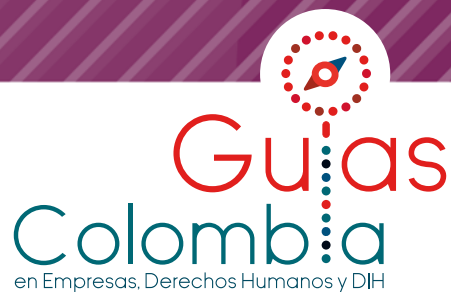


SMEs AND HUMAN RIGHTS

PRACTICAL DUE DILIGENCE
GUIDE ON HUMAN RIGHTS FOR SMEs

MAY 2022



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GUIDE ON HUMAN RIGHTS FOR SMEs



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Acronyms

BCC	Bogota Chamber of Commerce
RBC	Responsible Business Conduct
HR	Human Rights
FIP	Ideas for Peace Foundation
ICBF	Colombian Family Welfare Institute
MSMEs	Micro, small and medium-sized enterprises
PDCA	Plan, Do, Check, Act
NAP	National Action Plan
PQR	Question, complaint and/or claim
UNGPs	United Nations Guiding Principles on Business and Human Rights
SMEs	Small and Medium Enterprises
OECD	Organization for Economic Cooperation and Development
SDG	Sustainable Development Goal
ILO	International Labor Organization

Introduction

Colombia is a country with a business network comprised mainly of small and medium enterprises. In 2021, there were 2,540,953 MSMEs (micro, small and medium enterprises) in Colombia, which represented 90% of total companies. They produce 30% of the Gross Domestic Product (GDP) and employ 65% of the job market¹. Due to their size and the key role they play, small and medium enterprises (SMEs) are fundamental for the country's development. Not only are they the drivers of development, they are also essential for generating employment and sustaining economic growth in the medium and long-term. In addition, SMEs have less bureaucratic organizational structures and simpler processes, which facilitates decision-making and a better response and adaptation capacity in the market². This contributes to boosting economies and strengthening the business network.

The current market's demands require SMEs to increase their competitiveness and productivity and adopt better international standards, such as the Guiding Principles on Business and Human Rights and Responsible Business Conduct³ (RBC), as well as to contribute to being able to act responsibly, analyzing their impact on people and the planet, preventing any negative impact and contributing to sustainable development⁴. For this reason, there is a need for new tools that promote SMEs gradually adopting Responsible Business Conduct parameters that not only benefit their environment, but also help them create new opportunities, make their businesses feasible and gain more trust from their stakeholders (customers, employees, consumers, investors). Adopting good HR and

RBC practices will help SMEs improve their financial performance, optimize operating costs, attract and retain human talent and improve their reputations.

This guide is based on the premise that a respectful business network that is mindful of HR is the basis for creating sustainable, lasting and competitive businesses that also contribute to building a better country.

The current market's demands require SMEs to increase their competitiveness and productivity and adopt better international standards, such as the Guiding Principles on Business and Human Rights and Responsible Business Conduct.

- ¹ El Espectador (2018). El 62% de las PYMES colombianas no tiene acceso a financiamiento. Retrieved from: <https://www.elespectador.com/economia/el-62-de-las-pymes-colombianas-no-tiene-acceso-a-financiamiento-articulo-744870/>
- ² Franco-Ángel, Mónica; Urbano, David. Revista Icesi. (2019) Caracterización de las PYMES colombianas y de sus fundadores: un análisis desde dos regiones del país. Retrieved from: https://www.icesi.edu.co/revistas/index.php/estudios_gerenciales/article/view/2968/3658#content/cross_reference_2
- ³ It is a process through which companies seek to prevent and/or mitigate the negative impacts of their activities while contributing to the sustainability of communities and their stakeholders.
- ⁴ ANDI, Confederation of Danish Industry & FIP (n.d). Kit esencial de conducta empresarial responsable. Retrieved from: <http://www.andi.com.co/Uploads/Conducta%20Empresarial%20Responsable.pdf>

About this Guide

The purpose of this guide is to help SMEs understand how companies can adopt due diligence in HR. To this end, we have integrated and summarized the basic concepts of due diligence in HR and guidelines for SMEs to act consciously, responsibly and respectfully with people in the framework of their business activities.

This guide offers a detailed, step-by-step explanation of the steps they must follow to adopt the best international and national standards on the matter. It also includes a roadmap for them

to begin continuous improvement processes, seeking to prevent and address the adverse impacts on HR that could occur due to their business activities.

For whom is it intended?

Business owners, managers, entrepreneurs, leaders, directors and employees of SMEs from any sector and/or geographical location.



This guide is –mainly– based on the following international standards:

The United Nations Protect, Respect and Remedy Framework (2008)

United Nations Guiding Principles on Business and Human Rights (2011)

The Environmental and Social Sustainability Performance Standards of the International Finance Corporation (2012)

The OECD Due Diligence Guidance for Responsible Business Conduct (2018)

What will you Find in this Guide?

- 1 ABC of Companies and Human Rights for SMEs**

You will find useful information for learning about HR and their relationship with SMEs. Here, you will understand **what** due diligence in HR is through real business cases.
- 2 What are the Benefits of Implementing this Guide?**

You will get to know the **benefits** of applying this guide on due diligence in HR in your organization.
- 3 How can SMEs Perform Due Diligence in HR?**

You will understand **how** SMEs can apply due diligence in HR, which means we will delve into how to achieve it. You will find step by step instructions for the process to be followed to prevent and address negative impacts on HR.
- 4 What must an SME do if they have Violated HR?**

Guidelines on how SMEs must **act** when they have caused a negative impact on HR.



Throughout this guide, you will find **practical activities** for you, the reader of this guide, manager, director or leader of an SME, to put what you have learned into practice. You will also find tips for implementing due diligence in HR in a simple, practical and creative way.



1

**ABC of
Companies and
Human Rights
for SMEs**

ABC of Companies and Human Rights for SMEs

1

1.1. What are Human Rights (HR)?

The idea behind HR is simple and powerful! All people have the right to be treated with dignity.



HR are essential guarantees for us to be able to live and develop properly within a society. They are basic regulations aimed at ensuring the dignity and equality of all people, based on the principle of respect for the individual. They belong to all human beings without exceptions. Each person has a right to enjoy their HR without discrimination due to age, religion, gender, social status or other personal conditions.

HR reflect basic human needs and are related to a wide array of topics: safety, housing, water, privacy, non-discrimination, freedom of expression and work conditions, among others.

There are nationally and internationally recognized documents that refer to HR. Among them are:

- [The Universal Declaration of Human Rights of the United Nations](#)
- [The International Covenant on Civil and Political Rights](#), the [International Covenant on Economic, Social and Cultural Rights](#) and the [fundamental principles and rights at work](#) of the International Labor Organization (ILO).

1.2. How do SMEs Relate to HR?

SMEs are the drivers of the economy and have brought great benefits to society, such as creating jobs to improve people's quality of life and providing products and services necessary for society to function and for the national and global economy's vitality. Despite this, there are also cases in which companies harm society and the environment instead of benefiting them. This is the focus of corporate due diligence in HR: to know how companies can harm society and take action in that regard.

COMPANIES CAN VIOLATE HR WITH THEIR ACTIVITIES, PRODUCTS OR SERVICES. THIS OFTEN OCCURS WITHOUT THEM BEING CONSCIOUS OF THESE SITUATIONS.



Discrimination in selection processes



Work in addition to the maximum established work day



Failure to comply with occupational health and safety policies



Water and air pollution



Publishing personal data and/or photographs without consent



The stigmatization of unionists

SMES HAVE BEEN INVOLVED IN SOME CASES OF HR VIOLATIONS AROUND THE WORLD AND IN COLOMBIA



Accusations against the SMEs of NIKE's supply chain for child labor.



The tragedy at the Rana Plaza building in Bangladesh for textile employees due to a failure to comply with occupational health and safety policies.



A Colombian security company sanctioned due to sexual orientation discrimination practices at a mall.



Child labor practices in the supply chain of a Colombian pavement company.



Practice what you've learned!

