- 1.2.B.1** A senior executive in each operation is responsible for all matters of human rights and reports to the appropriate management committee and the committee of the Board of Directors established for human rights matters.
- 1.2.B.2** The company by policy and by practice does not commit or engage in activity which leads to the abuse and violation of internationally recognized human rights standards, nor does it assist in abuses and violations committed by others, be they government authorities, paramilitary organisations, armed gangs or other non-state actors.
- 1.2.B.3** The company adopts a security policy that protects human rights and is consistent with international standards of law enforcement. (UN Basic Principles on the use of Force and Firearms by Law Enforcement Officials and the UN Code of Conduct for Law Enforcement Officials)
- 1.2.B.4** The company, in consultation with the stakeholders, uses a checklist, which guides its approach to human rights.
- 1.2.B.5** The company adheres to the relevant codes of the World Health Organization (e.g. The International Code of Marketing of Breastmilk Substitutes) and the relevant International Labour Organisation's recommendations on health and safety, on the health of young persons, the health of women, the use of chemicals, occupational diseases, compensation for occupational injury and other related issues.
- 1.2.B.6** The company develops its health policies based on 'Beyond Philanthropy Benchmarks' published by Oxfam UK, VSO and Save the Children (July 2002).
- 1.2.B.7** The company subscribes to the principles expressed in the 1977 International Labour Organization Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy.
- 1.2.B.8** The company discloses labour and human rights tribunal cases and lawsuits settled

or decided against the company, in addition to any pending lawsuits that might have a significant material effect on the company.

- 1.2.B.9** Operations in countries, which consistently violate the Universal Declaration of Human Rights, are reviewed annually by the Board of Directors
- 1.2.B.10** All contraventions of human rights are reviewed and recorded, and corrective action is taken.
- 1.2.B.11** All contraventions of health and safety laws are reviewed and recorded, and corrective action is taken.
- 1.2.B.12** A tobacco company ceases all advertising and promotion of tobacco targeting young people, and supports efforts to make enclosed spaces smoke-free.
- 1.2.B.13** Taxes are paid by the company within the appropriate jurisdictions.
- 1.2.B.14** The company distributes a comprehensive and independently verified report on the production and use of its products in the arms and security industry.
- 1.2.B.15** A company which manufactures or trades in armaments ensures independent monitoring by civil society of the company's operations.
- 1.2.B.16** The company strictly controls its arms sales, by establishing a clear system of accounting of the use of the arms and reports the information to the public.
- 1.2.B.17** The company develops a plan for the conversion of its products from military to civilian use and ensures that workers' interests will not be undermined in the process.

## **SECTION 1.3 - LOCAL COMMUNITIES**

### **Principles**

- 1.3.P.1** The company recognizes its political and economic impact on local communities especially where it is the principal or key employer. Its programme, policies and practices help promote a full range of human rights within each community where it operates.
- 1.3.P.2** The company takes account of local culture in its decision-making processes while not condoning cultural patterns, which denigrate human beings on the basis of gender, class, racial/ethnic origin, culture, ethnicity, religion, sexual orientation, caste, tribe or disability.
- 1.3.P.3** The company affirms the central importance of sustainability for communities, in the present and the future, for the integrity of human beings, culture, society, economic well being, environmental responsibility and the way of life of the people.
- 1.3.P.4** The company respects the inclusive involvement of all stakeholders in developing civil society partnerships and host community agreements.
- 1.3.P.5** The company accepts the principle of prior engagement with relevant non-governmental organisations and civil society.

### **Criteria**

- 1.3.C.1** The company develops a policy statement that measures its social, environmental

and economic impact on local communities affected by its operations.

- 1.3.C.2** The company, in consultation with the local community, establishes a policy that incorporates into its business plan the best interests of the community, both now and into the future.
- 1.3.C.3** The company evaluates all of its operations in the light of community sustainability.
- 1.3.C.4** Respect is shown by the company for the local community, especially with regard to water, land, air, food, energy, religion, gender and culture.
- 1.3.C.5** Employees are encouraged to participate in local community activities and organisations.
- 1.3.C.6** The company seeks to develop long-term business relationships in local communities and does not terminate its operations without assessing the long-term environmental, social, cultural and economic sustainability impacts on the local community.
- 1.3.C.7** The company is careful of the impact of its power and influence especially in its use of the local media and its advertising strategies.
- 1.3.C.8** The company aspires to integrating the interests of all stakeholders with that of its own business goals.
- 1.3.C.9** The company recognizes various stakeholder groups and establishes an inclusive and exhaustive consultation process with them.

