

## **Inputs for the discussion paper on Assurance and Reporting Standards**

These comments are focusing on annex B about the Elements of the guiding principles for the inclusion in the reporting and assurance standards.

### 1. Human Rights Policy Commitment

The Guiding principle number 16 states “The term ‘statement policy’ refers to whatever means an enterprise employs to set out **publicly** its responsibilities, commitments, and expectations.” I intentionally underline the word ‘publicly’ since it is not reflected in your proposed standards. Even though the standards say that the assurance providers are requested to review the extent to which the policy is accessible to its intended audience, but the intended audience does not necessary mean as public. In human rights, as you are also aware, transparency is one of the effective tools to prevent human rights abuses; one way is through make the policy accessible to the society at large.

Another thing that is necessary to be in the standards is, which is also explained in principle no 16, the company’s effort and/or measure to communicate **actively** to entities to which the company has contractual relationship. Active also means that the company should have a communication schedule and ‘speak’ in a language that is understood by most of the community where the company is located and has contractual relationship. I think these are mentioned in other principles, too.

### 2. Embedding Respect for Human Rights in a Company

Referring to the commentary no 16, **the procurement** was being discussed as one of the policies and procedures that should be in coherence with company’s respect of human rights. However, I did not see it in the discussion paper.

### 3. Assessing risks to human rights

I think you have inserted the general idea of principle 17 and 18 in the assurance and reporting standards. However, there might be some details to be included after looking into the commentary of those principles. The details are

- a. **Reasonable alternative** if the consultation with the affected groups cannot be undertaken;
- b. **The way the consultation with affected group** is conducted whether or not it takes into account language and other potential barriers to effective engagement.
- c. **The intervals of the human rights assessment** (regular or not) and **the different types of human rights group** (men and women and vulnerable group).
- d. The identification of **legal claim risks** against the company in the human rights assessment which includes the reasonable step to avoid involvement with an alleged human rights abuse.

### 4. Integrated, cross-functional decision-making to address human rights impacts

Again, the detail is missing here, mainly in relation to **prevention effort**. You have mentioned the specification of the mitigation efforts in the discussion paper, but not the prevention one. If I am not mistaken, in business, those two are different since each of them has diverse goal due to their distinct nature even though sometimes they collide into one programme. Therefore, since the principle requires not only mitigating the impacts, but also preventing the consequences, it would be good to consider the preventive effort to be integrated in the standards.

In relation to mitigation, it should be clear for the reviewer and the company that, as mentioned in the commentary, if the abuse continues and the enterprise remains in the relationship, the company should be able to **demonstrate its own on-going efforts** to mitigate the impact and be prepared to accept any consequences – reputational, financial or legal – of the continuing connection. This is relevant to be indicated in the company mitigation measure from harmful human rights effect. In this section, it can be worth to include principle no 24 in which requires company first seek to prevent and mitigate the disadvantageous human rights impact that are **most severe or where delayed response** would make them irremediable.

#### 5. Measuring the effectiveness of company responses to human rights impacts

In relation to effectiveness of responses, which is necessary to be accommodated in the standards, is the commentary statement about the particularity of measuring the responses. It should also affirm the particular effort to track **the effectiveness** of the company's responses, especially in relation to the groups and populations that may be **heightened risk of vulnerability and marginalization**.

#### 6. Communicating the company responses to Human Rights Impacts

In this principle (principle 21), the safety of the affected stakeholder is an issue, which has not been discussed in the discussion paper. It is not enough to ensure accessibility and understandability of the communication, but the communication that shall be built **should not pose risks** to the affected stakeholders, personnel, or to legitimate requirements of commercial confidentiality.

#### 7. Complaint handling and grievance mechanism

The goal of having grievance mechanism is **to identify any legitimate concerns** of those who may be adversely impacted as described in the commentary of principle 29. This objective can also be addressed as a highlighted point, particularly in the assurance standards when discussing the grievance mechanism. It is to assure that the existence of complaint handling and grievance mechanism is not only for the sake of their presence, but for their effectiveness. It means any complaint handlings and grievance mechanisms that fall outside the objective of the commentary no. 29 are concluded failures.