

## PILLARS IN PRACTICE

Advancing the United Nations  
Guiding Principles on Business  
and Human Rights

**CASE STUDY**

# DBL Group



## Abstract

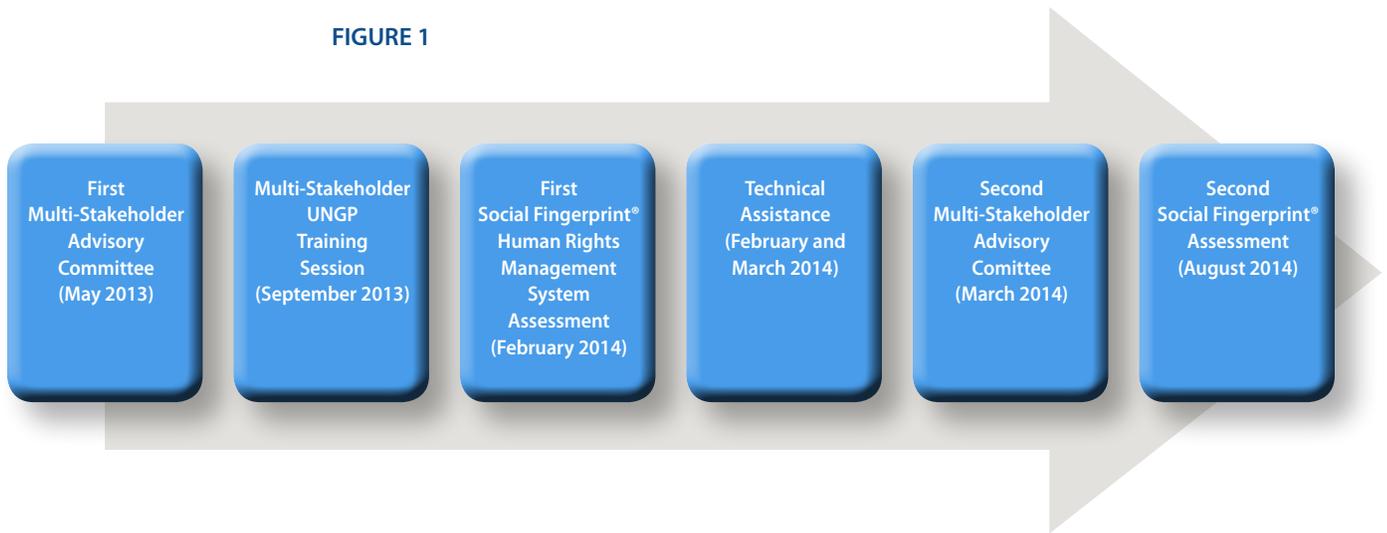
The goal of this case study is to increase the body of knowledge about the practical implementation of the United Nations Guiding Principles on Business and Human Rights (UNGPs). The UNGPs are based on three pillars, the “state duty to protect against human rights abuse by third parties including business enterprises,” the “corporate responsibility to respect human rights,” and “effective redress mechanisms in those instances where human rights have been adversely impacted.”

This is one of three case studies produced as part of the “Pillars in Practice” (PIP) project, an initiative funded by the United States Department of State Bureau of Democracy, Human Rights and Labor to advance the UNGPs. The project commenced on September 12, 2012 and ended on September 30, 2014. Led jointly by Social Accountability International (SAI) and the Danish Institute for Human Rights (DIHR), PIP was implemented locally in collaboration with four civil society partners: CSR Centre (Bangladesh); Unión Nicaragüense para la Responsabilidad Social Empresarial (Nicaragua); Professionals for Corporate Social Auditing (Nicaragua); and Zimbabwe Environmental Lawyers Association (Zimbabwe).

This case study follows DBL Group, one of the largest ready-made-garments manufacturers in Bangladesh. It tracks the changes that occurred in DBL Group’s business operations as it participated in the PIP project and implemented the UNGPs. Thus, the case study is presented as a timeline; it begins by describing the organization’s understanding of the UNGPs at the commencement of PIP; moves on to its participation in PIP’s capacity building activities; focuses in detail on its use of technical assistance; and, finally, explains how DBL Group applied the UNGPs to its business practices.