Now that you know more about HR and why it is important for SMEs to respect them, we invite you to carry out the following self-diagnosis activity on knowledge with your company's staff:

1

Identify how many employees on your team know what HR are.

2

Establish how many of them have heard of the Universal Declaration of Human Rights or any of the other documents on HR mentioned above.

3

Request your team to give you an idea of the relationship between HR and companies. You can ask them: Do you think companies are related in any way to HR? Why?

4

Record the survey's results in writing. This will work as your initial information for understanding your staff's current level of knowledge with respect to HR.

A woman with dark hair pulled back, wearing a dark short-sleeved top, is smiling and holding a shoe sole. The background is a workshop with various items on shelves. The entire image is overlaid with a semi-transparent green filter. On the right side, there are several white geometric shapes, including squares and triangles, some of which are partially cut off by the edge of the image. In the bottom left corner, there is a white circle containing the number 2.

2

**What are the
Benefits of
Implementing
this Guide?**

What are the Benefits of Implementing this Guide?

2

2.1. Competitiveness in the Market



Carrying out a due diligence process in HR will help your company **participate more easily in the national and global economy**. This, in turn, will facilitate sustainability and more competitiveness.

A company's competitiveness (including SMEs) in the national and international market is related to the expectations of its consumers and customers. These are linked to behavior and how it creates its goods and services, including its performance in HR. Depending on the company's sector, it includes topics related to labor law, respect for a clean environment and labor inclusion for vulnerable populations (for example, single mothers, people with disabilities and victims of the armed conflict).

Multinationals in the country and large national companies have started requiring the companies that provide goods and services they hire (mostly SMEs) to demonstrate their commitment to HR and act consequently.

"As a company, we have bids or customers. Fortunately, how inclusive the company is and how well it respects HR is taken into account in bids now."
Temporary staff service provision SME

"I work for a small, young company. We began having important projects with large companies in the oil sector and realized the need to incorporate

HR in our organization's philosophy and culture because it is very important for these large companies." **Oil service provision SME**

According to Weber Shandwick, 70% of consumers avoid purchasing a product if they do not like the company's behavior.

According to PWC, 77% of consumers' priorities are focused on companies' behavior, besides from the products or services they offer.

2.2. Investor Expectations



Carrying out a due diligence process in HR will help your company properly and pertinently respond to the expectations of your investors or customers' investors in light of **labor, environmental or HR issues**.

SMEs cannot sustain their businesses without customers or investors. National and international investors are increasingly requiring the projects or companies in which they invest to have social and environmental commitments. On the other hand, an expectation to invest in socially and environmentally committed companies will very likely include those that are part of its supply chain, among which are SMEs.

As of June 2021, over 4,000 investors around the world have committed to take into account topics related to the environment, people and corporate governance when making their investments. This figure is expected to continue growing.

2.3. Staff Attraction and Retention



Carrying out a due diligence process for HR will help **attract and retain qualified staff** and improve productivity, staff performance and a favorable work environment in your company.

Due diligence in HR implies the company respecting its employees' HR. An example of this is paying attention and effectively responding to topics related to non-discrimination, freedom of association, work-life balance and occupational health and safety guarantees. Employees have also heightened their expectations with respect to their employment in responsible companies that reflect their own principles or view of life.

A social and environmental commitment by SMEs will contribute to retaining qualified staff committed to the company, avoiding high turnover rates that can affect business or the company's dynamics.

"First, people are going to feel appreciated and that they are working at a good place. When people feel this way, it helps the company achieve results. I think it is a mutual benefit because, at the end of the day, what are companies without us, the employees?"
Temporary staff service provision SME

"One of the priorities is people, since I consider them the capital of any company. All companies have financial and other concerns, but we build the sustainability and future of companies with human capital."
Laboratory service provision SME

According to **Great Place to Work**, turnover costs can be up to **200%** of the exiting person's basic salary and **12%** of the company's operating budget.

In accordance with a survey performed by the **Edelman Trust Barometer**, **85%** of employees believe **the way a company treats its employees** reflects the level of trust one can have towards that company.

2.4. Company Reputation and Image



Carrying out a **due diligence process in HR** will favor the reputation and image of employees, customers, investors and consumers, as well as society in general, with respect to your SME. This, in turn, represents greater brand loyalty and, thereby, the sustainability of your business.

Having effective procedures that reflect the company's commitment to HR sends a message that the company goes beyond good intentions or marketing disguised by good social and environmental deeds. Carrying out a due diligence process for HR is the best way to demonstrate the company does things well.

Having a favorable image will also help the SME position itself better and stand out from other companies of its size.

According to Reputation Management, **95% of consumers** seek online reviews before committing to a purchase.

According to Reputation Management, **65% of prospective employees** would not work for a company with a bad reputation.

According to Weber Shandwick, **60% of a company's commercial value** is attributed to its reputation.

2.5. Legality



Carrying out a due diligence process for HR will benefit your **participation in the global supply chain** and reduce the probability of your company facing **lawsuits**. It will also avoid having to incur additional costs to face these lawsuits and causing a possible disruption to your operations.

In previous years, various governments around the world, especially the United States and Europe, have begun requiring companies to commit to respecting HR in their activities.

Even though there is no State requirement in Colombia, there has been progress on the matter, such as the National Action Plan (NAP) on Business and Human Rights. In addition, SMEs that are part of a global supply chain will begin having requirements related to respecting human rights and caring for the environment. This also applies to those wanting to begin participating in the global economy.

Due diligence in HR will also allow companies to know HR situations that are or could be related to their activities first-hand. This will facilitate taking preventive and corrective measures properly and on time.

*"(...) Staying under the guidance of all regulations and the country's provisions, to be able to provide optimal conditions to all our employees, even our customers, and generate more competitiveness for ourselves." **Tourism SME***

45% of companies studied by the **Corporate Human Rights Benchmark** had at least one serious accusation related to human rights abuse.

According to the **FIP and Zuleta Abogados**, court decisions and litigation related to HR and the actions of economic actors have increased in Colombia.



3

**How can
SMEs Prevent
Human Rights
Violations?**

How can SMEs Prevent Human Rights Violations?



All business activities can have positive or negative impacts on people. For example, companies positively impact people by creating decent jobs or providing goods and services, among other things. It is also true that they can occasionally have negative impacts on people's rights. For this reason, it is recommended for companies - regardless of their size - to carry out due diligence on the matter.

activities, its size and other factors) to face its responsibility to respect human rights.”⁵

3.1. What is Corporate Due Diligence in HR?

Due diligence in HR is “(...) a continuous management process a prudent and reasonable company must carry out in light of its circumstances (such as the sector in which it operates, the context in which it performs its

Companies’ responsibility to respect HR is established in the United Nations Guiding Principles on Business and Human Rights (UNGPs), the first global regulation for preventing and facing the risk of corporate activities having adverse impacts on people’s HR. According to the UNGPs, the due diligence process includes the following six (6) fundamental components:

.....
⁵ Office of the High Commissioner for Human Rights of the United Nations (2012). La responsabilidad de las empresas de respetar los Derechos Humanos: guía para la interpretación, p. 8. Retrieved from: https://www.oitcinterfor.org/sites/default/files/file_publicacion/NU%20gu%C3%ADa.pdf



ESSENTIAL ELEMENTS OF DUE DILIGENCE IN HR

- It is dynamic:** It includes assessment cycles for continuous improvement.
- It adapts to the size, nature or circumstances of each company.**
- It is preventive:** The objective is to avoid causing or contributing to causing negative impacts on people.
- It helps prioritize:** The most critical impacts, and the measures to prevent and mitigate them.
- It implies continuous communication with stakeholders:** this generates trust and demonstrates good faith.

3.2. General Guidelines

Before beginning a due diligence process in HR, take these general guidelines into account:



The Productive Sector or Industry to which your SME Belongs

All productive sectors can affect HR. However, each one is different and has unique challenges and impacts that depend on their characteristics, activities, products and production processes. For example, the extraction sector is often associated with risks related to a large environmental footprint and impacts on local communities. The textile and footwear sector, on its part, is associated with impacts on union rights, occupational health and safety and low salaries.

