



Human Rights Due Diligence: Risk Prevention & Mitigation

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Human Rights Due Diligence 





What is Human Rights Due Diligence (HRDD)?

 As per UNGP, HRDD refers to the processes that all business enterprises should undertake to identify, prevent, mitigate and account for how they address potential and actual impacts on human rights caused by or contributed to through their own activities, or directly linked to their operations, products or services by their business relationships.

Why Should Businesses Undertake HRDD?

-  Better Risk Management
-  Increased Capital Access
-  Stakeholder Trust
-  Increased Brand Value
-  Increased Market Access

There are four key steps to HRDD :

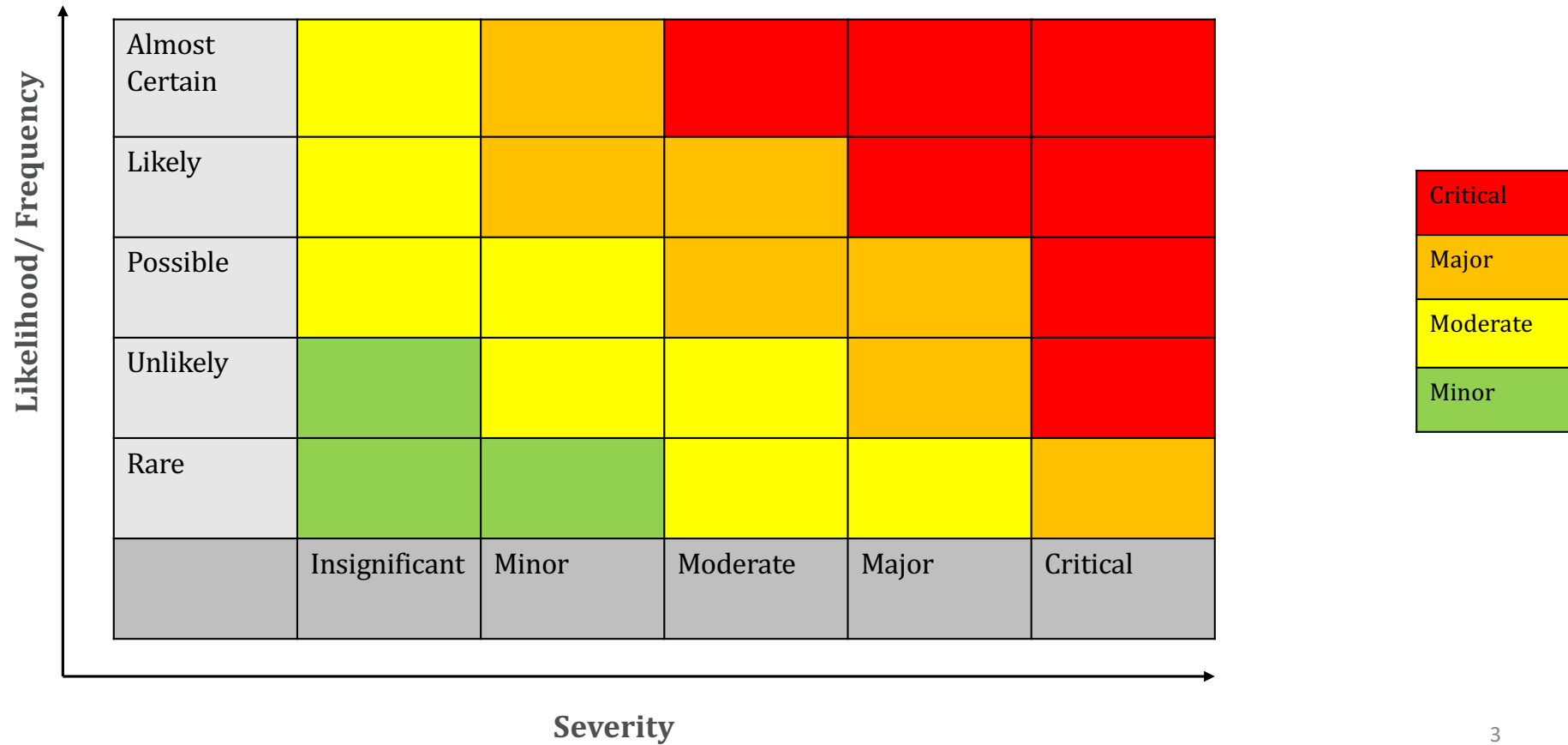
-  Identifying actual and potential HR risks
-  Integrate findings in internal functions
-  Track effectiveness if internal functions
-  Communicate to external stakeholders

