



DOING BUSINESS RESPONSIBLY AT FOCUSRIGHT

UN Global Compact (UNGC),
Communication on Progress (CoP) 2020

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OUR COMMITMENT TO RESPONSIBLE BUSINESS

“We promote responsible business behaviour”

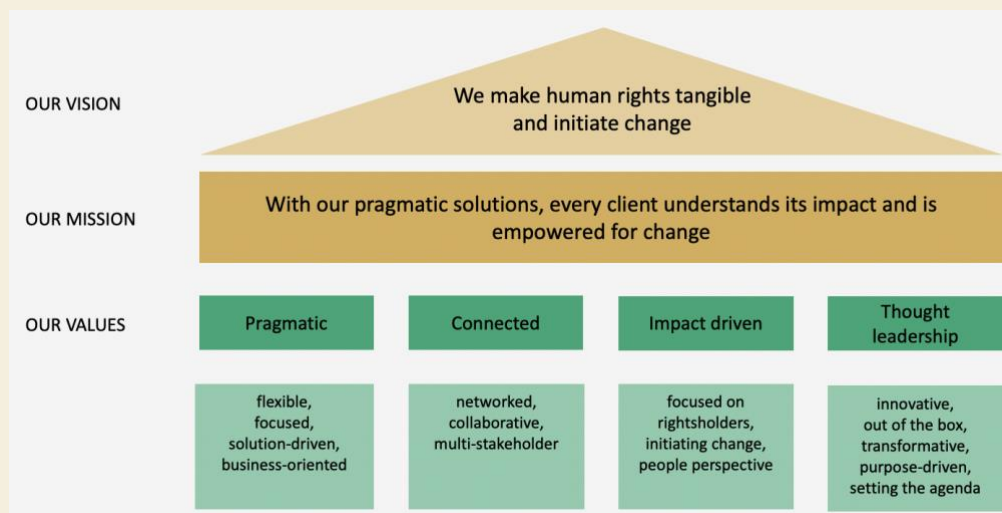
The world is changing rapidly, creating new opportunities but also challenges for companies. Globalization, increased transparency of supply chains, digitalization, changing consumer and investor expectations, regulations, war for talents and other developments are impacting future business success.

focusright works with companies from various sectors to strengthen their management systems to identify and address their human rights risks and provide consultancy services that **make human rights tangible for business**. We support companies to **embed responsible business** practices and human rights due diligence (HRDD) throughout their business and supply chains. Our approach is pragmatic, business-focused and aligned with international human rights standards and frameworks, especially the Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights (UNGPs) and the OECD Guidelines for Multinational Enterprises (OECD Guidelines) as well as other relevant international standards.

As thought leaders in business and human rights, **we build bridges** between NGOs, businesses, academia, and governments. Through this work we actively engage with stakeholders such as government and policy makers, NGOs, international organisations, and companies to promote dialogue and foster the debate on responsible business conduct. In addition, we also publish papers, blogs, reports and conduct webinars to provide insights on business and human rights related topics.

Our vision and values

As a small consultancy specialized in responsible business conduct and HRDD, our main impact on responsible business behaviour and ESG topics is through our services. Given the nature of our business, human rights are deeply embedded in our everyday work as well as in our values, strategy, and identity. We strive to conduct all our projects with a high sensitivity to human rights, labour, and environmental issues as well as anti-corruption.





What sets us apart are our experience working in the private sector, solution orientation and our extensive **international network** including representatives from civil society, government, academia, and business. We **understand the challenges** that arise from the need to embed responsible business conduct into existing processes and from diverging views and interests within companies as well as with external stakeholders. We support clients in finding pragmatic yet meaningful and impact-oriented solutions to these challenges and to capitalize on the opportunities that arise from pro-actively addressing human rights topics.

As thought leaders in business and human rights, we align our work with international human rights standards and frameworks and are keeping with the times to update our clients on recent developments in this topical field.

We also apply those principles within our company, while maintaining a risk-based approach in line with international standards such as the UNGPs and OECD Guidelines.

WORDS FROM THE DIRECTORS: THE YEAR 2020 AT FOCUSRIGHT

**"We support companies to embed
human rights due diligence"**

In 2020 focusright became a business participant in the UN Global Compact (UNGC) Network, making a formal commitment to integrate the ten UNGC principles in our strategies and operations and to publish an annual Communication on Progress (CoP). This is our first annual CoP, covering the period from January 2020 to December 2020.

Unsurprisingly, the year 2020 at focusright was characterized by the Covid-19 Pandemic and the respective challenges. However, it was also a year of many success stories and breakthroughs. We have been able to experience how valuable committed employees, strong and long-standing client relationships, a diverse project portfolio and a functioning IT infrastructure are.