It is more likely to find employees excluded from all labor and social protection in the agricultural sector than in more well-supervised sectors, such as the infrastructure sector. The retail sector can be more exposed to hiring minors than the telecommunications sector.

Companies that sell products online, for example, can be more exposed to affecting the right to privacy or consumer information protection.

TIP

Build on the experiences of other companies in your sector. Consult and learn from them about the main HR risks and impacts that are specific to the industrial sector to which your SME belongs.

Result 1:

A risk matrix of the sector. As an input for due diligence in HR, meet with your union and other companies from the sector to understand the main

risks of negative impacts. Record this information in a document and describe your company's critical activities, products and/or production processes that can have an impact on HR.



Conditions of the Local Context

One of a company's assets in knowledge. Get to know the local context of your business activities, whether a country, city, neighborhood, municipality or rural settlement. This is important because, by knowing the characteristics, problems of the context and the conditions of people in the company, the person managing the SME will understand what HR challenges there are and know how exposed the company could be to affecting the rights of people or worsen their vulnerability conditions. The conditions of the context can make HR risks and impacts more likely.

For example, an SME with activities in a border city - where there is a high circulation of irregular migrant populations - can be exposed to hiring employees with job insecurity, lower compensation or failure to comply with labor standards.

Also take into account that operating in contexts of conflict, such as the Colombian context, entails additional challenges that must be especially addressed. Among them is the safety of a company's staff, behavior of private surveillance and particular negative effects on vulnerable communities, among others.

"As managers of an SME, we are very busy, concentrated on our businesses and complying with the schedule (...), but we cannot do so without looking at the outside world. Looking outward and around you is crucial." **Infrastructure service SME**

TIP

Get support from local authorities. Consult with actors of civil society, such as NGOs, to get to know more characteristics, issues of the context and the conditions and ways of life of the people in it.

Ask yourself:



- In what context do I perform my business activities? Take into account whether it is an urban or rural context; if there is a risk of armed conflict; if there is strong or weak state presence, and if there is environmental pollution.
- What are the conditions of the people who reside within the context of my business activities? Take into account whether there is poverty and/or marginalization, as well as the presence of vulnerable people or groups of vulnerable people.

Result 2:

A map of the context. As an input for due diligence in HR, analyze the factors, characteristics and conditions of the environment that could increase the risk of impacting HR with your work group. Purchase a map or paint one on a poster that is visible in your office. Locate your corporate activities on the map and draw the key conditions of the environment on it. For example, locate poverty points and the presence of vulnerable populations or people, as well as points with environmental pollution, hazardous infrastructure or the presence of conflicts, among others.



Remember the Heart of Due Diligence is the People!

Placing people at the heart of business decisions is the most direct way to implement due diligence in HR.

This is because the highest objective of due diligence is to avoid causing or contributing to negative impacts on people. Due diligence is preventive. This means adverse consequences that could impact people must be considered before any business decision is made.

“Impacts on people lead to risks for the business. Therefore, companies must look both ways.”

Global consulting firm

Ask yourself:



- Are there vulnerable groups within the company and/or in the context of my business activities?
- How can my business decisions and actions impact people or groups of people? What can I do to avoid this?

Result 3:

A map of actors. This has to do with identifying the people or group of people most exposed to being affected by the company's activities - including employees. As with the map of the context, we invite you to identify the people the company must pay attention to and locate them on the map of your business activities along with your work team.

TIP

Involve and consult with the people interested in or related to your business on how they perceive the company and what undesired impacts have been caused, and promote their participation to seek solutions.

Pay special attention to historically vulnerable groups

Due diligence in HR implies paying attention to historically vulnerable and/or discriminated people or groups of people.

There is an extensive list of issues that must be reviewed to avoid business impacts on the HR of vulnerable people. For example, companies must review whether or not work practices are merit-based, not based on discriminatory reasons (such as selecting staff with age parameters or gender pay gaps, etc.), and if their work environment is free of sexual harassment.

It can also be considered whether or not marketing practices promote discriminatory social stereotypes (for example, cleaning and caring being a woman's job and male or female beauty ideals); if facilities are appropriate for staff or visitors with limited mobility to move about without obstacles; and if the company's information is transmitted in the languages of the ethnic communities with which it interacts.

Vulnerable people are those at a particular risk of being exposed to discrimination and other adverse human rights impacts. These can include women, children, migrants, indigenous people, the LGBTQI+ community and people with disabilities, among others.

Result 4:

Characterization matrix of actors. You have identified the people or groups of people that can be affected by your company's activities. Now, get to know more about them, their perceptions, expectations and interests with respect to the company. For example, do you know if the women currently working at the company feel safe and comfortable in their work environment? For a guide, see [Annex 1](#).

Be Calm... This is a Continuous Improvement Process

Adopt a model that allows you to **learn, adjust and gradually improve**. In this guide, we give you guidelines on how to adopt this model. The due diligence process will vary according to the particular circumstances of each company: there are no universal tools for due diligence in HR that apply to all companies equally. For your company to manage its HR impacts, we have proposed a continuous improvement process framed in the **PDCA cycle (Plan, Do, Check, Act)**. This is useful as a first step for organizations that are just beginning to approach this topic and offer guidelines for putting it into practice ([See page 33, PDCA Cycle](#)).

3.3. Step by Step Instructions for Due Diligence in HR

In this section, you will find step by step instructions on how SMEs can adopt a preventive approach and avoid negative impacts on people.

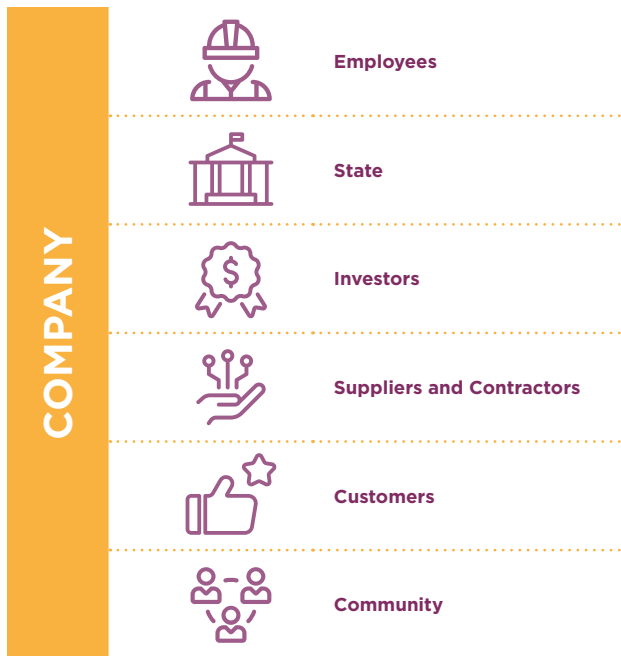
Get started on the path of due diligence in HR.



Begin by gradually carrying out the following steps. Remember that due diligence in HR is a continuous improvement process that is constant, iterative and not necessarily sequential in practice: various stages can be developed simultaneously with results that feed each other.

Step
1**Defining relevant stakeholders in HR**

Stakeholders are groups of people who are important to a company due to their relationship with it. It is important for the company to know what stakeholders' rights could be affected due to its operations. This helps the company focus its attention on those at a greater risk of HR violations.



In order to identify stakeholders from a HR perspective, the company needs to recognize the people or groups of people with which it has relationships. This will help the company understand what stakeholders are at a greater risk of HR violations more specifically. The SME's stakeholders must at least, and in accordance with the company's sector, be its employees, the communities at the sites where the company performs its activities and/or the consumers of its products and services.

Ask yourself:

- What people or groups of people could be impacted or are being impacted by my business activities and decisions?
- Now, what are the characteristics of those prioritized stakeholders? Are they men, women, single mothers? Do they have any ethnic or cultural affiliation or other condition that should be taken into account?

If you already identified these stakeholders, add any additional groups that are important from an HR perspective. In other words, add those who could be affected or are being affected by the company's activities, and which ones could be at a greater risk due to their particular characteristics. You can use an Excel document to map them and relate them to the previously mentioned information. If you have not previously identified stakeholders, see [Annex 1](#), which provides a basic Excel tool.

