

Users' guide to the HRCA Quick Check

What is the HRCA?

The Human Rights Compliance Assessment (HRCA) is a diagnostic tool designed to help companies detect potential human rights violations caused by the effect of their operations on employees, local residents and all other stakeholders. The tool has been under development by the Human Rights & Business Programme at the Danish Institute for Human Rights (DIHR) since 1999, and is a joint venture between the Danish Institute for Human Rights, the Confederation of Danish Industries (DI), and the Danish Industrialization Fund for Developing Countries (IFU), with the support of the Danish government (DANIDA). The aim of this cooperation has been to develop a widely accessible resource tool to help companies deal with human rights issues relevant for their particular operations. When the full tool is released, it will be the most comprehensive tool on the market defining company responsibility towards human rights.

How does the HRCA work?

The entire tool runs on a database containing over 350 questions and 1.000 corresponding human rights indicators, developed from the Universal Declaration of Human Rights, the 1966 Dual Covenants and over 80 other major human rights treaties and conventions. The full HRCA will be published in 2005 as an interactive computer programme and will allow each company to select and modify the information in the database to suit their type of business and area of operations. The standards and indicators are updated on an annual basis, based on feedback from both company users and human rights groups, to ensure that the tool addresses the real life problems faced by companies and to reflect changes/developments in international human rights law.

What is the HRCA Quick Check?

The HRCA Quick Check comprises approximately 10% of all the questions contained in the entire HRCA database and relates to some of the most essential human rights issues a company must consider in relation to its activities. This check was developed in cooperation with a group of development finance institutes to provide companies and investment funds with a condensed assessment covering key human rights issues. The Quick Check will also form part of the larger HRCA computer programme, which will contain more extensive guidance on a broad range of human rights issues.

What type of violation does the Quick Check cover?

The Quick Check covers violations in relation to the following three areas:

1. Employment Practices – concerning the rights of individuals employed by the company, or seeking employment with the company;
2. Community Impact – concerning the rights of individuals residing in societies (including societies defined by political, cultural or geographic boundaries) which are affected by company activities or products;
3. Supply Chain Management - concerning the rights of individuals affected by business partners' operations, whether as employees, local residents or other stakeholders.

How is international and national law treated in the HRCA?

The HRCA takes its point of departure in international human rights law, but is based on the premise that the company should comply with whichever applicable standard is most stringent, whether it be national law, or the international standard cited by the tool. Each question in the Quick Check refers to the specific sources of international law and relevant international guidelines

cited for that particular question. Since the international legal texts cited by the tool apply specifically to states, the cited provisions have been modified accordingly in the tool to apply to companies. The tool also cites the guidelines of various human rights organizations, research institutions and other independent bodies, whenever those guidelines serve as useful human rights reference points for companies.

Are the human rights standards relevant to business?

The field of human rights is politically and academically well developed, with rights and standards emerging from treaties and conventions, international legal decisions, and reports of a number of different UN, national and international bodies. But most standards and application procedures have been developed for governments, not companies. To ensure that our interpretation of international human rights law for companies has the support and wide acceptance of both companies and human rights groups, we have taken the tool through a year-long consultation process funded by the European Union. The consultation process involved a total of 80 companies and human rights groups from 10 European countries. Each review team consisted of one commercial and one human rights representative that reviewed the same rights to ensure that the resulting standards and indicators represent practical and economic concerns as well as community/rights interests.

Can I be sure it is practical?

Throughout the development of the tool, the researchers have received input from a number of associated companies and business organisations to ensure that the practical interests and needs of the business community continually guided the work. In particular, Shell International has served as the test company for the tool. Field tests were run in relation to two distinct Shell companies: one in a country with a poor human rights record generally, the other in a society with racial conflict between populations.

How do I get started?

The Quick Check contains 28 main questions and has a total of 240 corresponding indicators. Under each question, you will find a narrative description of the question, references to international law, and a list of suggested indicators with pre-determined answers boxes ('Yes', 'No', 'F/A = further attention required', 'N/A = not applicable' and 'Unknown'). We suggest that you read the question and the descriptive paragraph first, and then proceed to answer the suggested indicators before attempting to answer the main question.

What are the suggested indicators?