It's important to note that HRDD is not a checklist to be completed and forgotten; it's an ongoing, iterative process that may progress slowly. It should be customized to align with a company's sector, operating contexts, risk profiles, priorities and business models.

Outline

1. Points to Remember
2. BHR Risks: Prevention & Mitigation Strategies
3. BHR Policy
4. Case Discussion

Recap: Risk Prioritization – The Process



Points to Remember

Overall:

- ✓ The core objective is to **prevent harm to stakeholders** – and not just the business
- ✓ Evaluate findings from the lens of **double materiality**
- ✓ **Stakeholder engagement** plays a crucial role in HRDD, as well as the overall BHR profile
- ✓ HRDD is an **ongoing process**
- ✓ HRDD should consider **actual and potential impacts** on stakeholders

Businesses Should:

- ✓ **Prioritise** the issues to be addressed
- ✓ Effective **Planning** – Buy in, allocation of resources, processes/ activities, outputs, timelines
- ✓ Identify **Stakeholder Engagement** Strategy
- ✓ Develop **Tracking and Monitoring Frameworks**

BHR Risks: Prevention & Mitigation Strategies

1. **Develop clear Policies, Processes & Strategies** – BHR Policy, Supplier Codes, Human Resource Policy, Stakeholders Engagement Strategy, Grievance Redressal Policies
2. Periodic **awareness, capacity building and training engagements** with identified stakeholders
3. Periodic **Impact Assessments**
4. Developing effective **Grievance Mechanisms** and implementing corrective actions
5. Engaging with **Experts**
6. **Publicly disclose information** on BHR risks and human rights policies/ commitments

Drafting a Robust Policy:
Questions to Consider When Drafting a Business & Human Rights (BHR) Policy

The process of drafting a Business & Human Rights (BHR) policy significantly impacts its effectiveness. Here are some questions, aligned with the United Nations Guiding Principles on Business & Human Rights (UNGPs), to consider when creating or reviewing your BHR policy.

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Key Questions To Be Addressed

- Is the Policy **Approved** by the Board? Does the organization have necessary governance Committees and support structures?
- Is the Policy backed by a consultative **stakeholder engagement**?
- Does the Policy set **clear expectations** for the behaviour of personnel, business partners and other relevant parties?
- Is the Policy **accessible** and publicly available?
- Does the Policy trigger necessary **internal attention**, resources and action for implementation?
- Does the Policy incorporate **review mechanisms**?

BHR POLICY COMMITMENT SHOULD ENTAIL THE FOLLOWING:

1. Approval from most senior level of the business enterprise
2. Informed by internal and external experts
3. Clearly stipulate human rights expectations of personnel, business partners and relevant stakeholders
4. Publicly available and communicated internally and externally
5. Is reflected in operational policies and procedures of business operations and strategies

BHR Policy

The BHR Policy should:

- Approved by the Board/ senior most level
- Informed by internal and external experts
- Clearly stipulate objectives and expectations
- Publicly available, communicated internally and externally
- Reflected in operational strategies, policies and procedures

TomTom is a legacy company spread over 1200 acres. TomTom owns farmlands where it produces tomatoes (amongst other crops) and has 2 large processing and packaging units where it bottles home grown tomato ketchup. TomTom conducts HRDD and finds:

1. The farm workers (contracted through long term contractor) are not receiving payments in time
2. The farm workers do not have access to medical aid
3. The farm workers do not have access to company's grievance cell
4. Employees at the processing units do not have updated OHS gears but no accidents have occurred in last 5 years
5. The transportation partner is found to have drivers working for extremely long hours
6. The processing units are dumping large wastes in nearby community land, resulting in pollution and foul smell
7. Community members feel they are not being given adequate job opportunities

Thank You!

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