TIP

Prioritizing stakeholders depends on each business. Take into account the stakeholders that could be affected by the company's operations from an HR perspective. At the end, you may have an extensive list and then establish what stakeholders are at a greater risk of being affected.

Step 2

Have an HR Policy

It is important to have an explicit commitment to make sure respecting HR is a principle the company commits to comply with, at least the manager and all employees.

An HR policy is a declaration of principles with which the company commits to respect and promote the internationally recognized HR, and not to be an abettor of any type of abuse or violation.

The policy can take many shapes: A manifest, document or code of conduct. What is important is for the document to provide guidelines to company leaders and all employees for how to act in all business activities.

THREE (3) MINIMUM CHARACTERISTICS YOUR HR POLICY MUST HAVE



It must be updated and approved by the SME's manager.



It must include clear behavior expectations for employees in light of their duty to respect HR.



It must be public and shared with the company's stakeholders.

TIP

Remember, a declaration on the commitment to respect human rights does not have to be perfect from the beginning. You can start with something short and clear, improving and expanding it as the company gets more information.

Some minimum actions an SME can implement to make an HR policy are:

- a. Creating a committee (with the manager and other area directors' participation) to define the policy's content, as well as a simple startup plan. At least establishing the goals, responsible parties and activity execution times.
- b. Developing a culture of respect for HR in daily life. Promoting respect for people, starting with management's example.
- c. Promoting a work environment in which HR-related topics can be discussed and the company's commitment to respect them is well-known in detail.

Business case: Casa Científica

Casa Científica has published its commitment to human rights on its website, in the Quality Management System section: "For Casa Científica, it is very important for the growth of our operations not to affect our stakeholders. This commitment is very important to us; for that reason, we sign it publicly as part of the United Nations Global Compact since 2009, in order to work on four main areas: Human Rights, Labor Rights, the Environment and Anti-corruption. In 2017, we began moving towards working on the SDGs that impact our operations.



Practice what you've learned!

Choose the option that applies to your company and take the steps established for that option:

OPTION

1

Your company already has a sustainability and/or HR policy

Step 1: Identify whether or not your company has additional information that helps it make clarifications, adjustments or updates to the policy. For example, if it has a sustainability policy, incorporate concrete messages on respecting human rights in it.

Step 2: Assess how much your employees, suppliers and contractors know about the policy. You can do this by sending virtual surveys or in meetings already established with these stakeholders.

Step 3: Determine if it is necessary to take additional steps to make sure these groups know more about the company's HR policy and know it better. Some of these could be: Sending continuous communications on the information in the policy; holding a policy disclosure session once or twice a year; and, for new employees and contractors, explaining the policy during their induction process.

OPTION

2

It does not yet have an HR Policy

Step 1: Identify what policies the company has (for example, sustainability or Corporate Social Responsibility) and in which ones the company could include its commitment to respect HR. A new policy can also be formed just for HR.

Step 2: Determine the executive representatives and representatives from each area of your company who will participate in the committee to discuss activities related to the policy.

Step 3: Once assembled, they must establish realistic goals and define responsibilities and times to carry out the activities to create the company's HR policy. Selecting a person to follow up on these goals is recommended.

Time to get started!

Step
3**Identifying and Prioritizing HR Impacts**

It is vital for you to identify how your activities are currently affecting the HR of stakeholders prioritized by your company - or could affect them in the future. This exercise is known as identifying real (those that are occurring) and potential impacts (those that could occur) on HR due to business activities. It is important to specifically know what these impacts are, since this helps respond to them more adequately.

TIP

If your company already has work environment surveys, include questions on occupational health and safety; discrimination by gender, age, position or other conditions; and work-life balance. This will help you have more effective and inclusive tools to identify possible impacts on HR.

RECOMMENDATIONS FOR IDENTIFYING IMPACTS

Consult with your prioritized stakeholders: Focus on those at a higher risk of violations. Remember, these vary according to the company's sector and must be at least its employees. Stakeholders can also be the communities at the sites where the company develops its activities, or consumers of products and services.



Meet with local authorities and civil society organizations. They will provide information on HR challenges and difficulties in the local context.



Review the pertinence of communication channels: According to the characteristics of your prioritized stakeholders, consider what means of communication is best to help identify negative impacts. For example, consider whether or not your stakeholders have access to online platforms for interviews or surveys, or if company staff visiting certain spaces to speak directly with these stakeholders is required.



Customer support line or complaint and claims channel: If your company already has a customer support line and/or complaint and claims channel, review the information recorded there. This will help you identify HR situations or possible warnings of situations that could occur if not properly handled.

Finally- A large number of impacts are often identified that the company does not have the capacity to respond to at the same time. In these cases, it is important to take into account how serious each one is and prioritize the most concerning impacts. To do this, ask yourself the following questions:

Ask yourself:



- What impacts require my immediate attention?
- Which of these impacts could be affecting a great number of people?
- How serious is this impact?

Business case: Bakery

A bakery with three branches in the same city identified its HR impacts for the first time. It did so due to rumors about neighbors close to one of the branches complaining that the bakery's waste ended up on the neighborhood's streets, which attracted animals, such as vultures and rats.

In order to improve their reputation and knowledge of their neighbor's perceptions, the company decided not only to investigate the situation, but to invite the representatives of community action boards (CAB) of the neighborhoods in which they have branches to get to know what the neighbors were thinking first-hand.

At this meeting, attendees were asked if they had complaints about the company, and then they moved to an anonymous survey to write additional information they would like to share. At the end of the meeting, they shared an online form with the same anonymous survey and asked the board representatives to share the survey in WhatsApp chats in which the neighborhoods' residents participated.

The information the company obtained after the meeting and from the anonymous surveys helped it know not only that there was a waste management problem that affected the right to health and a healthy environment, but also sexual harassment situations by company staff against residents of some sectors where they had branches.



Practice what you've learned!

We invite you to perform the following activity to begin your HR impact identification process:

1

Select one of the stakeholders you will prioritize in identifying HR impacts and keep the information related to them on hand (see step 1, page 16 and 17 for more guidance).

2

Once the stakeholders have been selected, make a list of the possible situations that could result in impacts on HR and the people affected by your company's activities. For example, if your stakeholders are the consumers of your beverage, one situation can be a possible intoxication or allergic reaction due to an ingredient in your beverage, and the affected human right would be the right to health. Remember, you can find more information on the human rights listed in different declarations and conventions on page 10 of this guide.

3

According to these situations, write down at least two questions for each situation that can help the company better understand it: What sources of information can you consult to understand them better? What concrete activity by my company is causing or could cause this situation? What situations must I attend to immediately to prevent them from affecting people related to my activities? If you have social science professionals in your company, ask them for support.

4

Make another list of the most appropriate ways to communicate with this group so you can consult with them and better understand the situation. If you have a communications person or department in your company, ask them for support.

Congratulations! You have begun your impact identification and prioritization process.

Step 4

Defining Measures to Prevent and Mitigate Impacts on Prioritized HR

Prevention is better than cure! When a company has identified and prioritized its main HR impacts, it must then consider how to prevent and mitigate them. To this end, it is necessary for SME directors to define concrete measures for each impact and establish the necessary resources to implement them.

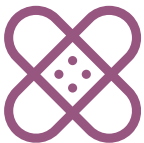
A COMPANY CAN HAVE PREVENTION AND/OR MITIGATION MEASURES TO TAKE RESPONSIBILITY FOR THE IDENTIFIED IMPACTS



Prevention measures

Actions defined and adopted to avoid a negative impact.

For example: If there are pregnant women in your office, the best way to prevent injuries is by eliminating load lifting work and travel outside of the establishment.



Mitigation measures

Actions defined and adopted to reduce the impact once something happens.

For example: When your company has been a victim of bribery by a public official, you can report this and cooperate with criminal proceedings. In this way, you reduce the impact of bribery.