### **Bench Marks**

- 1.3.B.1** Company decisions are made in accordance with the Universal Declaration of Human Rights, the Convention on the Elimination of All Forms of Discrimination Against Women and the International Convention on the Elimination of All Forms of Racial Discrimination.
- 1.3.B.2** The company establishes a transparent process to gain the informed consent of the community prior to establishing its operations in that community.
- 1.3.B.3** The company establishes a consultative structure, including a senior director and representatives of stakeholders identified by local communities, society and its own workforce, which meets on a regular basis to discuss the company's business goals in relation to community needs, including social and environmental concerns.
- 1.3.B.4** The company develops specific indicators (such as on local employment, natural resources, health, infrastructure, preservation of cultural values) to measure how it contributes to community sustainability and reports publicly.
- 1.3.B.5** The company reports in oral and written form, on its community impact in a manner that is accessible to local communities in the local language.
- 1.3.B.6** The company communicates to its shareholders and the public any environmental liabilities by reflecting these liabilities in its financial statements and balance sheet reporting.
- 1.3.B.7** The company makes available its returned, second-hand, and reject goods and outlet samples through local independent distributors.
- 1.3.B.8** The company has a plant closure policy, which provides transitional arrangements

for employees.

## **SECTION 1.4 - INDIGENOUS COMMUNITIES**

### **Principles**

- 1.4.P.1** Where, in a specific national context, there exists constitutional legislation, or where recognized agreements exist, determining policies of reconciliation with indigenous peoples, nations or communities, the company seeks to develop its policies in accordance with that legislation or agreement.
- 1.4.P.2** The company where it operates in post-conflict and/or oppressive situations seeks to implement existing policies of reconciliation where they are in place.
- 1.4.P.3** The company respects the cultural, religious and social customs and traditional knowledge of members of indigenous communities.
- 1.4.P.4** The company strives to contribute to the long-term environmental, social, cultural, and economic sustainability of the indigenous peoples, nations or communities in which it operates.
- 1.4.P.5** The company respects the bio-cultural integrity of indigenous peoples and their lands and traditions.
- 1.4.P.6** The company only pursues economic development upon prior resolution and completion of the settlement of land claims between the indigenous people (or First Nation) and the appropriate government(s).
- 1.4.P.7** The development of joint working agreements between indigenous communities and companies is a prerequisite to building business relationships and commitments.
- 1.4.P.8** Indigenous peoples, by virtue of their inherent rights, are entitled to full participation in the business decisions which pertain to their ancestral lands and their way of life.
- 1.4.P.9** The company is committed to respecting fully the rights of indigenous peoples as they are recognized by the appropriate jurisdictions and laws.
- 1.4.P.10** The company respects indigenous medicines and medical practices.

### **Criteria**

- 1.4.C.1** The company seeks to develop long-term business relationships in indigenous communities and does not terminate its operations without assessing the long-term environmental, social, cultural and economic sustainability impacts on the indigenous community.
- 1.4.C.2** The company communicates its business plans in a way that the local indigenous community can understand and seeks to be actively involved in the development of indigenous businesses.
- 1.4.C.3** The company seeks and receives approval from the legitimate local indigenous leadership prior to beginning any business activities.
- 1.4.C.4** The company, with the co-operation of the indigenous peoples concerned, performs a holistic comprehensive study of its potential environmental, physical, social,

economic, cultural and spiritual impact on the community and modifies its business plan to ameliorate potential harm.

- 1.4.C.5** The company negotiates a just and equitable economic settlement with the indigenous community(ies) involved, including adequate compensation where applicable.
- 1.4.C.6** The company's employment policies and practices fully accommodate the cultural, spiritual and social needs of employees who are members of indigenous communities.
- 1.4.C.7** The company develops a transparent process for the inclusion of indigenous peoples as full participants in business decisions.
- 1.4.C.8** The company provides employment and training opportunities for, and actively recruits from, indigenous communities for all levels of employment.
- 1.4.C.9** The company provides opportunities for all its employees to obtain an understanding of indigenous culture, treaties, history and current issues.

