CII-ITC Centre of Excellence for Sustainable Development

Confederation of Indian Industry

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B+HR BUSINESS AND HUMAN RIGHTS | ASIA

UNDP

HUMAN RIGHTS DUE DILIGENCE TRAINING FOR THE PRIVATE SECTOR

CONTEXT

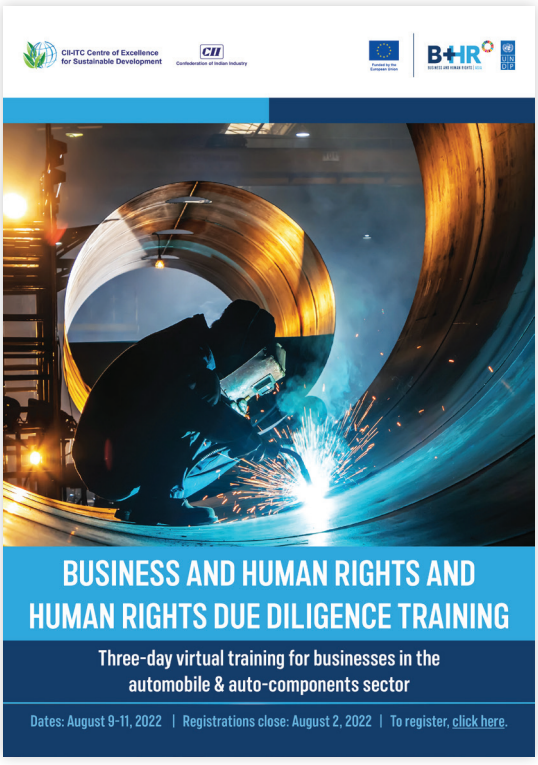
There is growing focus on Human Rights Due Diligence resulting from mandatory initiatives in countries part of EU and other regions such as Japan. For example, Germany's new Supply Chain Due Diligence Act requires large companies to make sure social and environmental standards are observed in their supply chain. India is part of this movement as well. Starting from 2023, SEBI has mandated top 1000 companies to report on Human Rights in their value chains (principle 5 of National Guidelines on Responsible Business conduct). Since these are emerging topics, there is an ongoing need to build awareness on HRDD with businesses.

UNDP is committed to work with the private sector to increase awareness on HRDD, provide relevant tools, develop platforms for knowledge exchange and dialogue.

APPROACH

UNDP India partnered with a leading business association, Confederation of Indian Industry (CII) to engage with their members and increase their practical awareness on the HRDD process. Two sectors were chosen: the Automotive sector (due to its high contribution to GDP and impact on people) and Extractives (due to ongoing issues in this important sector).

To advance this, a series of online trainings were organised for businesses in India. This included 3 sessions during a course of a week. Automotive sector was engaged on 9-11 Aug 2022 and Extractive sector on 17-19 Aug 2022. These sessions we facilitated remotely through a virtual online platform.



Topics which were covered in these training were – introduction to the UNGPs, business case, HRDD process, case study discussion on HRDD, access to remedy, communication, reporting tips and sharing of resources and touching upon what companies can do internally.

These trainings were full of practical examples, polls, case studies and group work (group discussions facilitated through online whiteboards). Rishi Sher Singh (HRDD specialist and consultant with businesses) was engaged to adapt the materials, develop two case studies, and facilitate session with participants from both sectors.

UNDP also shared various tools, facilitation guide, videos on HRDD with the participants.

PARTICIPANT INFORMATION

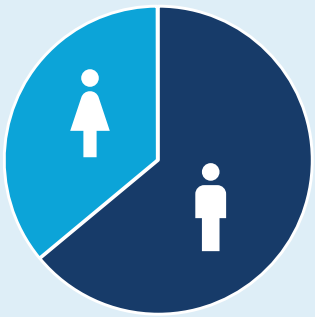
AUTOMOTIVE GROUP

Total registrations	45
Qualified registrations	25

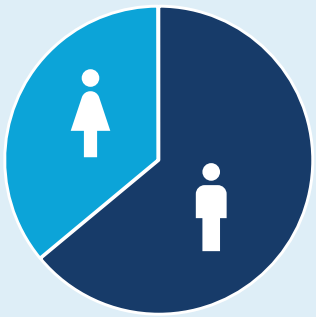
EXTRACTIVE GROUP

Total registrations	31
Qualified registrations	25

GENDER WISE PARTICIPATION



Automotive
25 (Male 16, Female 9)



Extractive
25 (Male 16, Female 9)

PARTICIPANT DESIGNATIONS

- Chief Sustainability Officers
- VP
- GM
- HR Heads
- CSR Heads
- Managers, among others

Duration of training	Day 1	Day 2	Day 3
Automotive	3 hours	2.5 hours	2.5 hours
Extractive	3 hours	2.5 hours	2.5 hours

→ Training hours per sector : 8 hours.

