

1 HUMAN RIGHTS DUE DILIGENCE AND THE ENVIRONMENT (HRDD+E)

2 **A GUIDE FOR BUSINESS**

3 Draft *(as of 10 November 2023)*

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5 As the UN's lead agency on international development, the **UN Development**  
6 **Programme** (UNDP) works in 170 countries and territories to eradicate poverty and  
7 reduce inequality. It helps countries to develop policies, leadership skills, partnering  
8 abilities, institutional capabilities, and to build resilience to achieve the Sustainable  
9 Development Goals. UNDP's mandate is concentrated in three focus areas: (1)  
10 sustainable development, (2) democratic governance and peacebuilding, and (3) climate  
11 and disaster resilience.

12 UNDP has field programming on business and human rights in 38 countries in Africa, Asia  
13 and the Pacific, Europe and Central Asia, Latin America and the Caribbean, which  
14 includes direct support to businesses in respecting human rights through tailor-made  
15 human rights due diligence training and guidance sessions.

16 For further information on UNDP, visit UNDP's website: [link](#).

17 For further information on the UNDP's programming on business and human rights, visit  
18 the UNDP Rule of Law and Human Rights webpage: [link](#).

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20 The **UN Working Group on the Issue of Human Rights and Transnational**  
21 **Corporations and Other Business Enterprises** (also referred to as the UN Working  
22 Group [UNWG] on Business and Human Rights) was established by the Human Rights  
23 Council in 2011. The UNWG has a mandate to promote, disseminate, and implement the  
24 UN Guiding Principles on Business and Human Rights. It is also mandated to exchange  
25 and promote good practices and lessons learnt on their implementation and to assess  
26 and make recommendations thereon.

27 For further information on the UNWG, including its thematic reports, guidance documents,  
28 and its focused work on business, human rights, and the environment, visit the UNWG's  
29 website: [link](#).

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## INTRODUCTION

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### 36 Triple Planetary Crisis

37 Environmental harms, including those caused by the triple planetary crisis of pollution,  
38 climate change, and biodiversity loss, have negative implications for the exercise and  
39 enjoyment of human rights, including the right to a clean, healthy, and sustainable  
40 environment and a wide range of human rights dependent on it, such as the rights to life,  
41 health, water, and food, among others.<sup>1</sup>

#### 42 **Box A.** Triple planetary crisis

The triple planetary crisis is terminology and framework adopted by the UN to describe three interlinked environmental issues that humanity currently faces: (1) pollution, (2) climate change, and (3) biodiversity loss.<sup>2</sup>

The three issues reinforce each other and require interdependent strategies to be resolved if we are to have a viable future for people and the planet:

Pollution	Climate Change	Biodiversity Loss
Presence of substances and/or heat in land, air, or water <sup>3</sup>	Long-term shifts in temperatures and weather patterns	Decline and/or disappearance of species and ecosystems

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### 44 **Businesses' Responsibility in Addressing the Crisis**

45 By preventing and addressing their potential and actual adverse impacts (hereinafter  
46 '[potential] adverse impacts') on the environment, as well as proactively protecting,  
47 restoring, and improving it, businesses must play a central role in addressing the triple  
48 planetary crisis.

49 The [UN Guiding Principles on Business and Human Rights \(UNGPs\)](#) set the baseline  
50 responsibility of all businesses to carry out human rights due diligence to identify, prevent,  
51 mitigate, and account for how they address (potential) adverse human rights impacts in  
52 their own activities and throughout their business relationships.

53 The UNGPs do not explicitly mention the environment in their human rights due diligence  
54 framework but establish that businesses should respect internationally recognized human  
55 rights. Therefore, in light of the recognition of the right to a clean, healthy, and sustainable  
56 environment as a human right<sup>4</sup> by the UN Member States in 2022, human rights due  
57 diligence should apply an environmental perspective.

58 Human rights due diligence that takes into account (potential) adverse impacts on the  
59 environment and (potential) adverse human rights impacts resulting from environmental  
60 harms (hereinafter '[potential] adverse human rights and environmental impacts') can  
61 guide businesses as they make their contribution to addressing the triple planetary crisis.

<sup>1</sup> OHCHR, UNEP, and UNDP. Information Note: What is the Right to a Healthy Environment?, January 2023. [Link](#).

<sup>2</sup> UNFCCC. What is the Triple Planetary Crisis?, 13 April 2022. [Link](#).

<sup>3</sup> UN. Glossary. [Link](#).

<sup>4</sup> UN General Assembly. Resolution A/RES/76/300 'The Human Right to a Clean, Healthy, and Sustainable Environment, 28 July 2022. [Link](#).

## 62 **How this Guide Can Help Your Business**

63 By unpacking the UNGPs' parameters and essential components of human rights due  
64 diligence in the context of the triple planetary crisis, the Guide is intended to equip  
65 businesses, both transnational and others, regardless of their size, sector, location,  
66 ownership, and structure, with practical advice, experiences, and insights to get started  
67 or build on existing efforts to design, refine, and implement effective human rights due  
68 diligence with an environmental perspective.

69 In light of a growing number of laws that call for businesses to prevent and address their  
70 (potential) adverse impacts on the environment *as well as* on human rights, the Guide  
71 can help them successfully prepare to meet evolving legislative requirements.

72 The Guide can also support businesses in adopting sustainable management practices  
73 and embedding the Sustainable Development Goals (SDGs) into the core of their  
74 decision-making in line with the [UNDP SDG Impact Standards](#).

75 The Guide brings together elements of the existing due diligence-related guidelines,  
76 frameworks, and assessments, including the [ILO Tripartite Declaration of Principles  
77 Concerning Multinational Enterprises and Social Policy](#), [OECD Guidelines for  
78 Multinational Enterprises on Responsible Business Conduct](#), [OECD Due Diligence  
79 Guidance for Responsible Business Conduct](#), [Nature-Related Financial Disclosures  
80 \(TNFD\)](#), [Science-Based Targets for Nature \(SBTN\)](#), [Climate-Related Financial  
81 Disclosures \(TCFD\)](#), and the [Science-Based Targets Initiative \(SBTi\)](#), allowing  
82 businesses to navigate through a range of resources directed at them.<sup>5</sup>

## 83 **What this Guide is Not**

84 Recognizing there are other environmental threats contributing to and impacted by the  
85 triple planetary crisis, including water scarcity, land degradation, and zoonotic diseases,  
86 the Guide is in no way intended to limit businesses' efforts to prevent and address their  
87 (potential) adverse human rights and environmental impacts more broadly.

88 The Guide in no way exhaustively defines or limits the scope of businesses' responsibility  
89 under the UNGPs and legal obligations related to human rights and the environment.

90 None of the information in the Guide constitutes legal advice. Instead, it is intended for  
91 general informational purposes only.

## 92 **Who is this Guide For**

93 The Guide aims to provide building blocks for staff in functions related to human rights  
94 and the environment within businesses to understand the intersections between human  
95 rights and the environment and increasingly collaborate and mutually learn in carrying out  
96 human rights due diligence with an environmental perspective.

97 The Guide can be of use to staff in other functions whose expertise and participation are  
98 required for effective human rights due diligence with an environmental perspective (See  
99 Box E).

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<sup>5</sup> See Annex 1 for a correlation between the four essential components of human rights due diligence per the UNGPs and the steps in other due-diligence-related guidelines, frameworks, and assessments.

100 **Who Else Can Benefit from this Guide**

101 By providing information on businesses' responsibility to carry human rights due diligence  
102 with an environmental perspective, the Guide can also be of relevance to other  
103 stakeholders, particularly States in developing policies and legislation related to human  
104 rights due diligence, as well as civil society organizations, trade unions, community-based  
105 groups, National Human Rights Institutions, environmental human rights defenders, and  
106 investors engaged in working with and monitoring businesses' human rights and  
107 environmental performance.

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## IF YOU READ ONLY ONE THING

### 109 **WHAT is Human Rights Due Diligence with an Environmental Perspective?**

110 **Responsibility to respect human rights:** The UNGPs make it clear that all businesses  
111 have the responsibility to respect human rights. This means that they should avoid  
112 infringing on the human rights of others and address adverse human rights impacts with  
113 which they are involved.

114 Businesses' responsibility to respect human rights applies to all internationally recognized  
115 human rights, which are understood, at a minimum, as those expressed in the  
116 [International Bill of Human Rights](#), the [ILO Fundamental Conventions](#), and the [ILO  
117 Declaration on Fundamental Principles and Rights at Work](#). Depending on the  
118 circumstances, businesses may need to consider additional human rights standards.

119 Businesses' responsibility to respect human rights exists independently of States' abilities  
120 and/or willingness to fulfill their own human rights obligations and does not diminish those  
121 obligations. It also exists over and above compliance with national laws and regulations  
122 protecting human rights.

123 Human rights due diligence is one of the key elements to put businesses' responsibility  
124 to respect human rights into practice.

125 **Human rights due diligence:** Human rights due diligence has three parameters: (1) it  
126 covers potential and actual adverse human rights impacts throughout businesses'  
127 operations, including their own activities and throughout their business relationships, (2)  
128 it varies in complexity with the size of the business, the risk of severe human rights  
129 impacts, and nature and context of the business operations, and (3) it is an ongoing  
130 process.

131 Human rights due diligence includes four essential components: (1) identifying and  
132 assessing (potential) adverse human rights impacts, (2) integrating and taking  
133 appropriate actions upon the findings, including through effective remediation, (3) tracking  
134 the effectiveness of the response, and (4) communicating externally about (potential)  
135 adverse human rights impacts and response.

136 Human rights due diligence differs from 'traditional' commercial, technical, and financial  
137 risk management in that it focuses primarily on risks of adverse impacts on people rather  
138 than solely on risks to businesses, although these impacts often overlap.

139 Human rights due diligence involves effective two-way consultations with all (potentially)  
140 affected rights-holders, particularly women, girls, gender-diverse people, and others most  
141 vulnerable and marginalized in a specific context.

142 Human rights due diligence can be carried out within broader impact measurement and  
143 management (IMM) efforts or can be a way to begin building a robust IMM system.

144 Human rights due diligence should be carried out irrespective of whether businesses  
145 engage in other activities to promote human rights and sustainable development, such as  
146 philanthropy. That is, businesses cannot meet or 'offset' their responsibility to respect  
147 human rights by engaging in efforts to promote human rights.

148 Fulfillment of businesses’ responsibility to carry out human rights due diligence does not  
149 insulate businesses from potential legal consequences of their conduct or confer  
150 immunity from or a waiver of potential liability.

151 **Human rights due diligence with an environmental perspective:** The UNGPs do not  
152 explicitly mention the environment in their human rights due diligence framework but  
153 establish that businesses should respect internationally recognized human rights.

154 A decade after their adoption, the International Bill of Human Rights, the ILO Fundamental  
155 Conventions, and the ILO Declaration on Fundamental Principles and Rights at Work,  
156 which they refer to, have been interpreted in a manner consistent with international  
157 environmental law.<sup>6</sup> Furthermore, in 2022, the UN Member States recognized the right to  
158 a clean, healthy, and sustainable environment as a human right.

159 In this context, businesses’ responsibility to respect human rights includes respect for the  
160 environment. Therefore, human rights due diligence should apply an environmental  
161 perspective and be inclusive of (potential) adverse environmental impacts and (potential)  
162 adverse human rights impacts resulting from environmental harms (hereinafter ‘[potential]  
163 adverse human rights and environmental impacts’).

#### 164 **WHY Carry Human Rights Due Diligence with an Environmental Perspective?**

165 There is a fast-increasing demand for human rights due diligence with an environmental  
166 perspective coming from a range of sources, including:

- 167 • **Governments and multi-governmental organizations** requiring businesses to  
168 prevent and address their (potential) adverse impacts on the environment *as well*  
169 *as* on human rights;

170 **Box B:** Examples of laws on mandatory human rights due diligence with an  
171 environmental perspective, applying within and in many instances beyond the borders of  
172 the countries adopted them

**Duty of Vigilance Law in France:** requires businesses to establish and implement an effective Vigilance Plan which should include reasonable vigilance measures to identify and prevent “severe violation of human rights [...] or environmental damage from the operations of the company and of the companies it controls, [...] as well as from the operations of the subcontractors or suppliers”

**Act on Corporate Due Diligence Obligations in Supply Chains in Germany:** requires businesses “to exercise due regard for the human rights and environment-related due diligence [...] in their supply chains”

**Responsible and Sustainable International Business Conduct Bill in the Netherlands:** requires businesses to “exercise due diligence in their value chains” to identify, prevent, mitigate, and refrain from activities which “may have negative impacts on human rights, labour rights, or the environment”

**Draft Bill on Human Rights and Environmental Protection for Sustainable Business Management in South Korea:** (at the time of writing) requires

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<sup>6</sup> UNWG on Business and Human Rights. Information Note on ‘Climate Change and the Guiding Principles on Business and Human Rights’, June 2023. [Link](#).



businesses to fulfill their responsibility to respect human rights by “establishing a corporate human rights and environmental due diligence implementation system”<sup>7</sup>

**Draft Corporate Sustainability Due Diligence Directive in the EU:** (at the time of writing) requires businesses to “take appropriate steps within their means to set up and carry out due diligence measures, with respect to their own operations, those of their subsidiaries, as well as their direct and indirect business relationships in their value chains” [...] “to identify and address adverse human rights and environmental impacts”<sup>8</sup>

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- **Law firms** and non-governmental organizations working with (potentially) affected rights-holders filing environmental lawsuits against businesses based on human rights grounds;

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177 **Box C:** Examples of human rights-based environmental litigation

**Milieudefensie et al. v. Royal Dutch Shell in the Netherlands** (pending at the time of writing): a case alleging Shell’s contributions to climate change violate its duty of care under Dutch law and human rights obligations

A court ordered Shell to comply with the Paris Agreement and reduce its carbon dioxide emissions by 45% from 2019 levels by 2030

**Comissão Pastoral da Terra and Notre Affaire à Tous v. BNP Paribas in France** (pending at the time of writing): a notice of intent by Comissão Pastoral da Terra and Notre Affaire à Tous to sue BNP Paribas alleging its financing of businesses are responsible for the deforestation of Amazon and violations of human rights

**Youth Verdict v. Waratah Coal in Australia** (pending at the time of writing): a case alleging Waratah Coal’s contribution to climate change infringes on the right to life, the protection of children, and the right to culture as protected by the Queensland Human Rights Act

A court recommended to the Minister for Natural Resources Mines and Energy and the Chief Executive of the Department of Environment and Science to reject the mining lease and environmental authority of Waratah Coal

**Wayúu Indigenous Community v. Ministry of Environment in Colombia** (pending at the time of writing): a case alleging the national environmental licensing process of Cerrejón Zona Norte Coal Mining Project failed to comply with environmental provisions and principles, violating the rights of the Wayúu Community and the general population to a healthy environment, health, and Free, Prior, and Informed Consent

**Friends of Nature, Shan Shui Conservation Centre, and Wild China Film v. China Hydropower Engineering Consulting Group in China** (decided): a case alleging the construction of hydropower on the Jiasa River would inundate the land upstream and immerse the last major habitat of green peafowl

<sup>7</sup> Bill Proposal 2124147 by Representative Jung Taeho. As of 1 September 2023. [Link](#).

<sup>8</sup> European Parliament. Corporate Sustainability Due Diligence P9\_TA(2023)0209. As of 1 June 2023. [Link](#).



A Court ordered China Hydropower Engineering Consulting Group to stop the work on the Jiasa hydropower station

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179 • **Investors**, including finance institutions, seeking evidence that businesses have  
180 identified and addressed human rights and environmental risks in line with  
181 sustainable investment strategies before granting various forms of investment;

182 • **Other businesses** carrying out human rights due diligence with an environmental  
183 perspective and having an advantage in placing their products or services over  
184 competitors;

185 • **Clients, end-users, and consumers** seeking evidence that businesses providing  
186 them with products or services do not expose them or others to (and their business  
187 model has not relied on) (potential) adverse human rights and environmental  
188 impacts;

189 • **Trade unions and (potential) employees** seeking evidence that their (potential)  
190 employer reflects their values related to human rights and the environment;

191 • **(Potentially) affected rights-holders**, community-based groups, and civil society  
192 organizations working with them seeking evidence of respect for human rights and  
193 the environment as a condition of businesses' 'social license' to operate.

194 **Box D:** Examples of an economic (in addition to moral and legal) case for businesses to  
195 carry out human rights due diligence with an environmental perspective<sup>9</sup>

- Sustain reliable and cost-effective access to environmental assets and ecosystem services the businesses depend on to function;
- Address financial risks, including systemic risks implicated by the triple planetary crisis;
- Improve risk management with fewer business disruptions, public campaigns, and criticism, litigation, reputational risks, and risks to employee retention and recruitment;
- Have more business opportunities with financiers, clients, end-users, and consumers and in the markets with mandatory human rights due diligence with an environmental perspective;
- Have greater access to capital through environmentally responsible investors;
- Obtain and maintain a 'social license' for a business to operate in an increasingly human rights- and environment-conscious society;

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<sup>9</sup> Inspired by:

- TNFD. Recommendations, September 2023. [Link](#).
- Shift. A Guidance Tool for Companies 'Doing Business with Respect for Human Rights', Edition 2, 2016. [Link](#).

- Recruit and retain talent, particularly from youth, who are increasingly focused on employers' human rights and environmental values and performance.

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197 **HOW to Carry Out Human Rights Due Diligence with an Environmental**  
198 **Perspective?**

199 **OVERARCHING PRINCIPLES:**

200 • **Break down silos between functions related to human rights and the**  
201 **environment within business:** to carry out human rights due diligence with an  
202 environmental perspective, establish a platform for staff of functions related to  
203 human rights and the environment for their regular and systematized collaboration  
204 and mutual learning (e.g., through seating arrangements, cross-functional  
205 workshops or sharing systems, incl. risk management systems, risk registers,  
206 action plans, strategies) on the intersections between human rights and the  
207 environment;

208 • **Prioritize (potentially) affected rights-holders for engagement across all the**  
209 **essential components of human rights due diligence:** when engaging  
210 stakeholders in a human rights due diligence cycle, prioritize (potentially) affected  
211 rights-holders to identify and assess (potential) adverse human rights and  
212 environmental impacts on them (See Essential Component 1), effectively track  
213 performance indicators (See Essential Component 3), and communicate the  
214 results of human rights due diligence to them with appropriate and accessible  
215 content and formats (See Essential Component 4).

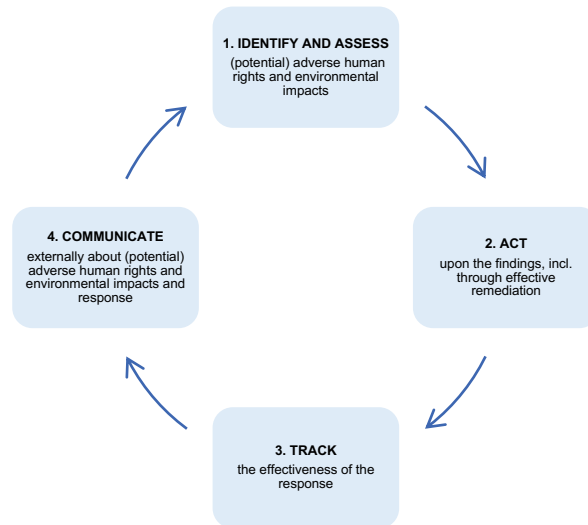
216 In addition, consider consulting (potentially) affected rights-hold during Essential  
217 Component 2 of human rights due diligence, including to design effective and  
218 rights-holders-centered actions to address (potential) adverse human rights and  
219 environmental impacts, conduct assessments of the effectiveness of leverage  
220 efforts, and make a decision on continuing or terminating business relationships  
221 (See Essential Component 2);

222 • **Carry out human rights due diligence proactively and continuously:** as  
223 compared to often time-bound and project-related environmental and social impact  
224 assessments, carry out human rights due diligence on an ongoing basis (through  
225 human rights due diligence cycles), recognizing that risks of being involved in  
226 (potential) adverse human rights and environmental impacts may change over  
227 time.

228 Carrying out human rights due diligence with an environmental perspective is necessary  
229 for *any* business to fulfill its responsibility to respect internationally recognized human  
230 rights, including the newly recognized right to a clean, healthy, and sustainable  
231 environment.

232 Regardless of the business' size, sector, location, ownership, or structure, its human  
233 rights due diligence with an environmental perspective should include all four essential  
234 components set out in the UNGPs:

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250 However, the scale and complexity of this four-component process may vary according  
251 to the size of the business, as well as other characteristics (e.g., sector, location,  
252 ownership, or structure). The single most important factor in determining the process  
253 needed will be the severity (See Guidance Point 2.1) of the business' (potential) human  
254 rights and environmental impacts.<sup>10</sup>

255 To carry out human rights due diligence with an environmental perspective, businesses  
256 should consider 18 steps adjusted according to their size and other characteristics while  
257 drawing on internal expertise from different functions and/or external expertise.

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<sup>10</sup> OHCHR. The Corporate Responsibility to Respect Human Rights, 2012. [Link](#).

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**Box E:** Recommended steps of human rights due diligence with an environmental perspective

Component	Any Business		Some Suggestions Specific to Small and Medium-Sized Enterprises (SMEs) <sup>11</sup>
	Internal or External Expertise	Recommended Steps	Overall Recommendations
1 'Identify and Assess'	Related to: procurement, sales, marketing, human rights, environment, risk management, compliance, and stakeholder engagement	<ol style="list-style-type: none"> <li>1.1 Outline your business' value chain (own activities, upstream and downstream value chain actors)</li> <li>1.2 Map the geographic locations of your business' own activities and the value chain with key spatial data layers related to pollution, climate change, and biodiversity loss</li> <li>1.3 Identify and add to the map all rights-holders whose lives and livelihoods are dependent on land, water, air, climate, and biodiversity, as well as entitled to lands, territories, and resources, and therefore, are (potentially) adversely affected by your business' own activities and the value chain</li> <li>1.4 Using the map, identify your business' (potential) adverse impacts</li> <li>1.5 Engage identified (potentially) affected rights-holders and other stakeholders working with them to complement scientific spatial data with their lived experiences and finalize the list of your business' (potential) adverse impacts</li> <li>1.6 Revisit your business' (potential) adverse impacts on an ongoing basis, especially <i>before</i> key moments in your business' own activities and the value chain</li> </ol>	<p><b>Focus on one particular product or service:</b> consider undertaking the recommendations with a focus on a set of (potential) adverse human rights and environmental impacts associated with a particular product or service that your business provides. In subsequent human rights due diligence cycles, your business may identify (potential) adverse impacts associated with additional products or services</p> <p><b>Benefit from other sources:</b> consider exploring government or community initiatives that can help provide information to your business in identifying (potential) adverse human rights and environmental impacts in a particular sector</p>

<sup>11</sup> Inspired by:

- UNWG on Business and Human Rights. Report A/HRC/35/32 'Opportunities for Small and Medium-Sized Enterprises in the Implementation of the UNGPs', 24 April 2017. [Link](#).
- European Commission. A Guide to Human Rights for Small and Medium-Sized Enterprises 'My Business and Human Rights', 2013. [Link](#).
- Shift. A Guidance Tool for Companies 'Doing Business with Respect for Human Rights', Edition 2, 2016. [Link](#).

<p style="text-align: center;"><b>2 'Act'</b></p>	<p style="text-align: center;"><b>Related to:</b> human rights, environment, compliance</p>	<p>2.1 If impossible to address all the identified (potential) adverse impacts at the same time, prioritize salient issues based on their severity</p> <p>2.2 Identify the way of your business' involvement in each (potential) adverse impact: causation, contribution, or direct linkage</p> <p>2.3 Identify appropriate actions to respond according to the way of your business' involvement in each (potential) adverse impact, incl. by using mitigation and conservation hierarchies for preventing and addressing your business' (potential) adverse environmental impacts and ensuring both human rights and environmental remediation for actual adverse human rights and environmental impacts</p> <p>2.4 Consolidate the identified appropriate actions in a stand-alone Action Plan</p> <p>2.5 In situations of 'contribution' and 'direct linkage' to (potential) adverse impacts through other actors, use and increase leverage to seek to prevent and address them and influence actors' overall practices</p> <p>2.6 If unsuccessful with using and increasing leverage, consider whether and how to continue or terminate relationships with actors in the best interest of (potentially) affected rights-holders</p>	<p><b>Focus on one salient issue:</b> choose one salient issue (the most significant adverse impact) for your business' subsequent human rights due diligence. Your business may prioritize additional issues.</p> <p><b>Start with informal internal review:</b> starting with informal, internal action on the prioritized salient issue, e.g. by changing attitudes among staff and ensuring that certain behaviours and practices are accepted in your business' culture</p> <p><b>Team up with others:</b> In situations where you are unable to use leverage to (potential) adverse impacts through use and increase leverage to prevent them and influence its overall practices. If adverse impacts are directly linked to your operations or particular product areas, consider a business larger in size, consider other stakeholders, e.g., business associations, trade unions, government, suppliers, etc. to try to use leverage</p>
<p style="text-align: center;"><b>3 'Track'</b></p>	<p style="text-align: center;"><b>Related to:</b> human rights, environment, sales, marketing, compliance, procurement, audit,</p>	<p>3.1 Develop business-specific and decision-useful performance indicators, combining quantitative (scientific) indicators with qualitative indicators on lived experiences of (potentially) affected rights-holders</p> <p>3.2 Support your business' value chain actors, particularly those with whom your business has a delayed terminating relationship with, with 'non-audit' tracking of their performance</p> <p>3.3 Ensure the veracity and credibility of collected indicator-based data, undertake internal and/or external independent verification</p>	<p><b>Start with fewer indicators and collection:</b> consider developing at least four indicators (1 – incident, 2 – process, and 4 – outcome) to monitor the effectiveness of your response, formal or informal, to the prioritized salient issue and use a variety of methods to collect indicator-based data, including performance reviews and surveys</p> <p>In subsequent human rights due diligence, your business may develop additional indicators for its response to the issue or additional salient issues</p>

<p><b>4 'Communicate'</b></p>	<p><b>Related to:</b> human rights, environment, communications, stakeholder engagement, compliance</p>	<p>4.1 To prepare to communicate externally about your business' (potential) adverse impacts and performance on preventing and addressing them, compile a minimum threshold of information across 10 areas</p> <p>4.2 Tailor content and formats of the minimum threshold of information to diverse groups of (potentially) affected rights-holders, as the primary target audience</p> <p>4.3 Prepare a formal report that meets the minimum threshold of information, showcasing ongoing improvement and being transparent on where there is no improvement</p>	<p><b>Respond to the guiding questions</b> answering as many guiding questions as possible. A minimum threshold of information is required. Subsequent human rights due diligence communications, e.g., with stakeholders, may communicate on additional salient issues and/or iteratively answer guiding questions</p> <p><b>Focus on communicating, reporting:</b> consider focusing on direct communications, e.g., with stakeholders, customers, over formal reporting</p> <p><b>Use other communications:</b> consider including information on human rights due diligence in other communications, e.g., annual reports, sustainability reports, social media communications, incl. on social media, clients'/consumers' visits</p>
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## HOW TO READ THIS GUIDE

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262 The Guide is designed as a sector-agnostic introduction to human rights due diligence  
263 that applies an environmental perspective based on practical advice, experiences, and  
264 insights.

