

Phase 5: Analysis & follow-up measures

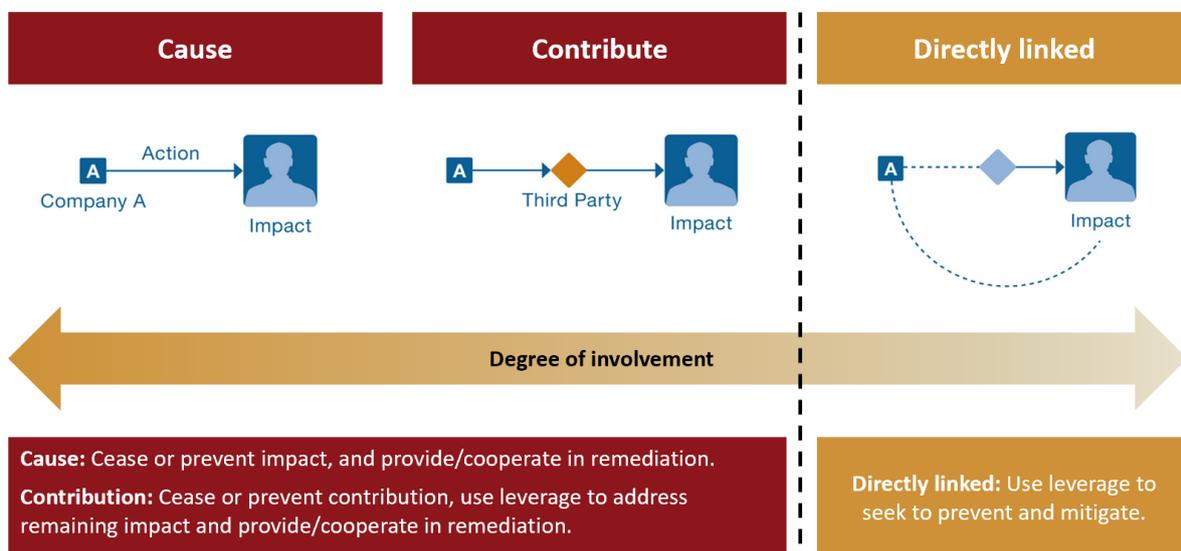
Step 5.2: Follow-up measures

How to identify a company's ability to influence ('leverage') impacts on human rights?

When determining which type of action to take to address a particular impact, it is important to understand the extent to which your company can actually influence the situation on the ground. This ability to influence is also called '**leverage**', which can be divided into **causing**, **contributing to** or **being (directly) linked** to an impact on human rights. If impacts are directly caused by your company (high leverage), you are expected to develop and implement actions to cease and address these impacts. In case of impacts where your company's leverage is limited (e.g. because your company is only contributing to or linked to an impact caused by a business partner), you should take the necessary measures to cease your contribution to the impact, including the exercise of 'leverage'. This could, for example, happen by starting a dialogue with your business partners and agreeing on specific measures to be taken together.¹

Leverage therefore is a **company's ability to influence** the behaviour of other business partners. If a company has the ability to effect change in the practices of another entity, it is expected to exercise it. In cases in which a company's leverage is low, it is expected to seek ways to increase it, e.g. by collaborating with other affected stakeholders to influence the behaviour of the entity causing or contributing to the impact.

The following illustration shows how companies can influence impacts on human rights.²



¹ Danish Institute for Human Rights (2016): Human Rights Impact Assessment. Guidance and Toolbox, https://www.humanrights.dk/sites/humanrights.dk/files/media/dokumenter/business/hria_toolbox/hria_guidance_and_toolbox_final_may22016.pdf_223795_1_1.pdf, p. 75-77.

² Global Business Initiative on Human Rights (2017): Using your company's influence to drive change, <https://gbih.org/business-practice-portal/using-leverage>.

Human rights impact assessment

The following overview provides examples to support Tour Operators in determining appropriate business actions for impact areas with different levels of leverage.

| Type of impacts / leverage | Examples of a Tour Operators ability to influence impacts | Level of influence |
|--|--|---|
| Impacts caused by the business | <ul style="list-style-type: none"> Example: Labour issues in a Tour Operator's own destination management company | <ul style="list-style-type: none"> High leverage: The Tour Operator has direct responsibility and influence on the working conditions of its staff |
| Impacts to which the business contributes | <ul style="list-style-type: none"> Example: Labour issues at a key accommodation or service provider | <ul style="list-style-type: none"> Medium leverage: The Tour Operators can contribute to reducing the negative impacts, e.g. by asking the business partner to comply with regular working hours and leave days through a supplier code of conduct [In cases of more structural issues, such as wages, an industry-wide approach is required, e.g. in cooperation with trade unions and the government] |
| Impacts (directly) linked to a business' activities, products or services through its business relations (contractual or non-contractual) | <ul style="list-style-type: none"> Example: Wider issues and challenges of a country's tourism industry, e.g. the sexual exploitation of children in the informal sector along the tourism value chain | <ul style="list-style-type: none"> Low leverage: The Tour Operator can collaborate with other businesses or affected stakeholders by taking a leadership position and seeking to influence others in the tourism industry and the government to take action.³ |

³ Kuoni (2012): Assessing Human Rights Impacts. Kenya Pilot Project Report, http://cr.kuoni.com/docs/assessing_human_rights_impacts_0.pdf, p. 14-18.