



Human rights due diligence guidance

A practical guidance for the oil and gas, and alternative energy industry

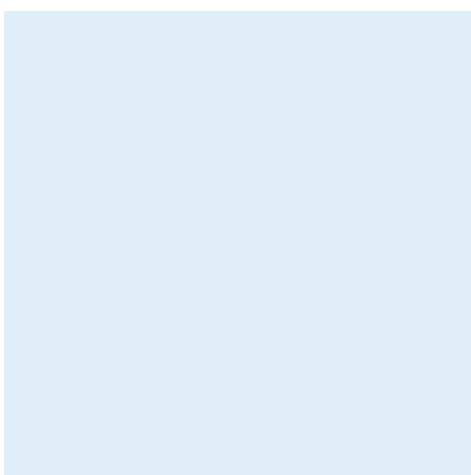


Social
Responsibility



Advancing environmental
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Human rights due diligence guidance

A practical guidance for the oil and gas, and alternative energy industry

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The global oil and gas industry association for environmental and social issues

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Summary

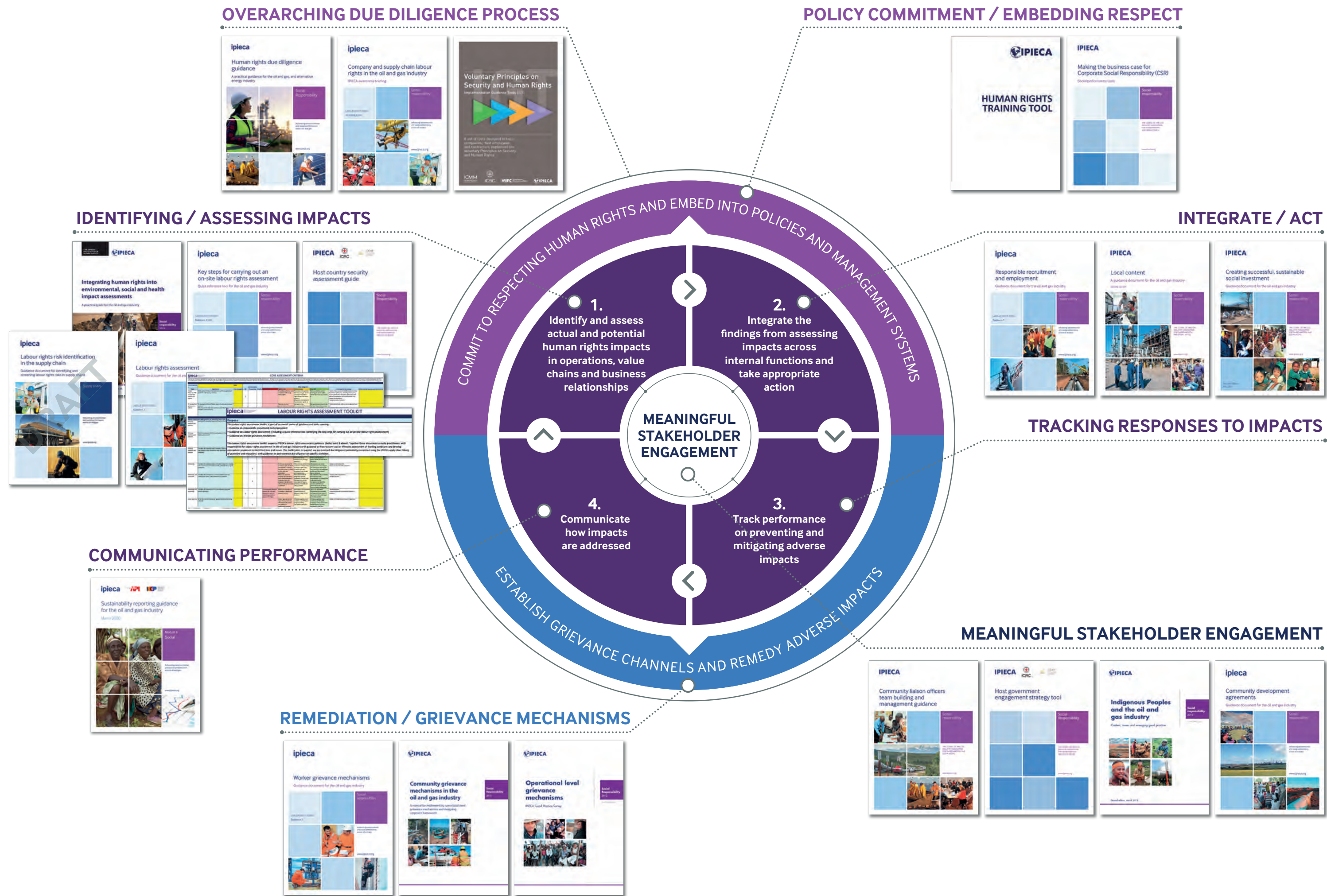
This guidance offers insights on planning and implementing human rights due diligence (HRDD) in oil, gas, low-carbon and alternative energy projects and operations. It describes practical ways in which companies can develop and implement HRDD, using and adapting existing processes where feasible.

