

A low-angle, upward-looking photograph of a complex industrial structure, likely a refinery or chemical plant. The image is dominated by large, vertical, metallic pipes and a network of dark metal scaffolding. The lighting is dramatic, with strong highlights and deep shadows, creating a sense of scale and complexity. The entire image has a monochromatic purple tint.

**THE DANISH
INSTITUTE FOR
HUMAN RIGHTS**

THE HUMAN RIGHTS
COMPLIANCE ASSESSMENT
TOOL
MANAGEMENT

THE HUMAN RIGHTS COMPLIANCE ASSESSMENT TOOL MANAGEMENT

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INTRODUCTION

Welcome to the Management section of the Human Rights Compliance Assessment (HRCA) tool. This section contains indicators on how human rights are reflected in company policies, due diligence mechanisms and grievance mechanisms.



The sub-categories for this section are:

- Policy Commitment
- Identify and Assess potential and actual human rights impacts
- Integrate and Act on assessment findings
- Track & communicate on impact prevention and mitigation
- Grievance Mechanisms

DIHR would like to engage with stakeholders on the content and implementation of the HRCA. This includes providing case studies, sending submission on specific components and engaging with us on projects to improve and advance the content of the tool.

To submit your feedback, go to the platform [here: http://business-humanrights.org/en/platform-for-human-rights-indicators-for-business-hrib](http://business-humanrights.org/en/platform-for-human-rights-indicators-for-business-hrib)

You can also contact us directly: hrib@humanrights.dk

1.1 POLICY COMMITMENT

No. 1.1.1	Area Management	Section Policy Commitment
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Question

Does the company have a policy commitment to respect human rights throughout its business operations?

Yes	No	F/A	N/A

Description

Companies can affect virtually the entire spectrum of internationally recognized human rights, which means that their responsibility to respect applies to all such rights. The UN Guiding Principles on Business and Human Rights make specific reference to the human rights as reflected in the International Bill of Human Rights (consisting of the Universal Declaration of Human Rights and the main instruments through which it has been codified: the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights) coupled with the principles concerning fundamental rights in the eight ILO core conventions as set out in the Declaration on Fundamental Principles and Rights at Work. Depending on circumstances, the company should also consider additional standards. For instance rights of particular societal groups, including but not limited to: indigenous peoples; women; national or ethnic, religious and linguistic minorities; children; persons with disabilities; and migrant workers and their families.

A policy commitment refers to a statement in which the company sets out its commitment to meet its responsibility to respect human rights. According to the UN Guiding Principles on Business and Human Rights, the commitment should be:

- Approved at the most senior level of the business enterprise;
- Informed by relevant internal and/or external expertise;
- Stipulate the enterprise's human rights expectations of personnel, business partners and other parties directly linked to its operations, products or services;
- Publicly available and communicated internally and externally to all personnel, business partners and other relevant parties;
- Reflected in operational policies and procedures necessary to embed it throughout the business enterprise.

Suggested Indicators

- 1** The company has a policy commitment on human rights, either a stand-alone policy or one which is integrated into other policies

True	False	F/A	N/A

- 2** The policy includes a commitment to respect all internationally recognised human rights understood, at a minimum, as the International Bill of Human Rights & the ILO core conventions.

True	False	F/A	N/A

- 3** The company has included in the policy additional standards such as the human rights of individuals belonging to specific groups (women, ethnic minorities, children, persons with disabilities, indigenous peoples, migrant workers etc.).

True	False	F/A	N/A

- 4** The policy commitment demonstrates that the company understands respect for human rights to be a minimum standard for conducting business with legitimacy both inside and outside the company.

True	False	F/A	N/A

- 5 Those responsible for developing the human rights commitment have assessed which human rights the company is most likely to have an impact on.

True	False	F/A	N/A

-
- 6 The policy commitment includes references to commitments that the company has made to relevant voluntary initiatives.