DBL Group activities described in this case study include: participation in a UNGPs multi-stakeholder advisory committee meeting; participation in a UNGPs multi-stakeholder training session; baseline assessment of the company's human rights management system; technical assistance from DIHR and SAI to compose a human rights policy; presentation at a second multi-stakeholder advisory committee meeting; and second assessment of the company's human rights management system. See Figure 1 below for a graphic depicting this process.

FIGURE 1



## Organization Profile

DBL Group, in operation since 1991, is one of the largest 100% export-oriented diversified and integrated knit garments manufacturers in Bangladesh. Its customers include retailers and brands in Africa, Asia, Europe, North America and South America. A group of private companies, DBL currently operates facilities capable of spinning, knitting fabric, dyeing and finishing garments, washing, packaging and printing. In fiscal year 2013 it employed approximately 15,700 people and had sales of USD \$247 million.

DBL Group's vision is to be the leader in its business domain and make a significant contribution to the GDP of Bangladesh by the year 2020. Its mission is to deliver the best quality products and services by hiring competent, dedicated employees and utilizing state-of-the-art technology to minimize adverse effects of business operations on the environment.

At the beginning of the PIP project, DBL Group had a corporate code of conduct that listed its commitments related to labor and environmental issues. As of the conclusion of the PIP project, the company has written a comprehensive human rights policy that commits the organization to respect the full range of human rights in accordance with the UNGPs.

## Case History

Worker welfare and community development have always been central to DBL Group's values, mission and vision. However, the company's concept of the full range of corporate social responsibility changed on May 15, 2013 when it attended the PIP project's launch event in Bangladesh – the first Multi-stakeholder Advisory Committee (MAC). The MAC was organized to present the project to a diverse group of companies, NGOs, government officials and civil society organizations in order to advance the knowledge, understanding and implementation of the UNGPs in Bangladesh's ready-made garments sector.

The presentation of the UNGPs second pillar at the MAC – the corporate responsibility to respect human rights – was a seminal moment for DBL Group. The UNGPs' holistic approach to human rights challenged the company's conception of its corporate responsibility; previously, DBL Group's Code of Conduct and corresponding employee training materials were limited to two human rights areas: labor issues and environmental health and safety. Figure 2, below, shows a list of the further issues presented at the MAC that DBL Group was unaware of:

**FIGURE 2**



### Non-Labor Rights

- > Freedom from torture or cruel, inhuman or degrading treatment
- > Right to privacy
- > Right to physical and mental health: access to medical services
- > Equal recognition and protection under the law
- > Right to adequate standard of living
- > Right to water
- > Right to land
- > Right to education
- > Right to participate in cultural life, the benefits of scientific progress, and protection of authorial interests
- > Right of indigenous peoples / local communities

After the MAC, DBL Group senior management decided to participate in the PIP project in order to better understand and meet the company's human rights responsibilities. The company already viewed corporate social responsibility as a means of mitigating human rights risks to the business. The PIP project helped the DBL Group assess its potential adverse impacts on human rights more comprehensively.

DBL Group realizes that reporting on human rights is an important aspect of transparency in its business operations. Since the company intends to significantly contribute to the GDP of Bangladesh by 2020 and grow to 20,000 employees by 2015, the company's senior management believes that incorporating the UNGPs into its business practices will ensure the organization's sustainability.

Thus, DBL Group decided to participate as much as possible in the PIP project in order to learn how to integrate the UNGPs into its business operations and more comprehensively meet its obligation to

respect human rights. DBL Group enrolled in the multi-stakeholder training session offered by the PIP project, which took place on September 30, 2013, and learned about the 6-step approach developed by the PIP partners for corporate implementation of the UNGPs (see Figure 3 below). After the training session, DBL Group agreed to receive free technical assistance from the PIP project partners to assess the company’s human rights management system and create an improvement plan based on the results.

FIGURE 3

SIX STEPS TO IMPLEMENTING THE GUIDING PRINCIPLES	
1	<b>Committing</b> to a human rights policy
2	<b>Assessing</b> risks of adverse human rights impact
3	<b>Integrating</b> human rights in policies, procedures and responsibilities
4	<b>Tracking</b> human rights implementation
5	<b>Communicating</b> human rights impact
6	<b>Remediating</b> adverse human rights impact

## Baseline Management System Assessment

The PIP project provided DBL Group with the opportunity to undergo SAI’s Social Fingerprint® tool to conduct a comprehensive assessment of its human rights management system and identify areas for improvement. Social Fingerprint® is a program of ratings, training and tools to help companies measure and improve their human rights management systems. It measures nine aspects of a company’s management system and assigns ratings based on a 5-point scale (see Figure 4 below).

