

## Consultation on the Human Rights Reporting and Assurance Frameworks Initiative (RAFI)

Full-Day Convening of Expert Stakeholders in London on October 17, 2013

### CONSULTATION REPORT

On 17 October 2013, a one-day expert consultation took place in London to discuss the development of a twin set of public frameworks for companies to report on how they meet their responsibility to respect human rights, and to have this report assured by an external party. The Reporting and Assurance Frameworks Initiative (“RAFI”) was established in 2013 by the project partners Shift, Mazars and the Human Rights Resource Centre for ASEAN to facilitate this effort through an open, consultative and collaborative process with a full range of interested stakeholder groups. The objective is that the resulting frameworks become widely-accepted reference points for reporting and assurance with regard to implementation of the UN Guiding Principles on Business and Human Rights (the “UNGPs”). As such, they should be of use to companies, auditors and assurance providers, investors, civil society organizations, governments and stock exchanges, among others. Further information on “RAFI” is available in the initiative’s Framing Document.<sup>1</sup>

The London consultation involved a cross-section of representatives working in companies, trade unions, non-governmental organizations, government, audit and assurance providers, investors, and academia. They included individuals and organizations that had expressed skepticism about RAFI in earlier written consultations. All participants took part in their personal capacities and not on behalf of their organizations. The consultation was held under the Chatham House Rule in order to stimulate open and frank conversation. Annex A contains the agenda of the expert consultation. Annex B lists the participants. Similar in-depth expert consultations took place in New York in October 2013 and in Jakarta in November 2013. The full reports for these consultations are available on the initiative’s portal.<sup>2</sup>

Recognizing the growth in non-financial reporting over the past decade, the aim of the consultation was to obtain views, through a dynamic conversation among a range of expert stakeholders, regarding the appropriate foundations for establishing reporting and assurance frameworks in the area of business and human rights.

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<sup>1</sup> RAFI Framing Document (November 2013), available at <http://business-humanrights.org/media/documents/rafi-framing-document-2013.pdf>

<sup>2</sup> RAFI Portal, available at <http://www.business-humanrights.org/Documents/RAFI#127250>

The consultation was divided into six sessions. An introductory session to hear from stakeholders the opportunities and challenges they see for the project was followed by four substantive sessions to discuss (a) the project’s general proposition to develop the frameworks, its context and its potential to add value; (b) the question of materiality in the context of human rights reporting; (c) the balance to be struck between reporting on processes and reporting on outcomes or “actual impacts”; and (d) the question of assurance of these reports, lessons from other forms of assurance and issues of competence to provide assurance in the human rights arena. The final session provided an opportunity to revisit additional issues that had arisen during discussions but warranted further attention.

### *Identifying Opportunities and Challenges*

In the opening session, participants were invited to share their initial perspectives on the key opportunities and challenges for RAFI. It was recognized that some opportunities also contained potential challenges, and challenges may also reflect opportunities.

#### **OPPORTUNITIES:**

1. **Deeper understanding of the UN Guiding Principles:** RAFI could help companies put the UNGPs, including effective human rights due diligence, into practice, with robust guidance for how they can account for their handling of human rights impacts. This was seen as an opportunity to re-vitalize existing processes, and to refocus companies on the application of the UNGPs.
2. **Development of frameworks through a multi-stakeholder process:** Some saw RAFI as an opportunity to bring different stakeholders together to have a broad, multi-stakeholder conversation on good reporting, where it was felt some multi-stakeholder initiatives may be used more for protection than for meaningful action.
3. **Right timing:** Some reflected that the timing for this initiative is good and can build on the momentum that the UNGPs provide, interface with governments’ National Action Plans to implement the UNGPs, and respond to the recent increase in regulatory and stock exchange requirements with regard to human rights reporting.
4. **Potential for high impact:** RAFI presents an opportunity to change business behavior by helping companies better understand what is expected of business, and what information to report on. As one participant noted, “this initiative can provide a foundation block for building sustainable companies.”
5. **Reduced complexity:** It was suggested that this initiative can bring further clarity to the human rights reporting space, through the creation of one overarching reporting framework to be used globally by all companies seeking to report on human rights.
6. **Credibility through assurance:** Some felt that external assurance, done well, can provide further credibility to the information provided in company reports.