265 It is recommended to read the main text of the Guidance Points across the four essential  
266 components in full for concise step-by-step guidance. The Boxes are secondary and  
267 provide in-depth examples for readers wanting a further introduction to the nuances of  
268 human rights due diligence in the context of the triple planetary crisis of pollution, climate  
269 change, and biodiversity loss.

270 Where applicable, it is also recommended that staff in functions related to human rights  
271 and the environment within businesses read the Guide together.

272 The terms highlighted in green are defined in the Glossary in Annex 2.

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274 For more in-depth guidance on human rights due diligence, please refer to the [OHCHR](#)  
275 [Interpretive Guide 'The Corporate Responsibility to Respect Human Rights'](#).



276 **HUMAN RIGHTS DUE DILIGENCE WITH AN ENVIRONMENTAL PERSPECTIVE**

277 **ESSENTIAL COMPONENT 1 'IDENTIFY AND ASSESS'**

278 Identify and assess business' (potential) adverse impacts that (1) cause or worsen air,  
279 land, and water pollution, climate change, and biodiversity loss and (2) remove or reduce  
280 the ability of individual persons, groups, and peoples to exercise and enjoy their human  
281 rights.

282 **PRINCIPLES:**

- 283 1. **Focus on risks to people and the planet:** shift from 'traditional' business due  
284 diligence solely on risks to the business and identify and assess risks of adverse  
285 human rights and the environment impacts by the business;
- 286 2. **Identify and assess (potential) adverse human rights and environmental**  
287 **impacts throughout business relationships:** expand the scope of the impact  
288 assessment exercise to business relationships at all levels of the value chain  
289 appropriate to the prioritization conducted (See Guidance Point 1.4);
- 290 3. **Identify and assess (potential) adverse environmental impacts regardless of**  
291 **whether there is an immediate or obvious effect on human rights:** as  
292 environmental impacts can accumulate or have delayed adverse impacts over  
293 time, identify and assess (potential) adverse environmental impacts with no  
294 obvious or immediate effect on human rights;
- 295 4. **Identify and assess longer-term (potential) adverse human rights and**  
296 **environmental impacts:** to respect the human rights of future generations, look  
297 beyond the 'traditional' business planning cycle, and identify and assess not only  
298 short-term (e.g., 1-3 years) (potential) adverse human rights and environmental  
299 impacts but also longer-term (e.g., by 2030 or 2050).

300 **PROCESSES:**

301 **Guidance Point 1.1:** Value chain

302 Drawing on internal inputs from different business functions (e.g., procurement, sales,  
303 and marketing) and external inputs from upstream and downstream actors (e.g.,  
304 suppliers, logistics, and customers) or intermediaries who deal with them (e.g.  
305 distributors, brokers, and wholesalers), create a complete value chain outline that  
306 includes:

- 307 • Categories of activities owned or controlled by your business;
- 308 • Categories of activities of actors with both a direct and indirect relationship that  
309 contribute to the business' own operations, products, or services, and those that  
310 receive, license, buy, or use products or services from the business;
- 311 • A list of purchased products or services and a list of sold products or services;
- 312 • A list of value chain actors (either by name, type, or spend category).<sup>12</sup>

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<sup>12</sup> Inspired by: Greenhouse Gas Protocol. Corporate Value Chain Accounting and Reporting Standard, September 2011.  
[Link.](#)

313 **Box 1:** Examples of categories\* of business' own activities and activities of value chain  
 314 actors

315 \* Some categories may not be applicable to all businesses.

	<b>Actors in the Upstream Value Chain</b> (Purchased or acquired products or services)	<b>Business' Own Activities</b> (Owned or controlled by the business)	<b>Actors in the Downstream Value Chain</b> (Sold products or services)
<b>Products</b>	<p>Actors involved in:</p> <ul style="list-style-type: none"> <li>• Extraction of raw material for purchased or acquired products</li> <li>• Transportation of purchased or acquired products for inbound and outbound logistics, and between business' own facilities (in vehicles not owned or controlled by a business)</li> <li>• Warehousing for inventory and finished purchased or acquired products storage (in facilities not owned or controlled by a business)</li> <li>• Manufacturing and production of purchased or acquired products (in facilities not owned or controlled by a business)</li> <li>• Management of waste generated by a business, including its disposal and recovery (in facilities not owned or controlled by a business)</li> </ul>	<p>Owned or controlled:</p> <ul style="list-style-type: none"> <li>• Extraction, production, warehousing, and storage (in facilities owned or controlled by a business)</li> <li>• Transportation and distribution (in vehicles owned or controlled by a business)</li> <li>• Management of waste generated by a business, including its disposal and recovery (in facilities owned or controlled by a business)</li> </ul>	<p>Actors involved in:</p> <ul style="list-style-type: none"> <li>• Transportation, distribution, warehousing, and storage of sold products (in vehicles and facilities not owned or controlled by a business)</li> <li>• Processing of sold products</li> <li>• End-use of sold products</li> <li>• Management of waste of sold products at the end of their life, including their disposal and recovery (in facilities not owned or controlled by a business)</li> </ul>

<b>Services</b>	Actors involved in:	Own or controlled services, incl. financing, insurance, leasing, franchising, marketing	Actors involved in:
	<ul style="list-style-type: none"> <li>Provision of purchased or acquired services, incl. financing, insurance, leasing, franchising, marketing</li> </ul>		<ul style="list-style-type: none"> <li>Processing and end-use of sold services, incl. financing, insurance, leasing, franchising, marketing</li> </ul>

316

317 **Guidance Point 1.2:** Geographical locations

318 To inform the identification and assessment of where your business has (potential)  
 319 adverse human rights and environmental impacts, map the geographical locations of your  
 320 business' own activities and activities in the value chain.

321 Drawing on internal and/or external environmental expertise and existing science-based  
 322 spatial data tools, add to the map key spatial data layers related to land, water, air, climate,  
 323 and biodiversity to understand which geographical locations are already impacted by  
 324 adverse environmental impacts (e.g., pre-existing air pollution) and whether your  
 325 business is (potentially) causing or worsening these adverse impacts.

326 **Box 2:** Examples of spatial data layers and tools<sup>13</sup> to assess the state of the environment  
 327 in geographical locations of business' own activities and the value chain

	<b>Spatial Data Layer</b>	<b>Tool</b>
<b>Land Pollution</b>	<ul style="list-style-type: none"> <li>Land productivity</li> <li>Cropping intensity</li> <li>Soil quality</li> </ul>	<ul style="list-style-type: none"> <li><a href="#">UN Biodiversity Lab</a> (UNDP, UNEP, UNEP-WCMC, CBD Secretariat)</li> <li><a href="#">Global Soil Database</a> (FAO)</li> </ul>
<b>Water Pollution</b>	<ul style="list-style-type: none"> <li>Water stress</li> <li>Groundwater decline</li> <li>Ecologically and biologically significant marine areas</li> <li>Total fishing hours</li> <li>Coral reef connectivity</li> </ul>	<ul style="list-style-type: none"> <li><a href="#">UN Biodiversity Lab</a> (UNDP, UNEP, UNEP-WCMC, CBD Secretariat)</li> </ul>
<b>Air Pollution</b>	<ul style="list-style-type: none"> <li>Air quality (Aerosol, CO, dust, NHO<sub>3</sub>, N<sub>2</sub>O, SO<sub>2</sub>)</li> <li>Forest connectivity</li> </ul>	<ul style="list-style-type: none"> <li><a href="#">Air Quality Earth Data</a> (NASA)</li> <li><a href="#">Air Pollution Interactive Map</a> (UNEP)</li> <li><a href="#">Air Quality Map</a> (IQAir)</li> <li><a href="#">UN Biodiversity Lab</a> (UNDP, UNEP, UNEP-WCMC, CBD Secretariat)</li> </ul>
<b>Climate Change</b>	<ul style="list-style-type: none"> <li>Fossil fuel energy and materials</li> <li>Greenhouse gas emissions</li> <li>Sea level change</li> </ul>	<ul style="list-style-type: none"> <li><a href="#">Emissions Map</a> (Climate Trace)</li> <li><a href="#">Sea Level Rise Map</a> (1993-2019) (Copernicus Marine Service)</li> </ul>

<sup>13</sup> More nature-related spatial data tools are catalogued by the TNFD: [Link](#).

	<ul style="list-style-type: none"> <li>• Sea surface temperature (anomaly)</li> <li>• Disasters (floods, extreme heat)</li> <li>• Coral reef connectivity</li> </ul>	<ul style="list-style-type: none"> <li>• <a href="#">Sea Surface Temperature (Anomaly) Maps</a> (NASA)</li> <li>• <a href="#">Natural Hazards Map</a> (FM Global)</li> <li>• <a href="#">Land Surface Temperature (Anomaly) Maps</a> (NASA)</li> <li>• <a href="#">UN Biodiversity Lab</a> (UNDP, UNEP, UNEP-WCMC, CBD Secretariat)</li> </ul>
<p><b>Biodiversity Loss</b></p>	<ul style="list-style-type: none"> <li>• Ecosystem type</li> <li>• Ecosystem integrity</li> <li>• Ecosystem change</li> <li>• Ecosystem importance (critical habitat, ecologically or biologically significant areas, protected areas, conservation areas)</li> <li>• Wildlife corridors</li> <li>• Distribution of rare/endangered species</li> <li>• Ecologically and biologically significant marine areas</li> <li>• Coral reef connectivity</li> </ul>	<ul style="list-style-type: none"> <li>• <a href="#">Global Ecosystem Typology</a> (IUCN)</li> <li>• <a href="#">Global Map of Ecoregions</a> (Resolve)</li> <li>• <a href="#">Integrated Biodiversity Assessment Tool</a> (Birdlife, Conservation International, IUCN, UNEP-WCMC)</li> <li>• <a href="#">Critical Habitat Screening Layer</a> (UNEP-WCMC)</li> <li>• <a href="#">Ocean+</a> (GEO BON, UNEP-WCMC)</li> <li>• <a href="#">UN Biodiversity Lab</a> (UNDP, UNEP, UNEP-WCMC, CBD Secretariat)</li> <li>• <a href="#">Global Forest Watch</a> (World Resources Institute)</li> <li>• <a href="#">Earth</a> (Conservation International)</li> <li>• <a href="#">Resource Watch</a> (World Resources Institute)</li> </ul>

328

329 **Guidance Point 1.3:** (Potentially) affected rights-holders

330 Drawing on internal and/or external human rights and stakeholder engagement expertise,  
 331 including local experts, civil society organizations, trade unions, and community-based  
 332 groups, add to the map rights-holders\* whose lives and livelihoods depend on the land,  
 333 water, air (e.g., being and/or working outside), climate (e.g., being/working outside or  
 334 inside with no cooling systems), and biodiversity, as well those who are entitled to the  
 335 lands, territories, and resources (with or without official titles), in the geographical  
 336 locations of your business’ own activities and the value chain, and, therefore, are  
 337 (potentially) affected:

- Recognizing that ecosystems and climate are transboundary, do not limit the list of (potentially) affected rights-holders with country borders;

339

- 340 • Recognizing that business activities can accumulate or have delayed (potential)  
341 adverse impacts over time, do not limit the list of (potentially) affected rights-  
342 holders to adults and the present generations;
- 343 • Recognizing that clients, end-users, and consumers are also rights-holders  
344 dependent on ecosystems and climate, consider them in the mapping process;
- 345 • Focus on those (potentially) affected rights-holders at heightened risk of  
346 vulnerability and marginalization, taking into account intersecting identities;
- 347 • Recognizing that men, boys, women, girls, gender-diverse, and transgender  
348 people are (potentially) affected by adverse human rights and environmental  
349 impacts differently, apply a gender-balanced approach to the mapping process.

350 \* The absence of knowledge and/or lack of information confirming the existence of rights-  
351 holders dependent on ecosystems and climate and entitled to the lands, territories, and  
352 resources in the geographical locations of your business' own activities and the value  
353 chain should not be taken as evidence of the absence of rights-holders (potentially)  
354 affected by your business' adverse human rights and environmental impacts.

355 **Box 3:** Examples of rights-holders dependent on land, water, air, climate, and biodiversity  
356 and entitled to lands, territories, and resources (potentially) affected by business' own  
357 activities and the value chain

	<b>(Potentially) Affected Rights-Holders</b>	<b>Most Vulnerable and Marginalized (Potentially) Affected Rights-Holders</b> (in a specific context)
<b>Land Pollution<sup>14</sup></b>	Traditional households, farmers, people living in close proximity to landfills/dumpsites, forcibly displaced persons, workers in waste management, tourism workers and operators, agricultural products consumers, environmental human rights defenders, future generations	Indigenous Peoples, people of African descent, subsistence farmers, children, incl. infants, young children, and adolescents, (pregnant) women, gender-diverse and transgender people, informal workers, people in poverty
<b>Water Pollution<sup>15</sup></b>	Traditional households, fisherpersons, farmers, people living in close proximity to landfills/dumpsites, forcibly displaced persons, workers in waste management, tourism workers and operators, consumers of fishery and aquaculture products, environmental human rights defenders, future generations	Indigenous Peoples, people of African descent, subsistence fisherpersons, subsistence farmers, children, incl. infants, young children, and adolescents, (pregnant) women, gender-diverse, and transgender people, informal workers, people in poverty

<sup>14</sup> Inspired by: Special Rapporteur on the Issue of Human Rights Obligations Relating to the Enjoyment of a Safe, Clean, Healthy, and Sustainable Environment. Report A/HRC/49/53 'Non-Toxic Environment to Live, Work, Study and Play', 12 January 2022. [Link](#).

<sup>15</sup> Inspired by: Special Rapporteur on the Issue of Human Rights Obligations Relating to the Enjoyment of a Safe, Clean, Healthy, and Sustainable Environment. Report A/HRC/46/28 'Human Rights and the Global Water Crisis: Water Pollution, Water Scarcity, and Water-Related Disasters', 19 January 2021. [Link](#).

<b>Air Pollution<sup>16</sup></b>	Workers/farmers working outside, traditional households, people living in close proximity to landfills/dumpsites, forcibly displaced persons, tourism workers and operators, students, environmental human rights defenders, future generations	Indigenous Peoples, people of African descent, subsistence farmers, children, incl. infants, young children, and adolescents, older persons, (pregnant) women, gender-diverse, and transgender people, informal workers, people in poverty, people with chronic health conditions, persons with disabilities
<b>Climate Change<sup>17</sup></b>	Traditional households, incl. those depending on the stranded assets, fisherpersons, farmers, people living in low-lying areas, coastlines, areas prone to severe storms, in close proximity to large infrastructure and permafrost, forcibly displaced persons, high-carbon jobs workers, workers working outside and inside with no cooling systems, tourism workers and operators, environmental human rights defenders, future generations	Indigenous Peoples, people of African descent, subsistence fisherpersons, subsistence farmers, children, incl. infants, young children, and adolescents, older persons, (pregnant) women, gender-diverse, and transgender people, informal workers, people in poverty, persons with chronic health conditions, persons with disabilities
<b>Biodiversity Loss<sup>18</sup></b>	Traditional households, fisherpersons, farmers, people living in close proximity to landfills/dumpsites, forcibly displaced persons, tourism workers and operators, environmental human rights defenders, future generations	Indigenous Peoples, people of African descent, subsistence fisherpersons, subsistence farmers, (pregnant) women, gender-diverse, and transgender people, informal workers, people in poverty

358

359 **Guidance Point 1.4:** (Potential) adverse impacts

360 Drawing on internal and/or external human rights, environmental, risk management, and  
 361 compliance expertise and using the map (See Guidance Points 1.2-1.3), identify your  
 362 business’ (potential) adverse impacts on land, water, air, climate, and biodiversity, and  
 363 human rights by:

- 364 1. Listing adverse **impact drivers** (potentially) resulting from your business’ own  
 365 activities and the value chain; and
- 366 2. Connecting each impact driver with (potential) adverse impacts on rights-holders  
 367 and their human rights.

368 If your business has vast numbers of value chain actors and needs to prioritize individual  
 369 relationships for the impact assessment exercise and other essential components of  
 370 human rights due diligence, select and focus on general areas where the severity of

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<sup>16</sup> Inspired by: Special Rapporteur on the Issue of Human Rights Obligations Relating to the Enjoyment of a Safe, Clean, Healthy, and Sustainable Environment. Report A/HRC/40/55 ‘Clean Air and the Right to a Healthy and Sustainable Environment’, 8 January 2019. [Link](#).

<sup>17</sup> Inspired by: Special Rapporteur on the Issue of Human Rights Obligations Relating to the Enjoyment of a Safe, Clean, Healthy, and Sustainable Environment. Report A/74/161 ‘Safe Climate’, 15 July 2019. [Link](#).

<sup>18</sup> Inspired by: Special Rapporteur on the Issue of Human Rights Obligations Relating to the Enjoyment of a Safe, Clean, Healthy, and Sustainable Environment. Report A/75/161 ‘A Healthy Biosphere and the Right to a Healthy Environment’, 15 July 2020. [Link](#).

371 (potential) adverse human rights and environmental impacts is high (See Guidance Point  
372 2.1), for example, due to:

- 373 • Geographical location/operating context of actors;
- 374 • Track record, management capacities, and sophistication of systems and  
375 processes of actors;
- 376 • Nature of actors' activities and whether they are associated with a particular set of  
377 common adverse human rights and environmental impacts.<sup>19</sup>

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<sup>19</sup> OHCHR. The Corporate Responsibility to Respect Human Rights, 2012. [Link](#).



378 **Box 4:** Examples of linkages between (potential) adverse impact drivers, (potential)  
 379 adverse impacts on rights-holders, and (potential) adverse impacts on their human rights\*

380 \* The list of (potential) adverse impacts on human rights is not meant to be exhaustive. A broader  
 381 spectrum of human rights may be impacted by each impact driver, highlighting the necessity for a  
 382 contextualized and nuanced approach in the impact assessment exercise.  
 383

	Impact Drivers	Impacts on Rights-Holders	
<b>Land Pollution<sup>20</sup></b>	<b>[Point-source pollution]</b> Waste and wastewater disposal, incl. (post-consumer) plastics and micro-plastics, disposal of sewage sludge, excessive application of agro-chemicals, spills of many types	Lack and degradation of (agricultural) land, crop loss, loss of (traditional) food sources and livelihoods, loss of traditional medicine sources, diseases, disorders, and mortality, infertility, miscarriage, and birth defects, disruption of education, loss of cultural and spiritual heritage, migration  Intimidation and reprisals against environmental human rights defenders	<b>Right</b> <b>susta</b> <b>Right</b> stand housi reside <b>Spec</b> <b>to:</b> lar Prior, <b>Right</b> expre
	<b>[Diffuse pollution]</b> Waste disposal, incl. (post-consumer) plastics and micro-plastics, and contaminated effluents released in and near catchments, land application of sewage sludge, application of agro-chemicals with heavy metals, persistent organic pollutants, excess nutrients and agro-chemicals transported downstream by surface runoff, floods, atmospheric transports and deposition, soil erosion, nuclear power activities		
<b>Water Pollution<sup>21</sup></b>	<b>[Point-source pollution]</b> Waste and wastewater disposal, incl. (post-consumer) plastics and micro-plastics, disposal of sewage sludge, excessive application of agro-chemicals, spills of many types	Lack of clean water, crop loss, loss of (traditional) food sources and livelihoods, loss of traditional medicine sources, diseases, disorders, and mortality, infertility, miscarriage, and birth defects, disruption of education, loss of cultural and spiritual heritage, migration  Intimidation and reprisals against environmental human rights defenders	<b>Right</b> <b>susta</b> <b>Right</b> adequ adequ cultur <b>Spec</b> <b>to:</b> lar Prior, <b>Right</b> expre
	<b>[Diffuse pollution]</b> Waste disposal, incl. (post-consumer) plastics and micro-plastics, and contaminated effluents released in and near catchments, application of agro-chemicals with heavy metals, excess nutrients and agro-chemicals transported downstream by surface runoff, floods, warm water outlets, nuclear power activities		
<b>Air Pollution<sup>22</sup></b>	Burning of fossil fuels in electricity generation, material production, and transportation, emissions from industrial activities, solvent use, ammonia and methane emissions from livestock and agro-chemicals, burning of traditional biomass (e.g., wood, crop waste, and dung) and (post-consumer) plastics, waste management, unsustainable land	Loss of (traditional) food sources and livelihoods, loss of traditional medicine sources, diseases, disorders, and mortality, infertility, miscarriage, and birth defects, disruption of education, loss of cultural and spiritual heritage, migration  Intimidation and reprisals against environmental human rights defenders	<b>Right</b> <b>susta</b> <b>Right</b> stand housi reside

<sup>20</sup> Inspired by: FAO. Soil Pollution: A Hidden Reality, 2018. [Link](#).

<sup>21</sup> Inspired by: OECD. Diffuse Pollution, Degraded Waters: Emerging Policy Solutions, 2017. [Link](#).

<sup>22</sup> Inspired by: World Bank. Air Pollution and Climate Change: From Co-Benefits to Coherent Policies, 2022. [Link](#).

	management and water use resulting in sand and dust storms		<b>Spec to:</b> la Prior, <b>Right</b> expre
<b>Climate Change</b>	<b>[Physical impacts]</b> Generating greenhouse gases or destroying carbon sinks that absorb greenhouse gases (e.g., conversion of forests into agricultural land), scientifically proven to contribute to further global warming resulting in:		
	<ul style="list-style-type: none"> <li>Sea level rise (<i>floods, sea surges, erosion, salinization of land and water</i>)</li> </ul>	<ul style="list-style-type: none"> <li>Lack of clean water, loss and degradation of (agricultural) land, crop loss, loss of (traditional) food sources and livelihoods, injuries, diseases, disorders, and mortality, damage to infrastructure and properties, (gender-based) violence, disruption of education, loss of cultural and spiritual heritage, enforced eviction, migration</li> <li>Intimidation and reprisals against environmental human rights defenders</li> </ul>	<ul style="list-style-type: none"> <li></li> <li></li> <li></li> <li></li> </ul>
	<ul style="list-style-type: none"> <li>Increasing temperature (<i>droughts, heatwaves</i>)</li> </ul>	<ul style="list-style-type: none"> <li>Crop loss, loss of (traditional) food sources and livelihoods, loss of traditional medicine sources, diseases, disorders, and mortality, disruption of education, migration</li> <li>Intimidation and reprisals against environmental human rights defenders</li> </ul>	<ul style="list-style-type: none"> <li></li> <li></li> <li></li> <li></li> </ul>
<ul style="list-style-type: none"> <li>Climate-related disasters (<i>tropical cyclones, storm surges, droughts, heatwaves, floods</i>)</li> </ul>	<ul style="list-style-type: none"> <li>Lack of clean water and water supply, loss and degradation of (agricultural) land, loss of (traditional) food sources and livelihoods, injuries, diseases, disorders, and mortality, damage to infrastructure and properties, (gender-based) violence, disruption of education, loss of cultural and spiritual heritage, enforced eviction, migration</li> <li>Intimidation and reprisals against environmental human rights defenders</li> </ul>	<ul style="list-style-type: none"> <li></li> <li></li> <li></li> <li></li> </ul>	

	<ul style="list-style-type: none"> <li>Changes in precipitation (<i>change in disease vectors, erosion, impact on fisheries</i>)</li> </ul>	<ul style="list-style-type: none"> <li>Lack of clean water and water supply, loss of (traditional) food sources and livelihoods, loss of traditional medicine sources, diseases, disorders, and mortality, loss of cultural and spiritual heritage, migration</li> <li>Intimidation and reprisals against environmental human rights defenders</li> </ul>	<ul style="list-style-type: none"> <li></li> <li></li> <li></li> <li></li> </ul>
	<ul style="list-style-type: none"> <li>Desertification (<i>erosion, water stress</i>)</li> </ul>	<ul style="list-style-type: none"> <li>Lack of clean water and water supply, lack and degradation of (agricultural) land, crop loss, loss of (traditional) food sources and livelihoods, diseases, disorders, and mortality, disruption of education, migration</li> <li>Intimidation and reprisals against environmental human rights defenders</li> </ul>	<ul style="list-style-type: none"> <li></li> <li></li> <li></li> <li></li> </ul>
	<ul style="list-style-type: none"> <li>Ocean acidification (<i>coral bleaching, impact on fisheries</i>)</li> </ul>	<ul style="list-style-type: none"> <li>Loss of (traditional) food sources and livelihoods, loss of traditional medicine sources, diseases, disorders, and mortality, disruption of education, migration</li> <li>Intimidation and reprisals against environmental human rights defenders</li> </ul>	<ul style="list-style-type: none"> <li></li> <li></li> <li></li> <li></li> </ul>
	<ul style="list-style-type: none"> <li>Land and forest degradation (<i>change in disease vectors, erosion, floods</i>)</li> </ul>	<ul style="list-style-type: none"> <li>Lack of clean water, lack and degradation of (agricultural) land, crop loss, loss of (traditional) food sources and livelihoods, loss of traditional medicine sources, injuries, diseases, disorders, and mortality, damage to infrastructure and properties, (gender-based) violence, disruption of education, loss of cultural and spiritual heritage, enforced eviction, migration</li> </ul>	<ul style="list-style-type: none"> <li></li> <li></li> <li></li> <li></li> </ul>

		<ul style="list-style-type: none"> <li>• Intimidation and reprisals against environmental human rights defenders</li> </ul>	•
	<ul style="list-style-type: none"> <li>• Glacial retreat (<i>floods, reduced runoff, and river flows</i>)<sup>23</sup></li> </ul>	<ul style="list-style-type: none"> <li>• Lack of clean water and water supply, loss of (traditional) food sources and livelihoods, injuries, diseases, disorders, and mortality, damage to infrastructure and properties, (gender-based) violence, disruption of education, loss of cultural and spiritual heritage, enforced eviction, migration</li> <li>• Intimidation and reprisals against environmental human rights defenders</li> </ul>	• • • •
	<p><b>[(Mal)adaptation impacts]</b> Failing to take action to adapt to climate change or taking action to adapt the business' activities to climate change with (potential) adverse impacts on rights-holders and their human rights:</p>		
	<ul style="list-style-type: none"> <li>• Building/strengthening infrastructure to protect own assets (<i>increased vulnerability to climate-related disasters of the surrounding communities</i>)</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of clean water and water supply, lack and degradation of (agricultural) land, injuries, diseases, disorders, and mortality, damage to infrastructure and properties, (gender-based) violence, disruption of education, loss of cultural and spiritual heritage, enforced eviction, migration</li> <li>• Intimidation and reprisals against environmental human rights defenders</li> </ul>	• • • •
	<ul style="list-style-type: none"> <li>• Building new infrastructure (e.g., irrigation, dams) to continue water-intensive business activities against drought conditions</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of water supply, crop loss, disruption of education, enforced eviction, migration</li> <li>• Intimidation and reprisals against environmental human rights defenders</li> </ul>	• • •

<sup>23</sup> Inspired by: La Rutadel Clima. Response to the Call for Inputs 'Climate Change and Human Rights' by the UN Special Rapporteur on the Promotion and Protection of Human Rights in the Context of Climate Change, 2019.

