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I have listed out a range of points below and would be happy to address any questions they raise with you:

Glossary definitions:

- The due diligence definition is limited to the negative impacts of the company's decisions and activities - that is, impacts it causes or to which it contributes. This excludes impacts linked to its operations or products through its business relationships. It would be problem to redefine due diligence in this way, curtailing the definition in the UNGPs and the OECD Guidelines
- the salience definition is too broad. It's not a problem to expand it to the environment or community issues, but it is more than 'the importance or relevance of an issue to society in general. It is the importance of an issue based on the severity of potential negative impacts - be it on people or the environment. It would be much better to keep closer to the definition in the UNGP Reporting Framework, which in turn is based on the definition in the OHCHR's Interpretive Guide to the responsibility to respect. So something like: the importance of an issue in terms of the severity of the potential negative impacts involved, whether on people or on the environment.

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- the discussion of engagement does not disaggregate different kinds of stakeholders. It would be important to stress the particular importance of engagement with potentially impacted stakeholders.
- 'planning and implementation' seems to be about prevention of impacts, since 'response and remediation' is clearly about remedy. But then it would be much clearer to distinguish between risks (or 'potential impacts') - which relate to prevention; and actual impacts - which relate to remedy.

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Weighting - will there be any more transparency about the weighting approach? It seems very challenging to make the kinds of judgments implied here.

Indicators

The fundamental problem I see here is the way that 'human rights' is broken out as a category on its own separate from the myriad categories that are about specific human rights - be it health, gender equity, FPIC, living wage, non-discrimination, Freedom of Association and collective bargaining, forced labour, child labour - or be it categories where much of the core content goes to human rights, for example in relation to resettlement, security and indigenous peoples. So then this separate category of

'human rights' sends the message that those things are somehow not human rights, or that there is something else to be considered under 'human rights' but which the text does not define.

I think the real distinction here is that the human rights section is about human rights risk management systems (since you break grievance mechanisms and remedy out separately). So I would suggest that the more logical approach would be to have an overarching category of human rights risk management that then includes these indicators looking at the systems in place to identify and address human rights risks, and then follow this with the sections that relate to specific human rights. It will then flow more logically when you are talking about respect for human rights in relation to indigenous peoples and other groups/issues - the broader framing will have preceded such references.

Another area where the draft does not help the user understand where human rights fit in is in how the term is used in relation to other issue areas. B9.1 talks about 'environment, social, human rights and governance practices' - so this treats human rights as something separate and additional to ESG. Then C2.1 talks about 'economic, environmental, social and governance factors', which the reader could either understand then to exclude human rights, since that was previously listed additionally, or to have subsumed human rights. But it's entirely unclear. The same issue arises in C4.1 which references environmentally and socially responsible conduct. In practice human rights impacts are, simply put, the most acute impacts a company can have on people, be they economic (eg living wage), environmental (eg health impacts of pollution) or social (eg FPIC) in their underpinnings. So it would be important for the draft to set out a clear vision of where and how human rights fit in, along these lines, and where necessary to remind the reader in the course of the document that human rights are cross-cutting in nature.

D2.1 talks about conducting social impact assessments. However, SIAs as conducted by most mainstream practitioners notoriously fail to understand and take account of what is different about human rights. It is really important therefore not to fall into an assumption that these practices integrate the human rights lens, as a result of which various aspects of a project's viability can be missed. So this additionality should be called out.

D5.1 - this refers to "indigenous peoples' groups" but the meaning is not entirely clear - is it groups that indigenous peoples are a part of, or sub-groups within indigenous peoples, or distinct communities of indigenous peoples? And what is the purpose of the distinction being made?

D9.1 - This indicator talks about seeking 'to respect human rights, for example through alignment with the UNGPs'. That lowers the standard. The UNGPs are not one example among others - they are the global standard expected of all companies. So it should not be one example but the singular overarching reference point. And while implementing respect for human rights takes time, the use of the term 'seeking to' weakens the language of the UNGPs themselves. It would be better to talk in terms of 'implementing respect for human rights in line with the UN Guiding Principles on Business and Human Rights'.

It is not helpful that this indicator refers first to enhancing community well-being and then to respect for human rights. The commentary is very good in showing that the prevention, mitigation and remediation of human rights impacts can enhance the well-being of communities and contribute positively to the SDGs. But that suggests there should be a different framing in the indicator itself, for example that: 'The

company has systems in place to implement respect for human rights in line with the UN Guiding Principles on Business and Human Rights, contributing to workers' and communities' welfare.

I guess my third point here - and this relates to the whole human rights section - is that you really seem to be getting at human rights due diligence through these indicators. And then you break out grievance mechanisms separately, later on. So you could call the section 'human rights risk and impact management', have an indicator on due diligence systems, breaking out the four elements of human rights due diligence, one on reporting, one on incidents, and then add the indicators on grievance and remedy as well. Then have your section on community wellbeing with the various human rights-related elements that would refer back to the management systems discussed; and then your workers section that would do likewise. Then the logic becomes clearer: 1. overarching human rights risk and impact management systems; 2. specific community-related human rights issues; 3. specific worker-related human rights issues.

It's great that you talk about salient human rights issues in the commentary. But it would actually give you much sharper indicators (that could be more easily assessed) if you brought this into an indicator - perhaps as an explicit part of the indicator on human rights due diligence. Unless a company is going through an exercise to identify the full range of human right risks with which it could be involved, and then work out, based on their relative severity in terms of impacts on people (as defined in the UNGPs) which risks to prioritize for attention (not ignoring the others, but allocating greater resources to those priorities), then the company doesn't have the right basics of the due diligence process in place.

D9.2 - since this indicator is about public disclosure of human rights risk management and performance, should it not refer to the UN Guiding Principles Reporting Framework, rather than the UN Guiding Principles? The reference point given is UNGP 5.1 - which presumably means UNGP RF C5.1? - but in fact the entirety of the UNGPRF is about reporting, while C5.1 is purely about metrics/assessing effectiveness.

The commentary says:

"There are three well-known frameworks that provide corporations with due diligence guidance on managing human rights risks and impacts in different contexts: the UN Guiding Principles on Business and Human Rights; the Voluntary Principles on Security and Human Rights (See D.10); and the OECD Due Diligence Guidelines for Mineral Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (See D.10)."

But this does not explain to the reader the difference between the UNGPs that are an overarching standard for identifying and addressing human rights risks and impacts; and the other two frameworks which are explicitly voluntary and refer to discrete issues. It would be better to avoid implying they are the same. That is not to diminish the VPs or OECD due diligence guidelines, but rather to be clear that the latter two can't just be substituted for the former.

Finally, I would note that while there are various cross-references to the UNGP Reporting Framework in the draft, in fact there are many more such cross-references that should be made. We would be happy to work with you on highlighting them all once you are close to a final version.