



**INVESTOR ALLIANCE
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Key human rights expectations for companies Human Rights Due Diligence

The [UN Guiding Principles on Business and Human Rights](#) provide the global authoritative framework on the corporate responsibility to respect human rights. The framework was unanimously endorsed by the UN Human Rights Council in June 2011, supported by governments from all regions of the world.

The UN Guiding Principles make clear that companies should have the following elements in place:

- A **policy commitment** to respect human rights that is **embedded** throughout the organization;
- **Human rights due diligence** processes to:
 - *Assess and prioritize* their actual and potential negative impacts on people.
 - *Integrate* the findings and *take action* to prevent or mitigate potential impacts.
 - *Track* their performance;
 - *Communicate* about their performance.
- **Grievance mechanisms** and other processes to provide or enable **remedy** to those harmed, in the event that the company causes or contributes to a negative impact.
- **Stakeholder engagement** as a cross-cutting theme throughout.

As part of our [Investor Statement Calling on Companies to improved Performance on the Corporate Human Rights Benchmark](#), we call out the zero scorers on the 5 human rights due diligence indicators (B2 of the CHRB Report):

B.2.1 HRDD – **Identifying**: processes and triggers for identifying human rights risks and impacts

B.2.2 HRDD – **Assessing**: assessment of risks and impacts identified (salient risks and key industry risks)

B.2.3 HRDD – **Integrating and acting**: integrating assessment findings internally and taking appropriate action

B.2.4 HRDD – **Tracking**: monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts

B.2.5 HRDD – **Reporting**: accounting for how human rights impacts are addressed

The following table provides investors with key questions to ask companies in relation to the each of these iterative human rights due diligence steps, alongside key resources that provide additional information that can be incorporated into engagements. This resource draws from the [UN Guiding Principles Reporting Framework](#), by Shift and Mazars, and [Doing Business with Respect for Human Rights](#), by the Global Compact Network Netherlands, Oxfam, and Shift.

Expectation	Key questions	Key resources
Human rights due diligence		
<i>Identifying, Assessing and prioritizing</i>	<ul style="list-style-type: none"> • Does the company conduct human rights impact assessments (distinct from social impact assessments)? • Does the company identify its salient human rights issues, based on the most severe risks to people connected with its business? If so, were key internal and external stakeholders involved in the process of determining the salient issues? 	<ul style="list-style-type: none"> • UNGPs Reporting Framework: Sections B, C2, and C3 • Doing Business with Respect for Human Rights: Sections 3.3 and 3.7



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	<ul style="list-style-type: none"> • Is the human rights impact assessment process integrated in broader enterprise risk management processes? • How often are real and potential impacts assessed? 	
<i>Integrating and acting</i>	<ul style="list-style-type: none"> • How are the parts of the company whose decisions and actions can affect the management of salient issues involved in finding and implementing solutions? • When tensions arise between the prevention or mitigation of impacts related to a salient issue and other business objectives, how are these tensions addressed? • How does the company use and build its leverage across business relationships, government advocacy, and multi-stakeholder platforms to support the prevention, mitigation, and where appropriate remediation of the company’s salient human rights risks? 	<ul style="list-style-type: none"> • UNGPs Reporting Framework: Section C4 • Doing Business with Respect for Human Rights: Section 3.4
<i>Tracking</i>	<ul style="list-style-type: none"> • How does the company measure progress on its human rights performance? • Are performance metrics limited to inputs and outputs (e.g., number of trainings and audits) or do they reflect behavior changes within the company and outcomes for rights-holders? 	<ul style="list-style-type: none"> • UNGPs Reporting Framework: Section C5 • Doing Business with Respect for Human Rights: Section 3.5
<i>Reporting/ Communicating</i>	<ul style="list-style-type: none"> • Does the company publicly and regularly report on its human rights policies, processes, practices, and performance? • Does the company’s disclosure include sign-off from senior leadership and stakeholder perspectives? • Does the company’s disclosure acknowledge the company’s human rights challenges and a plan for future improvement? 	<ul style="list-style-type: none"> • Doing Business with Respect for Human Rights: Section 3.6