Despite the global pandemic, we observe increasing awareness and stakeholder expectations towards business to act responsibly. Management processes that ensure a socially responsible business conduct were long considered a "nice to have", and rather a moral than a business imperative. But over the past years, stakeholder expectations have risen, and companies are increasingly under pressure to address their human rights risks and impacts in a systematic way. In Europe, the legal requirements for a mandatory HRDD are evolving quickly. Countries such as France, the United Kingdom, the Netherlands, Germany, Switzerland, Norway as well as the European Union have already implemented laws related to business and human rights or are in the process of adopting them. Supporting our clients to be prepared for these increasing legal requirements and expectations of other stakeholders was an important focus in our work in 2020. In the time leading up to the popular vote on the Responsible Business Initiative in November 2020 in Switzerland, we provided our expertise and shared our practical experience on HRDD in different public panels.

In this report, we communicate about how we integrate sustainability in our work and our continuous efforts to do business responsibly at focusright. We have implemented various projects that contribute to the UNGC Principles during this reporting period. The report is intended to inform our stakeholders on progress made in implementing the ten principles into our business strategy, culture and daily work.

We are looking forward to your feedback and many more impactful projects with our partners in the coming year.

Yours sincerely,



Matthias Leisinger
Director & Co-Founder

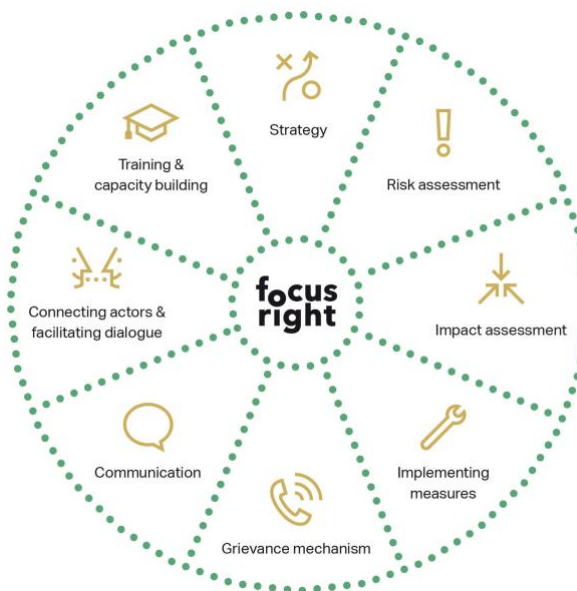


Sibylle Baumgartner
Director & Co-Founder

PROMOTING RESPONSIBLE BUSINESS THROUGH OUR SERVICES

**“We build bridges between business, academia,
governments and civil society”**

As stated in our commitment to responsible business, our main impact on responsible business behaviour and ESG topics is through our customers and services. We advise companies on their HRDD process and corporate responsibility strategy by offering the following tailor-made services:



For each of the services we offer, this report provides some insights in efforts and progress that we achieved on responsible business in 2020. For a quick overview on sustainability topics touched upon in our work, please refer to the annex (“overview of SDGs we contribute to” and the table “overview of projects and related ESG topics”). In the chapter “sustainability efforts & progress within focusright”, we also highlight some key points on ESG efforts within our own operations.

1. Strategy

We help our clients to set strategic directions and define clear, measurable milestones. Our support includes:

- Developing human rights policies and due diligence frameworks
- Stakeholder consultation and collaboration
- Conducting gap analysis against recognised international frameworks such as the OECD Guidelines, UNGPs and national and international standards
- Providing practical guidance on integration in existing business processes
- Conducting management workshops
- Identifying opportunities and potential for innovation

Highlights in 2020

Gap analysis and establishment of HRDD framework at Sonova

focusright conducted a systematic analysis of [Sonova's](#) policies, processes, and responsibilities to outline the practical application of the UNGPs and OECD Guidelines within the business. Desk research combined with the consultation of key internal and external stakeholders led to the identification of relevant gaps, the development of a HRDD framework, and the identification of concrete measures going forward. In a next phase, we will conduct a systematic human rights risk analysis, assist in the establishment of a policy commitment, and develop a roadmap for the company.

Monitoring of the National Action Plan on Business and Human Rights in Germany

focusright was part of the consortium carrying out the monitoring process of the National Action Plan on Business and Human Rights (NAP) on behalf of the German Government until 2020. The objective was to review to what extent companies based in Germany complied with the due diligence requirements enshrined in the German NAP. The methodology applied and results of the monitoring process are available on the website of the [German Federal Foreign Office \(AA\)](#).