			•	
	<ul style="list-style-type: none"> <li>Failing to adequately protect workers working in increasing temperature</li> </ul>	<ul style="list-style-type: none"> <li>Unsafe working conditions, diseases, disorders, and mortality, migration</li> <li>Intimidation and reprisals against environmental human rights defenders</li> </ul>	• • •	
	<ul style="list-style-type: none"> <li>Failing to prevent storages against (permafrost) melting</li> </ul>	<ul style="list-style-type: none"> <li>See (potential) adverse impacts associated</li> </ul>		
	<ul style="list-style-type: none"> <li>Failing to reinforce large infrastructure (e.g., tailings dams) against climate-related disasters<sup>24</sup></li> </ul>	<ul style="list-style-type: none"> <li>See (potential) adverse impacts associated</li> </ul>		
	<b>[Transition impacts]</b> Moving to a green economy, resulting in:			
	<ul style="list-style-type: none"> <li>Restructuring of the workforce</li> </ul>	<ul style="list-style-type: none"> <li>Loss of jobs and/or replacement with lower-quality jobs, migration</li> <li>Intimidation and reprisals against environmental human rights defenders</li> </ul>	• •	
	<ul style="list-style-type: none"> <li>Stranded assets, discharging pollutants into land and watercourses (e.g., mines)</li> </ul>	<ul style="list-style-type: none"> <li>See (potential) adverse impacts associated</li> </ul>		
	<ul style="list-style-type: none"> <li>Increased demand for water-intensive lithium</li> </ul>	<ul style="list-style-type: none"> <li>Child labour, exploitation, unsafe working conditions, lack of clean water, lack and degradation of (agricultural) land, disruption of education, migration</li> <li>Intimidation and reprisals against environmental human rights defenders</li> </ul>	• • •	
	<ul style="list-style-type: none"> <li>Increased demand for cobalt mining of which produces hazardous waste and toxic tailings</li> </ul>	<ul style="list-style-type: none"> <li>See (potential) adverse impacts associated</li> </ul>		
	<ul style="list-style-type: none"> <li>Increased demand for electricity-intensive aluminum</li> </ul>	<ul style="list-style-type: none"> <li>See (potential) adverse impacts associated change</li> </ul>		

<sup>24</sup> Inspired by: UNEP. Too Little, Too Slow – Climate Adaptation Failure Puts World at Risk, December 2022. [Link](#).

	<ul style="list-style-type: none"> <li>Increased demand for land<sup>25</sup></li> </ul>	<ul style="list-style-type: none"> <li>Loss of cultural and spiritual heritage, enforced eviction, migration, conflicts over (agricultural) land, loss of (traditional) food sources and livelihoods, disruption of education</li> <li>Intimidation and reprisals against environmental human rights defenders</li> </ul>	<ul style="list-style-type: none"> <li></li> <li></li> <li></li> <li></li> </ul>
	<ul style="list-style-type: none"> <li>Battery waste management, including disposal and recovery</li> </ul>	<ul style="list-style-type: none"> <li>See (potential) adverse impacts associated</li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>
<p><b>Biodiversity Loss<sup>26</sup></b></p>	<p><b>[Physical impacts]</b> Conversion of natural ecosystems, urban areas, and infrastructure projects, conversion of complex diverse ecosystems into monocultures, industrial overexploitation (overhunting, overharvesting), introduction of alien invasive species, pest control, land, water, and air pollution, incl. with (post-consumer) plastics and microplastics</p>	<p>Loss of (traditional) food sources and livelihoods, loss of traditional medicine sources, increased exposure to pollutants and pathogens, increased vulnerability to climate-related disasters, diseases, disorders, and mortality, infertility, miscarriage, and birth defects, disruption of education, loss of cultural and spiritual heritage, migration</p> <p>Intimidation and reprisals against environmental human rights defenders</p>	<ul style="list-style-type: none"> <li></li> <li></li> <li></li> <li></li> </ul>
	<p><b>[Impacts associated with utilization of genetic and biological resources]</b> Unauthorized appropriation of genetic and biological resources and traditional knowledge, innovation, and practice<sup>27</sup></p>	<p>Lack of access to fair and equitable shared benefits, abuse of intellectual property of Indigenous Peoples, loss of (traditional) food sources and livelihoods, loss of traditional medicine sources, disruption of education, migration</p> <p>Intimidation and reprisals against environmental human rights defenders</p>	<ul style="list-style-type: none"> <li></li> <li></li> <li></li> <li></li> </ul>

<sup>25</sup> Inspired by:

- ILO. Guidelines for a Just Transition towards Environmentally Sustainable Economies and Societies for All, 2015. [Link](#).
- UNCTAD. A Global Just Transition – Climate and Development Goals in a World of Extreme Inequalities, 2022. [Link](#).

<sup>26</sup> Inspired by: Special Rapporteur on the Issue of Human Rights Obligations Relating to the Enjoyment of a Safe, Clean, Healthy, and Sustainable Environment. Report A/75/161 'A Healthy Biosphere and the Right to a Healthy Environment', 15 July 2020. [Link](#).

<sup>27</sup> Inspired by: UN. Nagoya Protocol on Access and Benefit-Sharing, 2011. [Link](#).

384  
385



386 **Guidance Point 1.5:** Rights-holder engagement

387 Drawing on internal and/or external human rights and stakeholder engagement expertise,  
388 including local experts, civil society organizations, trade unions, and community-based  
389 groups, conduct effective two-way consultations directly with the mapped rights-holders  
390 (See Guidance Point 1.3) or their legitimate representatives to:

- 391 1. Understand rights-holders' perspective on what constitutes (potential)  
392 adverse impacts on the environment and their lives and livelihoods, and how  
393 severe (potential) adverse impacts are (See Guidance Point 2.1);
- 394 2. Verify and complement quantitative scientific spatial data (See Guidance  
395 Point 1.2) with qualitative data on lived experiences of (potentially) affected  
396 rights-holders and evidence of unforeseen (potential) adverse human rights  
397 and environmental impacts;
- 398 3. Finalize and agree on the list of your business' (potential) adverse impacts.
- 399 • Consult (potentially) affected rights-holders located as far as (potential) adverse  
400 impacts resulting from land, water, air pollution, (mal)adaptation to climate change,  
401 transition to a green economy, and biodiversity loss reach;
  - 402 • Given the global scope of adverse physical impacts of climate change and that  
403 everyone is affected by them, consider consulting affected rights-holders located  
404 in the areas most vulnerable to climate change (e.g., by using the Global Climate  
405 Change Index)<sup>28</sup>;
  - 406 • Consult children and youth representing (potentially) affected rights-holders of  
407 future generations;
  - 408 • If it is not possible\* to directly consult (potentially) affected rights-holders (e.g.,  
409 concerns over rights-holders' security), consult reasonable alternatives, such as:
    - 410 ○ Credible proxies with sufficiently deep experience in working with  
411 (potentially) affected rights-holders, including civil society organizations,  
412 trade unions, and community-based groups;
    - 413 ○ Recognized experts and/or scientific reports (e.g., by the [Intergovernmental  
414 Panel on Climate Change, Intergovernmental Science-Policy Platform on  
415 Biodiversity and Ecosystem Services](#), etc.) on pollution, climate change,  
416 and biodiversity loss;
    - 417 ○ Environmental human rights defenders.

418 \* A perceived lack of time and expertise, distance, and difficulty to access should  
419 not be the rationale for defaulting from direct consultations with (potentially)  
420 affected rights-holders or consulting only a few of them.

421 If your business' own activities and the value chain may adversely affect vast  
422 numbers of rights-holders, consider consulting them and sharing findings with  
423 other actors, for example, business peers.

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<sup>28</sup> For example: German Watch. Global Climate Change Index, January 2021. [Link](#).

424 **Box 5:** Examples of qualitative data on lived experiences of (potentially) affected rights-  
 425 holders to complement quantitative scientific spatial data\*

426 \* The list of lived experiences of (potentially) affected rights-holders is not meant to be exhaustive. A broader  
 427 spectrum of (potential) adverse human rights and environmental impacts, including accumulated and  
 428 delayed ones, may be experienced by individual persons, groups, and peoples, highlighting the necessity  
 429 for a contextualized and nuanced approach to rights-holder engagement that takes into account  
 430 vulnerability, marginalization, and intersecting identities.

	<b>Spatial Data Layer (Quantitative Scientific)</b>	<b>Lived Experiences (Qualitative)</b>
<b>Land Pollution</b>	<ul style="list-style-type: none"> <li>• Land productivity</li> <li>• Cropping intensity</li> <li>• Soil quality</li> </ul>	<ul style="list-style-type: none"> <li>• Dependencies on land (food and livelihood security, wellbeing, culture)</li> <li>• Traditional ownership, other traditional occupation, or use of lands, territories, and resources by Indigenous Peoples</li> <li>• Proximity to landfills/dumpsites or application of agro-chemicals</li> <li>• (Changes in) land health and productivity, cropping intensity</li> <li>• (Changes in) species sites and behaviours</li> <li>• (Changes in) total fishing, hunting, and foraging hours</li> <li>• (Changes in) availability of and/or access to traditional medicine sources</li> <li>• (Changes in) incidents of diseases, disorders, and mortality</li> <li>• (Changes in) incidents of infertility, miscarriage, and birth defects</li> <li>• (Changes in) life expectancy</li> <li>• (Changes in) education</li> <li>• (Changes in) migration</li> <li>• Incidents of intimidation and reprisals</li> </ul>
<b>Water Pollution</b>	<ul style="list-style-type: none"> <li>• Water stress</li> <li>• Groundwater decline</li> <li>• Ecologically and biologically significant marine areas</li> <li>• Total fishing hours</li> <li>• Coral reef connectivity</li> </ul>	<ul style="list-style-type: none"> <li>• Dependencies on water, incl. groundwater (water, food, and livelihood security, wellbeing, culture)</li> <li>• Traditional ownership, other traditional occupation, or use of lands, territories, and resources by Indigenous Peoples</li> <li>• (Changes in) water quantity, flow, and quality</li> </ul>

		<ul style="list-style-type: none"> <li>• (Changes in) total water collection hours</li> <li>• (Changes in) species sites and behaviours</li> <li>• (Changes in) total fishing, hunting, and foraging hours</li> <li>• (Changes in) irrigated land (health and productivity, cropping intensity)</li> <li>• (Changes in) livestock water sources</li> <li>• (Changes in) availability of and/or access to traditional medicine sources</li> <li>• (Changes in) incidents of diseases, disorders, and mortality</li> <li>• (Changes in) incidents of infertility, miscarriage, and birth defects</li> <li>• (Changes in) life expectancy</li> <li>• (Changes in) education</li> <li>• (Changes in) migration</li> <li>• Incidents of intimidation and reprisals</li> </ul>
<p><b>Air Pollution</b></p>	<ul style="list-style-type: none"> <li>• Air quality (Aerosol, CO, dust, NHO<sub>3</sub>, N<sub>2</sub>O, SO<sub>2</sub>)</li> <li>• Forrest connectivity</li> </ul>	<ul style="list-style-type: none"> <li>• Dependencies on being/working outside (food and livelihood security, wellbeing, culture)</li> <li>• (Changes in) employment opportunities</li> <li>• Traditional ownership, other traditional occupation, or use of lands, territories, and resources by Indigenous Peoples</li> <li>• (Changes in) air quality</li> <li>• (Changes in) access to traditional medicine sources</li> <li>• (Changes in) incidents of diseases, disorders, and mortality</li> <li>• (Changes in) incidents of infertility, miscarriage, and birth defects</li> <li>• (Changes in) life expectancy</li> <li>• (Changes in) education</li> <li>• (Changes in) migration</li> <li>• Incidents of intimidation and reprisals</li> </ul>

<p style="text-align: center;"><b>Climate Change</b></p>	<ul style="list-style-type: none"> <li>• Fossil fuel energy and materials</li> <li>• Greenhouse gas emissions</li> <li>• Sea level change</li> <li>• Sea surface temperature (anomaly)</li> <li>• Disasters (floods, extreme heat)</li> <li>• Coral reef connectivity</li> </ul>	<p><b>[Physical impacts]</b></p> <ul style="list-style-type: none"> <li>• Dependencies on climate and being/working outside or inside with no cooling systems (water, food, and livelihood security, wellbeing, culture)</li> <li>• Traditional ownership, other traditional occupation, or use of lands, territories, and resources by Indigenous Peoples</li> <li>• Proximity to low-lying areas, coastlines, areas prone to severe storms, and large infrastructure</li> <li>• (Changes in) sea level, frequency, weather patterns, and severity of climate-related disasters</li> <li>• (Changes in) land health and productivity, cropping intensity</li> <li>• (Changes in) species sites and behaviours</li> <li>• (Changes in) availability of and/or access to traditional medicine sources</li> <li>• (Change in) damages to infrastructure</li> <li>• (Changes in) incidents of injuries, diseases, disorders, and mortality</li> <li>• (Changes in) education</li> <li>• (Changes in) life expectancy</li> <li>• (Change in) migration</li> <li>• Incidents of (gender-based) violence</li> <li>• Incidents of intimidation and reprisals</li> </ul> <hr style="border-top: 1px dashed black;"/> <p><b>[(Mal)adaptation impacts]</b></p> <ul style="list-style-type: none"> <li>• Dependencies on being/working outside or inside with no cooling systems (food and livelihood security, wellbeing, culture)</li> <li>• Traditional ownership, other traditional occupation, or use of lands, territories, and resources by Indigenous Peoples</li> <li>• Proximity to low-lying areas, coastlines, areas prone to severe storms, and large infrastructure</li> <li>• Proximity to permafrost</li> </ul>
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		<ul style="list-style-type: none"> <li>• (Changes in) incidents of diseases, disorders, and mortality, incl. associated with heat stress</li> </ul> <p>In addition, see lived experiences associated with land and water pollution</p> <hr/> <p><b>[Transition impacts]</b></p> <ul style="list-style-type: none"> <li>• Dependencies on high-carbon jobs (livelihood security and wellbeing)</li> <li>• (Changes in) employment opportunities</li> <li>• Incidents of land grabbing</li> <li>• Incidents of conflicts over (agricultural) land</li> </ul> <p>In addition, see lived experiences associated with land, water, and air pollution</p>
<p><b>Biodiversity Loss</b></p>	<ul style="list-style-type: none"> <li>• Ecosystem type</li> <li>• Ecosystem integrity</li> <li>• Ecosystem change</li> <li>• Ecosystem importance (critical habitat, ecologically or biologically significant areas, protected areas, conservation areas)</li> <li>• Wildlife corridors</li> <li>• Distribution of rare/endangered species</li> <li>• Ecologically and biologically significant marine areas</li> <li>• Coral reef connectivity</li> </ul>	<p><b>[Physical impacts]</b></p> <ul style="list-style-type: none"> <li>• Dependencies on biodiversity and individual species (food and livelihood security, wellbeing, culture)</li> <li>• Traditional ownership, other traditional occupation, or use of lands, territories, and resources by Indigenous Peoples</li> <li>• (Changes in) species sites and behaviours</li> <li>• (Change in) wildlife corridors</li> <li>• (Change in) distribution of rare/endangered species</li> <li>• (Changes in) total fishing, hunting, and foraging hours</li> <li>• (Changes in) availability of and/or access to traditional medicine sources</li> <li>• (Changes in) incidents of diseases, disorders, and mortality</li> <li>• (Changes in) incidents of infertility, miscarriage, and birth defects</li> <li>• (Changes in) life expectancy</li> <li>• (Changes in) education</li> <li>• (Change in) migration</li> </ul>

		<ul style="list-style-type: none"> <li>• Incidents of intimidation and reprisals</li> </ul> <p><b>[Impacts associated with utilization of genetic and biological resources]</b></p> <ul style="list-style-type: none"> <li>• Dependencies on the genetic and biological resource used/patented by the business (food and livelihood security, wellbeing, culture)</li> <li>• Traditional ownership or use of resources by Indigenous Peoples</li> <li>• (Change in) distribution of the genetic biological resource used/patented by the business</li> <li>• (Change in) availability of and/or access to genetic and biological resources used/patented by the business, incl. for traditional medicine (e.g., prices)</li> <li>• (Changes in) education</li> <li>• (Change in) migration</li> <li>• Incidents of intimidation and reprisals</li> </ul>
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431

432 **Box 6:** Features of effective two-way consultations\* with (potentially) affected rights-  
 433 holders<sup>29</sup>

434 \* Consultations in the framework of business’ impact assessment exercise and other essential components  
 435 of human rights due diligence do not replace Free, Prior, and Informed Consent, and should not be  
 436 construed as such. However, consultations with (potentially) affected Indigenous Peoples can be  
 437 complemented with the process of seeking their Free, Prior, and Informed Consent and agreement on just  
 438 and fair compensation in line with the UN Declaration on the Rights of Indigenous Peoples<sup>30</sup>.

Starts with a consultation on ‘how to consult’ enabling rights-holders to define their own processes, structures, and representation for the consultation	<input type="checkbox"/>
Frames dialogue, including by asking rights-holders to define the questions to ask	<input type="checkbox"/>
Communicates to rights-holders with information on how their participation will influence the decision(s) in advance and is timed to ensure their possibility of influencing the decision(s)	<input type="checkbox"/>

<sup>29</sup> Inspired by:

- Inter-American Development Bank. Meaningful Stakeholder Consultation, July 2017. [Link](#).
- Danish Institute for Human Rights. Cross-Cutting: Stakeholder Engagement, 2020. [Link](#).
- International Finance Corporation. Stakeholder Engagement: A Good Practice Handbook for Companies Doing Business in Emerging Markets, 30 April 2007. [Link](#).
- TNFD. Guidance on Engagement with Indigenous Peoples, Local Communities, and Affected Stakeholders, September 2023. [Link](#).

<sup>30</sup> UN. Declaration on the Rights of Indigenous Peoples, 13 September 2007. [Link](#).

Provides rights-holders with complete and accessible information that accurately reflects the scientific consensus and capacity-building support they need to participate in an effective way	<input type="checkbox"/>
Ensures diversity of participants at least based on gender, age, national/ethnic origin, and disability status	<input type="checkbox"/>
Uses gender-, age-, disability-, culturally-, literacy-sensitive, and trauma-informed format and techniques and the local language(s)	<input type="checkbox"/>
Considers venues, timing, and other arrangements (e.g., childcare, transportation) that eliminate barriers to participation and are approved by rights-holders	<input type="checkbox"/>
Support recovery costs incurred for rights-holders' participation	<input type="checkbox"/>
Is free from discrimination, manipulation, coercion, and intimidation (e.g., presence of local regulatory authorities or security forces during consultations)	<input type="checkbox"/>
When consulting environmental human rights defenders, establishes a safeguarding framework to protect them from (potential) intimidation and reprisals <sup>31</sup>	<input type="checkbox"/>
When consulting children and youth, establishes a child safeguarding framework to protect them from violence, including sexual violence, exploitation and abuse, violation of privacy, and exposure without consent, etc. using the UNICEF Tool for Businesses on 'Engaging Stakeholders on Children's Rights' <sup>32</sup>	<input type="checkbox"/>
Well documents inputs disaggregated by vulnerability and marginalization, taking into account intersecting identities	<input type="checkbox"/>
Reports back in a timely way to those who participated with how their participation influenced business' decisions and clarification of next steps	<input type="checkbox"/>
Has a well-defined and functioning mechanism for grievances about the conduct of consultations	<input type="checkbox"/>
Is ongoing as part of human rights due diligence, recognizing that rights-holders' perspective and (potential) adverse impacts on their lives and livelihoods may change over time	<input type="checkbox"/>

439

440 **Guidance Point 1.6:** Ongoing process

441 As human rights due diligence is an ongoing, iterative process that aims to promote  
442 continuous improvement of business practices to prevent and address their (potential)  
443 adverse impacts, conduct identification and assessment, including general areas (See  
444 Guidance Point 1.4), of your (potential) adverse human rights and environmental impacts  
445 at least **annually** or more frequently if their severity is high (See Guidance Point 2.1).

446 Additionally, key moments in your business' own activities and the value chain should  
447 trigger a reconsideration of (potential) adverse human rights and environmental impacts.  
448 Such key moments include, for example:

449

<b>Internal factors:</b>	<b>External factors:</b>
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<sup>31</sup> UNWG on Business and Human Rights. Report A/HRC/47/39/Add.2 'The Guiding Principles on Business and Human Rights: Guidance on Ensuring Respect for Human Rights Defenders', 22 June 2021. [Link](#).

<sup>32</sup> UNICEF. 'Engaging Stakeholders on Children's Rights: A Tool for Companies', September 2014. [Link](#).



<ul style="list-style-type: none"> <li>• New activity/activity change/closure</li> <li>• New relationship/relationship change/termination</li> <li>• Market-entry/exit</li> <li>• New product or service/change in product or service</li> <li>• New site/site change/closure</li> </ul>	<ul style="list-style-type: none"> <li>• New regulation/regulatory change</li> <li>• New judicial decision</li> <li>• Disaster</li> <li>• Rising social tensions/conflict<sup>33</sup></li> </ul>
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452

## ESSENTIAL COMPONENT 2 ‘ACT’

453 Take appropriate actions to prevent and address business’ (potential) adverse human  
454 rights and environmental impacts.

### 455 PRINCIPLES:

456 **1. Take a rights-holders-centered approach to addressing (potential) adverse**  
457 **human rights and environmental impacts throughout business**  
458 **relationships:** use and increase leverage and make decisions on continuing or  
459 terminating business relationships in the best interest of and in consultation with  
460 (potentially) affected rights-holders;

461 **2. Evaluate the way of business’ involvement in (potential) adverse human**  
462 **rights and environmental impacts and respond continuously:** recognizing that  
463 the way of business’ involvement in (potential) adverse human rights and  
464 environmental impacts may change over time, determine business’ way of  
465 involvement in them and respond on an ongoing basis;

466 **3. Take a proactive approach to addressing (potential) adverse human rights**  
467 **and environmental impacts:** use human rights due diligence to prepare business  
468 for assessing its involvement in (potential) adverse human rights and  
469 environmental impacts and responding timely and appropriately when the situation  
470 occurs.

### 471 PROCESSES:

472 **Guidance Point 2.1:** Prioritization of (potential) adverse impacts for response

473 Where your business cannot prevent and address all identified (potential) adverse human  
474 rights and environmental impacts at the same time, drawing on internal and/or external  
475 human rights, environmental, and compliance expertise, prioritize salient issues for  
476 response (See Guidance Point 2.3) based on (1) the **severity** of (potential) adverse  
477 impacts.

<sup>33</sup> For more guidance on human rights due diligence in conflict-affected contexts, see: UNDP and the UNWG on Business and Human Rights. Heightened Human Rights Due Diligence for Business in Conflict-Affected Contexts: A Guide, 16 June 2022. [Link](#).

478 The most severe (potential) adverse impacts mean those that would be greatest in terms  
 479 of:

- 480 • **Scale:** how grave or serious the adverse impacts are (may be); and/or
- 481 • **Scope:** how widespread the adverse impacts are (may be); and/or
- 482 • **Irremediable character:** how hard it will (may) be to correct the resulting adverse  
 483 impacts to the same level as it was before the impact.

484 And (2) the **likelihood** of the potential adverse impacts: how likely the potential adverse  
 485 impacts are to exist or to occur in your business' own activities and the value chain.