The suggested indicators are guidelines designed to help you determine whether or not your company complies with the main question. There are three types of indicators in the tool: policy, procedure and performance. The policy indicators seek to determine whether your company has policies or guidelines in place to address the human rights issue of concern in the main question. The procedural indicators inquire whether your company has appropriate and sufficient procedures in place to effectuate the policies, and the performance indicators ask for verification of your company's performance on the issue. It is important for the validity of the assessment that users contemplate the policy, procedure and performance guidelines contained in the indicators before attempting to answer the main question, to ensure that the user fully understands the underlying concepts of the question. While the number of indicators may seem overwhelming at first, the categories of pre-determined answers were designed with enough flexibility so that the user should, after some familiarity with the tool, be able to answer all the indicators quickly and without difficulty.

How do my indicator answers relate to the main question?

The relevance and importance of each of the indicators in the tool varies slightly for each company depending on the industry, risks, and type of operation involved. To accommodate those differences and provide for flexibility, the tool allows each user to determine the relevance and weight of the indicators and how they should correspond to the main question. In other words, it is up to you to determine how your indicator answers should correspond to your answer to the main question. Your company is not necessarily out of compliance if you fail to answer affirmatively on all the indicators, but you should nevertheless make an effort to understand the point of the indicator and seek to determine whether your company complies in principle. If, for example, you are able to answer 'true' (indicating compliance) to all but one of the indicators for a particular question, and your company has an alternative method of compliance for the remaining indicator, you should describe the alternative method of compliance next to the indicator and then answer 'yes' (for compliance) to the main question. If, on the other hand, you answer 'false' (for non-compliance) to all of the indicators, but still answer 'yes' to the main question, you should either question the result of your answer to the main question, or make a note as to why all the indicators for that question are irrelevant to your business. For those indicators that your company does not have the information to answer, you can simply click the 'unknown' answer category for that indicator. The more indicators you are able to answer, however, the more reliable the results of the assessment will be.

How should I use the pre-determined answer box categories?

Yes/No and True/False: To be used when you agree or disagree with the question or statement presented. We encourage you to answer yes/no to the main question and true/false to the indicators as often as possible so that the results of the assessment and the improvements made by your company from year to year will be easier for you to monitor and measure.

Further Attention Required (F/A): To be used when your company is in the process of addressing the issue, such as correcting procedures on a particular question or indicator but the process is not yet complete, or when your desired answer doesn't fall squarely within any of the other answer categories.

Not Applicable (N/A): To be used when the particular question or indicator presented isn't relevant to your company's operations because the question applies more specifically to a different industry or country of operation.

No Info: To be used when you lack the information necessary to respond to the indicator or question presented.

What do the red, yellow and green- light scores mean to my company's performance?

Red light scores indicate that your company is not in compliance with the particular question and you should take immediate steps to remedy the problem area within your company's operations, after consulting your company's legal counsel for specific guidance. A yellow light score indicates that you are aware of the problem and are in the process of addressing the issue, but you need to take further steps to change your company's performance to a green light. Finally, a green light score indicates that you are in compliance with the question as it is phrased.

Does completing the Quick Check guarantee that my company is in full compliance with human rights?

The Quick Check is designed as a self-assessment tool to be used by company staff or investment officers. Although the Quick Check covers many essential human rights issues, it can not be seen as a replacement for the full HRCA tool or for an external audit. To improve the results, we strongly encourage companies to involve local stakeholders in a dialogue about the problem areas detected through the use of the Quick Check, as well as having the results verified by an independent third party, to ensure that all concerns of the local population are duly noted and adequately addressed. Although there is no guarantee for full human rights compliance, the more pieces of the tool you complete, the more confident you can be in your company's human rights performance.

Where can I find out more about this tool?

More information about the aim and development of the HRCA can be found in 'Building a Tool for Better Business Practice: the human rights compliance assessment' (M. Jungk, 2003). The premise of business responsibility underpinning the HRCA is explained in 'Defining the Scope of Business Responsibility for Human Rights' (M. Jungk, 2001). These brochures can be ordered directly from the Danish Institute for Human Rights (+45 32 69 88 51) or be obtained through the Human Rights & Business Programme Website, where the Quick Check also can be found and used as an interactive computer programme: www.humanrightsbusiness.org.