2. Risk assessment

We support companies to conduct systematic assessments to identify human rights-related risks in their operations and supply chains. Our support includes:

- Analysing country-, sector- and value-chain-specific risks and opportunities
- Conducting systematic human rights risk assessments along companies' value chain
- Identifying salient human rights issues based on severity and leverage
- Conducting research and benchmarking on specific human rights risks

Highlights in 2020

Responsible supply chain management and strategy development at Ricola

focusright supported Ricola in a traceability study and risk analysis of its supply chain and developed a risk overview and mitigating measures for the company. Through this, we also developed a risk exposure matrix linking sourcing countries with procurement categories, unfolding where the environmental and social risks are greatest. focusright provides continuing support in the implementation process.

3. Impact assessment

Based on identified human rights risk areas, we work with our clients and partners on conducting more in-depth human rights impact assessments (HRIA) to understand their actual and potential impact on rights-holders. Our support includes:

- Planning the HRIA, value chain mapping and identifying stakeholders and potentially affected rights-holders
- Conducting on-site interviews
- Drafting of the HRIA report and development of an action plan

Highlights in 2020

Follow-up measures on HRIA in Thailand and Myanmar

On behalf of the Roundtable Human Rights in Tourism, focusright conducted a [HRIA in Thailand and Myanmar](#) in September 2019. focusright worked with Roundtable members to prepare and conduct this exemplary value-chain oriented HRIA and to develop and implement an action plan for follow-up measures, which was published in March 2020.

In collaboration with the Myanmar Responsible Tourism Institute (MRTI) in Yangon and the Pacific Asia Travel Association (PATA) in Bangkok we implemented a follow up project focusing on [post-Covid-19 recovery of the informal tourism sector](#) in the two countries.

4. Implementing measures

We support our clients in effectively integrating human rights aspects in their operations and value chains. Our support includes:

- Advising on concrete follow-up measures to human rights risk and impact assessments
- Integrating human rights aspects in existing business processes and supplier relations
- Develop systems to effectively monitor implementation
- Supporting organisational change management
- Providing guidance on relevant and credible sector initiatives

Highlights in 2020

Consulting on implementing measures at Partnership for Sustainable Textiles

focusright supports the [German Partnership for Sustainable Textiles](#) and its member companies in various projects. We have designed and delivered specific training sessions and guidance papers on implementing human rights and environmental due diligence in textile supply chains for the partnership's business members. In addition, focusright provides strategic guidance on various topics to the partnership's secretariat and is also one of the consulting partners that is assessing the progress of member companies in 2021 during the newly established review process.

5. Grievance

We provide guidance for organisations on how to develop effective grievance mechanisms.

Our support includes:

- Assessing the effectiveness of existing complaint mechanisms in line with international standards
- Advising on improving existing sector grievance mechanisms
- Developing effective grievance mechanisms based on good practice examples

Highlights in 2020

Assessing the effectiveness of dormakaba's whistleblowing system

focusright advised [dormakaba](#) in assessing the effectiveness of its new globally available whistleblowing system and tool. focusright used the effectiveness criteria of the UNGPs to assess its conformity with international human rights standard and to provide recommendations for continuous improvement.

6. Communication

We help companies to communicate transparently and credibly about human rights-related matters with their stakeholders. Our support includes:

- Advising companies on their reporting on human rights topics in line with international standards such as the UNGP Reporting Framework or the Global Reporting Initiative (GRI)
- Providing guidance to companies to comply with human rights-related reporting regulations and increasing expectations from investors

Highlights in 2020

GCNSL webinar on how to commit and communicate on human rights

In November 2020, focusright conducted a [webinar](#) offered by the Global Compact Network Switzerland & Liechtenstein (GCNSL) on how to commit and communicate on human rights. The webinar informed GCNSL members on trends and requirements regarding a statement of commitment on human rights and how they can create transparency on their HRDD. It also informed on existing human rights-related benchmarks and international and EU-level reporting requirements on HRDD and potentially upcoming legal requirements in Switzerland.

7. Connecting actors and facilitating dialogue

Throughout a company's due diligence process, we connect actors and facilitate dialogue between internal and external stakeholders. Our support includes:

- Establishing stakeholder maps and facilitating dialogue
- Identifying potentially affected rights holders and their legitimate representatives
- Moderating and facilitating multi-stakeholder dialogues

Highlights in 2020

Covid-19 dialogue Switzerland

When Covid-19 led to a shutdown of the global economy in March 2020, focusright initiated a dialogue between Swiss companies with the intention to foster an informal exchange on the question of how they can react to the crisis responsibly and meet the demand for responsible business conduct in times of Covid-19. The dialogue was meant to foster peer-learning and create a shared understanding of challenges and possible approaches for Swiss companies in times of Covid-19 using collective knowledge.