486 **Box 7:** Examples of severity of (potential) adverse human rights and environmental  
 487 impacts

	<b>Scale</b>	<b>Scope</b>	<b>Irremediable Character</b>
<b>Land Pollution</b>	Extent of (potential) adverse impacts on land health and productivity  and exercise and enjoyment of human rights	Geographic reach of land pollution  and number of (potentially) affected rights-holders	Degree to which restoration/regeneration of land and exercise and enjoyment of human rights is possible and practicable  Length of time restoration/regeneration will take
<b>Water Pollution</b>	Extent of (potential) adverse impacts on water, incl. groundwater, quantity, flow, and quality  and exercise and enjoyment of human rights	Geographic reach of water pollution  and number of (potentially) affected rights-holders	Degree to which restoration/regeneration of water, incl. groundwater, and exercise and enjoyment of human rights is possible and practicable  Length of time restoration/regeneration will take
<b>Air Pollution</b>	Extent of (potential) adverse impacts on air quality  and exercise and enjoyment of human rights	Geographic reach of air pollution  and number of (potentially) affected rights-holders	Degree to which restoration/regeneration of air and exercise and enjoyment of human rights is possible and practicable  Length of time restoration/regeneration will take
<b>Climate Change</b>	<b>[Physical impacts]</b> Adverse physical impacts of climate change and human rights impacts are proven to qualify as global in scope and highly severe, and, therefore, should be prioritized for action		
	<b>[(Mal)adaptation impacts]</b> Extent of (potential) adverse impacts of	<b>[(Mal)adaptation and transition impacts]</b> Geographic reach of (potential) adverse	<b>[(Mal)adaptation and transition impacts]</b> Degree to which restoration/regeneration

	<p>(mal)adaptation on the environment</p> <p>and exercise and enjoyment of human rights</p>	<p>impacts of (mal)adaptation and transition</p> <p>and number of (potentially) affected rights-holders</p>	<p>of the environment and exercise and enjoyment of human rights in the adaptation and transition is possible and practicable</p>
	<p><b>[Transition impacts]</b> Extent of (potential) adverse transition impacts on the environment</p> <p>and exercise and enjoyment of human rights</p>		<p>Length of time restoration/regeneration will take</p>
<p><b>Biodiversity Loss</b></p>	<p><b>[Physical impacts]</b> Extent of (potential) adverse impacts on ecosystem degradation and biodiversity loss</p> <p>and exercise and enjoyment of human rights</p>	<p><b>[Physical impacts]</b> Geographic reach of ecosystem degradation and biodiversity loss</p> <p>and number of (potentially) affected rights-holders</p>	<p><b>[Physical impacts]</b> Degree to which restoration/regeneration of ecosystems and biodiversity and exercise and enjoyment of human rights is possible and practicable</p> <p>Length of time restoration/regeneration will take</p>
	<p><b>[Impacts associated with utilization of genetic and biological resources]</b> Extent of the use of traditional knowledge, innovation, and practice without provision for benefit sharing</p> <p>Proportion of the used genetic and biological resources</p> <p>and (potential) adverse impacts on exercise and enjoyment of human rights</p>	<p><b>[Impacts associated with utilization of genetic and biological resources]</b> Geographic coverage of the genetic and biological resources used</p> <p>and number of (potentially) affected rights-holders</p>	<p><b>[Impacts associated with utilization of genetic and biological resources]</b> Degree to which restoration/regeneration of the genetic and biological resources used needed and exercise and enjoyment of human rights is possible and practicable</p> <p>Length of time restoration/regeneration will take</p>

488

489 **Box 8:** Examples of factors\* external to businesses that can increase the likelihood of  
 490 potential adverse human rights and environmental impacts in a particular context

491 \* The absence of these external factors should not serve as a basis for excluding potential adverse human  
 492 rights and environmental impacts.

	Issue-Specific Factors <sup>34</sup>	Cross-Cutting Factors
<b>Land Pollution</b>	<p>Absence of laws and regulations to prevent and control contamination of land with hazardous substances or their inconsistency with international standards</p> <p>Absence of regular national monitoring of soil quality</p> <p>Absence of laws, regulations, and targets on solid, liquid, and hazardous waste collection, treatment, and management or their inconsistency with international standards</p> <p>Absence of laws, regulations, and targets on the use of recycled material or their inconsistency with international standards</p> <p>Absence of laws and regulations on extended producer responsibility or their inconsistency with international standards</p> <p>Absence of national chemicals risk management systems</p> <p>Permitted hazardous substances</p> <p>Absence of environmental controls/legally-binding limits on pollutant production</p> <p>Waste exports or pollutant imports</p> <p>Countenance of the creation of 'sacrifice zones'</p> <p>Presence of other business activities cumulatively contributing to land pollution</p> <p>Pre-existing land pollution</p>	<p>Weak law enforcement mechanisms</p> <p>Lack of legal protection and access to justice of vulnerable and marginalized rights-holders</p> <p>Lack of recognition of the work, legal protection, and access to justice of environmental human rights defenders</p> <p>Weak justice system</p> <p>Closed, repressed, or obstructed civic space<sup>35</sup></p> <p>Absence of National Human Rights Institutions or their inconsistency with the Paris Principles<sup>36</sup></p> <p>Corruption</p> <p>High inequality and poverty</p> <p>Conflict/post-conflict, and fragile contexts</p> <p>Absence of national and local response mechanisms and resources for emergency situations</p> <p>Absence of plans, policies, and regulations related to Business and Human Rights</p> <p>Absence of laws and regulations penalizing and discouraging greenwashing and misleading claims or labels related to the environment</p> <p>Low capacities of value chain actors</p>
<b>Water Pollution</b>	<p>Absence of laws and regulations to prevent and control contamination with hazardous substances and inequitable</p>	

<sup>34</sup> Inspired by: Special Rapporteur on the Issue of Human Rights Obligations Relating to the Enjoyment of a Safe, Clean, Healthy, and Sustainable Environment. Reports:

- A/HRC/49/53 'Non-Toxic Environment to Live, Work, Study and Play', 12 January 2022. [Link](#).
- A/HRC/46/28 'Human Rights and the Global Water Crisis: Water Pollution, Water Scarcity, and Water-Related Disasters', 19 January 2021. [Link](#).
- A/HRC/40/55 'Clean Air and the Right to a Healthy and Sustainable Environment', 8 January 2019. [Link](#).
- A/74/161 'Safe Climate', 15 July 2019. [Link](#).
- A/75/161 'A Healthy Biosphere and the Right to a Healthy Environment', 15 July 2020. [Link](#).

<sup>35</sup> CIVICUS. Tracking Civic Space. [Link](#).

<sup>36</sup> UN. Principles Relating to the Status of National Institutions, 20 December 2023. [Link](#).

	<p>extraction of water or their inconsistency with international standards</p> <p>Absence of regular national state-of-the-water assessments</p> <p>Absence of national legally-binding standards for safe drinking water and wastewater effluent quality</p> <p>Absence of national legally-binding standards for collection, treatment, and reuse of wastewater, agricultural runoff, and sludge management</p> <p>Absence of laws and regulations on extended producer responsibility or their inconsistency with international standards</p> <p>Permitted hazardous substances</p> <p>Absence of environmental controls/legally-binding limits on pollutant production</p> <p>Waste exports or pollutant imports</p> <p>Proximity of the business own activities and the value chain to areas of water stress</p> <p>Presence of other business activities cumulatively contributing to water pollution</p> <p>Pre-existing water pollution</p>	
<p><b>Air Pollution</b></p>	<p>Absence of laws and regulations to prevent and control exposure to hazardous air pollution or their inconsistency with international standards</p> <p>Absence of regular national monitoring of air quality</p> <p>Absence of regular national assessments of types and sources of air pollution</p> <p>Absence of national legally-binding standards for ambient air quality, in line with the WHO guidelines<sup>37</sup></p>	

<sup>37</sup> WHO. Global Air Quality Guidelines: Particulate Matter (PM2.5 and PM10), Ozone, Nitrogen Dioxide, Sulfur Dioxide and Carbon Monoxide, 2021. [Link](#).

	<p>Absence of environmental controls/legally-binding limits on pollutant production</p> <p>Waste exports or pollutant imports</p> <p>Presence of other business activities cumulatively contributing to air pollution</p> <p>Pre-existing air pollution</p>	
<p><b>Climate Change</b></p>	<p><b>[Physical impacts]</b> Adverse physical impacts of climate change and human rights impacts are proven to qualify as highly likely, and, therefore, should be prioritized for action</p> <p><b>[(Mal)adaptation impacts]</b></p> <p>Absence of laws and regulations to adapt to climate change in a human rights-based manner or their inconsistency with international standards</p> <p>Absence of laws and regulations on disaster risk management prioritizing climate-related disaster risk reduction or their inconsistency with international standards</p> <p>Absence of regular national climate-related disaster monitoring</p> <p>Absence of national early warning systems</p> <p>Location of the business own activities and the value chain in areas most vulnerable to climate change<sup>38</sup></p> <p>Location of the business own activities and the value chain in low-lying areas, coastlines, areas prone to severe storms</p> <p>Proximity of the business own activities and the value chain to areas of water stress</p> <p>Proximity of the business own activities and the value chain to permafrost</p>	

<sup>38</sup> For example: German Watch. Global Climate Change Index, January 2021. [Link](#).

	<p><b>[Transition impacts]</b> Absence of laws and regulations to achieve national energy transition targets in a just and human rights-based manner that, <i>inter alia</i>:</p> <ul style="list-style-type: none"> <li>• Require businesses to respect human rights when designing or implementing transition programmes</li> <li>• Include mandatory human rights due diligence with an environmental perspective provisions</li> <li>• Require businesses to prevent and address (potential) adverse human rights and environmental impacts on Indigenous Peoples and others most vulnerable and marginalized, including by obtaining mandatory Free, Prior and Informed Consent and agreement on just and fair compensation</li> </ul> <p>Or their inconsistency with international standards</p> <p>Absence of national green mineral strategies</p> <p>Absence of formalization of artisanal and small-scale mining<sup>39</sup></p>	
<p><b>Biodiversity Loss</b></p>	<p><b>[Physical impacts]</b> Absence of laws and regulations to prevent damaging, destroying, or diminishing ecosystems and biodiversity or their inconsistency with international standards</p> <p>Absence of laws and regulations to protect rare/endangered species</p> <p>Absence of regular national monitoring of state of biodiversity and threats to biodiversity</p> <p>Proximity of the business own activities and the value chain to areas of rapid decline in integrity, areas of high biodiversity</p>	

<sup>39</sup> UNWG on Business and Human Rights. Thematic Report A/78/155 'Extractive Sector, Just Transition, and Human Rights', 11 July 2023. [Link](#).

	importance (e.g., protected areas, critical habitat, rare/endangered species), areas of water stress Presence of other business activities cumulatively contributing to biodiversity loss Pre-existing biodiversity loss	
	<b>[Impacts associated with utilization of genetic and biological resources]</b> Absence of national strategies on the preservation and protection of traditional knowledge Absence of national 'Access and Benefit Sharing' schemes	

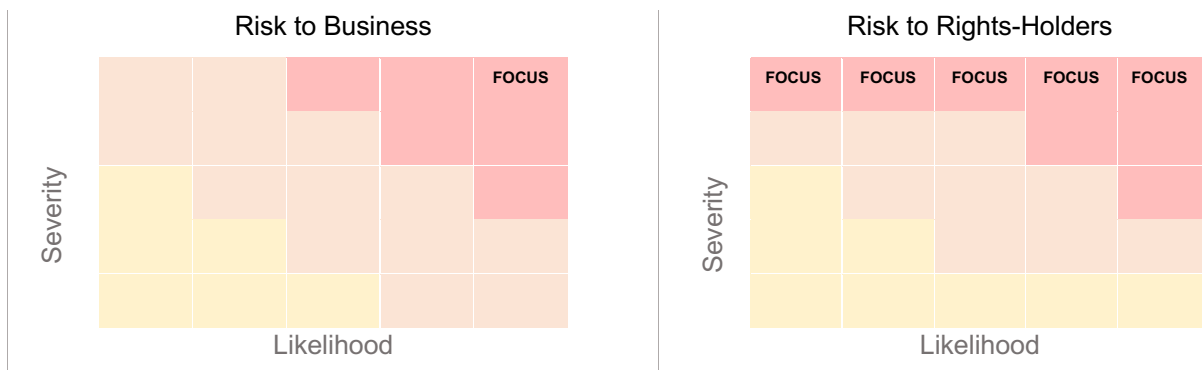
493

494 Unlike the 'traditional' business' risk management, which prioritizes those (potential)  
495 adverse impacts with both a high severity and a high likelihood, in human rights due  
496 diligence, **severity has a greater weighting than likelihood**,<sup>40</sup> so the most severe  
497 (potential) adverse human rights and environmental impacts should always be prioritized  
498 for a response, even if their likelihood is low.

499 Prioritize (potential) adverse human rights and environmental impacts for response based  
500 on their severity, regardless of where in the value chain they occur.

501 **Box 9:** Difference between 'traditional' business due diligence and 'human rights due  
502 diligence'

503



504

505 **Guidance Point 2.2:** Involvement in (potential) adverse impacts

506 There are three ways in which your business can be involved in (potential) adverse human  
507 rights and environmental impacts:

- 508 1. **Causation:** the business can cause (potential) adverse impacts where its activities  
509 on its own remove or reduce the ability of individual persons, groups, and peoples

<sup>40</sup> OHCHR. The Corporate Responsibility to Respect Human Rights, 2012. [Link](#).



510 to exercise and enjoy their human rights, for example, where business own  
511 activities alone are sufficient to result in (potential) adverse impacts;

512 2. **Contribution:** the business can contribute to (potential) adverse impacts through  
513 its own activities – either directly alongside other actors or through business  
514 relationships (e.g., with value chain actors, both non-State and State).

515 Contribution implies an element of ‘causality’ (See Box 10), for example, that  
516 business’ activities influenced actors in such a way as to make (potential) adverse  
517 impacts more likely;

518 3. **Direct linkage:** the business does not cause or contribute to (potential) adverse  
519 impacts, but there is nevertheless a direct link between its operations, products, or  
520 services and (potential) adverse impacts through business relationships.

521 The mere existence of such business relationships does not automatically mean  
522 that there is a direct link between (potential) adverse impacts and business’  
523 operations, products, or services. The link needs to be between the operations,  
524 products, or services provided by the business and (potential) adverse impacts  
525 themselves.<sup>41</sup>

526 In practice, there is a continuum between ‘contribution (through a business relationship)’  
527 to and ‘direct linkage’ with (potential) adverse impacts. Business’ involvement in  
528 (potential) adverse human rights and environmental impacts may shift over time,  
529 depending on its own actions and omissions. For example, if your business identifies or  
530 is made aware of an ongoing adverse human rights and environmental impact that is  
531 directly linked to its operations, products, or services through a business relationship, yet  
532 over time fails to take appropriate actions to seek to prevent and address it, it could  
533 eventually be seen to be facilitating the continuance of the situation and thus be in a  
534 situation of ‘contributing (through an a business relationship)’.

535 **Box 10:** Examples of factors influencing the continuum between ‘contribution (through a  
536 business relationship)’ to and ‘direct linkage’ with (potential) adverse impacts <sup>42</sup>

A business is motivating or incentivizing* a (potential) adverse human rights and environmental impact (e.g., business’ actions or omissions make it more likely that actors cause a (potential) adverse impact)  * The mere existence of a business relationship does not equate to motivating or incentivizing a (potential) adverse human rights and environmental impact by other actors	Contribution (through a business relationship)
A business is facilitating* a (potential) adverse human rights and environmental impact (e.g., a business adds to conditions that make it possible for other actors to cause a (potential) adverse impact)  * Primary business activity (e.g., provision of products or services), as such, is not a facilitating factor	Contribution (through a business relationship)

<sup>41</sup> OHCHR. Response to Request from BankTrack for Advice Regarding the Application of the UN Guiding Principles on Business and Human Rights in the Context of the Banking Sector, 12 June 2017. [Link](#).

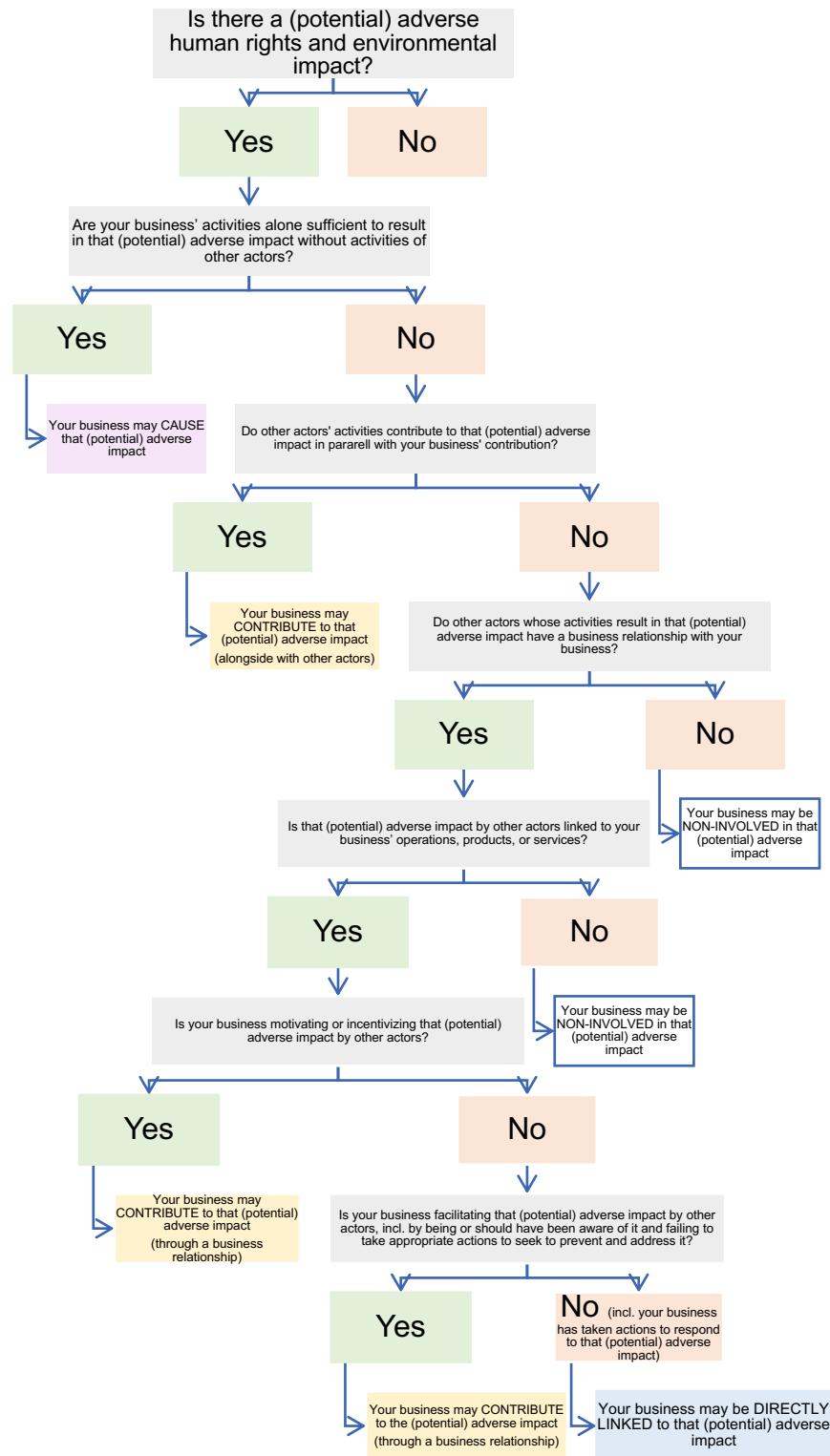
<sup>42</sup> Ibid.

<p>Being aware or should have been aware of a (potential) adverse human rights and environmental impact linked to business' operations, products, or services through a business relationship but failing to take appropriate actions to seek to prevent and address it could eventually be seen to be facilitating it</p>	
<p>A business is aware of a (potential) adverse human rights and environmental impact linked to its operations, products, or services through a business relationship and takes appropriate actions to seek to prevent and address it</p>	<p>Direct linkage</p>

537

538 As each way of involvement has different implications for the nature of its response (See  
539 Guidance Point 2.3), drawing on internal and/or external human rights and environmental  
540 expertise, identify the way of your business' involvement in each (potential) adverse  
541 human rights and environmental impact (See Guidance Point 1.4).

542 **Box 11:** Simplified decision tree for identifying businesses' involvement in (potential)  
 543 adverse human rights and environmental impacts<sup>43</sup>



<sup>43</sup> Inspired by: OHCHR. Response to Request from BankTrack for Advice Regarding the Application of the UN Guiding Principles on Business and Human Rights in the Context of the Banking Sector, 12 June 2017. [Link](#).

544 **Box 12:** Examples of ways of business' involvement\* in (potential) adverse human rights  
 545 and environmental impacts<sup>44</sup>

546 Own activities and activities of actors in Box 12 encompass activities across the entire value chain  
 547 exemplified in Box 1.

	Causation	Contribution		Through
		Through actors with business relationships	Alongside other actors	
Way				
Pollution	<p>Being the sole source of (potential) pollution and (potential) adverse human rights impacts through own activities</p> <p><i>(E.g., Extraction and processing of rare earth elements by a mining business in a country in East Asia has resulted in radioactive water and dust, which renders water for animal husbandry and drinking toxic, causing increased mortality of livestock and local residents)</i></p>	<p>Contributing to (potential) pollution and (potential) adverse human rights impacts through activities of actors with business relationships by motivating, incentivizing, or facilitating the (potential) adverse human rights and environmental impacts, incl. by being aware or should have been aware of them and failing to take appropriate actions to respond</p> <p><i>(E.g., A chemical business has been selling numerous herbicides, insecticides, and fungicides that include active ingredients classified as 'highly hazardous' to a country in South America. In places where these substances have been used in agriculture, cancer is recorded at far higher rates than in areas where the substances have not been used)</i></p>	<p>Contributing to (potential) pollution and (potential) adverse human rights impacts through own activities alongside activities of other actors</p> <p><i>(E.g., A number of the largest oil businesses operating in a country in West Africa have been spilling several M barrels of oil into a river delta, resulting in high concentrations of petroleum hydrocarbons in land, water, and air. The cumulative impacts of oil spills have contributed to shortened life expectancy of local residents as low as 45)</i></p>	<p>Having own or service and human by ac business</p> <p><i>(E.g., a supply of in countr where of agr reproduc extract dump unpro unpro reside by th wome misca defect</i></p>

<sup>44</sup> Inspired by:

- OHCHR. The Corporate Responsibility to Respect Human Rights, 2012. [Link](#).
- Greenhouse Gas Protocol. Corporate Accounting and Reporting Standard. [Link](#).
- Greenhouse Gas Protocol. Scope 2 Guidance. [Link](#).
- Greenhouse Gas Protocol. Scope 3 Calculation Guidance. [Link](#).

<b>Climate Change</b>	<p><b>[[Physical impacts]]</b> Not applicable as no business is the sole source of adverse physical impacts of climate change and human rights impacts</p>	<p><b>[[Physical impacts]]*</b></p> <p><b>[[SCOPE 1]]</b> Contributing to adverse physical impacts of climate change and human rights impacts with greenhouse gas emissions from sources the business owns or controls:</p> <ul style="list-style-type: none"> <li>• Generation of electricity, heat, or steam</li> <li>• Physical or chemical processing</li> <li>• Transportation of materials, products, waste, and employees</li> <li>• Fugitive emissions</li> </ul> <p><b>[[SCOPE 2]]</b> Contributing to adverse physical impacts of climate change and human rights impacts with greenhouse gas emissions from the generation of purchased electricity that is consumed in owned or controlled equipment or operations</p> <p><b>[[SCOPE 3]]</b> Contributing to adverse physical impacts of climate change and human rights impacts with greenhouse gas emissions from:</p> <ul style="list-style-type: none"> <li>• Extraction and production of purchased materials and fuels</li> <li>• Transport-related activities (e.g., purchased materials or goods, purchased fuels, employee business travel, employees commuting to and from work, sold products, waste)</li> <li>• Electricity-related activities (e.g., extraction, production, and transportation of fuels consumed in the generation of electricity, purchase of electricity that is sold to an end use, generation of electricity that is consumed in a transmission and distribution system)</li> <li>• Leased assets, franchises, and outsourced activities</li> <li>• Use of sold products and services</li> <li>• Waste disposal</li> </ul> <p>* All businesses contribute to adverse physical impacts of climate change and human rights impacts by their greenhouse gas emissions, and, therefore, should take appropriate actions to prevent or cease their contribution and use and increase leverage to seek to prevent and address any remaining adverse impacts to the greatest extent possible (See Guidance Point 2.3) in line with the UNHLEG recommendations<sup>45</sup></p>				
	<p><b>[[Maladaptation impacts]]</b> Being the sole source of (potential) adverse human rights and environmental impacts due to (mal)adaptation to climate change through own activities</p> <p><i>(E.g., Due to the increased temperature and permafrost)</i></p>	<p><b>[[Maladaptation impacts]]</b> Contributing to (potential) adverse human rights and environmental impacts due to (mal)adaptation to climate change through activities of actors with business relationships by motivating, incentivizing, or facilitating</p>	<p><b>[[Maladaptation impacts]]</b> Contributing to (potential) adverse human rights and environmental impacts due to (mal)adaptation to climate change through own activities alongside activities of other actors</p>	<p><b>[[Maladaptation impacts]]</b> Having own or service-related activities contributing to (mal)adaptation to climate change</p>		

<sup>45</sup> UNHLEG. 'Integrity Matters: Net-Zero Commitments by Businesses, Financial Institutions, Cities, and Regions', 8 November 2022. [Link](#).