## CHALLENGES:

1. **Relationship with other reporting initiatives:** It was underlined that RAFI needs to complement other existing reporting frameworks so as to avoid increasing complexity in the reporting space. In addition, some participants noted a risk that in entering an already crowded reporting field, RAFI might displace energy from existing initiatives that are working well.
2. **Audience for human rights reports:** It should be clear who the audience of human rights reporting would be: shareholders or a broader range of stakeholders. This in turn will have an impact on how materiality is defined.
3. **Purpose of human rights reporting:** It should be clear whether the purpose is to (1) help companies implement the UNGPs, (2) enable companies to account for how they are implementing the UNGPs, or (3) help third parties hold companies to account for their human rights performance. As one participant noted, the project is “walking a tight rope for buy-in by both companies and civil society organizations.”
4. **Ensuring feasibility for companies:** The reporting framework needs to be understandable and feasible for companies, with an appropriate balance of qualitative and quantitative information, and with reporting indicators that work for all sectors.
5. **Ensuring meaningful information for stakeholders:** At the same time, the reporting framework needs to ensure that companies provide information that is meaningful for stakeholders. There are limits to self-reporting, and these reports – whether assured or not – may not be satisfactory to stakeholders. The reporting framework should not lead to a tick-box exercise, and should give sufficient detail, without too much detail.
6. **Company demand:** Some participants questioned whether there was demand for this type of reporting and assurance from companies; others asked how one could create such demand.
7. **Development process:** The process for the development of RAFI needs to be sufficiently broad and appropriately structured to ensure that the frameworks can carry legitimacy.
8. **Broader risks:** Some saw a risk of jeopardizing the consensus around the UN Guiding Principles by “running too far too fast” or losing focus on the other two pillars of the ‘Protect, Respect and Remedy’ framework. A further perceived risk was that the compilation of human rights reports might lure companies into complacency.

Each of the following four sections reflects discussions during the substantive sessions of the workshop. The boxes at the start of each section summarize the project team’s initial overview of some foundational issues and questions, as well as key feedback previously received from stakeholders. The remainder of each section aims to capture in broad terms the main points made during discussions. Where views diverge, the report does not seek to draw conclusions, but merely to convey the debate.

## Critical issue #1: The Project Proposition

### **Overview from RAFI project team on the project proposition:**

*Despite growing requirements and calls for reporting on human rights with reference to the UNGPs, no holistic framework yet exists to define what good reporting would look like with regard to the corporate Responsibility to Respect. RAFI aims to fill this gap. In doing so, RAFI's objective is to protect the clarity and convergence provided by the UNGPs, while still allowing for an evolving understanding of their application in different sectors/areas. RAFI also aims to ensure that the frameworks developed will have broad buy-in; will be freely available, widely used and referenced; and can ultimately be owned by independent organizations that can provide for their oversight and evolution over time.*

*The initiative now refers to reporting and assurance **frameworks**, rather than reporting and assurance standards. This change responds to feedback from stakeholders who were concerned about the binding and "tick-box" connotation of the term 'standards'. The reporting framework would not necessarily imply a separate human rights report. It is much more likely to be used for reporting on human rights within an annual or sustainability report. The aim is that a human rights reporting framework should be both viable for companies and meaningful for stakeholders.*

*In the lead up to these expert consultations, the project team received feedback on its discussion paper regarding the need for frameworks to dovetail with other reporting initiatives, such as the Global Reporting Initiative ("GRI") and the work of the International Integrated Reporting Council ("IIRC"). The project team is pleased to have representatives from GRI and the IIRC on RAFI's Eminent Persons Group that oversees the project, and will continue to work with these organizations, and others, to ensure RAFI dovetails with them to the greatest extent possible*

*Feedback from stakeholders has also highlighted the importance of building on other business and human rights initiatives that are developing indicators and assurance processes, including those developed under the Global Network Initiative and the OECD's Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, as well as ongoing work on the Voluntary Principles on Security and Human Rights. Additionally, the project team will seek to learn from the strengths and weaknesses of existing assurance and audit approaches, including in the financial, sustainability, and social auditing fields - including limitations on the transferability of these approaches to the human rights arena.*

***The shift in terminology from “standards” to “frameworks” is helpful.*** This initiative is about how to create meaningful reporting, and the terminology of ‘standards’ had raised red flags for some. The use of the term ‘framework’, or ‘guidance’ was welcomed by various participants.