TIP

Summon your Committee or work team. Invite the areas of your company to brainstorm how to prevent and mitigate impacts on prioritized HR and define a work plan for prevention with them.

Prevention and mitigation measures depend on the HR impacts you or your company have prioritized. However, some more common examples that are easier to implement can be considered:

- Having protocols and/or codes of conduct for specific situations: biosafety, non-discrimination and preventing gender violence in the workplace.
- Raising awareness and training employees to avoid workplace harassment, child labor and other issues prioritized by the company.
- Developing pieces of communication, such as videos, billboards or WhatsApp messages, promoting respect for HR and motivating conducts that prevent impacts on the prioritized HR.
- Opening and strengthening new dialogue mechanisms with people potentially impacted by the business. For example, periodic meetings or get-togethers to have conversations over coffee.
- Favoring the creation of complaint and claims mechanisms for employees, contractors, suppliers and customers.
- Developing initiatives for employees who optimally comply with the company's HR policy.

“We have slowly started with some steps, and have already raised awareness about HR in management. For example, our political commitment to respect HR is written at our workplace and the first thing we do when beginning a project is read it with the engineers.”
SME that provides infrastructure services

“In the department of Antioquia, coffee farmers have published our collective stance with respect to the prohibition on hiring child labor. This was achieved due to the partnership between the ICBF, Fundación Niños se Educan and a large company from the region. Today, our production is free of child labor thanks to this joining of forces.”
Threshing company in Fredonia, Antioquia.

“It is necessary for us, as a tourism company, to recognize that human trafficking is a very serious issue we are all too familiar with in the sector. (...) It is vital for all members of the company to be on the same page. We do this through creative and low-cost awareness-raising for staff on human rights and how we can impact them if we do not act carefully.”
Tourism SME

TIP

The manager must be an example. This is the only way an organizational culture based on respect for HR will develop. A company whose leaders are coherent in their words and actions and can transmit these values to their employees will be less exposed to the risk of affecting HR.

TIP

Go beyond. As a prevention measure, when SMEs subcontract goods or services, they can use contract clauses or commercial agreements with specific terms of reference on preventing child labor, non-discrimination and promoting decent work, among others, in bids.

Business case: Break the silence

In 2021, a company in the transportation sector carried out a modest but effective campaign called *“Romparamos el silencio”* (Let’s Break the Silence), promoted by the organization’s women. The campaign was aimed at the company’s members, to make the workplace harassment situations some women were experiencing visible and prevent them. It consisted of a play at the central office’s headquarters in which the employees acted. WhatsApp messages were also sent to raise awareness of the issue.

The manager, in addition to promoting this initiative born from employees, decided to include specific prevention clauses on sexual and gender-based harassment against women in the workplace in employment agreements.



Practice what you've learned!

Perform the following activities:

- 1 Define prevention and** mitigation measures.
- 2 Write down** the three (3) main impacts on HR you consider your company can cause on a board in your office. For example:
Discrimination in employment processes
Workplace harassment
Pollution due to bad solid waste management
- 3 Summon the directors or employees** at the office and ask them to brainstorm measures to prevent and/or mitigate impacts for each prioritized impact. Write your employees' ideas down on the board.
- 4 Once you have written the list of measures on the board,** ask your employees to prioritize one or two measures by impact, considering criteria, such as:
Ease of implementation
Not requiring large investments
- 5 Ask them to identify the necessary resources** — financial and human — to implement the measures.
- 6 Employee of the month:** Establish one month a year in which you will reward one employee that stands out from the rest for their HR performance, respectful work culture, collaborative attitude and understanding of the company's HR policy. Recognize their work publicly and celebrate that day with a cake.

Congratulations!

You have begun defining a prevention and mitigation plan for impacts on HR.

Step 5

Follow-up on the Effectiveness of Implemented Measures

When a company has made an effort to implement prevention and mitigation measures for impacts on HR, it is important for leaders to monitor and follow up on their effectiveness and compliance. This way, they will know whether or not their efforts are complying with the objective and if some measures must be adjusted.

It is recommended to carry out this follow-up and monitoring with the help of management or results indicators. It must also be done at least once or twice a year. Before companies define indicators, they must understand their more relevant HR issues ([Review Step 2](#)).

Some results and management indicators:

- The percentage of employees benefiting from HR training campaigns and main impacts of the business activity.
- Salary levels.
- The number of complaints and claims received on work conditions, discrimination and workplace harassment, among other issues.

TIP

Hold regular meetings with the union, Chambers of Commerce or other companies from the sector to identify, prevent or mitigate the negative impacts related to your activity.

“We monitor the measures we implemented in the Follow-up Committee that meets every month. At the meeting, we review complaints and claims the company received. If we observe reiterative complaints on the same topics, we make a stop along the way and review what corrective measures we must take to improve.” **SME from the telecommunications sector**

TIP

Follow-up and monitoring tools depend on the prevention measures you implemented. Keep in mind that the only way to really know if your measures have been effective is by consulting with people who could be impacted by your company’s activities.

SOME ACTIONS FOR MONITORING THE IMPLEMENTED PREVENTION MEASURES



Direct consultations with the people or prioritized stakeholders to get to know their perceptions of the implemented prevention measures.



After providing training and education processes on HR to employees, the company can carry out surveys to verify their effectiveness.



Regularly review the number of complaints and claims, reasons for them and type of people that most use your complaints box or other mechanisms that help you get to know your stakeholders’ nonconformities.



Managers can use the ISO 4001 Standard as a tool to evaluate the Occupational Safety and Management System.

Business case: Off - Limpia

The cleaning services company "Off-Limpia" carried out a campaign to promote labor rights aimed at its employees. Ten days in, the manager sent employees a survey to assess the campaign's effectiveness, receive feedback and know the content's level of appropriation.

The results were surprising: 80% of employees stated they knew their labor rights. 60% of women indicated that, before the campaign, they considered informality a normal situation that was not a violation of their rights. 58% of employees stated they did not receive biologically safe work equipment or materials in previous jobs. Finally, 98% of employees stated the current company offered decent conditions and work.



Practice what you've learned!

Mark with an X if you do or do not comply with the minimum elements your company must have to follow up on and monitor prevention and mitigation measures for your impacts on HR. Do not worry if your answers are unsatisfactory - the key is to progressively improve.

MINIMUM ELEMENTS TO FOLLOW UP ON AND MONITOR PREVENTION AND MITIGATION MEASURES FOR IMPACTS ON HR.	I DO NOT KNOW	COMPLIES	DOES NOT COMPLY
PREVENTION PLAN			
1 There is a documented Prevention Plan that establishes the measures to mitigate the risk of impacting the HR of employees or other groups of people.			
INFORMATION			
2 They know where to collect information on whether or not the prevention measures have worked. For example: surveys, complaints and claims channels and coexistence committees, among others.			
INDICATORS			
3 They have at least defined one indicator that helps them know what they do to prevent impacts on HR. For example: number of training sessions, percentage of trained employees and number of received complaints and claims, among others.			
RESPONSIBILITIES			
4 The people responsible for defining, implementing, communicating and following up on the Prevention Plan for impacts on HR (at least once a year) have been assigned.			
KNOWLEDGE			
5 The manager knows the prevention measures and was informed and trained when they were first implemented, updated or not being complied with. The company instructs and trains its employees in HR.			

Step 6

Communicating the Actions the Company Performed in Terms of HR to Stakeholders

The final step of due diligence in HR is to share the company's efforts with stakeholders - especially stakeholders that are directly affected, such as employees or members of a community - on how the company is addressing the impacts on HR its activities can cause or are contributing to cause.

SOME EXAMPLES OF MEANS OF COMMUNICATION BY STAKEHOLDER



Employees

Internal bulletins, intranet, e-mails or WhatsApp groups to inform what the company is doing in terms of HR. They can also be more informal: team meetings or committees.



Members of a community

Brochures, billboards, infographics or other means that are easy to access and understand.



Customers

Annual report on the website.

TIP

Use the appropriate channels and language. Some actors will likely not enjoy reading long reports, lack internet access or find it difficult to interpret formal documents. Be creative! Use non-traditional forms of communication!