True	False	F/A	N/A

-
- 7 The policy commitment is approved at the most senior level of the company

True	False	F/A	N/A

-
- 8 The policy commitment clearly communicates the company's human rights expectations of its personnel

True	False	F/A	N/A

- 9** The policy commitment clearly communicates the company's human rights expectations of business partners, including business entities in the value chain.

True	False	F/A	N/A

-
- 10** The policy commitment clearly communicates the company's human rights expectations of other parties directly linked to its operations, products and services.

True	False	F/A	N/A

-
- 11** The policy commitment is informed by insight and/or advice from internal sources of expertise, such as key functional staff.

True	False	F/A	N/A

-
- 12** The policy commitment is adequately informed by insight and/or advice from external sources of expertise, such as government, human rights practitioners, civil society circles and academia, etc.

True	False	F/A	N/A

- 13** The policy commitment is reflected in the company's operational policies and procedures necessary to embed it throughout the business enterprise.

True	False	F/A	N/A

- 14** The policy commitment is reflected in policies and procedures that set financial and other performance incentives for personnel.

True	False	F/A	N/A

- 15** The policy commitment is reflected in policies and procedures that govern lobbying activities where human rights are at stake.

True	False	F/A	N/A

Comments:

Basis for assessment:

Question references: UN Guiding Principles on Business and Human Rights (2011): Principle 12 & 16

No. 1.1.2	Area Management	Section Policy Commitment
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Question

Does the company communicate the policy commitment internally and externally?

Yes	No	F/A	N/A

Description

The company should ensure internal communication on the policy commitment and of related policies and procedures with the aim of making clear what the lines and systems of accountability

will be. This should be supported by any necessary training for personnel in relevant business functions.

The other sections of the HRCA further elaborate on how human rights can be anchored throughout the organisation on specific human rights areas of concern.

Suggested Indicators

- 1** The policy commitment is publicly available.

True	False	F/A	N/A

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- 2** The statement of policy is communicated internally to all personnel.

True	False	F/A	N/A

-
- 3** Internal communication of the statement and of related policies and procedures make clear what the lines and systems of accountability will be, including the consequences for breaches.

True	False	F/A	N/A

- 4 The internal communication is supported by any necessary training for personnel in relevant business functions.

True	False	F/A	N/A

-
- 5 The statement of policy is actively communicated to entities with which the company has contractual relationships.

True	False	F/A	N/A

-
- 6 The statement of policy is actively communicated to others directly linked to its operations, which may include security forces and investors.

True	False	F/A	N/A

-
- 7 In case of operations with significant human rights risks, the statement of policy is communicated to potentially affected stakeholders.

True	False	F/A	N/A

Comments:

Basis for assessment:

Question references: UN Guiding Principles on Business and Human Rights (2011): Principle 16

1.2 IDENTIFY AND ASSESS

No. 1.2.1	Area Management	Section Identify and Assess
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Question

Does the company identify and assess the actual and potential adverse human rights impacts with which it is involved?

Yes	No	F/A	N/A

Description

The company should identify and assess the nature of their actual and potential adverse human rights impacts. The process of assessment should include all internationally recognised human rights as a reference point. The focus of the assessment is on risks to people not to the business. Depending on the size of the business enterprise and the nature and context of its operations, assessments should involve meaningful engagement with potentially affected individuals and groups. Consultation should be done in a manner that takes into account potential barriers to engagement, such as language. In situations where direct consultation is not possible, legally or logistically, business enterprises should consider reasonable alternatives such as consulting credible independent experts.

If business enterprises have large number of entities in their value chain, it may be unreasonably difficult to conduct due diligence across all of them. If so, the company should identify general areas where the risks are most significant and prioritize among these.

Assessments of impacts should be done at regular intervals and before any major decisions or changes in the operation. Business enterprises should pay special attention to any particular individuals from groups or populations that may be at heightened risk of vulnerability or marginalization.

Finally, the company should ensure that all information on the potential impacts of its business operations are shared and accessible to potentially impacted individuals or communities.