***These frameworks should be developed through an inclusive and transparent process with multiple supporters from a wide range of stakeholder groups.*** This point was underlined as critical to the development of a free public good that aims to be accepted by companies, civil society organizations, and governments. Knowledge and legitimacy is needed for the development of these frameworks, and this can only be achieved through a multi-stakeholder process. It was noted that RAFI can draw upon best practice in the development of similar frameworks in this regard.

***The connection to political/regulatory processes is relevant.*** For some participants, the ultimate interest was in the development of a framework that could be taken up in regulatory contexts. This was where they saw potential for the project to add value, not least in light of increasing regulatory and stock exchange requirements for reporting on human rights. The frameworks could become the accepted guidance in this area, with authorities recommending or requiring its use. Some noted that this underlined a need for a more political, less ‘technical’ process for the frameworks’ development. One participant noted that while the lack of a political process may have some weaknesses, it may also be a strength by fostering creative thinking.

***Participants debated how structured the decision-making process should be.*** One participant proposed that a rules-based process, with clear decision-making structures, is necessary to provide the project with legitimacy. Another noted that formal multi-stakeholder constructs with votes may also not lead to the necessary buy-in, and that broader multi-stakeholder discussions may be needed. Another noted that the ISO 26000 formalized process had drawbacks for the resulting product, and suggested that the less formal but broadly consultative process to develop the UNGPs was more nimble and led to a better product. Another participant noted that projects such as the Voluntary Principles on Security and Human Rights and Red Flags were initiated by a small number of companies, civil society organizations and governments, and that this number then expanded over time. Yet another pointed to the underlying need for buy-in by governments and the human rights community, and remarked that both some rules-based processes and some less structured processes have worked well in the past – the key would lie in the products that resulted and the extent of buy-in they carried.

***It is important that those contributing to this process be sure they can use the frameworks at the end, free of charge.*** A number of participants expressed concern that while extensive stakeholder time and resources went into the development of ISO 26000, it ultimately was not a freely available public good, and noted that RAFI should not fall into this trap. The project team reaffirmed that the products would be public goods and freely accessible.

**RAFI can help guide companies with regard to the processes that they can put in place to align themselves with the UNGPs.** Participants noted that as budgets get constrained within companies, the focus is placed on what companies have to do, rather than what they can do. It was suggested that RAFI can help tip the balance back towards building sustainable businesses by providing clarity on what kinds of policies and processes are expected of them.

**It should be clear who the users of the frameworks will be.** It was suggested that further thought be given to who will use the frameworks. For instance, would they only be used by leading companies or by companies that are starting out on their human rights journey? Would they be used only by large companies, or also by small and medium enterprises? This might affect their content and focus.

**The project should not be led by the interests of the auditor industry.** Individuals from within and outside the industry confirmed that this would risk letting the “tail wag the dog” and may lead to easy metrics that don’t convey much useful information. It was also noted that existing skills and knowledge sets within the auditing industry may not be the predominant ones needed for assurance in this field.

**Participants highlighted other initiatives with which RAFI should liaise.** Various participants welcomed the collaboration with existing reporting initiatives and highlighted potential learning also from the Carbon Disclosure Project and the Access to Medicines Index. These initiatives are led by investors, and formulate questions that companies should be able to answer with a mix of narrative information and data.

## **Critical issue #2: Materiality with a Human Rights Lens**

### **Overview from RAFI project team on materiality with a human rights lens:**

*The UN Guiding Principles focus on risks to rights-holders, and the importance of taking into account the perspectives of those who may be directly affected by companies’ actions. This approach must inform any discussion of materiality with regard to human rights reporting, albeit the concept of materiality is rooted in an investor-facing analysis. GRI broadens the definition, by noting that materiality includes those areas that reflect the company’s significant economic, environmental and social impacts or substantively influence the assessments and decisions of stakeholders. At the same time, there may be other words and concepts (‘salience’, ‘significance’, ‘importance’) that have a place alongside materiality in this discussion.*

*To date, the project team has heard feedback from various stakeholders in relation to the issue of materiality. On the one hand, companies are concerned that they need to*

*focus reporting on relevant parts of their business activities if it is not to become overwhelming. On the other hand, civil society organizations are concerned that companies may selectively focus on those parts of their business that it is easiest to discuss or where they can showcase successes, rather than focusing where the greatest risks to human rights exist.*

*During a workshop that Shift facilitated as part of the UN Working Group's Latin American and Caribbean regional consultation in Medellin, many stakeholders shared the view that RAFI should ensure companies report on areas of business operations with the greatest risk to human rights, and/or on the most salient risks to affected stakeholders.*

**Materiality should reflect a human rights perspective:** The majority of the participants took the view that for human rights reporting, what is material is the impact or potential impact on right-holders, many of whom have no interest in the success of the company. Therefore, in human rights reporting, materiality cannot be limited to implications for the company, but should be based on implications for those whose human rights are, or may be, adversely affected.

