

The Human-Centered Business Model (HCBM): A Holistic Approach to a New Model for Doing Business

Pillar 1: Guiding Principles

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- Pillar 1 will propose and draft the Guiding Principles that all enterprises must include in their mission and bylaws (economic, human rights, social, environment, ethical/moral, etc.) if they wish to meet the definition of and function as a Human-Centered Enterprise (HCE).
- As such, the Guiding Principles will define the Model's central requirements and shape the work and analysis conducted by the other Pillars. Pillars 2 to 6 will build upon the Guiding Principles, developing their own content and endorsing the applicability of the performance indicators in such a way as to be coherent with, and build upon, the work of Pillar 1.



U Pillar 1 will determine the Guiding Principles both from its inventory of good practices and its own research, the following characteristics and features have already been identified as desirable for insertion in the model as a result of the work done to prepare for this project proposal:

- As the HCBM will serve as an alternative to both traditional for-profit and non-profit models of doing business, the Project's success will be dependent upon the suitability of its use in diverse legal, socio-economic, cultural and geographic contexts.
- The Model must include a pre-determined and fixed set of mandatory principles common to all HCEs.
- However, in order to facilitate adaptation of the Model to different legal, socio-economic and cultural environments around the world, it must be flexible enough to be applicable in almost any economic sector of industry or activity.
- While certain core mandatory principles will require immediate implementation by a HCE (e.g. non-complicity in human rights abuses; prohibition of child and forced labor; non-discrimination; equal opportunities, avoiding corruption), other principles may be implemented over time or sequentially (e.g., preferencing technologies less harmful to the environment; green procurement; paid leave and family leave). Additional, optional and sector-specific principles should be proposed for voluntary adoption.
- Ethical principles and related values (e.g., integrity, honesty, tolerance, respect...) should be the basis of the guiding principles of the Model. Their implementation will require the firm commitment of the senior management and the appropriate education for all stakeholders to share them.

- **Pillar 1 Activities**
- **Identify the “essential principles” that must be fulfilled by all HCBM enterprises, based on the inventory of laws and principles compiled during the research phase.**
- Identify which essential principles require immediate vs. gradual implementation by HCBM entities.
- Identify “optional principles” that can be adopted depending on the economic sector of activity or other local considerations.
- Identification and description of indicators to measure progress towards implementation of both essential and optional guiding principles.
- **Drafting of a matrix of both essential and optional principles, suggested time periods for implementation and indicators to measure progress towards each principle.**

SCOPE OF APPLICATION OF THE MODEL

- BIG, MEDIUM AND SMALL ECONOMIC ACTORS
- ACTING AT A GLOBAL SCALE, IN DEVELOPING COUNTRIES AS WELL AS DEVELOPED COUNTRIES
- THE MODEL APPLIES TO THE RESPONSIBILITY OF MOTHER COMPANIES WHERE THERE IS A NEED TO OUTSOURCE THEIR ECONOMIC ACTIVITY MAINLY IN DEVELOPING COUNTRIES
- THE MODEL COVERS ALL ECONOMIC SECTORS (INDUSTRY, AGRICULTURE, SERVICES, INVESTMENT)

Level of priority: immediate' realization (***) , while some others are of 'progressive' realization (**).

- **AT THE MOMENT:**
 - **41 PRINCIPLES (AND MANY MORE SUBPRINCIPLES...)**
 - **ORGANIZED BY**
 - **ECONOMIC PRINCIPLES**
 - **HUMAN RIGHTS PRINCIPLES**
 - **PRINCIPLES OF SOCIAL SUSTAINABILITY**
 - **PRINCIPLES OF ENVIRONMENTAL SUSTAINABILITY**
 - **ETHICAL AND MORAL PRINCIPLES**

1. The goal of the HCBM is to see the Human-Centered Enterprise put profit on the same priority level with ethical, social and environmental principles***

2. Empowering the directors to pursue social and environmental objectives. Governance bodies that represent stakeholders will balance the power of shareholders body***

1. Business shall respect and protect with due diligence human rights***, in particular:

- right to human dignity
- right to integrity, including right to a safe and secure working environment
- right to equality and prohibition of discrimination respect of employment and occupation
- right to freedom, including prohibition of forced labor, slavery and human trafficking
- right to privacy



HUMAN RIGHTS(continues)

-right to work

-right to health and to healthy conditions
work

- right to a fair and adequate wage

-rights of children, which include the
prohibition of child labor

-right to association and collective
bargaining

-right to strike

-Enterprises must respect the right to leisure
and the right to paid maternal leave