	<p><i>melting, 20,000 t of diesel leaked into a river in the Arctic after a fuel tank of a mining business collapsed, causing the loss of traditional sources of food of riverside indigenous fishers and hunters and their families)</i></p>	<p>the (potential) adverse impacts, incl. by being aware or should have been aware of them and failing to take appropriate actions to respond</p> <p><i>(E.g., Despite the common risks of adverse impacts on water shortages associated with conventional cotton production in the Aral Sea Sub-Region, a clothing business has been sourcing cotton from a supplier in a country in the Aral Sea Sub-Region against drought conditions. This has contributed to forced migration driven by the Aral Sea and overall water crisis in the Sub-Region)</i></p>	<p><i>(E.g., Due to extreme rainfalls, 10 dams owned and controlled by different businesses, maladapted to climate change-related precipitation, breached in a country in South Asia. The floods affected 30 M people and more than 1,500 lost their lives)</i></p>	<p>of a relation (E.g., constr countries migrat constr through tempe with n and o in a 1 contra the w can r work, their contra</p>
	<p><b>[Transition impacts]</b> Being the sole source of (potential) adverse human rights and environmental impacts due to transition to a green economy through own activities</p> <p><i>(E.g., An energy business built a solar power facility on the lands sacred to indigenous tribes in a country in North America with no Free, Prior, and Informed Consent and agreement on just and fair compensation, digging up, relocating, and damaging buried artifacts and relics)</i></p>	<p><b>[Transition impacts]</b> Contributing to (potential) adverse human rights and environmental impacts due to transition to a green economy through activities of actors with business relationships by motivating, incentivizing, or facilitating the (potential) adverse impacts, incl. by being aware or should have been aware of them and failing to take appropriate actions to respond</p> <p><i>(E.g. Despite the common risks of adverse impacts associated with sourcing water-intensive lithium, a producer of battery electric vehicles has been sourcing lithium from mining businesses in a country of South America that have failed to apply the latest technologies to minimize water use for direct lithium extraction, contributing to water scarcity in the mining areas. With water available further away from local villages and requiring more time to collect, school</i></p>	<p><b>[Transition impacts]</b> Contributing to (potential) adverse human rights and environmental impacts due to transition to a green economy through own activities alongside activities of other actors</p> <p><i>(E.g., Due to the plan of a coal-dependent country in Southern Africa, 12 coal plants are to retire by 2030 cumulatively contributing to the estimated loss of more than 120,000 high-carbon jobs. Without retraining and relocation schemes targeting older persons, they may face age discrimination as they will search for new jobs)</i></p>	<p><b>[Trans]</b> a dire operat servic advers enviro transit cause with b (E.g., deman plants constr Balsa South illegal rainfor indige young rights agains suppli death media</p>

		enrollment, particularly among girls, has declined)		
<b>Biodiversity Loss</b>	<p><b>[Physical impacts]</b> Being the sole source of (potential) biodiversity loss and (potential) adverse human rights impacts through own activities</p> <p><i>(E.g., A cocoa plantation in a country in West Africa has been replacing old-growth forests, including protected areas, for the plantation expansion, and destroying the habitat of chimpanzees. The decline in the numbers of chimpanzees as key seeds dispersers in the area has caused the decline in yields of more than 30 wild fruiting species used in medicine by traditional households)</i></p>	<p><b>[Physical impacts]</b> Contributing to (potential) biodiversity loss and (potential) adverse human rights impacts through activities of actors with business relationships by motivating, incentivizing, or facilitating the (potential) adverse human rights and environmental impacts, incl. by being aware or should have been aware of them and failing to take appropriate actions to respond</p> <p><i>(E.g., Despite the common risks of adverse impacts associated with unrecyclable plastic sachet packaging and public campaigns against it in a country in Southeast Asia, a consumer goods manufacturer and supplier has been using unrecyclable plastic sachet packaging to sell single servings of shampoo, toothpaste, laundry detergent, and other basics there, which pile up in landfills and spill out from urban waterways into the ocean, contributing to the decline of fish, seabirds, and turtles and rise in poverty of coastal communities dependent on them for food and livelihoods)</i></p>	<p><b>[Physical impacts]</b> Contributing to (potential) biodiversity loss and (potential) adverse human rights impacts through own activities alongside activities of other actors</p> <p><i>(E.g., 6,500 small dams along the Amazon basin in a country in South America owned and controlled by different businesses cumulatively have been breaking up free-flowing rivers into a chain of reservoirs and stagnant pools conducive for mosquitos breeding and contributing to a rise of malaria in riverside communities)</i></p>	<p><b>[Physical impacts]</b> Contributing to (potential) biodiversity loss and (potential) adverse human rights impacts through own activities alongside activities of other actors</p> <p><i>(E.g., a super bluefin fishery in South America in the destination food decrease vast number of species thousands the re)</i></p>
	<p><b>[Impacts associated with utilization of genetic and biological resources]</b> Being the sole source of (potential) misappropriation of genetic and biological resources, traditional knowledge, innovation, and practice and (potential) adverse human rights impacts through own activities</p> <p><i>(E.g., Despite the explicit reference to the use of Artemisia Judaica by traditional medicine in North</i></p>	<p><b>[Impacts associated with utilization of genetic and biological resources]</b> Contributing to (potential) misappropriation of genetic and biological resources, traditional knowledge, innovation, and practice and (potential) adverse human rights impacts through activities of actors with business relationships by motivating, incentivizing, or facilitating the adverse human rights and</p>	<p><b>[Impacts associated with utilization of genetic and biological resources]</b> Contributing to (potential) misappropriation of genetic and biological resources, traditional knowledge, innovation, and practice and (potential) adverse human rights impacts through own activities alongside activities of other actors</p> <p><i>(E.g., The world's 'discovery' of quinoa's high nutritional values has resulted in a rise</i></p>	<p><b>[Impacts associated with utilization of genetic and biological resources]</b> Having own commercial services misappropriation and traditional innovation (potential) adverse human rights impacts through own activities alongside activities of other actors</p>



	<p><i>Africa as an infusion for the treatment of 'wasting disease' in the patent application, a pharmaceutical business received a patent without providing fair and equitable shared benefits to traditional communities there)</i></p>	<p>environmental impacts, incl. by being aware or should have been aware of them and failing to take appropriate actions to respond</p> <p><i>(E.g., Despite the public criticism of a business patented a leather alternative made from a fruit unique to traditional communities in a country in Southeast Asia without providing fair and equitable shared benefits to them, an apparel and footwear business partnered with them to produce 'sustainable' footwear)</i></p>	<p><i>in global demand and rapid increase of market price, with a big number of businesses purchasing the crop from two countries in South America. The price has made quinoa inaccessible for local communities dependent on it for food and livelihoods, with increased rates of anemia among women in reproductive age)</i></p>	<p><i>(E.g., in an a research a pro fungi, for 1 centur Asia and e to the obliga</i></p>
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550 **Guidance Point 2.3:** Response to (potential) adverse impacts

551 Each way of your business' involvement in a (potential) adverse human rights and  
552 environmental impact (Guidance Point 2.2) has different implications for the nature of its  
553 response:

- 554 • **Causation:** Where the business causes (potential) adverse impacts, it should take  
555 appropriate actions to prevent or cease them.

556 Where the business causes actual adverse impacts, it should provide for or  
557 cooperate in the remediation;

- 558 • **Contribution:** Where the business contributes to (potential) adverse impacts, it  
559 should take appropriate actions to prevent or cease its contribution and use and  
560 increase leverage (See Guidance Point 2.5) to influence actors causing or  
561 contributing to them to prevent or cease them.

562 Where the business contributes to actual adverse impacts, it should contribute to  
563 remediation to the extent of its contribution and use and increase leverage (See  
564 Guidance Point 2.5) to influence actors causing or contributing to them to provide  
565 for or cooperate in the remediation;

- 566 • **Direct linkage:** Where the business is involved in (potential) adverse impacts  
567 linked to its operations, products, or services by business relationships, it does not  
568 have responsibility for the impacts themselves – that responsibility lies with the  
569 actors that caused them. However, it has a responsibility to seek to prevent or  
570 cease the (potential) impacts by using leverage (See Guidance Point 2.5) over  
571 actors causing them.

572 If unsuccessful in using and unsuccessful in or impossible to increase leverage,  
573 the business should consider terminating the relationships (Guidance Point 2.6),  
574 taking into account assessments of (potential) adverse impacts of doing so.

575 The business itself is not required to provide for direct remediation of actual  
576 adverse impacts, although it may take a role in doing so. However, the business  
577 has a responsibility to seek to remediate them by using and increasing leverage  
578 (See Guidance Point 2.5) over actors causing them.<sup>46</sup>

579 While terminating business relationships (See Guidance Point 2.6) may need to be  
580 considered as part of a strategy to respond to (potential) adverse impacts in situations of  
581 'contribution (through a business relationship)' and 'direct linkage', this may not be the  
582 best way of preventing and addressing them. Remaining in relationships may enable your  
583 business to maintain greater leverage (See Guidance Point 2.5) to prevent and address  
584 (potential) adverse impacts and to bring about positive human rights and environmental  
585 outcomes.<sup>47</sup>

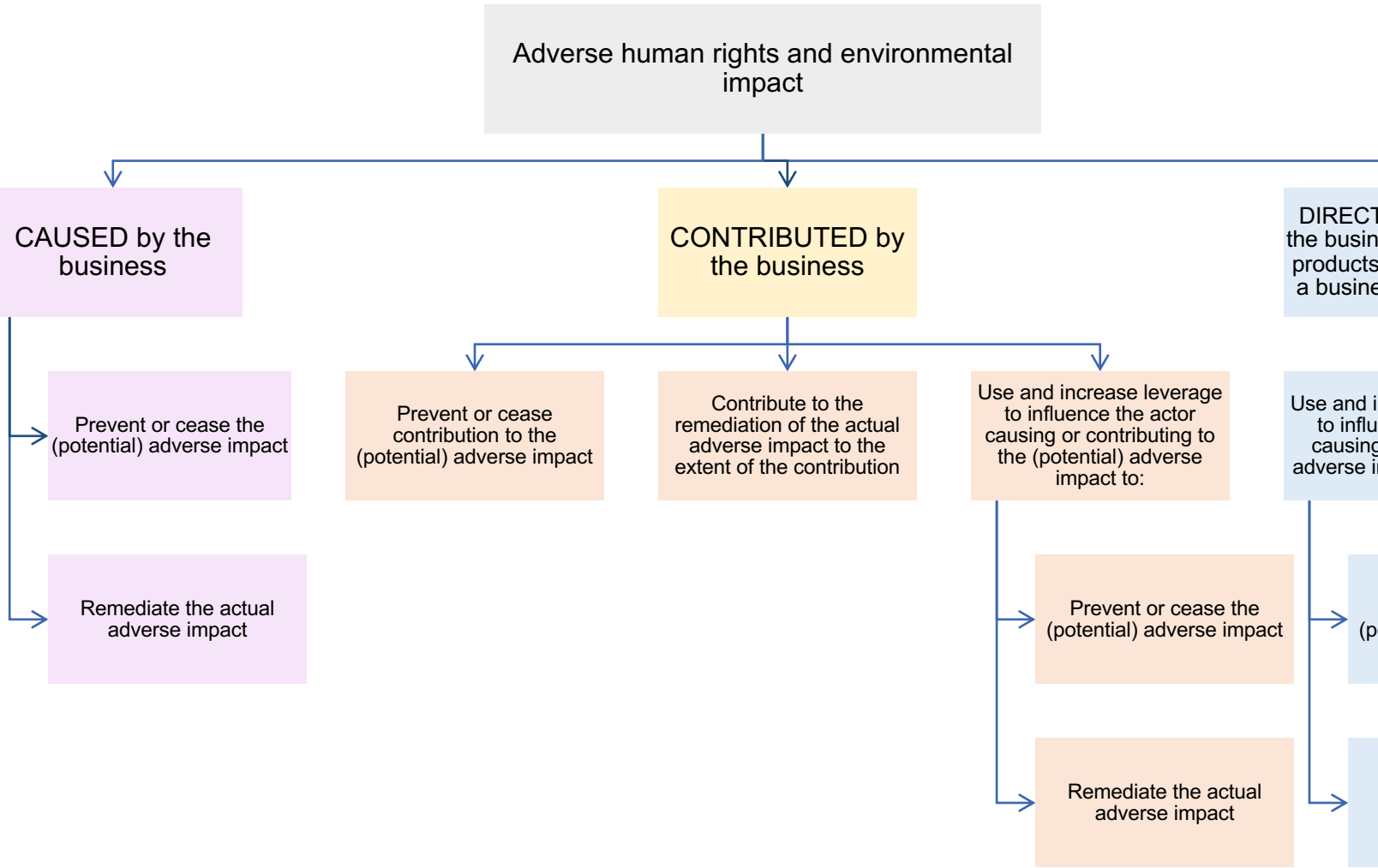
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<sup>46</sup> OHCHR. The Corporate Responsibility to Respect Human Rights, 2012. [Link](#).

<sup>47</sup> OHCHR. Business and Human Rights in Challenging Contexts: Considerations for Remaining and Exiting, August 2023. [Link](#).

587 **Box 13:** Response to (potential) adverse human rights and environmental impacts,  
 588 depending on the way of businesses' involvement in them<sup>48</sup>



<sup>48</sup> Inspired by:

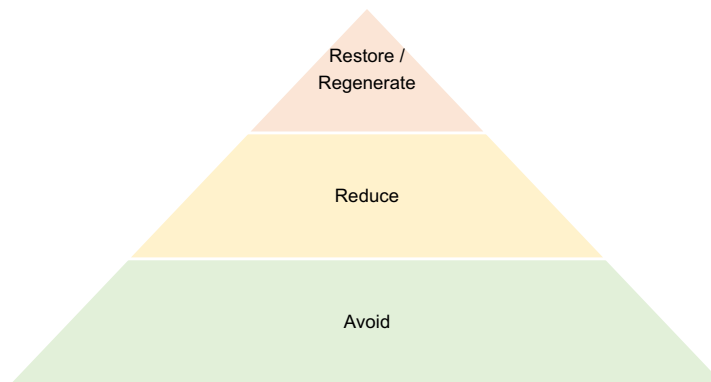
- OHCHR. The Corporate Responsibility to Respect Human Rights, 2012. [Link](#).
- OECD. Due Diligence Guidance for Responsible Business Conduct, Q29, 2018. [Link](#).

589 To prevent and address a (potential) adverse human rights impact resulting from  
590 (potential) environmental harms, drawing on internal and/or external environmental  
591 expertise, identify appropriate actions based on the mitigation and conservation  
592 hierarchies<sup>49</sup>:

- 593 • **Avoid:** all adverse environmental impacts that can be avoided should be;
- 594 • **Reduce:** when the business fails to entirely avoid adverse environmental impacts,  
595 such impacts should be reduced from their baseline value; for the part of the  
596 adverse impacts that cannot be avoided, ‘restoration’ and ‘regeneration’ actions  
597 should be applied;
- 598 • **Restore/Regenerate\*:** when the business fails to avoid and reduce adverse  
599 environmental impacts, such impacts should be remediated.

600 ‘Restoration’ and ‘regeneration’ actions are needed to (1) remediate adverse  
601 environmental impacts that cannot be avoided and reduced, and (2) achieve  
602 measurable positive environmental outcomes.

603 \* ‘Restoration’ and ‘regeneration’ actions are the last step in the mitigation and  
604 conservation hierarchies and are meant to be the last resort.



605

606 To remediate actual adverse human rights impacts resulting from environmental harms in  
607 addition to environmental remediation through ‘restoration’ and ‘regeneration’ actions,  
608 provide for or cooperate in remediation to adversely affected rights-holders through  
609 legitimate processes (See Box 15).

610 Identified appropriate actions should not create any additional adverse impacts. To ensure  
611 they are effective and rights-holders-centered, as well as apply traditional knowledge,  
612 innovation, and practice, consider identifying appropriate response to (potential) adverse  
613 human rights and environmental impacts in direct consultations with (potentially) affected  
614 rights-holders (See Guidance Point 1.5).

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<sup>49</sup> SBTN. Initial Guidance for Business ‘Science-Based Targets for Nature’, September 2020. [Link](#).

615 **Box 14:** Examples of appropriate actions to prevent and address (potential) adverse  
 616 environmental impacts based on the mitigation and conservation hierarchies

	<b>AVOID</b> Potential Adverse Impacts	<b>REDUCE</b> Actual Adverse Impacts	<b>RESTORE/REGENERATE</b> Actual Adverse Impacts
<b>Land Pollution</b>	<ul style="list-style-type: none"> <li>• <b>Spatial techniques:</b> Avoid implementing or secure business activities within a particular area (e.g., avoid locating hazardous waste sites in low-lying areas and areas prone to severe storms)</li> <li>• <b>Temporal techniques:</b> Avoid implementing or secure business activities during a particular season or time period (e.g., avoid applying agro-chemicals with toxic and heavy metals, especially during the wet season)</li> <li>• <b>Technological techniques:</b> Implement alternative project designs, using different production, packaging, and distribution processes, or different chemical inputs (e.g., treat solid waste before dumping it in landfills/dumpsites)</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Spatial techniques:</b> Reduce implementing business activities within a particular area (e.g., reduce the application of hazardous agro-chemicals in close proximity to residential areas)</li> <li>• <b>Temporal techniques:</b> Reduce implementing business activities during a particular season or time period (e.g., reduce the application of non-organic de-icing chemicals during winter)</li> <li>• <b>Technological techniques:</b> <ul style="list-style-type: none"> <li>○ Implement alternative project designs, using different production and distribution processes, or different chemical inputs (e.g., reduce hazardous wastewater with on-site recycling)</li> <li>○ Change the product design, incl.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• <b>Biological treatment (bioremediation):</b> use metabolic activities of plants and micro-organisms</li> <li>• <b>Chemical treatment</b> (e.g., chemical oxidation)</li> <li>• <b>Physical treatment:</b> <ul style="list-style-type: none"> <li>○ Physical clean-up of (post-consumer) plastic pollution</li> <li>○ Encapsulation (e.g., cover the contaminated land with layers of concrete, lime, or synthetic textiles)</li> <li>○ Washing</li> <li>○ Thermal desorption (e.g., heating)</li> </ul> </li> </ul>

		<p>for reducing packaging waste (e.g., reduce dependence on single-use packaging through designing products to be packaging-free or introducing reusable packaging)</p> <ul style="list-style-type: none"> <li>○ Apply the extended producer responsibility model to reduce waste at source and improve end-of-life waste outcomes (e.g., establish collection centers for e-waste)</li> </ul>	
<p><b>Water Pollution</b></p>	<ul style="list-style-type: none"> <li>• <b>Spatial techniques:</b> Avoid implementing or secure business activities within a particular area (e.g., stack solid manure on a concrete pad above the seasonal high-water table)</li> <li>• <b>Temporal techniques:</b> Avoid implementing or secure business activities during a particular season or time period (e.g., site aboveground outdoor storage tanks in an open-sided shed to avoid runoff, especially in the wet season)</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Spatial techniques:</b> Reduce implementing business activities within a particular area (e.g., reduce cleansing of drains or washing concrete mixers in close proximity to watercourses)</li> <li>• <b>Temporal techniques:</b> Reduce implementing business activities during a particular season or time period (e.g., reduce agro-chemical granules and liquids on</li> </ul>	<p><b>[Surface water]</b></p> <ul style="list-style-type: none"> <li>• <b>Ecological treatment:</b> use metabolic activities of plants and micro-organisms (e.g., ecological floating bed or constructed wetlands)</li> <li>• <b>Chemical treatment</b> (e.g., acid-alkali neutralization)</li> <li>• <b>Physical treatment:</b> <ul style="list-style-type: none"> <li>○ Physical clean-up of (post-consumer) plastic pollution</li> <li>○ Dredging sediment</li> <li>○ Mechanical algal removal</li> <li>○ Aeration</li> <li>○ Water diversion</li> </ul> </li> </ul> <p><b>[Groundwater]</b></p> <ul style="list-style-type: none"> <li>• <b>Biological treatment (bioremediation):</b> use</li> </ul>

	<ul style="list-style-type: none"> <li>• <b>Technological techniques:</b> Implement alternative project designs, using different production, packaging, and distribution processes, or different chemical inputs (e.g., treat wastewater before discharging it to receiving watercourses)</li> </ul>	<p>impervious surfaces such as driveways in the wet season)</p> <ul style="list-style-type: none"> <li>• <b>Technological techniques:</b> <ul style="list-style-type: none"> <li>○ Implement alternative project designs, using different production, packaging, and distribution processes, or different chemical inputs (e.g., reduce the usage of hazardous chemicals with safer alternatives)</li> <li>○ Change the product design, incl. for reducing packaging waste</li> <li>○ Apply the extended producer responsibility model to reduce waste at source and improve end-of-life waste outcomes</li> </ul> </li> </ul>	<p>metabolic activities of plants and micro-organisms</p> <ul style="list-style-type: none"> <li>• <b>Chemical treatment</b> (e.g., chemical oxidation)</li> <li>• <b>Physical treatment:</b> <ul style="list-style-type: none"> <li>○ Pump-treat</li> <li>○ Air sparging</li> <li>○ Soil excavation</li> <li>○ Permeable reactive barrier</li> </ul> </li> </ul>
<p><b>Air Pollution</b></p>	<ul style="list-style-type: none"> <li>• <b>Spatial techniques:</b> Avoid implementing or secure business activities within a particular area (e.g., avoid emitting air pollutants in areas with numerous and widespread sources of air pollution, incl.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Spatial techniques:</b> Reduce implementing business activities within a particular area (e.g., reduce the emission of air pollutants in close proximity to downwind residential areas)</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Biological treatment (bioremediation):</b> use metabolic activities of plants and micro-organisms</li> <li>• <b>Chemical treatment</b> (e.g., absorption, photocatalytic oxidation)</li> <li>• <b>Physical treatment:</b> <ul style="list-style-type: none"> <li>○ Air filtration</li> </ul> </li> </ul>

	<p>heavily populated areas)</p> <ul style="list-style-type: none"> <li>• <b>Temporal techniques:</b> Avoid implementing or secure business activities during a particular season or time period (e.g., avoid crop residue burning from previous season, especially during winter)</li> <li>• <b>Technological techniques:</b> Implement alternative project designs, using different production, packaging, and distribution processes, or different chemical inputs (e.g., employ abatement techniques such as regenerative thermal oxidizer to destroy pollutants before they are released into the air)</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Temporal techniques:</b> Reduce implementing business activities during a particular season or time period (e.g., reduce the emission of air pollutants in the pollutants concentration peak hours of the monsoon season)</li> <li>• <b>Technological techniques:</b> Implement alternative project designs, using different production, packaging, and distribution processes, or different chemical inputs (e.g., use biogas recovery systems to reduce methane emissions from livestock waste)</li> </ul>	<ul style="list-style-type: none"> <li>○ Electrostatic precipitation</li> <li>○ Ionization</li> </ul>
<p><b>Climate Change</b></p>	<p><b>[Physical impacts]</b></p> <p><b>Technological techniques:</b></p> <ul style="list-style-type: none"> <li>• Avoid producing and using fossil fuels and producing greenhouse gas emissions, incl. by implementing alternative project designs, using different production and distribution processes (e.g., use electricity produced only from a subset of</li> </ul>	<p><b>[Physical impacts]</b></p> <p><b>Technological techniques:</b></p> <p>Phase out using fossil fuels and producing greenhouse gas emissions, incl. by:</p> <ul style="list-style-type: none"> <li>• Implementing alternative project designs, using different production, packaging, and distribution processes (e.g., improve energy efficiency of manufacturing</li> </ul>	<p><b>[Physical impacts]</b></p> <ul style="list-style-type: none"> <li>• Ecological restoration (e.g., reforestation)</li> <li>• Supporting individual species recovery</li> <li>• Regenerative agriculture and aquaculture</li> <li>• Rehabilitation of degraded lands (e.g., restoration of a river shoreline with native planting)</li> <li>• Replenishment of freshwater systems</li> </ul>

	<p>renewable resources)</p> <ul style="list-style-type: none"> <li>• Avoid destroying carbon sinks that absorb greenhouse gases (e.g., deforestation)</li> <li>• Avoid using carbon offsets<sup>50</sup></li> </ul>	<p>plants by installing LEDs)</p> <ul style="list-style-type: none"> <li>• Changing the product design, incl. for reducing packaging waste</li> <li>• Applying the extended producer responsibility model to reduce waste at source and improve end-of-life waste outcomes</li> </ul>	
	<p><b>[(Mal)adaptation impacts]</b></p> <ul style="list-style-type: none"> <li>• <b>Spatial techniques:</b> Avoid implementing or secure business activities within a particular area (e.g., avoid building coastal systems such as sea walls in low-lying coastal areas that enable more development in high disaster-risk and further risks)</li> <li>• <b>Temporal techniques:</b> Avoid implementing or secure business activities during a particular season or time period (e.g., provide a preventive cool-down rest for workers working outside in increasing temperature)</li> <li>• <b>Technological techniques:</b> Implement alternative project designs, using</li> </ul>	<p><b>[(Mal)adaptation impacts]</b></p> <ul style="list-style-type: none"> <li>• <b>Spatial techniques:</b> Reduce implementing business activities within a particular area (e.g., reduce groundwater irrigation in areas projected to have more intense drought conditions)</li> <li>• <b>Temporal techniques:</b> Reduce implementing business activities during a particular season or time period (e.g., reinforce tailing dams against heavy rainfall and floods in the wet season)</li> <li>• <b>Technological techniques:</b> Implement alternative project designs, using different</li> </ul>	<p><b>[(Mal)adaptation impacts]</b></p> <ul style="list-style-type: none"> <li>• Ecological restoration</li> <li>• Supporting individual species recovery</li> <li>• Regenerative agriculture and aquaculture</li> <li>• Rehabilitation of degraded lands</li> <li>• Replenishment of freshwater systems</li> </ul>

<sup>50</sup> UNWG on Business and Human Rights. Information Note on 'Climate Change and the Guiding Principles on Business and Human Rights', June 2023. [Link](#).