TIP

Disclose your HR policy. Disclose your HR policy and/or code of ethics to company employees during staff induction or training and regularly, as necessary, in order to maintain awareness of the issue.

Business case: Radio station

In 2021, a company that manufactures tiles for the construction sector implemented two strategies to communicate their actions regarding HR to their two most important stakeholders:

- With the help of a local radio station, the SME's manager informed the community of their trash and waste management on the 8:00 a. m. radio program. They also provided information on where people could find the complaint and claims channel.
- As an end-of-year practice, the manager circulated information pods by e-mail to employees on actions the company was taking on labor issues. They discussed this information in formal work spaces to know if there were any nonconformities with labor issues in employees' experiences.



Practice what you've learned!

Perform the following activities:

- 1 Connect the actor and their corresponding means of communication with a line, as you consider most efficient.

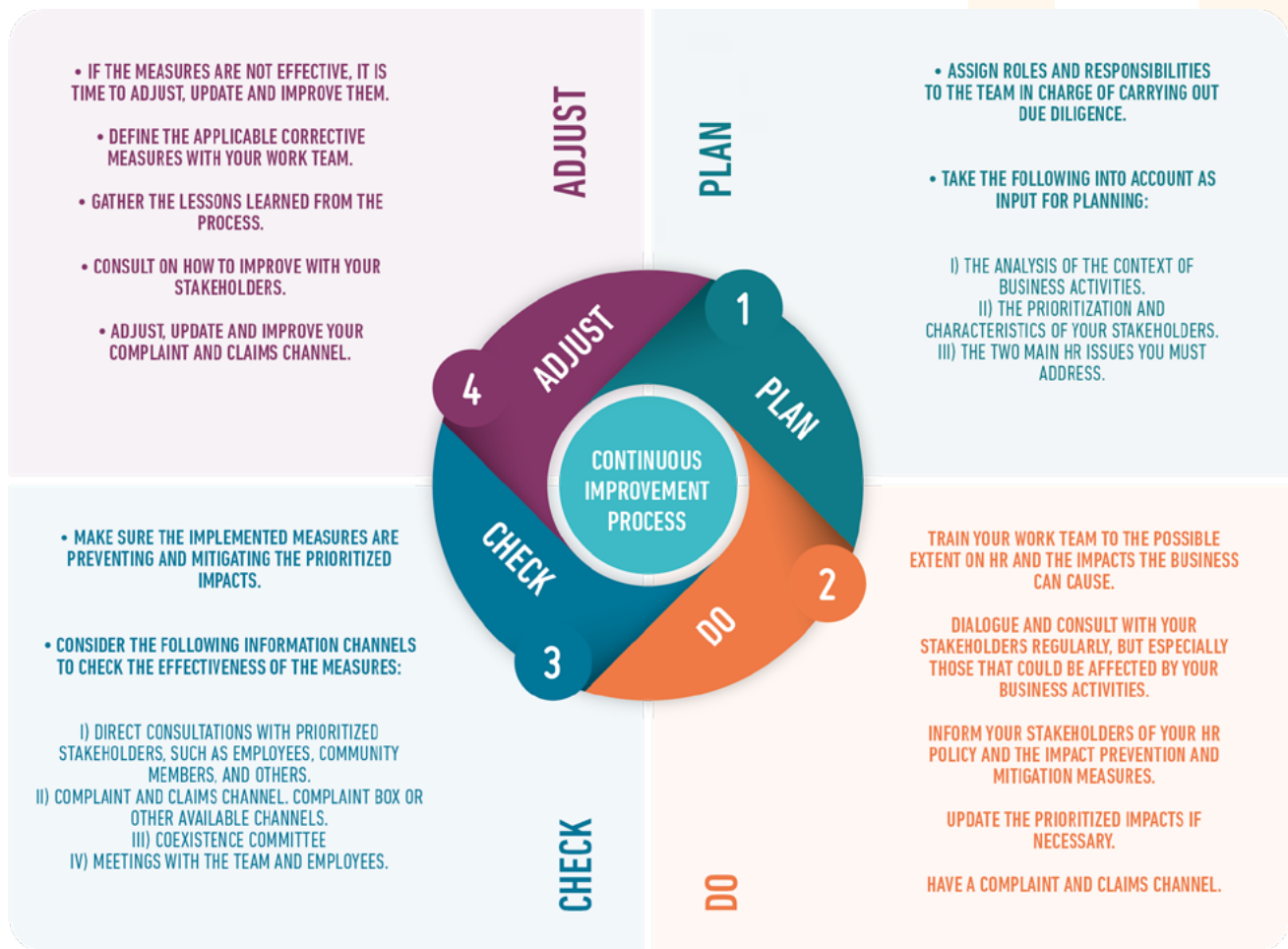
INTERNAL BULLETIN	CUSTOMER
E-MAIL	PARTNERS
DISCLOSURE MEETINGS	EMPLOYEES
WORK SPACES	COMMUNITY
WEBSITE	
WHATSAPP MESSAGES	
PEDAGOGICAL BILLBOARD ABROAD	
ANNUAL REPORT	

- 2 Then, write the key messages you wish to communicate to each actor on what your company has done in terms of HR.
- 3 Send a first communication and request feedback.


3.4. PDCA Cycle of Due Diligence in HR


If you have undertaken your first steps towards due diligence in HR in your SME, congratulations! We know it can be demanding, but you must consider that *“nothing is well known if not through experience.”* **This is a continuous improvement process**

that turns out much better if you adopt a model that allows you to learn, adjust and gradually improve. For this reason, once you understand the steps above, we invite you to implement them with the PDCA cycle (Plan, Do, Check, Act).





REMEMBER, THE STEPS OF CORPORATE DUE DILIGENCE IN HR ARE:


- 

1
DEFINING RELEVANT STAKEHOLDERS IN HR
- 

2
HAVING AN HR POLICY
- 

3
IDENTIFYING AND PRIORITIZING HR IMPACTS
- 

4
DEFINING MEASURES TO PREVENT AND MITIGATE IMPACTS ON PRIORITIZED HR
- 

5
FOLLOWING UP ON THE EFFECTIVENESS OF IMPLEMENTED MEASURES
- 

6
COMMUNICATING THE ACTIONS THE COMPANY PERFORMED IN TERMS OF HR TO STAKEHOLDERS



4

**What should my
Company do if
Involved in a
Human Rights
Violation?**

What should my Company do if Involved in a Human Rights Violation?

4

4.1. Of What does HR Reparation Consist?

In the event your SME causes negative impacts on the HR of your customers, communities or employees through its activities, products or services, the company must remedy the impact.

The concept of reparation seeks to restore people and/or communities affected by the

company to the situation in which they were if the impact had not occurred. When this is not possible, there can be economic compensation or otherwise, such as public apologies or penalties, among other forms.

There are various mechanisms that people and/or communities can use to obtain reparation for their rights through business activities.

1

State judicial mechanisms:

The State must provide national judicial mechanisms that take up cases of human rights violations by companies. In Colombia, people and/or communities have mechanisms established in the Constitution to protect their human rights.



State Judicial Mechanisms in Colombia

Writ for the Protection of Fundamental Rights

All people can claim **immediate protection of their fundamental rights** violated or threatened by an action or omission by a public authority before any judge and at any time and place.

Class Action

Lawsuits filed by a plural number of people or set of people (at least 20 people) who a **state or public institution (such as companies) has damaged**.

Public Interest Suit

Any individual or legal entity can exercise this lawsuit **to avoid damage, stop a hazard or threat** or prevent the violation of rights or collective interests by public institutions or individuals (for example, the right to a healthy environment).

2

State extrajudicial mechanisms:

The State must establish mechanisms parallel to the judicial mechanisms as part of a comprehensive HR violation reparation system related to companies.


State Extrajudicial Mechanisms in Colombia
Conciliation Centers

Extrajudicial conciliation is a conflict resolution mechanism by means of which two or more people process their disputes with the help of a neutral, qualified third party.