HUMAN RIGHTS (III)

2. Enterprises shall make sure that they are not complicit in human rights abuses***
3. Business must prevent violation of human rights and establish remedies if necessary **

1. Business must guarantee special protection for vulnerable workers (e.g. minors, pregnant women...)**
2. Business shall promote positive actions as a tool to fight against discriminations (e.g. between men and women...)**

PRINCIPLES OF ENVIRONMENTAL SUSTAINABILITY

1. Enterprises have a **responsibility** to protect the environment***
2. Enterprises should respect a **precautionary** approach to the environment***
3. Enterprises **should undertake initiatives** to promote greater environmental responsibility**
4. Extended producer responsibility**
5. Business should encourage the development and diffusion of environmentally friendly **technologies****

ENVIRONMENTAL PRINCIPLES (continues)

6. Extension of UN global Compact's **principles to the value chain****
7. Enterprises should avoid generating **waste**** or if not possible manage waste generated***
8. **Polluter pays principle*****
9. Enterprises should prevent **damages** and bear the costs and also assume the costs to remedy damage to the environment***
10. Enterprises should contribute to **biodiversity****



ENVIRONMENTAL PRINCIPLES (III)

11. Enterprises should ensure access of the public to **information** regarding to the environment***

12. Enterprises should adopt a **life cycle** perspective**

13. Enterprises should **optimize** the use of **natural resources****

14. Business must **respect law***** and adopt **self-regulation** and **control** beyond legal compliance**

- A. Moral Principles
- B. General Legal Principles
- C. Anticorruption Principles: Principles on Corruption Prevention and Punishment
- D. Specific Obligations in Relation to Especial areas: Companies Providing Public Services or Services of General Interest and Banks

A) MORAL PRINCIPLES

- 1. Businesses should abide by principles of mutual respect, stewardship, honesty, trustfulness, justice, interdependence, caring for the poor, protection of human dignity, legitimacy of business and profit that serves the interests of society, obligation to avoid fraud, obligation for timely payments and stable and honest prices. ***
- 2. Businesses have a responsibility to future generations to improve the quality of goods, not to degrade the environment in which they operate, and seek to enrich the lives of those that work within it. ***

B) GENERAL LEGAL PRINCIPLES

- 3. Business must protect and respect with due diligence the **human rights**, preventing their violation and establishing remedies if necessary.***
- 4. Business must respect the **social function of property** when developing its activities in accordance to the legislation***
- 5. Businesses must respect the principle of **good faith** and avoid **abuse of rights** in their relationships with stakeholders***

C) ANTICORRUPTION PRINCIPLES: Principles on corruption prevention and punishment

- 6. Businesses should **fight against corruption** in all its forms, including extortion and bribery ***
- 7. Businesses should avoid **business partners** (suppliers, contractors, intermediaries, agents, subsidiaries, affiliates, joint ventures) involved in corruption practices, or using them for corruption practices**
- 8. Business must avoid creating **conflicts of interests** in relation to their clients or to public officials and have to manage them if existing in order to avoid corruption***
- 9. Business must **avoid trading in influence to promote undue influence** when lobbying***
- 10. Business must **avoid transnational bribery** which is considered as an economic offense punishable both in civil and criminal proceedings***
- 11. Business **will compensate** entities or persons who have suffered damage because of an act of corruption***

- 12. Business must **collaborate** with authorities to prevent and fight corruption***
- 13. Business must avoid **money laundering and tax evasion*****
- 14. Business **must avoid retaliation or intimidation** for witnesses and experts who give testimony concerning corruption and must avoid any unjustified treatment for any person who reports in good faith and on reasonable grounds to the competent authorities any facts concerning offences related to corruption***
- 15. Business **must guarantee support and commitment from senior management** with regard to the prevention of corruption, incentivizing ethics and compliance, and a periodic review and evaluation of the company's anti-corruption program. **
- 16. Business **must provide education and training** of employees as well as incentives to fight against corruption**
- 17. The enterprise should provide secure and accessible channels through which employees and others can raise concerns and report suspicious circumstances (**'whistle-blowing'**) in confidence and without risk of reprisal.**

D. Specific obligations in relation to especial areas

- 18. Private companies in charge of the provision of public services or services of general interest must respect principles limiting and guiding the behavior of public authorities
- 19. Private banks are business with a especial relevance, with a specific responsibility in avoiding financial exclusion and fighting against corruption and illegalities