The guidance summarises IPIECA member companies' shared experiences of developing HRDD processes, together with insights from independent stakeholders with expertise in human rights. It is an extensive revision of IPIECA's first HRDD guidance, which was published in 2012. The guidance is divided into seven sections:

- 1. What is HRDD?** This section provides background and context on human rights, the role of business to respect human rights, examples of relevant international declarations, the concept of HRDD set out in the UN Guiding Principles on Business and Human Rights (UNGPs), the purpose of HRDD, the types of tools that can be used, the importance of stakeholder engagement during the HRDD process, and information on human rights defenders.
- 2. Why are HRDD processes important for the oil and gas industry?** This section explains the business case for HRDD. It provides examples of potential human rights impacts as a result of oil and gas industry activities, and possible consequences for businesses of being perceived not to respect human rights. It also explains how HRDD gives companies opportunities to create positive impacts as well as address human rights risks to people and to the business.
- 3. Developing and implementing HRDD processes.** This section is divided into four main topics.
 - The first part discusses different ways to assess human rights impacts, gives examples of activities that can have human rights implications, provides some sources that can inform human rights impact assessment and discusses the concepts of severity and salience.
 - The second part addresses the integration of findings by the relevant functions/businesses, and possible actions to avoid, mitigate and if necessary remediate impacts, together with short case studies and an explanation on leverage.

- The third part provides information about tracking performance and discusses the use of indicators to assess and report performance.
- The fourth part covers communicating with stakeholders about how a company may address potential and actual human rights impacts, with some tips on both making information accessible and maintaining confidentiality where necessary to protect people.

- 4. HRDD within the corporate human rights framework.** This section explores what companies can do to embed respect for human rights into their corporate framework, including policies and management systems. It also provides brief points on engaging with external stakeholders about the company's commitment to respect human rights.
- 5. Human rights and the energy transition.** This section discusses how the global transition to low-carbon energy sources may change the types of potential human rights impacts resulting from industry activities. It suggests topics to be considered when companies are assessing the suitability of their processes for low-carbon and alternative energy projects and operations. It also briefly explains the concept of the just transition.
- 6. Summary of potential human rights risks and affected groups, and examples of existing processes to prevent/mitigate such risks.** This section provides a table to summarise potential impacts to human rights, people affected and processes that companies can use to address the impacts.
- 7. Glossary and resources to support oil and gas companies.** This section explains terms and acronyms relevant to this guidance and provides information about related IPIECA publications and external resources that offer more specific information.



Introduction



Introduction

'In order to identify, prevent, mitigate and account for how they address their adverse human rights impacts, business enterprises should carry out human rights due diligence.'

UN Guiding Principles on Business and Human Rights

PURPOSE AND SCOPE OF THIS GUIDANCE

Since the first edition of this guidance was published in 2012 there has been a continued evolution in how companies implement human rights due diligence (HRDD) processes. This second edition reflects the valuable lessons learnt by IPIECA members from their experience of implementing HRDD processes.

The purpose of this revised guidance is to assist oil and gas companies in implementing HRDD processes that can be integrated into existing company processes. This can be an essential part of a company's overall risk management strategy, particularly when operating in areas where human rights issues may be more prevalent. The guidance aims to:

- clarify companies' responsibility to respect human rights as set out in the UN Guiding Principles on Business and Human Rights (UNGPs);
- illustrate how HRDD assists fulfilment of this responsibility;
- support the development and/or continuous improvement of HRDD processes; and
- promote consistent approaches to identify and address actual and potential human rights impacts.

Companies are encouraged to use the guidance to help develop and implement their HRDD processes in a fit-for-purpose way with respect to their existing management systems, transaction types, business processes, project stages and local operating contexts.

The guidance can be applied to upstream, midstream and downstream activities, including alternative energy, petrochemicals, refineries, retail and logistics.

This guidance was developed as a reference point for company sustainability, social performance and human

rights practitioners. It also aims to be an introductory document for those in other parts of an oil and gas company with human rights risks touch points. Lastly, it offers an overview to those outside the industry who want to understand a sector-specific approach to HRDD. While continuing to be based on the UNGPs, the guidance is not intended to be prescriptive, as there is no 'one-size-fits-all' approach to HRDD.

IPIECA has developed more specific, detailed guidance and tools on HRDD topics, including:

- *Community grievance mechanisms in the oil and gas industry*
- *Company and supply chain labour rights guidance*
- Human rights due diligence related indicators in the *Sustainability reporting guidance for the oil and gas industry*
- Human rights training tool
- *Indigenous Peoples in the oil and gas industry: context, issues and emerging good practice*
- *Integrating human rights into environmental, social and health impact assessments*
- Making the business case for corporate social responsibility (CSR): social performance tools
- Voluntary Principles on Security and Human Rights (VPs): implementation guidance tools

Links to these and other relevant resources can be found in Section 7 of this guidance.

HOW TO USE THIS GUIDANCE

The guidance is divided into seven sections:

1. What is HRDD?
2. Why are HRDD processes important for the oil and gas industry?
3. Developing and implementing HRDD processes
4. HRDD within the corporate human rights framework
5. Human rights and the energy transition
6. Summary of potential human rights risks and affected groups, and examples of existing processes to prevent/mitigate such risks
7. Glossary and resources to support oil and gas companies

What is human rights due diligence?