**It may not be necessary or helpful to get caught up in definitions of materiality.** It was noted that if a company cannot articulate how it manages its risks to human rights, it has no idea whether there are risks that would rise to the level of "materiality", however that is defined. Therefore any company needs to conduct human rights due diligence to understand its human rights risks. This suggested that RAFI should avoid getting caught up in definitions of materiality and instead focus on creating an approach for companies to report on their human rights due diligence processes.

**Information beyond narrow definitions of "materiality" are still relevant to shareholders.** It was highlighted that from an investor perspective, information may be seen as important even where it is not deemed material in the narrowest sense of the word. In particular, it will always be important for investors to know that a company has adequate processes in place to pick up on its risk of involvement with adverse human rights impacts and to address these risks.

**Focusing reporting on high-risk areas of a company's operations can be legitimate, if defined in terms of risk to human rights.** At the same time, it was seen as important that the company not miss a key issue in a less high-risk geographic area. A framework may need to allow for these issues to be covered as well. It was suggested that assessments of high-risk areas/issues should also reflect cumulative impacts: impacts that may not be severe alone but which become significant in combination with other impacts. One participant noted that it might be sensitive for companies to suggest that certain countries constitute a "high-risk context".

***Focusing reporting on the most salient human rights issues across all company operations is another possible approach.*** It was noted that there are some issues that would appear most salient at the headquarters level, but might look very different at the site level. There may therefore be a risk of very high-level, aggregated reporting that is less relevant to local communities and workers in specific contexts. However, some participants were concerned that very specific criteria for what companies should report would not reflect the realities of different companies and contexts. One participant noted the need not to over-complicate the issue. The point was for companies to make clear that they understand the key risks to human rights and explain what they are doing to address them.

**A “disclose and explain” rule might be useful, allowing companies to choose transparently which type of filter to apply to their reporting.** Some felt this would enable the kind of flexibility needed by companies in very different sectors and situations, while ensuring that the reasoning behind the selection of focal issues is transparent and reflects risk to human rights. One participant noted that this type of reporting will not necessarily allow for comparability across different companies’ performance.

***Critical issue #3: Balancing Attention to Forward-looking Process with Actual Impacts***

***Overview from RAFI project team on balancing attention to forward-looking process with actual impacts:***

*The objective of the UN Guiding Principles is to drive positive human rights outcomes: that is, reduced impacts on individuals’ human rights. To meet this objective, the second pillar of the Guiding Principles focuses on processes for assessing and addressing human rights risks, including processes for remediating actual impacts. A reporting framework that is based on the UN Guiding Principles would logically put weight on the effectiveness of such processes. At the same time, information on how actual impacts are handled can be a key indicator of effectiveness. Moreover, while companies may be constrained from disclosing some impacts, assurance processes can still review these as part of assessing the effectiveness of a company’s processes.*

*In feedback to the project team, many civil society actors have shared concerns that a focus on process may be used to avoid disclosure of actual impacts, which they believe should be a significant component of reporting. Companies have shared concerns that they have real limitations for reporting on impacts, including legal liability implications. Some investors have indicated that a forward-looking focus on risk may be more meaningful than a dominant focus on previous performance, which is not always the best indicator of future performance.*



***There may be important benefits to disclosing actual impacts.*** One participant noted that impacts should be reported as they are key to assessing a company's due diligence process. In addition, there are some powerful precursors of impacts, such as the handing over of workers' identity cards, which could be reported on. Another participant noted that although companies' legal departments tend to be a barrier to disclosing actual impacts, in practice their worst fears have not materialized when such information has been disclosed. It was suggested that in practice it can be more harmful for the company not to disclose an impact that is subsequently discovered.