Suggested Indicators

- 1** The company has processes in place to identify and assess any negative impact on human rights with which they may be involved. Including; actual impacts (past and current) and potential impacts (those likely to occur in the future); impacts from the company's own activities whether directly or through contribution; as well as impacts which may be directly linked to company operations, products or services by its business relationships.

True	False	F/A	N/A

-
- 2** The company pays special attention to any particular human rights impacts on individuals from groups or populations that may be at heightened risk of vulnerability or marginalization (this could include women, children and migrant workers).

True	False	F/A	N/A

-
- 3** The company seeks to understand the concerns of potentially affected stakeholder by consulting them directly.

True	False	F/A	N/A

- 4 Consultations with potentially affected stakeholders are done in manner that takes into account language and other potential barriers to effective engagement.

True	False	F/A	N/A

- 5 In situations where such consultation is not possible, the company consults reasonable alternatives such as credible, independent expert resources, including human rights defenders and others from civil society.

True	False	F/A	N/A

- 6 The company assesses and addresses impacts at regular intervals; prior to a new activity or relationship; to major decisions or changes in the operation (e.g. market entry, product launch, policy change, or wider changes to the business); in response to or anticipation of changes in the operating environment (e.g. rising social tensions); and periodically throughout the life of an activity or relationship.

True	False	F/A	N/A

Comments:

Basis for assessment:

Question references: Question references

UN Guiding Principles on Business and Human Rights (2011): , Principle 12, 17, 18

1.3 INTEGRATE AND ACT

No. 1.3.1	Area Management	Section Integrate and Act			
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Question

Are Company findings from impact assessments integrated across relevant internal functions and processes?

Yes	No	F/A	N/A

Description

The company should work systematically to integrate findings from its impact assessments. Integration of the findings can only be effective if its human rights policy commitment has been embedded into all relevant business functions. This is required to ensure that the assessment findings are properly understood, given due weight, and acted upon.

Suggested Indicators

- 1 The company assigns specific responsibilities to address the individual findings on impacts.

True	False	F/A	N/A

- 2 Responsibilities are assigned to the appropriate level and function within the company (and within corporate reporting lines).

True	False	F/A	N/A

- 3** Effective responses are enabled by internal decision making, adequate internal budget allocations, incentive systems, and oversight processes.

True	False	F/A	N/A

Comments:

Basis for assessment:

Question references: UN Guiding Principles on Business and Human Rights (2011): Principle 19

No. 1.3.2	Area Management	Section Integrate and Act
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Question

Does the company understand the nature of its involvement (cause, contribute, linked to) and take appropriate action?

Yes	No	F/A	N/A

Description

In assessing human rights impacts, the company should look for both actual and potential adverse impacts, as well as their relationship to the impact (cause, contribute to or linked to the impact). Potential impacts should be prevented or mitigated through the horizontal integration of findings across the business enterprise, while actual impacts—those that have already occurred – should be a subject to remediation.

When addressing human rights impact the company should consider consulting external experts. The more complex the situation and its implications for human rights, the stronger is the case for the enterprise to draw on independent expert advice in deciding how to respond.

Suggested Indicators

- 1** Where the company causes or may cause an adverse human rights impact, it takes the necessary steps to cease or prevent the impact from occurring or recurring.

True	False	F/A	N/A

- 2** Where the company contributes or may contribute to an adverse human rights impact, it takes the necessary steps to cease or prevent its contribution and uses its leverage to mitigate any remaining impact to the greatest extent possible.

True	False	F/A	N/A

- 3** Where the company has leverage to prevent or mitigate an adverse human rights impact that it is linked to through a crucial business relationship, it exercises leverage.

True	False	F/A	N/A

- 4** Where the company lacks leverage to prevent or mitigate an adverse human rights impact that it is linked to through a crucial business relationship, the company seeks ways to increase its leverage, e.g. through offering incentives, collaborating with peer companies, or engaging with Government or Civil Society actors in order to affect change.