Center of Arbitration and Conciliation of the Bogota Chamber of Commerce

It contributes to peacefully and effectively solving conflicts by offering solutions adjusted to the business owners' needs and the needs of the general community. Get to know more about these Centers at the following link: www.centroarbitrajeconciliacion.com

Justice Houses

A service model in which citizens are offered information, guidance and conflict resolution services.

Right to petition

Any person can present respectful requests for motives of general or individual interest to public institutions, private companies, associations and organizations. Actions they can request: Recognizing a right, solving a legal situation, providing a service, requiring information, and formulating complaints, reports and claims.

National Contact Point of the OECD

Colombia, as part of the OECD, implemented the National Contact Point, which works through the Ministry of Industry, Commerce and Tourism. Its objective is to disclose and promote the OECD Guidelines to the business sector, workers' organizations, non-governmental organizations and other interested parties, as well as to work as an arbitration and conciliation platform to solve problems caused by possible failure to comply with the Guidelines by a multinational company.

3 Operational mechanisms:

A means formalized, established or facilitated by the company, through which people or communities report their concerns regarding the negative impacts the company’s activities could have on human rights. Companies of any sector and size can have this type of operational mechanisms to quickly attend to affected people and/or communities and directly remedy them. This type of mechanism is a prevention strategy for possible conflicts that could arise and affect the human rights of people and/or communities.



Operational Mechanisms



4.2. Implement an Operational Mechanism for HR Reparation in your SME

Operational mechanisms for human rights reparations fulfill a fundamental role in companies' responsibility to respect them: not only are they a tool that helps provide reparation when the rights of a person and/or community have been affected or contributed to being affected, it also helps treat issues related to human rights early before the situations of people and/or communities become worse.

In order to determine if your company has an operational mechanism, identify whether or not it has any of the means in the figure above (e-mail, support line, physical office for receiving complaints and claims, etc.). If your company does not yet have these means, do not worry: We will provide information you must take into account to implement an operational mechanism for complaints and claims with a focus on human rights below.

TIP

The benefits of having an operational mechanism

- **It can help establish a positive relationship** with stakeholders by demonstrating that the company takes concerns and possible impacts on HR its activities can cause seriously.
- **It helps receive cases of possible human rights violations** before they reach the legal courts and avoids producing a sensation of aggravation in the affected person and/or community.

4.3. Key Information to Create or Implement an Operational Mechanism for Human Rights Reparations

1. *Stakeholders are fundamental for your company, reason why this mechanism must be available to them (remember the stakeholders you identified in this guide's section called How can SMEs Prevent Human Rights Violations?).*
2. *Among these stakeholders, identify the type of people with special needs that will access the reparation mechanism:*
 - People with low levels of education
 - Indigenous, afro-descendants and ROM communities
 - People with disabilities
 - People without access to information technology
3. *The mechanism must be easy to understand for users who will use it, based on the following:*
 - Who the company is and what activities it performs
 - Where and how the complaint can be reported
 - What types of complaints are received and which types are not
 - What company department or position will be responsible for reviewing, filing and following up on the complaint and/or claim
 - The approximate response time

4. *For the mechanism to be effective, it must have a monitoring, supervision and accountability system that can be assigned to a person in charge of processing questions, complaints and claims for the company's highest representative.*
5. *Make sure the mechanism complies with the effectiveness criteria of the Guiding Principles on Business and Human Rights.*



Effectiveness Criteria according to the United Nations Guiding Principles

- 1 **Legitimate:** The mechanism must create trust with the stakeholders for whom it is destined.
- 2 **Accessible:** All stakeholders for whom it is destined must know it, and it must provide due assistance to those with special difficulties accessing them (for example, rural communities that do not have internet access or indigenous communities whose primary language is not Spanish - the complaint and claims process must be in their language).
- 3 **Predictable:** There must be a clear and well-known procedure with a calendar indicating each stage, clarifying the possible processes and results available, as well as a means to supervise implementation.
- 4 **Equitable:** It must be ensured the possibly affected people and/or communities have reasonable access to sources of information, advising and the necessary specialized knowledge to build a claims process in equal conditions, with complete information and respect.
- 5 **Transparent:** People and/or communities in a claims process must be kept informed of its evolution and offered enough information on the mechanism's performance.
- 6 **Compatible with rights:** The results and reparations must be in line with internationally recognized human rights.
- 7 **A source of continuous learning:** The pertinent measures to identify experiences must be adopted to improve the mechanism and prevent aggravations and damage in the future.

SMEs in Colombia are Committed to Respect for and Reparation of HR!

Business case: Pinturín

The paint company from Bogotá "Pinturín" sells paint to the public for houses and businesses. In 2019, one of the components in its paint changed to make it waterproof. They received numerous complaints and claims from customers that year through the company's customer service line and e-mail, who had used the new paint and, when it made contact with the skin, caused hives and reddening. Most customers had to receive medical attention.

To avoid lawsuits against the company, the CEO met with the affected people and paid for their medical treatment. All customers healed within two months.

As a lesson learned, "Pinturín" changed the component of the new paint to a safer one for people to use. In this way, it prevented affecting the human right to health of its customers.

Business case: Concesionaria Civial

Concesionaria Civial is an SME in the construction and materials sector that performs work to design, rehabilitate, build, operate and maintain the road network of Bogotá's central market.

In its 2020 sustainability report, it established that the company's user service line is a mechanism designed to make sure the human rights of their stakeholder are not violated. This mechanism is based on a deep analysis of complaints and requests presented by different means of receiving complaints and claims available through the user services office.

It is important to highlight that Civial involves the company's senior management in this user services process to analyze requests, complaints and claims.

Business case: Transportes Caravana

Transportes Caravana is a national ground cargo transportation company focused on transporting pipes, tools, equipment and chemical products.

The 2021 Communication on Progress of the United Nations Global Compact includes a section on workplace harassment reporting mechanisms. The company's workplace coexistence committee designed a form that facilitates reporting possible cases of workplace harassment.

It also designed and implemented the Safe Work Inspection Program (PITS, for the Spanish original), which consists of detecting behaviors or conditions that cause accidents, occupational illnesses, negative effects on the environment and illegal actions.



Annexes

Annex 1

Recommendations to Begin Identifying Stakeholders from an HR Perspective

If you have not yet identified your company's stakeholders, you can create an Excel document (or another program that helps create databases) that includes basic information about the stakeholders:

- Type of group (for example, indigenous community, product consumer).
- Geographic location.
- If it is comprised of specially protected people or some of its members are specially protected people.
- The stakeholders' point of contact (for example, the contact information of the person that represents an association, organization or community).
- State of liaising (for example, if there is a relationship with this group and how you would describe it - trusting, distrust, neutral).

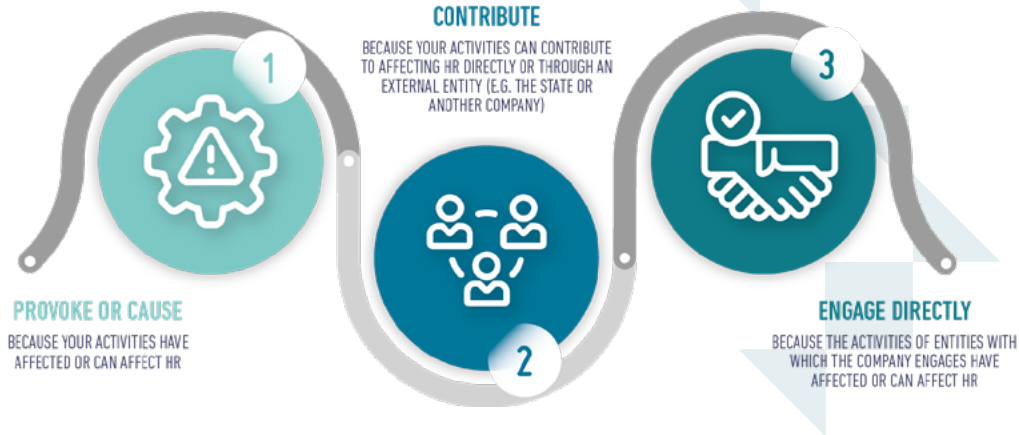
Example of a matrix of stakeholders of a fictitious eco-tourism SME in Colombia.