Implementing OK:GO initiative

The **OK:GO** initiative helps the Swiss tourism industry to improve accessibility and address the travel requirements of senior citizens and people with disabilities appropriately and to meet their specific needs. This multi-stakeholder initiative is supported by prominent service providers in the Swiss tourism industry and by associations representing people with disabilities. OK:GO improves the availability of information about the accessibility of tourism offers in Switzerland. It allows people with mobility restrictions to arrange their travels independently and book their journeys through conventional booking channels. focusright is responsible for the operational management of the initiative and its strategic development.

8. Training and capacity building

We support our clients and partners in developing management capacities and practical knowledge on human rights among employees and suppliers. Our support includes:

- Developing and delivering specific training modules and programmes
- Facilitating workshops
- Coaching senior management
- Teaching at universities

Highlights in 2020

GCNSL HRDD training programme 2020

focusright is the implementing partner of a new event series offered by the Global Compact Network Switzerland & Liechtenstein (GCNSL) on HRDD. The **HRDD events series 2020** assists members of the GCNSL in answering the practical questions that arise when establishing and implementing their HRDD policies and processes. The focus of the series is tailored to the needs of the participating companies, while preparing them for existing and potentially upcoming regulations.

HRDD training module for the Jaro Institute for sustainability and digitalization e.V.

focusright developed and delivered a module on “**human rights due diligence in global supply chains**” for an E-Learning on responsible procurement practices. This E-Learning course enables procurement staff to use their role as a key function for a sustainable development and offers tools and guidance to develop sustainability strategies to integrate sustainability aspects into procurement processes and supply chains.

Lecturing at Universities

The focusright team regularly teaches at universities and shares its knowledge with students amongst others at the University of St. Gallen, the University of Applied Science in Chur, Winterthur and Wädenswil.

SUSTAINABILITY EFFORTS & PROGRESS WITHIN FOCUSRIGHT

As stated in our commitment to responsible business conduct, our main impact on responsible business and ESG topics is through our services. However, we are committed to applying responsible business principles also within our own company. This chapter presents key highlights of our sustainability efforts and progress within focusright.

Despite the impacts of Covid-19, we had a successful year 2020. We managed to adapt projects to the new reality in collaboration with our partners and clients and were able to continue the work in an adapted approach where needed. Consequently, we had no layoffs or short-time work and even expanded our small team.

The whole team quickly adapted to the new working environment and circumstances. Even though all staff worked from home, we tried to virtually connect on a regular basis and keep the team spirit alive as far as possible.

Human Rights and Labour Standards

As a small consultancy based in Zurich, we have low human rights and labour rights risks within focusright. Nevertheless, the respect for human and labour rights is deeply embedded within our company, given that responsible business conduct and human and labour rights due diligence are at the core of our business. The Directors and Co-Founders are responsible for the respect and support of human rights within focusright. They are involved in all relevant projects and continuously apply a human rights 'lens' in their work.

We are committed to providing our employees with a motivating, open and non-discriminatory work environment. Measures include:

- Continuous monitoring and evaluation of our performance, including:
 - Bi-annual review of results by senior management during management retreat
 - Bi-annual employee performance review
- Monitoring overtime of each employee through an application where our employees can record their working hours
- Continuous learning and training of employees on business and human rights to keep up to date with developments on business and human rights, including labour rights, in their daily work, e.g. by participating in and organising trainings and webinars
- Not only during the Covid-19 pandemic, we offer employees to work from home and flexible working hours
- When deciding on compensation for our employees, we include statistical data or other references on wage levels and make sure not to replicate any discriminating wage gaps shown by such sources (e.g. regarding gender, nationality)
- We offer high standards of office equipment and working environment.

Grievance & Remedy: As a small company, we do not have any formal (grievance) mechanism in place as we address issues that might arise directly through dialogue, e.g. during the bi-annual employee performance review.