***Reporting on actual human rights impacts is not straightforward, nor always valuable.*** One participant noted that it is often difficult to know whether an event rises to the level of an adverse human rights impact. Some others underlined the need to understand context and process in order to assess impacts and responsibilities. Another noted that companies think in more integrated ways across health and safety, environmental, social and human rights issues. One civil society participant remarked that it was not feasible to expect a company to report on illegal issues such as incidents of child labor. Instead you could ask them to say how their actions might contribute to or mitigate those kinds of outcomes. Put one way, "reporting on due diligence leads to improved due diligence; reporting on impacts leads to lying".

***Reporting on due diligence may be a way to combine disclosure on both processes and some outcomes.*** It was noted that some companies are accustomed to being asked to report publicly on their due diligence processes, for instance with the Foreign Corrupt Practices Act and the sourcing of conflict minerals in the United States. This could also be the opportunity for companies to report on key results of their human rights impact assessment processes. One suggestion was that reporting could span three tiers from global policies and practices, to outcomes in sample operations (appropriately selected), to some more in-depth case studies in high-risk contexts.

***There is value in reporting on processes to manage human rights risks.*** Process was seen by many as an important indicator of future performance. It was noted that it may be difficult to understand information on actual impacts in a vacuum, without knowing the company's processes. For instance, a high number of grievances about an issue may reflect a newly-improved grievance mechanism, enabling people to raise concerns for the first time, or it may reflect a long-standing failure to address repeat complaints. One participant in particular emphasized the dynamism of companies' activities, reinforcing the importance of attention to on-going processes that address evolving risks.

***A number of factors will need to be balanced in reflecting both processes and impacts appropriately in the reporting framework:***

- ***It will be crucial for a company to report on the human rights due diligence processes it has in place*** to identify, prevent, mitigate and account for how it addresses its impacts on human rights. Some of these processes may be self-standing, while others may be an integral part of other company processes.

- **A company should also be able to report on *potential human rights impacts*** and what it is doing to prevent or mitigate them. This can help a company demonstrate the ability of its current due diligence processes to manage potential human rights impacts.
- **There are likely some *actual impacts* on which it can also report**, notably those that are in the public domain already or are of a systemic nature (such as pervasive child labour or limits on freedom of association in some industries' supply chains).
- **There will likely be some actual impacts on which it is not possible for a company to report.** Views varied on how this judgment could or should be made and there were various concerns that companies would take an overly expansive view. It was noted that some issues that had once been deemed 'competitive' and therefore non-disclosable were today routinely disclosed by some companies, such as the names of suppliers, where raw materials come from and the company's approach to a 'living wage'. Sharing this kind of information could help drive continuous improvement.

#### **Critical issue #4: Internal Audit/ Assurance**

##### **Overview from RAFI project team on internal audit/ assurance:**

*An assurance framework, to complement the reporting framework, would be designed to assure the content of the human rights report: is the information provided a fair representation of reality? This resonates with the UN Guiding Principles, which are interested not just in the fact of a process, but also in its effectiveness.*

*Feedback to the project team from stakeholders has emphasized the differences between financial audits and appropriate approaches to assuring human rights reports. Clearly a focus on quantitative data is inappropriate. Yet the financial arena also offers precedents for looking at internal controls for risk management. Many stakeholders have highlighted the failings of the traditional social audit paradigm in that it often provides a superficial, "tick box" approach that can easily be manipulated, and typically does not scrutinize management systems. Still other stakeholders have pointed out the need to learn from weaknesses in current sustainability assurance practices, which are seen to be of varying quality. These practices often focus on evaluating the accuracy of reported data, rather than factors such as the sufficiency of information or adequacy of any systems described. Finally, the project team has heard from many stakeholders about the need for any framework to set out clearly the necessary competences for assurance providers with regard to human rights, particular operating contexts and stakeholder consultation processes. This may suggest in some contexts a need to work collaboratively with other individuals or organizations who hold particular expertise.*

***The term “assurance” should be unpacked to understand different ways it is currently applied and what it actually should be.*** Various current approaches were highlighted, with particular concern that RAFI move beyond paradigms based on social audit or certification. One participant noted that social auditing had applied a technical solution to an essentially political issue where states had failed to act on their duty to protect human rights, and questioned the basic premise of assurance in the human rights field. One practitioner contrasted social audit against a standard or code with assurance as a process that requires deep knowledge of the issues, company and context, and involves a process of challenge, conducted according to procedures that have to be described in a report. Another participant highlighted the practice of companies asking specially convened stakeholder groups to review their sustainability reports and express their view: this had been an interesting approach to assurance a few years ago, but appeared to be less common today.