#	TYPE OF STAKEHOLDER	GEOGRAPHIC LOCATION	SPECIAL PROTECTION GROUP	NAME OF POINT OF CONTACT	POSITION OF POINT OF CONTACT	TELEPHONE NUMBER OF POINT OF CONTACT	E-MAIL OF POINT OF CONTACT	CHARACTERIZATION AND HR ISSUES OF INTEREST
1	Community	Yaigojé Apaporis Park, Amazonas - Vaupés.	Women, children and adolescents, seniors, people with disabilities or different capacities, when it applies.	Álvaro Cortés	Community leader	123-456-7891	grupodeinteres@hotmail.com	These stakeholders do not have a high level of education, reason why specific actions must be taken to attend to this need.
2	Indigenous reservation	Yaigojé Apaporis Reservation, Amazonas - Vaupés.	Indigenous community, women, children, adolescents and seniors.	Luz Macuna	Reservation representative	198-765-4321	Undetermined	Since the company arrived in the area, the community has expressed its fear of an increase of foreigners that can affect the reservation's environment and culture.

Source: Prepared by author.

Annex 2

How can your SME get Involved?



Annex 3

Corporate Due Diligence Checklist for HR

NO.	MINIMUMS	YES	NO	THERE IS PROGRESS
1	The company has identified and prioritized its stakeholders, taking into account that the prioritized stakeholders must be those who are most exposed to being affected by the company's actions or decisions. For example, this includes employees, customers and community members, among other stakeholders of special interest for the company.			
2	The company has a commitment to respect and promote human rights (policy, code or other document) approved by the manager and disclosed to stakeholders.			
3	The company has created a committee or established a work authority that meets regularly, in which the manager and other employees participate to define actions and opportunities for improvement in human rights.			
4	The manager knows the context of business activities, as well as the context's characteristics and the conditions in which people live in that context.			
5	The manager analyzes the possible impacts business activities can have on people with their employees and/or department directors. They perform this activity with the participation of prioritized stakeholders, such as employees or people from the community.			
6	The company has prioritized a maximum of three (3) impacts on human rights to focus its prevention and mitigation efforts.			
7	The company has defined prevention and mitigation measures for impacts on prioritized human rights, which are susceptible to follow-up and improvement.			
8	The company performs consultation processes and communicates with stakeholder in terms of their human rights management.			

Annex 4

Complaint and Claims Receipt Form

WHO FILES THE COMPLAINT AND/OR CLAIM?
NAME: CITY: CONTACT: *The option to receive the PQR anonymously can be provided
TO WHAT STAKEHOLDER GROUP DO THEY BELONG?
COMPANY EMPLOYEE CUSTOMER/CONSUMER COMMUNITY
DO THEY BELONG TO ONE OF THESE POPULATION GROUPS?
CHILD OR ADOLESCENT MEMBER OF INDIGENOUS, AFRO-DESCENDANT OR ROM COMMUNITY MEMBER OF LGBTQI+ COMMUNITY PERSON WITH DISABILITIES OTHER
DESCRIPTION OF THE FACTS, PLACE AND INVOLVED PARTIES

Source: Prepared by author.

Annex 5

Example of the Internal Procedure the Company must Carry out to Manage HR Complaints

This procedure can be adapted according to the particular characteristics of each SME

THROUGH WHAT MEANS WAS THE COMPLAINT RECEIVED?
<ul style="list-style-type: none"> E-MAIL COMPLAINT BOX VERBALLY TELEPHONE WORKPLACE COEXISTENCE COMMITTEE MEETING OTHER
IDENTIFY THE PQR ACCORDING TO THE FOLLOWING CRITERIA
<ul style="list-style-type: none"> HR VIOLATION POSSIBLE HR VIOLATION SITUATION IN WHICH HR WERE NOT VIOLATED
IDENTIFY THE VIOLATED RIGHT (TAKE INTERNATIONAL HR TREATIES INTO ACCOUNT AND INCLUDE ANY THAT ARE PERTINENT)
<ul style="list-style-type: none"> UNIVERSAL DECLARATION OF HR INTERNATIONAL COVENANT ON CIVIL AND POLITICAL RIGHTS INTERNATIONAL COVENANT ON ECONOMIC, SOCIAL AND CULTURAL RIGHTS ILO DECLARATION ON FUNDAMENTAL PRINCIPLES AND RIGHTS AT WORK CONVENTION ON THE ELIMINATION OF ALL FORMS OF DISCRIMINATION AGAINST WOMEN CONVENTION ON THE RIGHTS OF THE CHILD
FOLLOW-UP ON PQR BY THE COMPANY
<ul style="list-style-type: none"> INTERNAL RECORD OR REPORT FILE NUMBER OF THE PQR RESULT OF INTERNAL INVESTIGATION CORRECTIVE ACTION BY THE COMPANY COMMUNICATION WITH AFFECTED PEOPLE AND/OR COMMUNITIES CONFORMITY WITH THE RESPONSE OF AFFECTED PEOPLE AND/OR COMMUNITIES

Who came Together and Why did we Join to Prepare this Guide?

Given the economic and social importance of SMEs in Colombia and the increasing adoption of Responsible Business Conducts in the country, region and world, [the Bogota Chamber of Commerce \(BCC\)](#) seeks to provide SMEs in Bogotá and the country a series of tools to help them adopt and implement Responsible Business Conducts to be more competitive and sustainable in the market.

The Responsible Business Conduct area of the [Ideas for Peace Foundation \(FIP\)](#) and Colombian Guidelines have joined this objective. Through this initiative, multinational companies participating in this space invited some SMEs that are part of their supply chains to become a part of this guide's development process, in order to get to know the challenges and opportunities SMEs face when implementing corporate due diligence in HR.

These three organizations joined forces to create and develop a Practical Due Diligence Guide on Human Rights for SMEs, unique in the country, to help these companies understand and implement due diligence in HR as an opportunity to grow their business and comply with their duty to respect human rights.

The Ideas for Peace Foundation (FIP) is an independent thinking center created in 1999 by a group of Colombian business owners. Its mission is to create knowledge, propose initiatives, develop practices and support processes to contribute to building a stable and lasting peace in Colombia. It also seeks to contribute to understanding conflict in Colombia by exercising leadership to mobilize citizens, civil servants and business owners around the common objective of building a peaceful society.

The **FIP's Responsible Business Conduct area** seeks to mobilize the State, civil society and the business sector towards adopting Responsible Business Conducts. To this end, the area generates knowledge, tools and methodologies, influences public policies, guides companies in adopting best practices, carries out trust-building actions between different actors and enables multi-actor dialogue processes.

The Colombia Guidelines on Human Rights (HR) and International Humanitarian Law (IHL) is a voluntary multi-actor initiative that, since 2006, has brought together companies, State institutions, civil society organizations and international organizations to contribute to improving the HR and IHL situation in the country based on generating practical due diligence guidelines for companies to promote operations that respect HR. As of its creation, the Ideas for Peace Foundation (FIP) has led its Technical Secretary.

The Bogota Chamber of Commerce (BCC) is an institution created in 1878 that serves entrepreneurs and business owners for more and better companies to exist, and to create a more prosperous and equitable society in Bogotá and the region. It supports companies in their different life cycles, provides legal security and performs actions that improve the competitive environment. It also advocates for business owners, highlighting their contributions to economic and social development through free services and tools for micro-enterprises and small companies.

How was this Guide Developed?

This guide was prepared through a participatory exercise aligned with the current needs and dynamics of SMEs in Colombia. Two workshops were held in 2022, in which 24 SME managers, executives and leaders from different sectors participated, who contributed their knowledge and experience to develop the guide. The workshops, based on collective development and dialogue, helped compile information on perceptions of adopting responsible HR practices and their benefits for business and society. They also worked as an input for identifying a series of actions and good practices that SMEs already perform in implementing corporate due diligence practices in HR.

PRACTICAL DUE DILIGENCE GUIDE ON HUMAN RIGHTS FOR SMEs

BOGOTA CHAMBER OF COMMERCE