FIGURE 4

Rating (5 is highest)	Management Systems – Policies and Procedures	Worker Involvement & Communication	Training & Capacity Building
	Internal Social Performance Team	Complaint Management & Resolution	Level and Type of Non-conformances
	Management of Suppliers & Contractors	External Verification & Stakeholder Engagement	Progress on Corrective Actions

*Each of the nine categories is rated on a scale of 1 to 5, with 5 being the highest. Below, we have indicated the general guidelines for each level.*

5	Mature systems with internal and external implementation and continual improvement.
4	Fully developed systems with improving utilization.
3	Systems approach adopted, but mixed level of development and implementation.
2	Limited systems with sporadic implementation.
1	Little or no awareness or repeatable processes.

Social Fingerprint® is used to set baseline and final measurement scores to illustrate how a company's human rights management system had matured as a result of effective incorporation of the UNGPs into their business practices. Thus, the first Social Fingerprint® assessment was performed by SAI before technical assistance was provided to DBL Group to create a baseline; the second assessment was conducted six months after the technical assistance had been provided in order to assess the organization's progress.

The first Social Fingerprint® assessment, which took place on February 5, 2014, resulted in a score of 2.8 out of 5. This indicates that the company had a limited human rights management system with sporadic implementation (see figure 5 below).

**FIGURE 5**

<b>Category</b>	<b>Points</b>
Policies and Procedures	3.2
Internal Social Performance Team	3.1
Worker Involvement and Communication	2.5
Complaint Management and Resolution	2.2
Level and Type of Non-Conformances	3.7
Progress on Corrective Action	3.8
External Verification and Stakeholder Engagement	1.8
Training and Capacity Building	3.0
Managing Suppliers and Contractors	2.3
<b>Total</b> (Total may not equal sum of all categories due to rounding)	<b>25.6</b>

SAI Social Fingerprint™ Rating 2.8

The assessment identified the most significant gaps in the organization's human rights management system: Policies and Procedures, Worker Involvement and Communication, Complaint Management and Resolution, and External Verification and Stakeholder Engagement. The DBL Group management team was surprised by the results at first; they had considered the company's labor and environmental health and safety management system to be comprehensive and effective, and therefore assumed that it would receive a high score. However, when the PIP partners explained that the lower score identified gaps in the system's incorporation of the full range of human rights issues and the limited involvement of external stakeholders, the company management team was able to understand the reasons for the score.

Based on this assessment, SAI wrote a detailed improvement plan with DBL Group, which the company committed to implement. The improvement plan is a normal part of the Social Fingerprint® process and includes, for each of the nine Social Fingerprint® categories: an analysis of the company's score; an explanation of what the score meant; general improvement tips; observations; and detailed recommendations for improvement in the categories identified as the highest priority, enabling the company to improve its performance over a recommended timeframe.

The first step of this plan was to create and commit to a company-wide human rights policy. Creating the policy was intended to improve the company's performance in several categories: Policies and Procedures by enhancing existing policies and procedures Internal Social Performance Team by creating a cross-departmental team to review and consolidate existing policies; and External Verification and Stakeholder Engagement by involving stakeholders in the vetting of the human rights policy.

## Policy Commitment

In order to create its human rights policy, DBL Group convened a Sustainability Team of employees from the compliance and corporate affairs department, including: Md. Zahidullah, General Manager, Corporate Affairs; Md. Mahfuzur Rahman, Deputy General Manager, Compliance; Triporna Das, Assistant Manager, Corporate Affairs; Mahmudul Hasan, Executive, Corporate Affairs; Mashook Mujib Chowdhury, Executive, Corporate Affairs.

As its first step, the team worked with the PIP project partners (CSR Centre, DIHR and SAI) to develop the process for composing the policy. As a part of that process, the team engaged with internal and external stakeholders to vet the first draft. DIHR staff provided the team with technical assistance in the DBL Group's headquarters during the week of March 3, 2014. The project partners reviewed publicly available human rights policies from a variety of businesses together with the team (which can be found on the Business and Human Rights Resource Center website) and discussed the importance of assessing all of the company's existing policies and procedures that address specific human rights issues in order to create one comprehensive policy.