→ Total training hours 16 : hours

OUTCOMES

There was good response for both the sector trainings. Over 50 participants joined from senior leadership and mid management of private sector companies. Considering this was an online training, we witnessed excellent participation and thought-provoking discussions.

Below are some key take aways:

EFFECTIVENESS OF THE TRAINING (OVERALL):

- → Case study approach was appreciated by all participants. It gave businesses an opportunity to link their day-to-day operations with the HRDD process. Following principles were used to facilitate the case studies: focus on root cause, preventive approaches, collaboration, developing KPIs and internal buy-in.
- → Sector specific session were effective since participants could discuss nuances of their area of work, which led to more discussions on the real issues.
- → Working in smaller groups (4-5 participants) for case studies was useful. These smaller spaced enabled individuals to discuss, collaborate & develop solutions.
- → Using videos (rather than only theory slides) was welcomed. Participants also expressed their desire to use these videos for engagement with internal teams.

NEEDS OF BUSINESSES AND ONGOING ISSUES OF CONCERNS:

Participants in both groups were curious to know when India would be launching its National Action Plan on Business & Human Rights and what will be its implications. Below points are a combination of participant feedback and facilitator's observations:

AUTOMOTIVE GROUP	EXTRACTIVE GROUP
→ Top management commitment is very important in advancing HRDD.	→ Having a Human Rights policy is a clear indicator on the commitment of the top management. It's the starting point for HRDD.
→ Many participants commented that HRDD should not be the responsibility of only HR/CSR/ Environment department. There is a need to enable HRDD process using a cross functional approach. This needs to be strengthened.	→ Few companies which participated have completed the full HRDD cycle. Some have conducted an internal HRIA. More guidance will be useful.
→ Traceability of the supply chain will be key to implement HRDD. This is where more internal work and engagement with suppliers is needed.	→ Health and Safety is given more priority and its influence on other Human Rights (such as gender, working hours, wages) was not clear to the participants.
→ There is still an audit mindset for assessing risk in the supply chain. Focus has been majorly on Tier 1 or strategic suppliers.	→ There is a need to look at risk to people and risk to business together. Participant from a large company commented that unless business understands impact on economics directly, there will be less action on the ground.
→ Managers shared there is an internal hesitation in accepting risks in the value chain. This leads to a push back and denial of HRDD process. More work needs to be done on internal awareness and governance structures.	→ Companies are interested about legal and non-legal mechanisms for Remedy. Needs more guidance.
→ Companies shared practical challenges in implementing HRDD, such as politicising of unions, working with restrictions in SEZs, social and cultural challenges of hiring women on the shop floor and engaging with communities.	→ Major challenge which companies expressed is getting regular feedback from stakeholders. Participants expressed in some cases that stakeholders are either hard to reach or do not want to engage with them. More guidance will be helpful.
→ The company mindset that rights-based awareness in value chains causes business problems must change. More work needs to be done on mindsets.	→ There is a need to strengthen grievance mechanisms for all the rightsholders in the value chain.
→ Regular HRDD training was identified as an approach for the suppliers at various tier levels.	→ Transparency in the supply chain (which is also expected in BRSR) could lead to legal issues for the company. There is need for more guidance on how to approach this situation where transparency could lead to legal issues.
→ In the group study, participant suggested developing an internal "Task force" to monitor and hand hold the suppliers.	→ Understanding root cause of issues is important to solving then and preventing issues in the future.
→ Procurement should include HRDD require-ments and zero tolerance on salient risks.	→ Important to involve people who are impacted in creating solutions (bottoms-up approach).
→ It's important to have policy of no bribing while dealing with compliances.	→ Important to look at how to integrate the various issues identified in HRIAs.

IMPORTANT ELEMENTS IDENTIFIED FOR EFFECTIVE GRIEVANCE MECHANISMS

Principle 31 of the UNGPs sets expectations on grievance mechanisms. Some of the below points were shared by the participants.