	<p>different production, packaging, and distribution processes (e.g., use a smartphone app to track crop progress and facilitate insurance payouts)</p>	<p>production, packaging, and distribution processes (e.g., use cooling devices such as thermosiphons to protect oil storages built on permafrost)</p>	
	<p><b>[Transition impacts]</b></p> <ul style="list-style-type: none"> <li>• <b>Spatial techniques:</b> Avoid implementing or secure business activities within a particular area (e.g., afforestation on the indigenous communities' collectively held lands with no Free, Prior, and Informed consent and agreement on just and fair compensation)</li> <li>• <b>Technological techniques:</b> Implement alternative project designs, using different production, packaging, and distribution processes (e.g., use compostable bamboo and mycelium blades for wind turbines)</li> </ul>	<p><b>[Transition impacts]</b></p> <ul style="list-style-type: none"> <li>• <b>Spatial techniques:</b> Reduce implementing business activities within a particular area (e.g., reduce sourcing cobalt from informal artisanal mines characterized by massive stripping of overburden and burning bushes)</li> <li>• <b>Technological techniques:</b> Implement alternative project designs, using different production, packaging, and distribution processes (e.g., apply a new technology of direct lithium extraction requiring almost no water)</li> </ul>	<p><b>[Transition impacts]</b></p> <ul style="list-style-type: none"> <li>• Ecological restoration</li> <li>• Supporting individual species recovery</li> <li>• Regenerative agriculture and aquaculture</li> <li>• Rehabilitation of degraded lands</li> <li>• Replenishment of freshwater systems</li> </ul>
<p><b>Biodiversity Loss</b></p>	<p><b>[Physical impacts]</b></p> <ul style="list-style-type: none"> <li>• <b>Spatial techniques:</b> Avoid implementing business activities within or sourcing from a particular area (e.g., avoid sitting a wind farm</li> </ul>	<p><b>[Physical impacts]</b></p> <ul style="list-style-type: none"> <li>• <b>Spatial techniques:</b> Reduce implementing business activities within or sourcing from a particular area (e.g., reduce</li> </ul>	<p><b>[Physical impacts]</b></p> <ul style="list-style-type: none"> <li>• Ecological restoration</li> <li>• Supporting individual species recovery</li> <li>• Regenerative agriculture and aquaculture</li> <li>• Rehabilitation of degraded lands</li> </ul>

	<p>on a seabirds feeding route)</p> <ul style="list-style-type: none"> <li>• <b>Temporal techniques:</b> Avoid implementing or secure business activities or sourcing during a particular season or time period (e.g., avoid sourcing fruits and vegetables grown in the periods of water stress)</li> <li>• <b>Technological techniques:</b> Implement alternative project designs, using different production, packaging, and distribution process, or different chemical inputs (e.g., avoid using bottom trawling in fishing)</li> </ul>	<p>sourcing minerals from areas of biological importance)</p> <ul style="list-style-type: none"> <li>• <b>Temporal techniques:</b> Reduce implementing business activities or sourcing during a particular season or time period (e.g., reduce artificial lighting from beaches during turtle nesting season)</li> <li>• <b>Technological techniques:</b> <ul style="list-style-type: none"> <li>○ Implement alternative project designs, using different production, packaging, and distribution process, or different chemical inputs (e.g., increase the use of regenerated cellulose fiber from [post-consumer] cotton-waste)</li> <li>○ Change the product design, incl. for reducing packaging waste</li> <li>○ Apply the extended producer responsibility model to reduce waste at source and</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Replenishment of freshwater systems</li> <li>• Allowance for ecological permeability (e.g., demolishing a dam to allow free-flow river and open up fish habitat)</li> </ul>
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		improve end-of-life waste outcomes	
	<p><b>[Impacts associated with utilization of genetic and biological resources]</b></p> <p>Negotiate and jointly develop Mutually Agreed Terms, incl. on fair and equitable shared benefits, with Indigenous Peoples and other communities</p>	<p><b>[Impacts associated with utilization of genetic and biological resources]</b></p> <ul style="list-style-type: none"> <li>• Ecological restoration</li> <li>• Supporting individual species recovery</li> <li>• Regenerative agriculture and aquaculture</li> <li>• Rehabilitation of degraded lands</li> <li>• Replenishment of freshwater systems</li> </ul>	

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620 **Box 15:** Outcome and process of remediation of actual adverse human rights impacts  
621 resulting from environmental harms (in addition to environmental remediation through  
622 'restoration' and 'regeneration' appropriate actions)

Where your business identifies (through human rights due diligence or other means) that it caused or contributed to actual adverse human rights impacts resulting from environmental harms, it should provide for or cooperate in their remediation through legitimate processes.

Remediation aims to restore the ability of individual persons, groups, or peoples to exercise and enjoy their human rights that have been adversely impacted by your business' activities to the situation they would have been in had the adverse impacts not occurred.

Operational-level grievance mechanisms for rights-holders affected by your business' adverse impacts can be one effective means of enabling remediation when they are:

- **Legitimate:** enabling trust from rights-holders for whose use they are intended and being accountable for the fair conduct of grievance processes
- **Accessible:** being known to all rights-holders for whose use they are intended and providing adequate assistance for those who may face particular barriers to access
- **Predictable:** providing a clear and known procedure with an indicative time frame for each stage, and clarity on the types of process and outcome available and means of monitoring implementation
- **Equitable:** seeking to ensure that aggrieved parties have reasonable access to sources of information, advice, and expertise necessary to engage in a grievance process on fair, informed, and respectful terms
- **Transparent:** keeping parties to a grievance informed about its progress and providing sufficient information about the mechanism's performance to build confidence in its effectiveness and meet any public interest at stake
- **Rights-compatible:** ensuring that outcomes and remedies accord with internationally recognized human rights
- **A source of continuous learning:** drawing on relevant measures to identify lessons for improving the mechanism and preventing future grievances and adverse impacts
- **Based on rights-holder engagement:** directly consulting rights-holders for whose use they are intended on their design and performance, and focusing on dialogue as the means to address and resolve grievances

Operational-level grievance mechanisms can support your business in identifying and assessing (potential) adverse human rights and environmental impacts as a part of an ongoing human rights due diligence process (See Guidance Point 1,4), as well as addressing actual adverse impacts early and directly preventing them from compounding.

623

624 **Guidance Point 2.4:** Action Plan

625 Consider consolidating identified appropriate actions (See Guidance Point 2.3) in a stand-  
626 alone Action Plan to prevent and address (potential) adverse human rights and  
627 environmental impacts, which is recommended to be publicly available and include:

- 628 • Assigned responsibility for preventing and addressing each (potential) adverse  
629 impact;
- 630 • Timeline for preventing and addressing each (potential) adverse impact;
- 631 • Allocated budget, taking into account both short- (e.g., 1-3 years) and longer-term  
632 (e.g., by 2030 or 2050) (potential) adverse impacts;

633 • Established reporting and oversight processes.<sup>51</sup>

634 **Guidance Point 2.5: Leverage**

635 In situations of ‘contribution’ to and ‘direct linkage’ with (potential) adverse human rights  
636 and environmental impacts (See Guidance Point 2.3) through other actors, use leverage  
637 to seek to prevent and address their (potential) adverse impacts and influence the overall  
638 practices. If you lack leverage, seek to increase it.

639 There are five types of leverage:

- 640 1. **Traditional commercial leverage:** within the activities the business routinely  
641 undertakes in commercial relationships, such as contract negotiation/renewal,  
642 licensing agreements/renewal, qualification criteria for bidding processes, or  
643 disbursement of funds;
- 644 2. **Broader business leverage:** through activities that are not routine or typical in  
645 commercial relationships, such as capacity-building;
- 646 3. **Leverage together with business partner(s):** through collective action with  
647 business peers (in or beyond the same sector), including through business  
648 associations;
- 649 4. **Leverage through bilateral engagement:** through separate engagements with  
650 actors such as a government, international organization, civil society organization,  
651 trade union, or community-based group;
- 652 5. **Multi-stakeholder engagement:** through collective action with governments,  
653 business peers, international organizations, civil society organizations, trade  
654 unions, or community-based groups.<sup>52</sup>

655 If your business has vast numbers of value chain actors, and it is not possible to influence  
656 the practices across them all, instead of or in addition to focusing on ‘top spend’ or top  
657 tier actors, strategic actors, or other factors that suggest your business’ leverage with  
658 them is the greatest, prioritize actors for using and increasing leverage based on the  
659 severity of their (potential) adverse human rights and environmental impacts (See  
660 Guidance Point 2.1).<sup>53</sup>

661 Leverage may take time to build and is not a static concept. Just because your business  
662 does not have leverage initially does not mean that leverage cannot be built over time.  
663 However, to understand how much leverage your business may have and how best it  
664 should be used and increased, continuously assess the effectiveness of your business’  
665 leverage efforts, and if these have not been effective, whether and how they could  
666 produce different outcomes. To be credible, such leverage assessments should be  
667 informed by direct consultations with (potentially) affected rights-holders (See Guidance  
668 Point 1.5).<sup>54</sup>

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<sup>51</sup> Inspired by: Danish Institute for Human Rights. Guidance and Toolbox on Human Rights Impact Assessment, 2020. [Link](#).

<sup>52</sup> Shift. Using Leverage to Drive Better Outcomes for People, July 2021. [Link](#).

<sup>53</sup> Shift. Respecting Human Rights Through Global Supply Chains, October 2012. [Link](#).

<sup>54</sup> OHCHR. Business and Human Rights in Challenging Contexts: Considerations for Remaining and Exiting, August 2023. [Link](#).

669 If unsuccessful in using and unsuccessful or impossible to increase leverage over other  
670 actors, consider whether to continue or terminate the relationships with them (See  
671 Guidance Point 2.6).

	<b>Traditional</b>	<b>Broader</b>	<b>With Business Partners, incl. through Business Associations</b>	<b>Bilateral Engagement</b>
<b>Cross-Cutting</b>	<ul style="list-style-type: none"> <li>• Inclusion of terms of a Code of Conduct that reflects human rights and environmental standards in contracts</li> <li>• Inclusion of a requirement for human rights and environmental self-assessments and audits</li> <li>• Inclusion of human rights and environmental performance in the broader actor evaluation system</li> <li>• Inclusion of human rights and environmental pre-qualifications in bidding processes for contracts, licenses, or franchise agreements</li> <li>• Prospect of repeat business or termination of a relationship (e.g., as a consequence for failure to meet contractual obligations)</li> </ul>	<ul style="list-style-type: none"> <li>• ‘Support visits’ to help actors adjust to human rights and environmental contractual obligations</li> <li>• Human rights and environmental capacity-building for actors (e.g., training courses, technical expertise, good practice guides, peer-learning)</li> <li>• Direct investments in improvements of actors’ performance</li> <li>• Inclusion of human rights and environmental compliance in procurement/ purchasing decision-making</li> </ul>	<ul style="list-style-type: none"> <li>• Exchange with business peers that face similar value chain issues</li> <li>• Work with business peers to influence joint value chain actors</li> <li>• Development of common human rights and environmental standards and approaches, incl. to capacity-building for actors with business peers with overlapping value chains</li> </ul>	<ul style="list-style-type: none"> <li>• Separate partnerships with international organizations, civil society organizations, trade unions, community-based groups, etc. for assessing and building actors’ capacities and joint problem-solving on complex issues</li> <li>• Bilateral engagement with government policy-makers and regulatory authorities for, e.g., better regulatory enforcement and regulatory change</li> </ul>

<sup>55</sup> Inspired by:

- Shift. Using Leverage to Drive Better Outcomes for People, July 2021. [Link](#).
- Shift. Using Leverage in Business Relationships to Reduce Human Rights Risks, November 2013. [Link](#).
- OHCHR. Business and Human Rights in Challenging Contexts: Considerations for Remaining and Exiting, August 2023. [Link](#).
- OHCHR. Remedy in Development Finance: Guidance and Practice, 2022. [Link](#).
- SOMO. Should I Stay or Should I Go?: Exploring the Role of Disengagement in Human Rights Due Diligence, April 2016. [Link](#).

	<ul style="list-style-type: none"><li>• Temporary termination of a relationship or conditions for re-engagement</li></ul>			
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674 **Guidance Point 2.6:** Continuing or terminating relationships

675 If unsuccessful in using and unsuccessful in or impossible to increase leverage (See  
676 Guidance Point 2.5) to influence practices of other actors, consider whether and how to  
677 continue or terminate the relationships with them based on the three factors:

678 1. **Cruciality:**

- 679 ○ Where relationships are **not crucial** to your business, consider terminating  
680 them and find suitable, more human rights- and environment-respecting  
681 replacements;
- 682 ○ Where relationships are **crucial** to your business (e.g., they provide an  
683 essential product or service for which no reasonable alternative exists), and  
684 your business considers continuing them, communicate externally (See  
685 Guidance Point 4.1) about the decision-making process used to arrive at  
686 that determination, the criteria used, and appropriate actions taken to seek  
687 to prevent and address their (potential) adverse human rights and  
688 environmental impact and influence overall practices.

689 For as long as (potential) adverse human rights and environmental impacts  
690 by crucial actors continue and your business continues the relationships  
691 with them, carry out ongoing human rights due diligence to identify and take  
692 appropriate actions to seek to prevent and address them and influence their  
693 overall practices while being prepared to accept any financial, reputation,  
694 legal, or other implications. In the longer term, take structure-level  
695 appropriate actions to reduce reliance on these relationships;<sup>56</sup>

- 696 2. **Severity of (potential) adverse impacts:** Where your business considers  
697 continuing relationships with other actors, crucial or not, take into account the  
698 severity of their (potential) adverse human rights and environmental impacts to  
699 identify the speed of their positive change. The more severe (potential) adverse  
700 impacts, the quicker actors should improve their practices.

701 To ensure the effectiveness, continuity, and sustainability of the positive change in  
702 practices of actors, to justify the decision to delay terminating the relationship with  
703 them, and to communicate their progress (See Guidance Point 4.1), consider  
704 developing a specific improvement plan with them<sup>57</sup> and support its  
705 implementation and tracking (See Guidance Point 3.2);

- 706 3. **(Potential) adverse consequences:** Where your business considers terminating  
707 relationships with other actors, prevent and address any (potential) adverse  
708 impacts that may result from (1) the termination and (2) the manner in which it is  
709 done through a separate and distinct impact assessment exercise.<sup>58</sup> To assist  
710 making a decision on terminating relationships in the best interest of (potentially)

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<sup>56</sup> OHCHR. Business and Human Rights in Challenging Contexts: Considerations for Remaining and Exiting, August 2023. [Link](#).

<sup>57</sup> SOMO. Should I Stay or Should I Go?: Exploring the Role of Disengagement in Human Rights Due Diligence, April 2016. [Link](#).

<sup>58</sup> OHCHR. Business and Human Rights in Challenging Contexts: Considerations for Remaining and Exiting, August 2023. [Link](#).

711 affected rights-holders, consider engaging them in the impact assessment  
712 exercise directly (See Guidance Point 1.5).

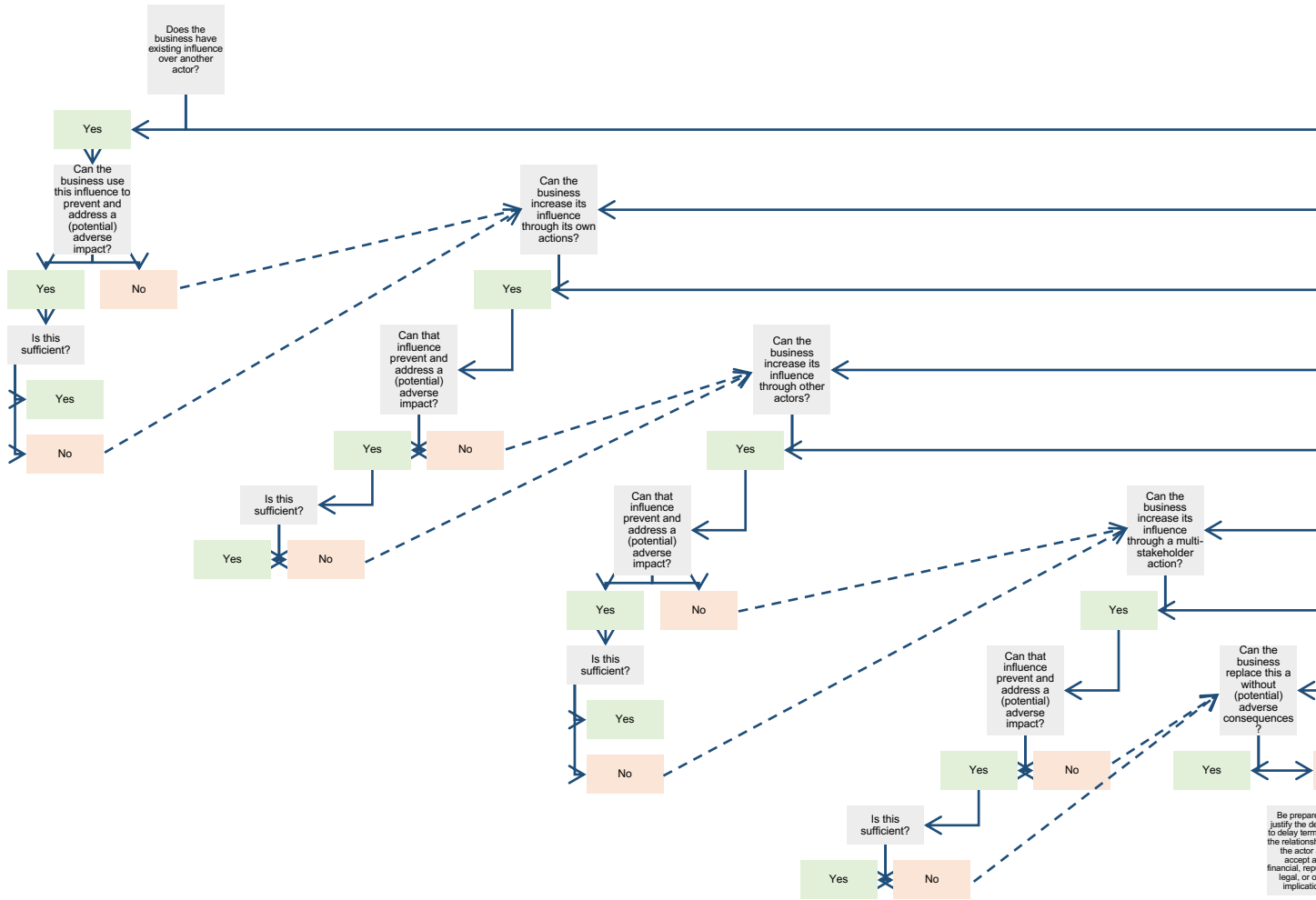
713 When the decision is made to terminate a relationship, crucial or not, treat the termination  
714 as a process, manage post-termination consequences, and apply a contextualized and  
715 nuanced approach to external communications about it:

- 716 • **Treating termination as a process** involves, for example, preparing for the  
717 termination, deciding when and how to do so, and executing the decision, which  
718 provides the business with a greater opportunity to use and increase leverage (See  
719 Guidance Point 2.5), for example, by implementing a temporary termination to  
720 allow for positive change before a final decision is made, or clarifying conditions  
721 under which re-engagement would be possible to create incentives for positive  
722 change. Treating termination as a process also provides more time to dedicate to  
723 rights-holder engagement (See Guidance Point 1.5) and to prevent and address  
724 any (potential) adverse consequences of the termination;
- 725 • **Managing post-termination consequences** involves, for example, compliance  
726 with applicable national regulations (e.g., legal standards for compensation or  
727 entitlements) and support to rights-holders who are (potentially) affected by the  
728 termination through the development and implementation of short- and longer-term  
729 plans;
- 730 • **Applying a contextualized and nuanced approach to external**  
731 **communications** (See Essential Component 4) about the termination involves,  
732 for example, accurate and proportionate justifications of the termination, which is  
733 fair to other businesses that may have good reasons based on conclusions of their  
734 own human right due diligence, to continue the relationship with the same actor,  
735 as well as appropriate actions to prevent and address (potential) adverse impacts  
736 on rights-holders associated with the communication (e.g., if the business  
737 communicates that it is terminating the relationship because of protests by  
738 environmental human rights defenders, there could be a clear retaliation risk for  
739 those defenders and related communities).<sup>59</sup>

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<sup>59</sup> Ibid.

740 **Box 17:** Decision tree for using and increasing leverage to influence practices of other  
 741 actors<sup>60</sup>



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<sup>60</sup> Inspired by: Shift. A Guidance Tool for Companies 'Doing Business with Respect for Human Rights', Edition 2, 2016. [Link](#).

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### ESSENTIAL COMPONENT 3 'TRACK'

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Track the effectiveness of business' performance in preventing and addressing (potential) adverse human rights and environmental impacts.

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#### PRINCIPLES:

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1. **Apply a human rights-based approach to collecting data:** when collecting human rights and environmental data, apply a human rights-based approach, particularly its principles of participation, data disaggregation, self-identification, and privacy<sup>61</sup>:

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Participation	<p>Encouraging and facilitating joint tracking by both the business and (potentially) affected rights-holders</p> <p>This is especially relevant for contexts where the business and (potentially) affected rights-holders are in dispute about particular (potential) adverse human rights and environmental impacts, and rights-holders are unlikely to accept the business' own tracking of the effectiveness of its actions to prevent and address them</p>
Data disaggregation	<p>Disaggregating data by gender, and, where possible, by the vulnerability and marginalization of (potentially) affected rights-holders and taking into account intersecting identities, which may require alternative data collection approaches and additional indicators (See Guidance Point 3.1)</p>
Self-identification	<p>Collecting data about personal characteristics of (potentially) affected rights-holders directly from the rights-holders to whom the data refers (at the individual's discretion); and</p> <p>Not creating or reinforcing existing discrimination, bias, or stereotypes exercised against rights-holders, including by denying their identity(ies)</p>
Privacy	<p>Implementing safeguards to protect the security of collected data; and</p> <p>Employing stricter standards of data protection while processing and storing personal data or data disclosing personal characteristics of the most vulnerable and marginalized rights-holders, including children, or any other sensitive data</p>

<sup>61</sup> Inspired by: OHCHR. A Human Rights-Based Approach to Data 'Leaving No One Behind in the 2030 Agenda for Sustainable Development, 2018. [Link](#).

754

755 **2. Track what is important as opposed to tracking only what can be easily**  
756 **quantified:** to provide insights into the effectiveness of business' performance on  
757 human rights and the environment, go beyond quantitative scientific data and  
758 complete it with qualitative data, including anecdotal evidence and case studies on  
759 lived experiences collected directly from (potentially) affected rights-holders;

760 **3. Use tracking results to drive continuous improvement in business' human**  
761 **rights due diligence:** analyze quantitative scientific and qualitative lived  
762 experience data and feed learning across the four essential components of human  
763 rights due diligence.

## 764 **PROCESSES:**

### 765 **Guidance Point 3.1:** Performance indicators

766 To track the implementation of the Action Plan (See Guidance Point 2.4) and the  
767 effectiveness of the identified appropriate actions, drawing on internal and/or external  
768 human rights, environmental, and compliance expertise, develop business-specific and  
769 decision-useful performance indicators which may include:

- 770 • **Incident indicators:** reflect (potential) adverse human rights and environmental  
771 impacts;
- 772 • **Structural indicators:** reflect the adoption/review of policies, operational  
773 guidance, and formal accountabilities for preventing and addressing (potential)  
774 adverse human rights and environmental impacts;
- 775 • **Process (input) indicators:** reflect specific actions taken to prevent and address  
776 (potential) adverse human rights and environmental impacts;
- 777 • **Outcome indicators:** reflect systematic and longer-term results of actions taken  
778 to prevent and address (potential) adverse human rights and environmental  
779 impacts.

780 When developing human rights and environmental performance indicators, combine  
781 quantitative (scientific) indicators with qualitative indicators on lived experiences of  
782 (potentially) affected rights-holders with disaggregation by their gender and, where  
783 possible, other vulnerability and marginalization, taking into account intersecting  
784 identities. Direct consultations with (potentially) affected rights-holders are essential to  
785 collect primary lived experience data (See Guidance Point 1.5).

786 A meaningful and consistent comparison of performance indicators requires that your  
787 business sets a performance datum against which to track performance. This  
788 performance datum is referred to as the base year/month for which data are available.  
789 Your business should establish a single base year/month for comprehensive tracking of  
790 pollution, climate change, biodiversity loss, and human rights.

791 For consistent tracking of performance indicators over time, the base year/month datum  
792 may need to be recalculated as your business undergoes structural changes such as  
793 acquisitions, divestments, and mergers.

794

	<b>Incident Indicator</b>	<b>Structure Indicator</b>	<b>Process Indicator</b>	<b>Outcome Indicator</b>
<b>Cross-Cutting</b>	<p><b>[Quantitative]</b></p> <ul style="list-style-type: none"> <li>• Percentage of consulted rights-holders who believe that their human rights are (potentially) affected due to the business' (potential) adverse environmental impacts, disaggregated by: <ul style="list-style-type: none"> <li>○ Gender</li> <li>○ Age</li> <li>○ National / ethnic origin</li> <li>○ Disability</li> </ul> </li> <li>• Number of incidents of intimidation and reprisals against environmental human rights defenders associated with the business own activities and the value chain</li> <li>• Number of grievances related to adverse human rights and environmental impacts received and percentage</li> </ul>	<p><b>[Quantitative]</b></p> <ul style="list-style-type: none"> <li>• Number of policies and operational guidance integrating human rights and the environment, incl. the rights of environmental human rights defenders, consistent with international standards in place</li> <li>• Percentage of bid callings that include human rights and environmental pre-qualifications consistent with international standards</li> <li>• Percentage of contracts that reflect human rights and environmental provisions consistent</li> </ul>	<p><b>[Quantitative]</b></p> <ul style="list-style-type: none"> <li>• Number of human rights due diligence cycles conducted</li> <li>• Number of (potentially) affected rights-holders consulted as part of human rights due diligence, percentage satisfied with the process, and percentage of those who believe it would be worthwhile to engage with the business in the future, disaggregated by: <ul style="list-style-type: none"> <li>○ Gender</li> <li>○ Age</li> <li>○ National / ethnic origin</li> <li>○ Disability</li> </ul> </li> <li>• Number of human rights and environmental audits conducted and</li> </ul>	<p><b>[Quantitative]</b></p> <ul style="list-style-type: none"> <li>• Percentage of consulted (potentially) affected rights-holders who believe that the business' human rights and environmental performance has improved, disaggregated by: <ul style="list-style-type: none"> <li>○ Gender</li> <li>○ Age</li> <li>○ National / ethnic origin</li> <li>○ Disability</li> </ul> </li> <li>• Percentage of consulted (potentially) affected rights-holders who believe that their exercise and enjoyment of human rights have improved, disaggregated by: <ul style="list-style-type: none"> <li>○ Gender</li> <li>○ Age</li> <li>○ National / ethnic origin</li> <li>○ Disability</li> </ul> </li> </ul> <p><b>[Qualitative]</b></p> <ul style="list-style-type: none"> <li>• Description of (potentially)</li> </ul>

<sup>62</sup> Inspired by:

- OHCHR. Human Rights Indicators: A Guide to Measurement and Implementation, 2012. [Link](#).
- Shift. UNGPs Reporting Framework, February 2015. [Link](#).
- Shift. Assurance of Human Rights Performance and Reporting: Assurance Indicators, 2017. [Link](#).
- Danish Institute for Human Rights. The Human Rights Compliance Assessment Tool, 10 September 2019. [Link](#).