***Assurance of human rights reports may ultimately be misleading or harmful to those impacted by companies.*** For instance, one participant noted that assurance could make it harder for victims to challenge company performance. If human rights defenders make legal complaints against a company whose report was assured by an external party, this assurance may increase the hurdles for plaintiffs to overcome. Another participant remarked that recent high profile failures in social auditing are emblematic of how misleading assurance can be. Another noted that it was not clear that the current assurance of sustainability reports was improving the quality of these reports, or minimizing the actual negative impacts of companies on people. Others remarked that assurance should not preclude or displace other innovative methods of verification, such as the creation of report review committees. Finally, some felt that auditors, as commercial companies, may not be well placed to conduct human rights assurance, and training these auditors may not be sufficient to meet that challenge.

***However there may be real value in robust guidance on how to make human rights assurance effective.*** One company participant noted the importance of assurance for the company to gain insights into where it has weaknesses that need to be addressed. However, to be useful, assurance providers need to understand the company they are looking at and its operations if they are to have real insight into its performance. That means working closely alongside company staff while ensuring their ethical codes protect their independence.

***Providing assurance of human rights processes requires a particular skillset.*** It was noted that some assurance providers already provide in-depth assessments of management processes to ensure that they are effective. This includes talking to the key individuals within the company, but also the affected communities and workers at different supply chain tiers. The assessor then puts together a view of the robustness and effectiveness of management processes, with an understanding of the broader context. There was broad agreement that the perspective of stakeholders was critical to any assurance process

regarding human rights. One participant observed that assurance providers would have to work collectively with others to incorporate the various specialisms required for this work.

***Innovation may be needed in this space so that assurance can be a driver for improvement of human rights performance.*** A general view was that it will be important to think outside of the box in terms of empowering rights-holders in the assurance process. Questions were asked as to whether, recognizing the pitfalls, RAFI can re-envision assurance for the human rights field, such that it becomes a driver for improvement, rather than undermining human rights or human rights defenders.

***Finally, a number of participants remarked that it would make sense to start with the development of the reporting framework, before the development of the assurance framework.*** There was a concern among many participants that the reporting framework may be developed with a view to what it is easy to assure, rather than what it is meaningful to have reported. Some noted that while there is a real demand for human rights reporting to be done right, this does not necessarily mean there is a demand for assurance. Some other participants saw the assurance piece of RAFI as an important part of the project and stressed the view that it should not be lost.

#### ***Additional issue: Key performance indicators with narrative reporting***

Discussions during the day raised questions about the appropriate balance between indicators on the one hand and narrative reporting on the other hand. The final session of the day was used to explore this question further.

***Quantitative indicators in the area of human rights could provide a false sense of comfort.*** One participant stressed that numbers are only indicators if they really indicate something. We don't know, for instance, to what extent hours of training impact human rights performance. In addition, the set of questions it is most appropriate to ask will vary from sector to sector. One participant suggested it may make more sense to develop good practice examples of reporting than narrow indicators. Another urged efforts to identify leading indicators of performance, as against just lagging indicators.

***Comparability across companies should not be the primary aim:*** a number of participants questioned comparability across companies as a goal and expressed concern that it drove toward quantitative approaches even where these didn't really tell you anything about company performance. One participant urged a focus on the quality of human rights due diligence by a company rather than on comparability with others.

***Efforts should focus on identifying ways to elicit the most meaningful information on company performance, rather than necessarily focusing on indicators.*** Emphasis was placed on the quality of information and the need to define a set of questions that would demonstrate whether companies understand their human rights impacts and are addressing them effectively. One investor participant suggested it would be helpful to

have five key questions that could be distributed to all portfolio managers for them to ask in management meetings.

***The reporting framework could play additional roles, providing the basis for different kinds of conversation.*** Participants reflected that there are limits to formal reporting, and reporting should be seen as opening the discussion, not providing all the answers. This reporting framework could push people to be innovative. As one participant noted “you don’t trust a report, you trust people. A report shouldn’t try to answer all questions, but to provide the context for having informed conversations.”