#### **Bench Marks**

- 1.4.B.1** The company, through its programmes, policies, practices, and communications implements the principles expressed in the International Conventions on Human Rights, Agenda 21 and the International Labour Organisation Convention Concerning Indigenous and Tribal Peoples in Independent Countries, Convention 169.
- 1.4.B.2** The company adheres to the International Convention on Bio-Diversity and ensures the protection of bio-cultural integrity and intellectual property rights of the indigenous community(ies).
- 1.4.B.3** The company, as a matter of policy, refrains from litigation that obstructs the implementation of the recognized rights of indigenous peoples and respect of local customs and traditions.
- 1.4.B.4** The company, as a matter of policy, refrains from using any imagery, which is offensive to the indigenous community in product marketing, advertising, endorsements, sponsorships and promotions.
- 1.4.B.5** The company's business plans, and its employment policies and practices are communicated clearly and are available in indigenous languages in both written and oral form.
- 1.4.B.6** The company, together with the legitimate representatives of the indigenous community jointly establishes clear decision-making processes and structures with a recognized programme that monitors their implementation.

### **SECTION 1.5 - RESOURCE EXTRACTION**

#### **Principles**

- 1.5.P.1** The company conducts the extraction and/or exploitation of natural resources such as minerals, timber, oil and energy sources, including hydro-electric power, in such

a manner as to avoid conflict with the human rights, the sustainability of the environment and the economic survival of national, local and indigenous communities.

- 1.5.P.2** The company is careful to control its exploitation, management and extraction of natural resources, especially non-renewable resources, in countries where environmental laws and regulations are inadequate or are improperly enforced, or where there is protracted internal or regional conflict to which the government is a party.
- 1.5.P.3** The company does not make unfettered exploitation of natural resources, especially non-renewable resources, against the wishes of national, local or indigenous communities, nor in such a way that it damages or dramatically changes the ecosystem.
- 1.5.P.4** The company recognises that resources which it may wish to extract from a particular area are an asset of that community and conducts its business in accordance with that recognition.
- 1.5.P.5** Where the company is engaged in the extraction of natural resources in zones of conflict it does not engage governmental or militia forces to provide security but conducts its own independent security operation.
- 1.5.P.6** The company, if it is unable to provide proper security for its workforce in zones of conflict does not enter into an engagement to conduct such extractive business or if already engaged, it withdraws from such locations.
- 1.5.P.7** The company does not engage in resource extraction in highly vulnerable and non-sustainable communities without ensuring that its operations are designed to benefit the local community and monitors the impact of its engagement.

#### **Criteria**

- 1.5.C.1** The company ensures that its policies in regard to resource extraction do not infringe the human rights of local populations and do not contravene local laws and regulations.
- 1.5.C.2** The company only proceeds to extract natural resources in situations where their renewal is guaranteed or where, in the case of non-renewable resources, it has made provision for the creation of sustainable alternatives.
- 1.5.C.3** The company has a strategy whereby proper compensation for the extraction of resources is made to all the relevant national, local and indigenous communities for the acquisition of their assets.
- 1.5.C.4** In instances where the extraction of resources either, violates human rights or where the extraction can only be carried forward with the aid of military intervention in zones of conflict, the company does not proceed with the work programme.
- 1.5.C.5** The company does not contract with or collaborate with governmental military authorities or with local militias to facilitate the extraction of natural resources.
- 1.5.C.6** A company which is engaged in resource extraction, on discovering previously unknown vulnerabilities or non-sustainable situations immediately seeks to withdraw in such a way as to ensure that these works are not proceeded with by

other agencies or companies.

- 1.5.C.7** The company has a consultation and appraisal process in place that involves all local communities where new developments of resource extraction are contemplated.

### **Bench Marks**

- 1.5.B.1** The company, in its endeavours to ensure the human rights of the peoples who live where it is extracting natural resources, has policies that specifically ensure the human rights of communities within the terms of the Universal Declaration of Human Rights and its two covenants and the International Labour Organisation's standards.
- 1.5.B.2** The company ensures that when extracting non-renewable resources it creates and puts in place alternative and sustainable benefits for the future of the community in which it is operating.
- 1.5.B.3** The company has an agreed policy whereby compensation for the removal of natural, non-renewable assets is fully paid.
- 1.5.B.4** The company has in place performance standards for the monitoring of the extraction of natural and especially non-renewable resources.
- 1.5.B.5** The company, as a minimum, adheres to the Voluntary Principles on Security and Human Rights to ensure respect for human rights and fundamental freedoms in their security operations.
- 1.5.B.6** The company has in place policies that prohibit it from accepting protection from governmental military forces or from local militias.