Environment

As a small consultancy based in Zurich, we have very limited risks and impact on the environment within our own operations. However, there are several points that contribute to a reduced environmental impact, for example:

- We use an office space in Zurich with a shared kitchen and other shared facilities such as printers
- Not just during Covid-19, we try to replace physical meetings requiring travels by online-meetings
- We were mindful in our sourcing by using second-hand or borrowed office equipment where possible (e.g. desks, coat hanger, sofa etc.) for a new office space that we created in 2020
- All team members live in the area of Zurich and most of them come to work by foot, bike or public transport. Furthermore, we specifically incentivise our employees to use public transportation by:
 - providing employees with a Half-Fare Card ("Halbtax")
 - paying travel expenses from the place of work to clients only for public transport (wherever possible)
- Even though we do not offer specific training on environmental issues we think awareness of employees on environmental risks are important. Our team members:
 - are experts on human rights and responsible business conduct and regularly apply environmental factors of responsible business in their work. Therefore, they have a heightened general awareness of environmental risks
 - keep up to date with developments on business and human rights, including environmental protection, in their daily work, e.g. by participating in and organising trainings and webinars as well as in concrete projects

Because we take a risk-based approach, we focus most of our work regarding responsible business on our services. Therefore, we consciously abstain from measuring outcomes of scope 1 and 2, such as the CO₂ footprint of our shared office space in Zürich or the environmental footprint of the way to work of our team.

Anti-Corruption

We are in full compliance with all relevant applicable laws, including anti-corruption laws. We do not have any specific anti-corruption policy in place.

In our projects and contact with customers, we are raising awareness on corruption, e.g. by outlining the negative impacts of corruption on human rights issues and including this perspective in our projects wherever relevant.

Through our focus on human rights and responsible business conduct, the topic of anti-corruption is part of our work. Even though we do not offer specific training on corruption to our employees they have a high level of awareness of the issue. We keep up to date with developments on business and human rights, including anti-corruption, e.g. by participating in and organising trainings and webinars as well as in concrete projects.

Memberships

- UN Global Compact - Global Compact Network Switzerland & Lichtenstein
- öbu - Der Verband für nachhaltiges Wirtschaften

ANNEX

Overview of SDGs we contribute to

HRDD plays a crucial role for achieving the SDGs. Not only is the Agenda 2030 grounded in international human rights treaties, but more than 92% of SDG targets reflect specific provisions of international human rights and labour standards¹. Given that respect for human rights is deeply embedded in our business model as described in our “commitment to responsible business”, we contribute to many SDGs in our daily work. As our main impact is through our services, our activities related to the SDGs are undertaken in collaboration with other stakeholders such as companies, NGOs, multi-stakeholder initiatives or academia. Below, you find an overview of the SDGs we contributed to in 2020:

- **SDG 1:** End poverty in all its forms everywhere
- **SDG 2:** End hunger, achieve food security and improved nutrition and promote sustainable agriculture
- **SDG 3:** Ensure healthy lives and promote well-being for all at all ages
- **SDG 4:** Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
- **SDG 5:** Achieve gender equality and empower all women and girls
- **SDG 8:** Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
- **SDG 10:** Reduce inequality within and among countries
- **SDG 12:** Ensure sustainable consumption and production patterns
- **SDG 13:** Take urgent action to combat climate change and its impacts
- **SDG 15:** Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss
- **SDG 16:** Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels
- **SDG 17:** Strengthen the means of implementation and revitalize the global partnership for sustainable development

¹ DIHR: Making the link between human rights and the 2030 Agenda, available at: <https://sdgdata.humanrights.dk/en/node/252884>

Overview of projects and related UNGC topics

Services of focusright	Projects (Further projects can be found here: www.focusright.ch/en/our-solutions)	UNGC Pr. 1,2: Human Rights	UNGC Pr. 3,4,5,6: Labour standards	UNGC Pr. 7,8,9: Environment	UNGC Pr. 10: Anti-Corruption
Strategy	<ul style="list-style-type: none"> Gap analysis and establishment of HRDD framework at Sonova Monitoring of the National Action Plan on Business and Human Rights in Germany 	x	x		x
Risk assessment	<ul style="list-style-type: none"> Responsible supply chain management and strategy development at Ricola 	x	x	x	x
Impact assessment	<ul style="list-style-type: none"> Follow-up measures on HRIA in Thailand and Myanmar 	x	x		
Implementing measures	<ul style="list-style-type: none"> Consulting on implementing measures at Partnership for Sustainable Textiles 	x	x	x	x
Grievance	<ul style="list-style-type: none"> Assessing the effectiveness of dormakaba's whistleblowing system 	x	x		x
Communication	<ul style="list-style-type: none"> GCNSL webinar on how to commit and communicate on human rights 	x	x		
Connecting actors and facilitating dialogue	<ul style="list-style-type: none"> Covid-19 dialogue Switzerland Implementing OK:GO Initiative 	x	x		x
Training and capacity building	<ul style="list-style-type: none"> GCNSL HRDD training programme 2020 HRDD training module for the Jaro Institute for sustainability and digitalization e.V. Lecturing at Universities 	x	x		x