The DBL Group team then wrote a draft of its policy, based on the UNGPs and international standards, such as the International Bill of Human Rights (which includes the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, and the International Covenant on Economic, Social and Cultural Rights) and the International Labor Organization's Declaration on Fundamental Principles and Rights at Work.

This draft was then shared with the project partners as well as internal and external stakeholders, including DBL Group upper management, buyers and members of communities surrounding their factories. These stakeholders provided their feedback, which was incorporated into subsequent drafts.

To date, the DBL Group has gone through three drafts of the policy based on an extensive review of the many internal policies and procedures covering specific human rights issues. Due to the sheer volume of individual policies and procedures, the team realized that the company was previously unable to uphold its responsibility to respect human rights. Previously, it could not communicate to internal and external stakeholders about the company's connection to the full range of human rights issues or sufficiently explain the company's responsibility to mitigate adverse human rights impacts.

The final policy will be published on DBL Group's website to publically demonstrate its commitment to human rights. The DBL Group will also communicate the new policy to buyers, investors, suppliers, business partners and the general public. DBL Group intends to create a platform for bilateral information-sharing between the local community and the company to understand and address community human rights concerns.

## Final Management System Assessment

The second Social Fingerprint® assessment, which took place on August 26, 2014, showed progress, resulting in a score of 3.2 out of 5, which indicates that the company has a basic human rights management system with a mixed level of development and implementation (see Figure 6 below).

**FIGURE 6**

Category	Points
Policies and Procedures	4.7
Internal Social Performance Team	3.7
Worker Involvement and Communication	2.5
Complaint Management and Resolution	2.2
Level and Type of Non-Conformances	3.7
Progress on Corrective Action	3.8
External Verification and Stakeholder Engagement	3.0
Training and Capacity Building	3.0
Managing Suppliers and Contractors	2.3
<b>Total</b> (Total may not equal sum of all categories due to rounding)	<b>28.8</b>

SAI Social Fingerprint™ Rating 3.2

A comparison of the baseline and final scores shows improvement, particularly in the areas where technical assistance was concentrated. Overall, the area of Policies and Procedures showed the greatest increase from a score of 3.2 to 4.7, External Verification and Stakeholder Engagement increased from a score of 1.8 to 3.0, and Internal Social Performance Team increased from 3.1 to 3.7.

## Implementation Challenges

Since the human rights policy is not yet finalized, DBL Group has not formally introduced the policy to all of its personnel. The first step of implementation will be proper communication of the policy to personnel. This will necessitate an explanation of the full range of human rights issues that the policy addresses and the company's strategy for putting the policy into practice. The company will have to raise awareness within the company and create appropriate training materials in order to empower all personnel to properly manage human rights issues.

Building awareness within the company will likely be a challenge due to a general lack of awareness of basic human rights or the UNGPs in Bangladesh. DBL Group may consult with external organizations to evaluate the human rights policies and procedures, and training materials. DBL Group hopes to engage PIP partner CSR Centre in this work because of the organization's expertise in setting national CSR strategies and participation in human rights conferences and events. DBL Group also plans to work with CSR Centre to conduct research on other companies' successful efforts to engage communities and build relationships through community consultations, impact assessments, philanthropic activities or other strategies.

## Conclusion

Through the PIP project, the DBL Group learned about the UNGPs and the importance of a comprehensive approach to human rights. By partnering with SAI, DIHR and CSR Centre, DBL Group was able to assess its existing human rights management system and identify priority areas for improvement. As a result, the company decided to create a comprehensive company-wide human rights policy and built a cross-departmental Sustainability Team to develop the policy. With technical assistance from the PIP project partners, the team conducted research on the company's existing policies and consulted internal and external stakeholders to create a policy that will fully reflect the wide range of human rights responsibilities of the company. The policy is in its final stages of development and will be made publically available on the company's website; this is an important first step for the company to publically affirm its commitment to the UNGPs. Because of its participation in the PIP project, the DBL Group now aims to become a leader in the field of human rights and business in Bangladesh's ready-made garments sector.