True	False	F/A	N/A

- 5 Where the company is unsuccessful in exercising its leverage to prevent or mitigate a human rights impact that it is linked to through a crucial business relationship, it considers ending the relationship.

True	False	F/A	N/A

-
- 6 Where the company is considering ending a crucial business relationship that links the company to an adverse human right impact, the company takes into consideration the severity of the impact as well as credible assessments of potential adverse human rights impacts of terminating the relationship.

True	False	F/A	N/A

-
- 7 Where the company remains in a crucial business relationship that links it to a recurring adverse human rights impacts, the company is able to demonstrate its own ongoing efforts to mitigate the impact. The company is prepared to accept the reputational, financial or legal consequences of a continued connection to a crucial partner, which links the company to an adverse human rights impact.

True	False	F/A	N/A

-
- 8 The company draws on independent expert advice in deciding how to respond where the situation and its implications for human rights are complex.

True	False	F/A	N/A

Comments:

Basis for assessment:

Question references: UN Guiding Principles on Business and Human Rights (2011): Principle 19

No. 1.3.3	Area Management	Section Integrate and Act
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Question

When necessary to prioritise actions to address actual and potential adverse human rights impacts, does the company begin with the most severe impacts?

Yes	No	F/A	N/A

Description

All human rights are created equal, there is no list of priority human rights. However, when determining which impacts to focus on first the company should focus on the severity of the impact. Severity is not an absolute concept, it involves; professional judgment; dialogue with rights-holders; consideration of the interrelatedness of impacts; as well as consideration of long-term consequences.

Suggested Indicators

- 1 The company has a procedure through which it assesses the severity of its adverse human rights impacts by their scale, i.e. how grave the impacts are, scope, i.e. the number of individuals affected, and by their irremediable character, e.g. if it affects the life and health of individuals, or the welfare of entire groups or communities.

True	False	F/A	N/A

- 2** In determining severity, the company takes into account the risk that a delayed response can disproportionately affect persons belonging to vulnerable or marginalised groups such as women, children, indigenous peoples and minority groups.

True	False	F/A	N/A

-
- 3** Where possible, the company engages with those whose rights are at risk in order to ensure that the company understands the impact it may have on them.

True	False	F/A	N/A

Comments:

Basis for assessment:

Question references: UN Guiding Principles on Business and Human Rights (2011): Principle 14 & 24

1.4 TRACK AND COMMUNICATE

No. 1.4.1	Area Management	Section Track and communicate
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Question

Does the company track the effectiveness of its responses to adverse human rights impacts?

Yes	No	F/A	N/A

Description

The company should track its performance in order know if its human rights policies are being implemented optimally, whether it has responded effectively to the identified human rights impacts, and to drive continuous improvement. In this process the company should make particular efforts to track the effectiveness of their responses to impacts on individuals from groups or populations that may be at heightened risk of vulnerability or marginalization. Company tracking should be integrated into relevant internal reporting processes. Often, the company will employ tools they already use in relation to other issues, e.g. performance contracts and reviews as well as surveys and audits, using gender-disaggregated data where relevant. Operational-level grievance mechanisms can also provide important feedback on the effectiveness of the business enterprise's human rights due diligence from those directly affected.

Suggested Indicators

- 1 The company is tracking whether its human rights policies and procedures are being implemented optimally.

True	False	F/A	N/A

- 2 The company tracks the effectiveness of its responses to adverse human rights impacts and makes particular efforts to track the effectiveness of their responses to impacts on individuals from groups or populations that may be of heightened risk of vulnerability or marginalization such as children.

True	False	F/A	N/A

3 The tracking drives continuous improvement

True	False	F/A	N/A

4 The tracking is based on both quantitative and qualitative indicators and is integrated into relevant internal reporting processes.

True	False	F/A	N/A

5 The tracking draws on feedback from both internal and external sources. Affected stakeholders are involved in verifying that adverse human rights are being addressed.