	<p>remediated, disaggregated by:</p> <ul style="list-style-type: none"> <li>○ Gender</li> <li>○ Age</li> <li>○ National / ethnic origin</li> <li>○ Disability</li> </ul> <ul style="list-style-type: none"> <li>• Percentage of affected rights-holders satisfied with the remediation outcome or, if not, found the process to be fair and respectful, disaggregated by: <ul style="list-style-type: none"> <li>○ Gender</li> <li>○ Age</li> <li>○ Ethnicity / Indigeno us origin</li> <li>○ Disability</li> </ul> </li> </ul> <p><b>[Qualitative]</b></p> <ul style="list-style-type: none"> <li>• Description of how human rights of consulted rights-holders are (potentially) affected due to the business' (potential) adverse environmental impacts, disaggregated by: <ul style="list-style-type: none"> <li>○ Gender</li> <li>○ Age</li> <li>○ Ethnicity / Indigeno us origin</li> <li>○ Disability</li> </ul> </li> <li>• Description of incidents of intimidation and reprisals against</li> </ul>	<p>with international standards</p> <ul style="list-style-type: none"> <li>• Percentage of value chain actor evaluation forms that reflect human rights and environmental performance consistent with international standards</li> </ul> <p><b>[Qualitative]</b></p> <ul style="list-style-type: none"> <li>• Description of how human rights policy commitment integrates the environment and the rights of environmental human rights defenders</li> <li>• Description of how functions related to human rights and the environment collaborate and mutually learn to carry out human rights due diligence</li> <li>• Description of systems to screen value chain actors and how they</li> </ul>	<p>percentage of satisfactory audits</p> <ul style="list-style-type: none"> <li>• Number of value chain actors trained on human rights due diligence, and percentage of participants improved their human rights and environmental capacities</li> <li>• Number of business relationships terminated due to (potential) adverse human rights and environmental impacts by other actors</li> <li>• Number of (potentially) affected rights-holders reached with communications as part of human rights due diligence and percentage satisfied</li> </ul> <p><b>[Qualitative]</b></p> <ul style="list-style-type: none"> <li>• Description of time frame of the human rights due diligence cycle</li> <li>• Description of geographies, actors, categories of activities of the value chain, or other general areas selected to determine the focus of the</li> </ul>	<p>affected rights-holders perspective on how business' human rights and environmental performance has improved</p> <ul style="list-style-type: none"> <li>• Description of (potentially) affected rights-holders perspective on how their exercise and enjoyment of human rights have improved</li> </ul>
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	<p>environmental human rights defenders associated with the business own activities and the value chain</p> <ul style="list-style-type: none"> <li>Description of grievances related to adverse human rights and environmental impacts received and remediated</li> </ul>	<p>integrate human rights and environment -related criteria consistent with international standards</p> <ul style="list-style-type: none"> <li>Description of channels through which the business can receive grievances related to adverse human rights and environmental impacts and processes through which it addresses them and their compatibility with international standards</li> </ul>	<p>human rights due diligence cycle and process of their selection</p> <ul style="list-style-type: none"> <li>Description of identification and assessment (including prioritization) of (potential) adverse human rights and environmental impacts and how consultations with (potentially) affected rights-holders influenced those</li> <li>Description of (potentially) affected rights-holders and the process of their identification</li> <li>Description of consultations with (potentially) affected rights-holders as part of human rights due diligence</li> <li>Description of separate risk assessment of (potential) adverse consequences associated with business relationships termination</li> <li>Description of content and formats of communications as part of</li> </ul>	
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			human due diligence	
<b>Land Pollution</b>	<p><b>[Quantitative]</b> Number of ha of residential and agricultural land polluted with hazardous by-products and number of rights-holders affected</p> <p><b>[Qualitative]</b> Description of (potential) adverse impacts of land pollution on rights-holders (food and livelihood security, wellbeing, family, education, culture, migration)</p>	<p><b>[Quantitative]</b> Number of operational guidance on land pollution prevention and control integrating human rights in place</p> <p><b>[Qualitative]</b> Description of how operational guidance on land pollution prevention and control integrates human rights</p>	<p><b>[Quantitative]</b> Percentage of avoided and reduced agro-chemicals with toxic Cr, Mn, Cu, As) and heavy (Cd, Ba, Hg, Pb) metals</p> <p>Percentage of wastewater recycled and reused</p> <p>Number of kg of packaging reduced</p> <p>Percentage of recyclable waste properly collected and treated</p> <p>Number of ha of polluted land restored/regenerated</p> <p><b>[Qualitative]</b> Description of actions taken to avoid and reduce (potential) land pollution and restore/regenerate polluted land</p>	<p><b>[Quantitative]</b> Concentration level (mg/kg) of toxic (Cr, Mn, Cu, As) and heavy (Cd, Ba, Hg, Pb) metals in soil and cropping</p> <p><b>[Qualitative]</b> Description of the state of:</p> <ul style="list-style-type: none"> <li>• Land (health and productivity)</li> <li>• Species</li> <li>• Rights-holders dependent on land (food and livelihood security, wellbeing, family, education, culture, migration) and entitled to lands, territories, and resources</li> </ul>
<b>Water Pollution</b>	<p><b>[Quantitative]</b> Number of L of hazardous substances spilled into watercourses and number of rights-holders affected</p> <p><b>[Qualitative]</b> Description of (potential) adverse impacts of water pollution on rights-holders (water, food, and livelihood security, wellbeing, family, education, culture, migration)</p>	<p><b>[Quantitative]</b> Number of operational guidance on water pollution prevention and control integrating human rights in place</p> <p><b>[Qualitative]</b> Description of how operational guidance on water pollution prevention and control</p>	<p><b>[Quantitative]</b> Percentage of avoided and reduced agro-chemicals with heavy metals</p> <p>Percentage of wastewater treated before discharging it into receiving watercourses</p> <p>Number of kg of packaging reduced</p> <p>Percentage of recyclable waste properly collected and treated</p>	<p><b>[Quantitative]</b> Concentration level (mg/L) of nitrogen (N), phosphorus (P), and micro-plastics in the water basin<sup>63</sup></p> <p><b>[Qualitative]</b> Description of the state of:</p> <ul style="list-style-type: none"> <li>• Water, incl. groundwater (quantity, flow, and quality)</li> <li>• Species</li> <li>• Irrigated land (health, productivity)</li> </ul>

<sup>63</sup> SBTN. Step 3 'Measure, Set, and Disclose': Technical Guidance on Freshwater, May 2023. [Link](#).

		integrates human rights	<p>Number of kg of end-of-life waste produced and collected</p> <p>Number of m<sup>3</sup> of polluted water restored/regenerated</p> <p>Number of km of water shores cleaned from waste</p> <p><b>[Qualitative]</b> Description of actions taken to avoid and reduce (potential) water pollution and restore/regenerate polluted water</p>	<ul style="list-style-type: none"> <li>• Livestock water sources</li> <li>• Rights-holders dependent on water, incl. groundwater (water, food, and livelihood security, wellbeing, family, education, culture, migration) and entitled to lands, territories, and resources</li> </ul>
<b>Air Pollution</b>	<p><b>[Quantitative]</b> Number of kg of extra pollutants released into air and number of rights-holders affected</p> <p><b>[Qualitative]</b> Description of (potential) adverse impacts of air pollution on rights-holders (food and livelihood security, wellbeing, family, education, culture, migration)</p>	<p><b>[Quantitative]</b> Number of operational guidance on air pollution prevention and control integrating human rights in place</p> <p><b>[Qualitative]</b> Description of how operational guidance on air pollution prevention and control integrates human rights</p>	<p><b>[Quantitative]</b> Percentage of emissions of air pollutants avoided and reduced</p> <p>Percentage of air pollutants treated before releasing them into the air</p> <p>Number of m<sup>3</sup> of polluted air restored/regenerated</p> <p><b>[Qualitative]</b> Description of actions taken to avoid and reduce (potential) air pollution and restore/regenerate polluted air</p>	<p><b>[Quantitative]</b> Concentration level (µg/m<sup>3</sup>) of particulate matter (PM<sub>10</sub>, and PM<sub>2.5</sub>), nitrogen oxides (NO), sulphur dioxide (SO<sub>2</sub>) and heavy metals (Cd, Ba, Hg, Pb) in the air</p> <p><b>[Qualitative]</b> Description of the state of:</p> <ul style="list-style-type: none"> <li>• Air quality</li> <li>• Rights-holders dependent on being/working outside (food and livelihood security, wellbeing, family, education, culture, migration) and entitled to lands, territories, and resources</li> </ul>
<b>Climate Change</b>	<p><b>[Physical impacts]</b> <b>[Quantitative]</b> Scopes 1, 2, and 3 greenhouse gas emissions</p> <p><b>[Qualitative]</b> Description of</p>	<p><b>[Physical impacts]</b> <b>[Quantitative]</b> Number of operational guidance on greenhouse gas</p>	<p><b>[Physical impacts]</b> <b>[Quantitative]</b> Number of t of carbon dioxide (CO<sub>2</sub>) of avoided and reduced,</p>	<p><b>[Physical impacts]</b> <b>[Quantitative]</b> Seven Global Climate Indicators by the World Meteorological Organization:</p>

	<p>adverse impacts of greenhouse gas emissions on rights-holders (water, food, and livelihood security, wellbeing, security of the person, education, culture, migration)</p>	<p>management integrating human rights in place</p> <p><b>[Qualitative]</b> Description of how operational guidance on greenhouse gas management integrates human rights</p>	<p>disaggregated by Scopes 1, 2, and 3</p> <p>Number of kg of packaging reduced</p> <p>Number of kg of end-of-life waste produced and collected</p> <p><b>[Qualitative]</b> Description of actions taken to avoid and reduce greenhouse gas emissions and restore/regenerate climate</p>	<ol style="list-style-type: none"> <li>1. Surface temperature</li> <li>2. Ocean heat content</li> <li>3. Atmospheric carbon dioxide (CO<sub>2</sub>)</li> <li>4. Ocean acidification</li> <li>5. Sea level</li> <li>6. Glacier</li> <li>7. Arctic and Antarctic sea ice extent<sup>64</sup></li> </ol> <p>Number of people forcibly displaced due to climate change/climate-related disasters, incl. through the IOM Displacement Tracking Matrix<sup>65</sup></p> <p><b>[Qualitative]</b> Description of the state of:</p> <ul style="list-style-type: none"> <li>• Local climate (sea level, weather patterns, frequency and severity of climate-related disasters, land health and productivity, species)</li> <li>• Rights-holders dependent on climate and being/working outside or inside with no cooling systems (water, food, and livelihood security, wellbeing, security of the person,</li> </ul>
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<sup>64</sup> Global Climate Observing System. State of the Global Climate Annual Reports (Global and Regional). [Link](#).

<sup>65</sup> IOM Global Data Institute. Displacement Tracking Matrix. [Link](#).

				education, culture, migration) and entitled to lands, territories, and resources
	<p><b>[(Mal)adaptation impacts]</b></p> <p><b>[Quantitative]</b>  Number of incidents of illness associated with heat stress reported</p> <p>Number of rights-holders affected by a collapse of the business' infrastructure during a climate-related disaster</p> <p>Number of L of hazardous substances spilled due to permafrost melting and number of rights-holders affected</p> <p><b>[Qualitative]</b>  Description of (potential) adverse human rights and environmental impacts of (mal)adaptation on rights-holders (water, food, and livelihood security, wellbeing, security of the person, family, education, culture, migration)</p>	<p><b>[(Mal)adaptation impacts]</b></p> <p><b>[Quantitative]</b>  Number of operational guidance on adaptation to climate change integrating human rights in place</p> <p>Number of climate-related disaster preparedness plans integrating human rights in place</p> <p><b>[Qualitative]</b>  Description of how operational guidance on adaptation to climate change and climate-related disaster preparedness plans integrate human rights</p>	<p><b>[(Mal)adaptation impacts]</b></p> <p><b>[Quantitative]</b>  Number of h/worker provided for cool-down rest for workers working outside in increasing temperature</p> <p>Number of m<sup>3</sup> of groundwater avoided and reduced for irrigation</p> <p>Number of infrastructure reinforced against climate-related disasters</p> <p><b>[Qualitative]</b>  Description of actions taken to prevent and address (potential) adverse human rights and environmental impacts due to (mal)adaptation to climate change</p>	<p><b>[(Mal)adaptation impacts]</b></p> <p><b>[Quantitative]</b>  Number of workers working outside or inside with no cooling systems satisfied with their working conditions in increasing temperature</p> <p>Number of mm of groundwater recharge</p> <p>Number of rights-holders with reduced climate-related flood vulnerability due to resilient infrastructure (constructed or reinforced)</p> <p><b>[Qualitative]</b>  Description of the state of:</p> <ul style="list-style-type: none"> <li>• Infrastructure resilience to climate-related disasters</li> <li>• Land (health and productivity, species)</li> <li>• Water, incl. groundwater (quantity, flow, and quality, species, health and productivity of irrigated land, livestock water sources)</li> <li>• Rights-holders dependent on being/working outside or inside with no cooling systems, land,</li> </ul>

				<p>water, incl. groundwater, living in close proximity to permafrost and large infrastructure (water, food, and livelihood security, wellbeing, security of the person, family, education, culture, migration) and entitled to lands, territories, and resources</p>
	<p><b>[Transition impacts]</b>  <b>[Quantitative]</b>  Number of high-carbon jobs cut due to the business' transition to a green economy and number of rights-holders affected  Number of rights-holders affected with the mine abonnement  Number of incidents of illness association with the exposure to cobalt dust reported  <b>[Qualitative]</b>  Description of (potential) adverse human rights and environmental impacts of transition to a green economy on rights-holders (water, food, and livelihood security, wellbeing, security of the person, family, education, culture, migration)</p>	<p><b>[Transition impacts]</b>  <b>[Quantitative]</b>  Number of operational guidance on transition to a green economy integrating human rights in place  <b>[Qualitative]</b>  Description of how operational guidance on transition to a green economy integrates human rights</p>	<p><b>[Transition impacts]</b>  <b>[Quantitative]</b>  Percentage of workers retrained and relocated due to the business' transition to a green economy  Number of ha of abandoned mine land reclaimed/restored  Percentage of water avoided and reduced during lithium extraction  <b>[Qualitative]</b>  Description of actions taken to prevent and address (potential) adverse human rights and environmental impacts due to transition to a green economy</p>	<p><b>[Transition impacts]</b>  <b>[Quantitative]</b>  Percentage of retrained and relocated workers due to the business' transition to a green economy satisfied with new jobs  Concentration level (mg/L) of heavy metals (Cd, Ba, Hg, Pb) in drainages water and soil in the abandoned mine  Concentration level (mg/L and mg/kg) of cobalt (Co) in water and fish  <b>[Qualitative]</b>  Description of the state of:</p> <ul style="list-style-type: none"> <li>• Land (health and productivity, species)</li> <li>• Water, incl. groundwater (quantity, flow, and quality, species, health and productivity of irrigated land, livestock water sources)</li> </ul>

				<ul style="list-style-type: none"> <li>• Air quality</li> <li>• Rights-holders dependent on high-carbon jobs, stranded assets, land, water, incl. groundwater, and being/working outside (water, food, and livelihood security, wellbeing, security of the person, family, education, culture, migration) and entitled to lands, territories, and resources</li> </ul>
<b>Biodiversity Loss</b>	<p><b>[Physical impacts]</b> <b>[Quantitative]</b> Number of ha of forest lost due to slash-and-burn agriculture and number of rights-holders affected</p> <p>Percentage of unintended capture (by-catch) of non-target species in the total catch and number of rights-holders affected</p> <p><b>[Qualitative]</b> Description of (potential) adverse impacts of biodiversity loss on rights-holders (food and livelihood security, wellbeing, family, education, migration)</p>	<p><b>[Physical impacts]</b> <b>[Quantitative]</b> Number of operational guidance on biodiversity loss prevention and control integrating human rights in place</p> <p><b>[Qualitative]</b> Description of how operational guidance on biodiversity loss prevention and control integrates human rights</p>	<p><b>[Physical impacts]</b> <b>[Quantitative]</b> Percentage of sourced minerals from biologically significant areas</p> <p>Number of ha of degraded land restored/regenerated</p> <p>Number of m<sup>3</sup> of fresh water replenished</p> <p><b>[Qualitative]</b> Description of actions taken to avoid and reduce (potential) biodiversity loss and restore/regenerate ecosystems</p>	<p><b>[Physical impacts]</b> <b>[Quantitative]</b> Red List Index<sup>66</sup></p> <p>Number of km<sup>3</sup> of annual surface water available</p> <p>Number of kg/ha of maximum sustainable harvest, disaggregated by:</p> <ul style="list-style-type: none"> <li>• Food</li> <li>• Raw materials</li> <li>• Medicine sources</li> </ul> <p>Number of ha of land covered by native vegetation</p> <p><b>[Qualitative]</b> Description of the state of:</p> <ul style="list-style-type: none"> <li>• Biodiversity ([rare/endangered] species, wildlife corridors)</li> <li>• Rights-holders dependent on</li> </ul>

<sup>66</sup> IUCN. Red List Index. [Link](#).

				biodiversity and individual species (food and livelihood security, wellbeing, family, education, migration) and entitled to lands, territories, and resources
	<p><b>[Impacts associated with utilization of genetic and biological resources]</b></p> <p><b>[Quantitative]</b> Percentage of the market price increase of the used/patented genetic/biological resource and number of rights-holders affected</p> <p><b>[Qualitative]</b> Description of (potential) adverse impacts of the used/patented genetic/biological resource on rights-holders (food and livelihood security, wellbeing, education, culture)</p>	<p><b>[Impacts associated with utilization of genetic and biological resources]</b></p> <p><b>[Quantitative]</b> Number of operational guidance on the use/patent of genetic/biological resources and traditional knowledge, innovation, and practice integrating human rights in place</p> <p><b>[Qualitative]</b> Description of how operational guidance on the use/patent of genetic/biological resources and traditional knowledge, innovation, and practice integrates human rights</p>	<p><b>[Impacts associated with utilization of genetic and biological resources]</b></p> <p><b>[Quantitative]</b> Number of members of indigenous and other traditional communities participated in the development of and agreed with the Mutually Agreed Terms for the use/patent of the genetic/biological resource and traditional knowledge, innovation, and practice</p> <p><b>[Qualitative]</b> Description of actions taken to avoid and reduce (potential) misappropriation of genetic and biological resources, traditional knowledge, innovation, and practice</p>	<p><b>[Impacts associated with utilization of genetic and biological resources]</b></p> <p><b>[Quantitative]</b> Percentage of members of indigenous and other traditional communities satisfied with the shared benefits</p> <p><b>[Qualitative]</b> Description of the state of:</p> <ul style="list-style-type: none"> <li>• Genetic biological resource used/patented by the business (availability and accessibility)</li> <li>• Rights-holders dependent on the genetic and biological resource used/patented by the business (food and livelihood security, wellbeing, education, culture) and entitled to resources</li> </ul>



798 **Guidance Point 3.2:** Tracking performance of value chain actors

799 To ensure the effectiveness, continuity, and sustainability of the positive change in  
 800 practices of actors in your business' value chain and communicate their progress (See  
 801 Guidance Point 4.1), drawing on internal and/or external human rights and environmental  
 802 expertise and functions working with value chain actors (e.g., procurement, sales, and  
 803 marketing), support them in tracking their human rights and environmental performance,  
 804 including through development, implementation, and tracking of specific improvement  
 805 plans (See Guidance Point 2.6) with targeted indicators and base year/month.

806 When supporting value chain actors in tracking their human rights and environmental  
 807 performance, shift from top-down 'value chain monitoring programmes' towards more  
 808 collaborative approaches and work closely with them to assess gaps, build capacity, and  
 809 incentivize the transparency and improvement of performance indicators.<sup>67</sup>

810 Furthermore, consider directly supporting public 'watchdogs'/'critical friends'<sup>68</sup>, including  
 811 environmental human rights defenders, in geographical locations across your business'  
 812 value chain as a useful tool for tracking actors' human rights and environmental  
 813 performance and identifying high-performing ones.

814 **Box 19:** Examples of non-audit forms of support in tracking human rights and  
 815 environmental performance of value chain actors<sup>69</sup>

Approach	Description
1. Shift from 'pass/fail' compliance to comprehensive 'continuous improvement'	Continuing relationships with actors that may technically be out of compliance, while holding them accountable for continuing to improve, simultaneously assessing and improving own internal purchasing practices  Complementing 'audit indicators' (e.g., number of audits completed, number of cases of non-compliance identified) with 'performance indicators' (e.g., employee turnover, rights-holder satisfaction)
2. Joint assessment, planning, and tracking	Jointly engaging in assessment of actors' (potential) adverse human rights and environmental impacts, developing specific improvement plans with targeted indicators, and tracking its implementation
3. Capacity-building	Assessing and building actors' capacities to track their human rights and the environmental performance (e.g., developing or paying for training courses, providing technical expertise, developing good practice guides, convening peer-learning forums)
4. Commercial benefits for improving performance (external incentives)	Providing various forms of commercial incentives to actors (e.g., price premiums, volume increases, extended contract duration, preferential contracting, annual symbolic awards)
5. Business case for improving performance (internal incentives)	Quantifying financial impacts of human rights and environmental performance (e.g., providing indicator-based profit and loss statements)
6. Operational-level grievance mechanisms	Supporting actors in establishing operational-level grievance mechanisms (See Box 15) and tracking grievances and remedies

<sup>67</sup> Shift. Respecting Human Rights Through Global Supply Chains, October 2012. [Link](#).

<sup>68</sup> UNWG on Business and Human Rights. Report A/HRC/47/39/Add.2 'The Guiding Principles on Business and Human Rights: Guidance on Ensuring Respect for Human Rights Defenders', 22 June 2021. [Link](#).

<sup>69</sup> Inspired by: Shift. From Audit to Innovation: Advancing Human Rights in Global Supply Chains, August 2013. [Link](#).



816

817 **Guidance Point 3.3:** Performance verification

818 To ensure the veracity and credibility of the collected indicator-based data on your  
819 business’ human rights and environmental performance, drawing on internal and/or  
820 external audit and compliance expertise, consider establishing a system to verify human  
821 rights and environment-related data.

822 For external stakeholders, particularly (potentially) affected rights-holders, independent  
823 external third-party verification is likely to significantly increase the credibility of the  
824 collected data. While external third-party verification is recommended, independent  
825 internal verifications can also provide valuable assurance over the reliability of  
826 information. Internal verification can be a worthwhile learning experience for your  
827 business prior to commissioning an external verification by a third party.

828 When receiving internal verification, communicate how potential conflicts of interest were  
829 prevented during the verification process (See Guidance Point 4.1).

830 **Box 20:** Examples of approaches to verifying data on human rights and environmental  
831 performance<sup>70</sup>

Approach	Description
Internal verification	Conducting internal verification by staff within the reporting business but independent of business’ main activities and reporting directly to the Board
External verification	Conducting external verification by assurance providers, civil society organizations, trade unions, community-based groups, business associations, international organizations, etc. that are independent of business’ main activities and reporting directly to the Board
Multi-stakeholder initiatives	Conducting external verification against a set of indicators set within the framework of multi-stakeholder initiatives (e.g., UNGC Communication on Progress Questionnaire <sup>71</sup> , UNFCCC Global Climate Action Portal <sup>72</sup> )

832 Given that the subject matter of human rights and the environment is wide-ranging,  
833 verifiers should understand the limits of their knowledge and expertise and ensure that  
834 additional expertise is included in the verification team from other sources where  
835 necessary. The lead verifier should ensure that all verifiers and organizations involved in  
836 the verification together possess the necessary competence to undertake it, including on:

- 837 • Internationally recognized human rights and environmental standards;
- 838 • UNGPs;
- 839 • Human rights and environment impacts assessments;

<sup>70</sup> Inspired by:

- Shift. UNGPs Assurance Guidance, 2017. [Link](#).
- Shift. A Guidance Tool for Companies ‘Doing Business with Respect for Human Rights’, Edition 2, 2016. [Link](#).
- Greenhouse Gas Protocol. Scope 3 Calculation Guidance. [Link](#).

<sup>71</sup> UNGC. Communication on Progress Questionnaire, 2023. [Link](#).

<sup>72</sup> UNFCCC. Global Climate Action Portal, 2023. [Link](#).

- 840 • Human rights and environmental issues typically relevant to your business' sector  
841 and operating contexts;
- 842 • Rights-holder engagement, including the most vulnerable and marginalized.