### ***Conclusion & Next Steps***

In conclusion, a number of participants remarked that the rich discussion emphasized the timeliness and importance of this discussion on human rights reporting and assurance. Participants noted that it was heartening to see a number of areas of convergence across stakeholder groups for moving forward. However, a number of pitfalls had also been emphasized, and it was crucial for this project to take the time necessary to get the frameworks right, and work with a wide range of stakeholders to do so.

It was noted that a number of companies are attempting to report on their human rights-related processes, and can share lessons learned; while a number of investors are already identifying key questions to ask to gain better understanding of the quality of these processes. Participants further concluded that it will be important to discuss these topics with those who are not included in current business and human rights discussions, including small and medium enterprises and mainstream investors.

The RAFI project team is grateful to all who took part in the consultation and contributed their candid, constructive and expert views to the conversation. Following completion of the consultations in London, New York and Jakarta, the project team will reflect on the implications of these inputs for both the conduct and content of the project and will issue some tentative ideas with regard to its next steps in the early weeks of 2014, as a basis for further stakeholder feedback.

## Annex A: Agenda for Expert Consultation

### Consultation on the Human Rights Reporting and Assurance Frameworks Initiative (RAFI)

Full Day Convening of Expert Stakeholders in London

October 17, 2013

- 9:00 am**                      **Welcome from Shift & Mazars**  
Agenda & Objectives  
Opening briefing: where the project stands
- 9:30 – 10:45 am**        **Participatory introductions & key questions**  
Session attendees frame key opportunities and challenges for the Reporting & Assurance Frameworks Initiative
- 10:45 am**                      **Coffee break**

*Following the coffee break, the remainder of the day will focus on critical issues identified by the project team in advance. Each session will include:*

- Framing of key issue
- Facilitated discussion on the issue
- Emerging conclusions or next steps for the project

- 11:00 am**                      **Critical issue #1: The Project Proposition**  
Project process and ownership of the final products  
Relationships with and to other initiatives  
Potential for adding value
- 12:00 pm**                      **Critical issue #2: Materiality with a Human Rights Lens**  
Defining materiality in a human rights context  
Setting boundaries and thresholds for reporting  
Implications for the development of frameworks and indicators
- 1:00pm**                         **Break and Lunch**
- 1:45 pm**                         **Critical issue #3: Balancing attention to forward-looking process with actual impacts**  
Relevance and limitations of risk-based focus  
Relevance and limitations of reporting actual impacts

<b>2:45 pm</b>	<b>Critical issue #4: Internal Audit/ Assurance</b> Challenges for tailoring assurance to human rights Lessons from fields of financial audit, sustainability assurance and social audit
<b>3:45 pm</b>	<b>Break</b>
<b>4:00 pm</b>	<b>Summary of critical issue discussions</b> Review of emerging conclusions Review of additional issues identified Feedback/ input on next steps
<b>5:30 pm</b>	<b>Conclusion</b>

## **Annex B: Participant List**

*Organizational affiliations are listed for participant identification purposes only. Participants attended in their personal capacities and were not asked in any way to represent the views of the organizations for which they work.*

### *Expert Participants*

1. Bastian Buck, Global Reporting Initiative (GRI)
2. Hubert De-Bremond-D'Ars, Total
3. Marilyn Croser, The Corporate Responsibility Coalition (CORE)
4. Alan Fine, Russell and Associates
5. Peter Frankental, Amnesty International UK
6. Louise Haigh, Aviva
7. Christian Honoré, KPMG
8. Kate Jefferies, International Integrated Reporting Initiative (IIRC)
9. Dwight Justice, International Trade Union Confederation (ITUC)
10. Benedetta Lacey, UK Foreign and Commonwealth Office
11. Michael Littlechild, GoodCorporation
12. Rajiv Maher, Danish Institute for Human Rights
13. Marta Maireles, ISEAL Alliance
14. Amol Mehra, International Corporate Accountability Roundtable (ICAR)
15. Anna Pot, APG Asset Management
16. Adil Rehman, Next
17. Tim Smith, Anglo American
18. Susanne Stormer, Novo Nordisk
19. Lena Tochtermann, Confederation of British Industry (CBI)
20. Salil Tripathi, Institute for Human Rights and Business (IHRB)
21. Liz Umlas, Independent researcher and consultant

### *Project Team*

22. Anthony Carey, Mazars
23. Rachel Davis, Shift
24. Neil Hutchison, Mazars
25. Richard Karmel, Mazars
26. Caroline Rees, Shift
27. Anna Triponel, Shift