True	False	F/A	N/A

6 The company reports on how they address severe adverse human rights impacts where such risks exist, regardless of whether this is due to the nature of business operations or the operating context.

True	False	F/A	N/A

7 Formal reporting on severe human rights risks covers topics and indicators concerning how the company identifies and addresses adverse impacts.

True	False	F/A	N/A

- 8 The company uses independent verification of its human rights reporting to strengthen its content and credibility.

True	False	F/A	N/A

Comments:

Basis for assessment:

Question references: UN Guiding Principles on Business and Human Rights (2011): Principle 20.).

No. 1.4.2	Area Management	Section Track and communicate
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Question

Does the company communicate externally in order to account for how they address adverse human rights impacts, particularly when concerns are raised by or on behalf of affected stakeholders?

Yes	No	F/A	N/A

Description

The company should communicate externally in order to account for how human rights impacts are addressed. This is a key component of the company knowing and showing that it respects human rights. This involves communication, providing a measure of transparency and accountability to individuals or groups who may be impacted and to other relevant stakeholders, including investors. The communication can take a variety of form, this includes e.g. in-person meetings, online dialogues, consultation with affected stakeholders, and formal public reports.

Suggested Indicators

- 1 The company is prepared to communicate externally how it addresses adverse human rights impacts and in particular in situations where concerns are raised by or on behalf of affected stakeholders.

True	False	F/A	N/A

- 2 The communication is of a form and frequency that reflect the company's human rights impacts.

True	False	F/A	N/A

- 3 The communication is accessible to its intended audiences.

True	False	F/A	N/A

- 4 The company provides sufficient information to make it possible to evaluate the adequacy of their response to adverse impacts, (particularly when concerns are raised by or on behalf of affected stakeholders).

True	False	F/A	N/A

- 5 The communication does not pose any risks to affected stakeholders, personnel or to legitimate requirements of commercial confidentiality.

True	False	F/A	N/A

Comments:

Basis for assessment:

Question references: UN Guiding Principles on Business and Human Rights (2011): Principle 21

1.5 GRIEVANCE MECHANISMS

No. 1.5.1	Area Management	Section Grievance mechanisms
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Question

Does the company have a trusted procedure for hearing, processing and settling internal and external concerns/complaints?

Yes	No	F/A	N/A

Description

Internal and external stakeholders such as workers, customers and local communities should be able to submit their concerns and complaints about company activities and impact without threat of adverse actions. The company should work with relevant workers' organizations and local community organizations and/or representatives to establish and maintain effective and fair grievance procedures. The procedures should be transparent and fair and the process for receiving, processing and settling grievances should be clearly described and communicated. The UN Guiding Principles provide a number of effectiveness criteria that should be consulted when developing and reviewing grievance mechanisms.

Suggested Indicators

- 1 The company has a written procedure for how concerns and complaints are received, processed and settled.

True	False	F/A	N/A

- 2 Information about how to use the procedure; what concerns/complaints can be reported; and how concerns/complaints are processed and resolved, is clear and easily accessible.

True	False	F/A	N/A

- 3** Workers, including temporary and contract workers, can submit concerns/complaints regarding the company's activities and impact without threat of retaliation by management or other workers.

True	False	F/A	N/A

-
- 4** Customers and external stakeholders can submit concerns/complaints regarding the company's activities and impact without threat of retaliation by company management.

True	False	F/A	N/A

-
- 5** Individuals or representatives of the local community can submit concerns/complaints regarding the company's activities and impact without threat of retaliation by the company.

True	False	F/A	N/A

-
- 6** There is a committee responsible for hearing, processing, and settling concerns/complaints, and includes representatives of the concerned/complaining party in the committee. This could be workers, community or consumer representatives.

True	False	F/A	N/A

- 7 A person lodging a concern or complaint is allowed to participate in hearings held with respect to that concern/complaint and is informed of the outcome of the resolution process.

True	False	F/A	N/A

Comments:

Basis for assessment:

Question references: UN Guiding Principles on Business and Human Rights (2011): Principle 20