843 **Box 21:** Factors of heightened importance for human rights and environmental  
844 performance verification<sup>73</sup>

Factor	Description
Suitability of the scope of the verification	<p>Both the business and verifier need to agree on (1) subject matter (e.g., all human rights and environmental issues or specific ones), (2) general areas of verification (e.g., geographies, actors, or categories of activities of the value chain) (See Guidance Point 1.4), (3) types of data required to substantiate the business' assertions, incl. obtained through direct consultations with (potentially) affected rights-holders (See Guidance Point 1.5), and (4) types of data that are not admissible to substantiate the business' assertions</p> <p>In situations where a misleading impression could occur from limitations imposed by the business, the verifier should object to a limitation and avoid proceeding unless the limitation is removed</p>
Time to gather evidence	<p>The qualitative nature of lived experience data needed to assure a business' human rights and environmental performance, in particular, data obtained through direct consultations with (potentially) affected rights-holders (See Guidance Point 1.5), requires relatively more time than review of quantitative (scientific) data</p> <p>Both the business and verifier should allocate enough time for travel, preparation for direct consultations with (potentially) affected rights-holders, interpretation and translation, combination, analysis, and triangulation of qualitative lived experience data with quantitative (scientific) data</p>
Conflicts between local laws and international standards	<p>The verifier should be alert to discrepancies between applicable national laws and international human rights and environmental standards and ensure that it is the higher standards that set the reference point for the verification</p>
Professional scepticism and judgment	<p>The verifier should maintain professional scepticism and be alert to data that is inconsistent with other data obtained, information that calls into question the reliability of documents and responses, and conditions that may indicate likely misstatement</p> <p>The verifier should also possess heightened levels of professional judgment, particularly in recognizing when further data is required to test qualitative and subjective information, triangulating conflicting findings, and understanding how far they should pursue direct consultations with (potentially) affected rights-holders (See Guidance Point 1.5) if there is a risk of causing stress or concern to them</p>
Review of salient issues	<p>The verifier should keep under constant review whether the salient issues (See Guidance Point 2.1) identified by the business are appropriate</p>

<sup>73</sup> Shift. UNGPs Assurance Guidance, 2017. [Link](#).

	Wherever possible, the verification of the salient issues should be informed by the verifier’s own direct consultations with (potentially) affected rights-holders (See Guidance Point 1.5)
Effective two-way consultations with (potentially) affected rights-holders	To test assumptions and triangulate data, the verifier should directly consult (potentially) affected rights-holders (See Guidance Point 1.5) while providing sufficient protection to them and being clear about the objective of the engagement
Limited vs. reasonable verification in the context of external verification processes	All data on which verification is to be provided must be capable of reasonable/high assurance which has the more value to stakeholders, particularly (potentially) affected rights-holders
Retention of data	The verifier should ensure that they have appropriate means by which to retain data, particularly obtained through direct consultations with (potentially) affected rights-holders (See Guidance Point 1.5) in a manner that meets privacy and related legal requirements
Subsequent events	<p>Prior to approval of the verification conclusions, the verifier should take steps to ensure that no further data has occurred that would alter the verification conclusions and that no severe (potential) adverse impacts (See Guidance Point 2.1) have taken place which, if omitted, could render them misleading</p> <p>If verifier identifies additional (potential) severe adverse impacts after the reporting period but before the report is published, then they should add this to their report</p>

845

846 The engagement of a verifier can occur at various points during human rights due  
847 diligence. Some businesses may establish a semi-permanent internal verification team to  
848 ensure that human rights and environmental data standards are being met and improved  
849 on an ongoing basis.

850 Verification that occurs during a communication stage (See Essential Component 4)  
851 allows for any reporting deficiencies or data issues to be addressed before  
852 communication is prepared. This may be particularly useful for your business’ formal  
853 reports preparation (See Guidance Point 4.3).<sup>74</sup>

854

855 **ESSENTIAL COMPONENT 4 ‘COMMUNICATE’**

856 Provide accurate and complete information about business’ (potential) adverse human  
857 rights and environmental impacts and demonstrate the performance on preventing and  
858 addressing them, particularly when concerns are raised by or on behalf of (potentially)  
859 affected rights-holders.

860 **PRINCIPLES:**

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<sup>74</sup> Inspired by: Greenhouse Gas Protocol. A Corporate Accounting and Reporting Standard. [Link](#).

861 1. **Apply a human rights-based approach to communicating data:** when  
 862 communicating human rights and environmental data collected during Essential  
 863 Component 3 of human rights due diligence, apply a human rights-based  
 864 approach, particularly its principles of transparency, privacy, and accountability<sup>75</sup>:

Transparency	Making metadata and paradata clear, available, and openly accessible unless it is inappropriate for legal, rights-holders security or privacy reasons
Privacy	Releasing (potentially) affected rights-holders personal data or disclosing their personal characteristics only with their specific and express consent  To ensure the measures taken to protect the privacy of (potentially) affected rights-holders do not disproportionately compromise the transparency and utility of the data, appropriately anonymizing it where possible and/or making efforts to obtain rights-holders consent
Accountability	Assessing (potential) adverse impacts of communicating data, particularly data collected directly from (potentially) affected rights-holders  Making appropriately anonymized data available and accessible for (potentially) affected rights-holders, civil society organizations, trade unions and community-based groups working with them to facilitate the development of accountability systems

865  
 866 When communicating your business' (potential) adverse human rights and environmental  
 867 impacts, particularly related to climate, and performance on preventing and addressing  
 868 them, increase both transparency and accountability of your communications, particularly  
 869 net-zero statements and pledges in line with UNHLEG recommendation #8 for  
 870 businesses among others<sup>76</sup>, including to reduce the risk of an accusation of  
 871 'greenwashing' and misleading claims or labels.

872 2. **Prioritize human rights and the environment over business confidentiality:**  
 873 communicate business' (potential) adverse human rights and environmental  
 874 impacts and performance to prevent and address them, recognizing that respect  
 875 for human rights and the environment must take priority over business  
 876 confidentiality;

877 3. **Prioritize communications with (potentially) affected rights-holders:** to  
 878 communicate business' (potential) adverse human rights and environmental  
 879 impacts and performance to prevent and address them to (potentially) affected

<sup>75</sup> Inspired by: OHCHR. A Human Rights-Based Approach to Data 'Leaving No One Behind in the 2030 Agenda for Sustainable Development, 2018. [Link](#).

<sup>76</sup> UNHLEG. 'Integrity Matters: Net-Zero Commitments by Businesses, Financial Institutions, Cities, and Regions', 8 November 2022. [Link](#).

880 rights-holders, ensure accessibility and language-, gender-, age-, culturally-,  
 881 disability-, literacy-sensitive, and trauma-informed content and formats of  
 882 communications beyond formal reporting;

883 4. **Focus on ‘impact materiality’ and salient human rights and environmental**  
 884 **issues in the content and frequency of communications:** to evaluate what  
 885 content and how often to communicate, apply the ‘impact materiality’ of double  
 886 materiality concept and severity of business’ (potential) adverse human rights and  
 887 environmental impacts (See Guidance Point 2.1) as opposed to ‘financial  
 888 materiality’ only.<sup>77</sup>

Double materiality	Includes interrelated: <ul style="list-style-type: none"> <li>• <b>Impact materiality:</b> (potential) adverse human rights and environmental impacts resulting from business’ own activities and the value chain</li> <li>• <b>Financial materiality:</b> sustainability-related risks or opportunities that influence business’ ‘development, financial position, financial performance, cash flows, access to finance, or cost of capital’</li> </ul>
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889

890 **PROCESSES:**

891 **Guidance Point 4.1:** Preparing to communicate

892 To prepare to communicate externally your business’ (potential) adverse human rights  
 893 and environmental impacts and performance to prevent and address them to (potentially)  
 894 affected rights-holders and other stakeholders, drawing on internal and/or external human  
 895 rights and environmental expertise, compile a minimum threshold of information across  
 896 10 areas.

897 The better documented your business’ human rights due diligence is, the more efficient it  
 898 will be to communicate about it.

899 **Box 22:** Minimum threshold of information\* on businesses’ adverse human rights and  
 900 environmental impacts and performance to prevent and address them to be made publicly  
 901 available

902 \* Businesses’ communications should work towards answering the guiding questions and improving the  
 903 quality of their responses to all questions over time.

Area	Guiding Question(s)
1. Time frame and general areas	What are the time frame and geographies, actors, categories of activities of the value chain, or other general areas selected to determine the focus of the human rights due diligence cycle?
2. (Potential) adverse impacts	What are (potential) adverse human rights and environmental impacts in your business’ own activities and the value chain?

<sup>77</sup> Shift. Double Materiality: What You Need to Know?, August 2023. [Link](#).

	How were they identified?
3. Salient issues	What are the salient human rights and environmental issues in your business' own activities and the value chain? How were they prioritized?
4. (Potentially) affected rights-holders	Who are rights-holders (potentially) adversely affected by your business' own activities and the value chain? How were they identified? Who among them are at heightened risk of vulnerability and marginalization?
5. Rights-holder engagement	Which (potentially) affected rights-holders and other stakeholders did your business consult, and why? How did your business consult (potentially) affected rights-holders and other stakeholders? How did the inputs by (potentially) affected rights-holders and other stakeholders influence your business' understanding of each (potential) adverse human rights and environmental impact and response?
6. Involvement in (potential) adverse impacts	What is the way of your business' involvement in each (potential) adverse human rights and environmental impact?
7. Response to (potential) adverse impacts	What appropriate actions, including leverage, have your business been taking to prevent and address each (potential) adverse human rights and environmental impact? What actors involving in (potential) adverse human rights and environmental impacts were determined crucial and your business have continued the relationships with? What actions have been taken to prevent and address their impacts and influence overall practices?
8. Tracking response's effectiveness	What is the base year/month, and rational for choosing it? Based on your business' performance indicators, what progress has your business made in comparison to the base year/month? What progress have your business' value chain actors made in comparison to the base year/month?
9. Verification process	How was the data on your business' human rights and environmental performance verified?
10. Feedback channel	How can feedback to your business' human rights due diligence be provided?

904

905 **Guidance Point 4.2:** Communicating with (potentially) affected rights-holders

906 Human rights due diligence encompasses a much wider array of ways to convey  
907 information on your business' (potential) adverse human rights and environmental  
908 impacts and performance to prevent and address them than formal reporting (See  
909 Guidance Point 4.3) alone. Some stakeholders, particularly (potentially) affected rights-  
910 holders, may not be in a position to read lengthy reports, lack access to the Internet, or

911 may struggle to interpret technical human rights and environmental documents. Formal  
 912 reports also may not always reach rights-holders (potentially) affected in the value chain  
 913 beyond your business’ top tier. Therefore, drawing on internal and/or external  
 914 communications and stakeholder engagement expertise, including local experts, civil  
 915 society organizations, trade unions, and community-based groups, identify the best  
 916 means and channels of your communications and adapt them for each intended  
 917 audience.

918 (Potentially) affected rights-holders should be a primary target audience of your business’  
 919 communication efforts as part of human rights due diligence, especially where they need  
 920 to be notified about potential adverse human rights and environmental impacts in your  
 921 business’ own activities and the value chain.

922 When communicating with (potentially) affected rights-holders, assess the context to  
 923 ensure accessibility and language-, gender-, age-, culturally-, disability-, literacy-  
 924 sensitive, and trauma-informed content and formats. Consider consulting (potentially)  
 925 affected rights-holders directly (See Guidance Point 1.5) about how they prefer to receive  
 926 communications from your business.

927 **Box 23:** Examples of human rights due diligence communications formats

Rights-Holders	Format
Traditional households, farmers, fisherpersons	<ul style="list-style-type: none"> <li>• In-person meetings with storyboards, cartoons, or plays</li> <li>• Peer exchanges</li> <li>• Local TV, (community) radio, newspapers</li> <li>• Social media</li> <li>• Hotlines, chatbots, and two-way SMS</li> <li>• Community-based groups (e.g., within women’s groups, faith-based groups, student-led groups)</li> <li>• Community-based information points/signboards</li> <li>• Community volunteers</li> </ul>
Workers in waste management	
People living in close proximity to landfills/dumpsites	
People living in low-lying areas, coastlines, areas prone to severe storms, and in close proximity to large infrastructure	
People living in close proximity to permafrost	
Tourism workers and operators	
Students	
Forcibly displaced persons	All the above formats, including within camps and shelters
Own workers	<ul style="list-style-type: none"> <li>• Internal newsletters and FAQs</li> <li>• In-person team meetings</li> <li>• Trade unions, workers’ councils, or workers’ committees</li> </ul>
Environmental human rights defenders	<ul style="list-style-type: none"> <li>• In-person bilateral and group meetings</li> <li>• Peer exchanges and peer-learning forums</li> </ul>
Consumers	<ul style="list-style-type: none"> <li>• Information in stores and/or attached to products</li> <li>• Website and social media (e.g., for users of online services)</li> <li>• Clients’/consumers’ visits</li> </ul>

928



929 **Guidance Point 4.3:** Formal reporting<sup>78</sup>

930 When producing a formal report as part of your business' human rights due diligence:

- 931 • **Set business context** by providing information on the business model,  
932 organizational structure, governance, strategy, operations, and value chain:
- 933 ○ If your business' human rights and environmental reporting is included in  
934 the annual report, integrated report, sustainability report, or similar, you may  
935 already be providing this information;
- 936 ○ If you produce stand-alone reporting on human rights and the environment,  
937 include such information or clearly indicate where it can be found easily;
- 938 • **Meet the minimum threshold of information** by providing substantive responses  
939 to the guiding questions in Box 22;
- 940 • **Showcase ongoing improvement** by demonstrating how your business has  
941 progressed in respecting human rights and the environment while **being**  
942 **transparent on where there is no improvement** and how you intend to continue  
943 to improve;
- 944 • **Focus on the respect for human rights and the environment** by providing  
945 relevant information on how your business has been preventing and addressing  
946 (potential) adverse human rights and environmental impacts rather than social  
947 investment or philanthropic activities to support or promote human rights and the  
948 environment, with the focus on women, girls, gender-diverse, and transgender  
949 people and others most vulnerable and marginalized.

950 If you wish to report on initiatives that support or promote human rights and the  
951 environment but are unrelated to preventing and addressing (potential) adverse  
952 human rights and environmental impacts, ensure that this does not obscure or  
953 detract from your business' responses to the guiding questions in Box 22;

- 954 • **Address salient human rights and environmental issues** by focusing the report  
955 on your business' most severe (potential) adverse impacts on human rights and  
956 the environment (See Guidance Point 2.1) rather than solely on risks to your  
957 business;
- 958 • **Provide specific examples** of how (potential) adverse human rights and  
959 environmental impacts have occurred and been prevented and addressed.

960 Where this requires the selection of general areas (See Guidance Point 1.4) to  
961 focus the human rights due diligence cycle such as geographies, actors, or  
962 categories of activities of the value chain, prioritize those where (potential) adverse  
963 human rights and environmental impacts are the most severe (See Guidance Point  
964 2.1).

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<sup>78</sup> See comprehensive frameworks that provide further guidance to report on business' human rights and environmental performance, including:

- UNGPs Reporting Framework: [Link](#).
- Global Reporting Initiative Standards: [Link](#).
- European Sustainability Reporting Standards: [Link](#).



965 Taken together, examples should be balanced and broadly representative of your  
966 business' performance; if they are not, explain why;

- 967 • *(In exceptional circumstances where it may not be possible for your business to*  
968 *disclose certain information that is required to meet the minimum threshold [See*  
969 *Box 22], e.g., legal, rights-holders security and privacy reasons, unavailability or*  
970 *insufficiency of reliable indicator-based data) **Explain any omission of important***  
971 **information** by indicating the nature of the information and reasons for the  
972 omission.<sup>79</sup>

973

974

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<sup>79</sup> Shift. UNGPs Reporting Framework, February 2015. [Link](#).

975 **Annex 1:** Correlation between the four\* essential components of human rights due  
 976 diligence per the UNGPs and the steps in other due-diligence-related guidelines,  
 977 frameworks, and assessments

978 \* In practice, four essential components of human rights due diligence per the UNGPs cannot be carried  
 979 out in the absence of policy commitment, embedding, and remediation.

<b>UNGPs</b>	Adopt and embed a policy commitment	<b>1. Identify and assess</b>				<b>2. Integrate and act</b>	<b>3. Track</b>	
<b>OECD</b>	1. Embed RBC into policies and management systems	2. Identify and assess adverse impacts				3. Cease, prevent, or mitigate	4. Track	
<b>TNFD 'LEAP' Approach</b>	—	0. Scope	1. Locate	2. Evaluate	3. Assess	4. Prepare to respond a		
<b>SBTN</b>	—	1. Assess	2. Interpret and prioritize	3. Measure, set, and disclose		4. Act	5. Track	
<b>SBTi</b>	1. Commit	—	—	—	—	2. Develop	3. Subm	

980

981 **Annex 2:** Glossary (in order of appearance)

982 **Human rights:** rights inherent to all human beings, regardless of nationality, sex, national  
983 or ethnic origin, color, religion, language, or any other status. Human rights are not  
984 granted by any state

985 Human rights are all:

- 986 • **Universal:** all human beings are equally entitled to human rights;
- 987 • **Inalienable:** human rights should not be taken away, except in specific situations  
988 and according to due process;
- 989 • **Indivisible and interdependent:** one set of rights cannot be enjoyed fully without  
990 the other;
- 991 • **Equal and non-discriminatory:** all human beings are equal in their dignity and  
992 rights; freedom from discrimination ensures this equality.

993 States have obligations and duties to respect, protect, and fulfill human rights. Under the  
994 duty to protect, they must protect against human rights abuses by third parties, including  
995 businesses. In turn, businesses have a responsibility to respect human rights.

996 **Right to a clean, healthy, and sustainable environment:** a human right added to the  
997 library of internationally recognized human rights by the UN Member States in 2022.  
998 While its universally agreed definition is still evolving, it is generally understood to  
999 include the following substantive and procedural elements<sup>80</sup>:

Substantive Rights	Procedural Rights
Safe climate Clean air Healthy ecosystems and biodiversity Safe and sufficient water Healthy and sustainable food Non-toxic environment	Access to information Public participation Access to justice

1000

1001 Like all other human rights, States have obligations and duties to respect, protect, and  
1002 fulfill the right to a clean, healthy, and sustainable environment, including by adopting and  
1003 enforcing appropriate constitutional, legislative, and policy reforms. Businesses have a  
1004 responsibility to respect this right, including by integrating it into human rights due  
1005 diligence.

1006 **Adverse human rights and environmental impacts:** in the context of this Guide,  
1007 adverse impacts on the environment and adverse impacts on human rights resulting from  
1008 environmental harms that remove or reduce the ability of rights-holders, individually or  
1009 collectively, to exercise and enjoy their human rights. Adverse human rights and  
1010 environmental impacts can be:

- 1011 • **Potential:** adverse impacts that may occur but have not yet done so;

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<sup>80</sup> OHCHR, UNEP, and UNDP. Information Note: What is the Right to a Healthy Environment?, January 2023. [Link](#).

1012 • **Actual:** adverse impacts that have occurred or are occurring.

1013 **UN Guiding Principles on Business and Human Rights (UNGPs):** set of 31 principles  
 1014 directed at States and businesses that clarify their duties and responsibilities to protect  
 1015 and respect human rights in the context of business activities and to ensure access to an  
 1016 effective remedy for individual persons, groups, or peoples affected by such activities

1017 **Activities:** in the context of this Guide, both actions and omissions

1018 **Business relationships:** in the context of this Guide, relationships with business  
 1019 partners, value chain actors, and any other non-State or State actors

1020 **Internationally recognized human rights:** an authoritative list of the core internationally  
 1021 recognized human rights contained in:

1022 • [Universal Declaration of Human Rights](#);

1023 • [International Covenant on Civil and Political Rights](#);

1024 • [International Covenant on Economic, Social, and Cultural Rights](#);

1025 • [ILO Fundamental Conventions](#);

1026 • [ILO Declaration on Fundamental Principles and Rights at Work](#).

1027 **Stakeholders:** individual persons, groups, or peoples who may have an interest in  
 1028 business' activities and/or ability to influence their outcomes, either positively or  
 1029 negatively. Stakeholders may include shareholders, investors, insurers, value chain  
 1030 actors, government policy-makers, and regulatory authorities, other businesses, as well  
 1031 as (potentially) *affected* rights-holders and civil society organizations, trade unions, and  
 1032 community-based groups working with them

1033 **Environmental human rights defenders:** individual persons, groups, or peoples who,  
 1034 in their personal or professional capacity and in a peaceful manner, strive to protect and  
 1035 promote human rights relating to the environment, including water, air, land, flora, and  
 1036 fauna

1037 **Additional human rights standards:** depending on the circumstances, businesses may  
 1038 need to consider human rights additional to those contained in the Universal Declaration  
 1039 of Human Rights, International Covenant on Civil and Political Rights, International  
 1040 Covenant on Economic, Social, and Cultural Rights, ILO Fundamental Conventions, and  
 1041 ILO Declaration on Fundamental Principles and Rights at Work, such as those found in  
 1042 [International Humanitarian Law](#), [Core International Human Rights Instruments](#), and other  
 1043 [Universal Human Rights Instruments](#)

1044 **Rights-holders:** all human beings, individually or collectively

1045 **(Potentially) affected rights-holders:** individual persons, groups, or peoples whose  
 1046 ability to exercise and enjoy their human rights is removed or reduced, including by  
 1047 business activities

1048 **Impact drivers:** physical conditions (e.g., incidents, events, extremes) that affect (an  
 1049 element of) the environment and/or society. Depending on system tolerance, impact  
 1050 drivers can be adverse, beneficial, neutral, or a mixture of each

- 1051 **‘Sacrifice zones’**: extremely contaminated areas where vulnerable and marginalized  
1052 rights-holders bear a disproportionate burden of human rights and environmental  
1053 consequences of exposure to land pollution and hazardous substances<sup>81</sup>
- 1054 **‘Greenwashing’**: practice of conveying a false impression or misleading information  
1055 (e.g., by advertising or labels) about the environmental benefits of operations, products,  
1056 services, or overall practices of a business or another entity
- 1057 **Public ‘watchdogs’**: individual persons, groups, or peoples, including environmental  
1058 human rights defenders, who are monitoring the activities of governments, businesses,  
1059 courts, or other entities and alerting the public and/or taking legal actions when their  
1060 activities appear to have adverse impacts
- 1061 **Metadata**: information that describes and explains data
- 1062 **Paradata**: information that describes the process by which the data were collected

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<sup>81</sup> Special Rapporteur on the Issue of Human Rights Obligations Relating to the Enjoyment of a Safe, Clean, Healthy, and Sustainable Environment. Report A/HRC/49/53 ‘Non-Toxic Environment to Live, Work, Study and Play’, 12 January 2022. [Link](#).

1063 **Annex 3:** Acronyms (in alphabetical order)

<b>AEPW</b>	Alliance to End Plastic Waste
<b>As</b>	Arsenic
<b>Ba</b>	Barium
<b>CBD</b>	Convention on Biological Diversity
<b>Cd</b>	Cadmium
<b>CIEL</b>	Center for International Environmental Law
<b>CO</b>	Carbon monoxide
<b>CO<sub>2</sub></b>	Carbon dioxide
<b>Cr</b>	Chromium
<b>Cu</b>	Copper
<b>EU</b>	European Union
<b>FAO</b>	Food and Agriculture Organization
<b>FAQ</b>	Frequently asked questions
<b>GEO-BON</b>	Group on Earth Observations Biodiversity Observation Network
<b>GPAP</b>	Global Plastic Action Partnership
<b>h</b>	Hour
<b>ha</b>	Hectare
<b>Hg</b>	Mercury
<b>HRDD</b>	Human rights due diligence
<b>HRDD+E</b>	Human rights due diligence with an environmental perspective
<b>ILO</b>	International Labour Organization
<b>IMM</b>	Impact measurement and management
<b>IOM</b>	International Organization for Migration
<b>IUCN</b>	International Union for Conservation of Nature
<b>kg</b>	Kilogramme
<b>km</b>	Kilometer
<b>L</b>	Liter
<b>LEAP</b>	Listen-Empathize-Agree-Partner Approach
<b>M</b>	Million
<b>m</b>	Meter
<b>mg</b>	Milligramme
<b>mm</b>	Millimeter
<b>Mn</b>	Manganese
<b>N</b>	Nitrogen
<b>N<sub>2</sub>O</b>	Nitrous oxide

<b>NAAT</b>	Notre Affaire à Tous
<b>NASA</b>	National Aeronautics and Space Administration
<b>NHO<sub>3</sub></b>	Nitric acid
<b>NO</b>	Nitrogen oxides
<b>OECD</b>	Organization for Economic Co-operation and Development
<b>OHCHR</b>	Office of the United Nations High Commissioner for Human Rights
<b>P</b>	Phosphorus
<b>Pb</b>	Lead
<b>PM<sub>10</sub>, PM<sub>2.5</sub></b>	Particulate matter
<b>SBTi</b>	Science Based Targets Initiative
<b>SBTN</b>	Science Based Targets Network
<b>SDGs</b>	Sustainable Development Goals
<b>SMEs</b>	Small and medium-sized enterprises
<b>SMS</b>	Short messaging service
<b>SO<sub>2</sub></b>	Sulfur dioxide
<b>SO<sub>2</sub></b>	Sulphur dioxide
<b>SOMO</b>	Centre for Research on Multinationals
<b>t</b>	Ton
<b>TCFD</b>	Taskforce on Climate-Related Financial Disclosures
<b>TNFD</b>	Taskforce on Nature-related Financial Disclosures
<b>TV</b>	Television
<b>UN</b>	United Nations
<b>UNCTAD</b>	United Nations Conference on Trade and Development
<b>UNDP</b>	United Nations Development Programme
<b>UNEP</b>	United Nations Environment Programme
<b>UNEP-WCMC</b>	World Conservation Monitoring Center of the United Nations Environment Programme
<b>UNFCCC</b>	United Nations Framework Convention on Climate Change
<b>UNGC</b>	United Nations Global Compact
<b>UNGPs</b>	United Nations Guiding Principles on Business and Human Rights
<b>UNHLEG</b>	United Nations High-Level Expert Group on Net-Zero Emissions Commitments of Non-State Entities
<b>UNICEF</b>	United Nations International Children's Emergency Fund
<b>UNWG</b>	UN Working Group on the Issue of Human Rights and Transnational Corporations and Other Business Enterprises
<b>WHO</b>	World Health Organization