
Understanding Human Rights Due Diligence

Frameworks, Challenges, and Best Practices



Introduction

□ What is HRDD?

- Human Rights Due Diligence is a business process designed to identify, prevent, mitigate, and account for how companies manage their human rights impacts, both direct and indirect.
- It is a proactive approach that aims to ensure businesses are not complicit in human rights abuses and that their operations contribute positively to society.

□ Global Importance

- Human rights risks can affect employees, suppliers, customers, and communities.
- HRDD aligns businesses with international frameworks, such as the **UN Guiding Principles on Business and Human Rights** and the **OECD Guidelines**.





UN Guiding Principles

- **Foundation for HRDD**
 - The **UN Guiding Principles (UNGPs)** set out the global standard for preventing and addressing the risk of adverse human rights impacts linked to business activities.
 - It provides a framework for businesses to align their operations and policies concerning human rights.

- **Three Pillars of the UNGPs:**
 1. **Protect:** States must protect human rights from abuse by third parties, including businesses.
 2. **Respect:** Businesses must respect human rights by avoiding infringing on the rights of others and addressing the negative impacts they are connected to.
 3. **Remedy:** Access to effective remedies should be provided to individuals who are affected by business-related human rights abuses.

- **HRDD Requirement:** Companies must perform due diligence to identify and prevent potential human rights abuses and ensure that their operations do not cause harm.



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The Steps in Human Rights Due Diligence


❑ Assessment of Human Rights Risks:

- **Mapping Business Activities:** Identify key operations, stakeholders, and supply chains that could pose human rights risks.
- **Risk Identification:** Identify risks such as child labor, forced labor, unsafe working conditions, discrimination, and land rights violations.

❑ Integration of Findings:

- Develop and implement policies that mitigate identified risks.
- Train employees and suppliers on human rights expectations.
- Integrate due diligence into strategic decision-making.

❑ Monitoring and Tracking:

- Regularly assess and monitor business operations and suppliers.
 - Use performance indicators, audits, and assessments to evaluate how well human rights risks are managed.
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- A graphic of three green leaves in the bottom-left corner.



The Steps in Human Rights Due Diligence (Contd..)

□ **Communication and Reporting:**

- Transparent Reporting: Report findings in public disclosures such as sustainability reports or through frameworks like GRI or TCFD.
- Engage stakeholders, including NGOs and affected communities, to share information on progress and challenges.

□ **Remediation and Corrective Actions:**

- Provide remedies to individuals whose rights were violated, including compensation or reinstatement.
- Implement corrective actions to address human rights violations and prevent future occurrences





Challenges in Implementation

❑ **Complex Global Supply Chains:**

- Managing human rights in long, complex supply chains, particularly when working with local suppliers in regions with weak labour laws.

❑ **Cultural and Regulatory Differences:**

- Navigating diverse regulatory environments and varying expectations of human rights across different countries or regions.


❑ **Resource Constraints:**

- Smaller businesses or companies with limited resources may struggle to implement comprehensive HRDD processes.

❑ **Lack of Transparency from Suppliers:**

- Some suppliers may not disclose information or fail to comply with human rights standards.

❑ **Monitoring and Enforcement:**



Ensuring compliance at all levels of the supply chain, particularly in high-risk industries like mining or agriculture.



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