- AWARENESS OF RIGHTS
- CONFIDENTIALITY
- PEOPLE ABLE TO VOICE CONCERNS
- DIFFERENT CHANNELS FOR DIFFERENT GROUPS
- REGULAR PULSE CHECK
- USE BOTH TECH AND INPERSON FEEDBACK
- RIGHTSHOLDERS WHO FILE GRIEVANCES SHOULD NOT SUFFER ANY PREJUDICE
- WORKERS SHOULD NOT SUFFER ANY LOSS OF EARNINGS BY PARTICIPATING
- PROCEDURES SHOULD BE UNCOMPLICATED
- BASED ON DIALOGUE
- SOURCE OF CONTINUOUS LEARNING

KEY QUESTIONS FROM PARTICIPANTS

AUTOMOTIVE GROUP	EXTRACTIVE GROUP
→ How does HRDD apply to the whole automotive value chain?	→ Does HRDD include the produce life cycle as well?
→ Primary responsibility of human rights is with the state, then how can business make a change on the ground?	→ How to include consumers in HRDD process to understand their impacts?
→ What is the synergy between HRDD, CSR, ESG and business ethics?	→ How is social risk assessment different from HRDD?
→ How to implement HRDD for MSMEs?	→ Can family members raise their voice for an employee who is working extra hours?
→ How often do we have to do an HRIA? Salient risks keep changing with time.	→ Why is due diligence important for entrepreneurs? How can it be vital tool to grow an organisation?
→ How does Health and Safety impact Gender?	→ How do bio-diversity laws interact with HRDD process?
→ What to do when we have no control or power to implement the action plan with the situation on the ground?	

FEEDBACK FROM PARTICIPANTS

"Though I had already done these assessments in my previous organisation but believe me, I have gained much better insights and I feel I can take it up at my current organisation now."

– Extractive sector participant

"I fully enjoyed the whole training! But I liked the most about the approach of the training- focusing on the main part of human rights assessment that is due diligence rather than covering too basics and theoretical part"

– Automotive sector participant

"We are curious to know when India's NAP will be launched and how it will influence our HRDD process

– Extractive sector participant

"Post-COVID this one is the first online training where I felt engaged else usually it's not much interactive, I liked the overall concept, the case studies and all the three exercise, appreciate the way of making the learning easy for participates"

– Extractive sector participant

WAY FORWARD

REGULAR TRAINING FOCUSED HRDD

- → Interactive trainings which speak to business realities
- → In-person trainings or company specific trainings will be effective
- → Future trainings to focus more on Cause, Contribute, Linked responsibility of businesses
- → Focusing on mindsets of continual improvements and root cause analysis

SHARING OF BEST PRACTICES

- → Map good Human Rights policies
- → Engage with companies demonstrating effective HRDD process
- → Develop peer learning approaces
- → Develop case studies of impact on the ground
- → Map various industry specific platforms such as Responsible Mineral Sourcing programme

FOCUS ON SOLUTIONS

- → Map which solutions exist for addressing salient risks in value chains
- → Identify solution providers for various Human Rights Impacts (NGOs, consulting orgs, rightsholder groups)
- → Practical guidance on strenthening grievance mechanisms

RESOURCES SHARED WITH PARTICIPANTS

- Video | The UN Guiding Principles on Business and Human Rights and the 2030 Agenda | https://www.youtube.com/watch?v=eQjIEA0xLCc&t=1s
- Brochure | United Nations Guiding Principles on Business and Human Rights | https://www.undp.org/india/publications/united-nations-guiding-principles-business-and-human-rights
- Publication | United Nations Guiding Principles on Business and Human Rights | https://www.ohchr.org/sites/default/files/documents/publications/guidingprinciplesbusinesshr_en.pdf
- Video | Human Rights Due Diligence | https://www.youtube.com/watch?v=u4oXZbVQm54&feature=youtu.be&ab_channel=UNDPIndia
- Report | Human Rights Due Diligence Training Facilitation Guide | https://www.undp.org/publications/human-rights-due-diligence-training-facilitation-guide
- Tool | Human Rights Due Diligence https://hrdd-assessment.org. Register here https://hrdd-assessment.org/user-registration/
- Video | India's Business and Human Rights Policy Framework | https://www.youtube.com/watch?v=PaS-I73sBDE
- Brochure | Responsible Business in India | https://www.undp.org/india/publications/responsible-business-india

For questions, write to:
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