What is human rights due diligence?

Human rights are inherent to all human beings. All people, no matter who they are or where they are born, are entitled to the same basic rights and freedoms, without discrimination. These are not privileges which can be granted or revoked. Human rights, covering civil, political, cultural, economic and social rights, are outlined in international treaties and conventions that exist independently of national laws¹.

Fundamental human rights are recognised in the International Bill of Human Rights and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work. These are supplemented by UN Declarations and Conventions on specific issues (see Box 1 for examples).

The responsibility of business enterprises to respect human rights, independent of a state's responsibility to protect human rights, was established by the UNGPs² in 2011. Respect for human rights is a core expectation of business, and the UNGPs use the term 'human rights due diligence' to describe the ways in which companies should identify, prevent, mitigate and account for adverse human rights impacts. See Figure 1 for an illustrative example of a human rights due diligence process

The UNGPs expect companies to 'know and show' that they are respecting human rights. This means implementing HRDD to help them understand and address human rights risks and actual impacts from their operations and business relationships (see Box 2 for an explanation of human rights risks and impacts). HRDD is ongoing; as companies, project profiles and operating contexts change, so too can the risks to people.

The purpose of HRDD is to identify and address potential and actual adverse impacts with which a company is involved directly or through its business relationships, including its supply chain or value chain³ (see Box 3: 'Supply chain versus value chain' for explanation of the difference between these terms). HRDD is relevant to every stage of the business lifecycle, from inception and investment decision, through execution and operations, and finally to decommissioning or divestment. See Figure 2 for the stages of the business lifecycle that are relevant for HRDD.

Box 1: Examples of International human rights declarations

The International Bill of Human Rights

This comprises the Universal Declaration of Human Rights, together with the two fundamental treaties through which it has been codified, the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights. The Universal Declaration of Human Rights was drafted and agreed by representatives of a wide range of political, religious and culture perspectives, and it provides the most authoritative list of internationally recognised rights.

The ILO Declaration on Fundamental Principles and Rights at Work

Internationally recognised standards for labour rights are provided by conventions and non-binding recommendations, negotiated through the ILO. The ILO governing body identified eight 'fundamental' conventions, covering: freedom of association and the effective recognition of the right to collective bargaining; the elimination of all forms of forced or compulsory labour; the effective abolition of child labour; and the elimination of discrimination in respect of employment and occupation. These principles are also covered by the ILO Declaration on Fundamental Principles and Rights at Work.

Examples of other human rights declarations and conventions include:

- The UN Declaration of the Rights of the Child, adopted in 1959 in response to the plight of children in the aftermath of World War II.
- The UN Convention on the Elimination of All Forms of Discrimination Against Women, adopted in 1979.
- The International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families, adopted in 2003
- The UN Declaration on the Rights of Indigenous Peoples, adopted in 2007

¹ OHCHR (website) 'What are human rights?' <https://www.ohchr.org/EN/Issues/Pages/WhatAreHumanRights.aspx>

² Guiding Principles on Business and Human Rights: Implementing the United Nations 'Protect, Respect and Remedy' Framework. a) United Nations General Assembly Agenda Item 3, Report of the UN Special Representative on the issue of human rights (document ref. A/HRC/17/31, March 2011): www.ohchr.org/documents/issues/business/A.HRC.17.31.pdf; and b) UN Office of the High Commissioner for Human Rights (2012). Publication ref. HR/PUB/11/04, January 2012: www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf

³ For information about the concept of the value chain, see Porter, M. E. The Competitive Advantage: Creating and Sustaining Superior Performance. NY: Free Press, 1985; and Harvard Business School (website) The value chain: <https://www.isc.hbs.edu/strategy/business-strategy/Pages/the-value-chain.aspx>

Figure 1: Example of a human rights due diligence process

**Box 2: Human rights risks and impacts**

The UNGPs call for companies to address their actual and potential adverse impacts on human rights.

In this document, a 'human rights risk' means a potential adverse impact on people, not on a company. The terms 'human rights risk' and 'potential human rights impact' are therefore interchangeable.

Human rights risks may be evaluated through a wide range of international standards. Companies may consider in their due diligence whether identified social, environmental, labour rights, bribery and corruption or other types of impacts could also impact human rights. For example, if the activities of an oil and gas company disrupt a local community's access to water and cause social and environmental impacts, these could in turn impact human rights.

Companies may find it helpful to use criteria to help them judge whether an identified environmental or social impact is serious enough to impact human rights. Examples of criteria could include severity and duration.

Box 3: Supply chain versus value chain

UNGP's Principles 17 and 13 commentaries use the term 'value chain' but do not provide a definition. The footnote link provides an explanation. For the purposes of this guidance, the term 'value chain' broadens the term 'supply chain' to include value-adding activities such as sales and marketing, warranty provision, customer service, and supporting activities such as procurement, technology development, human resource management, and infrastructure. Companies choose which term they prefer to use and whether their HRDD processes encompass traditional supply chain activities, or the broader value chain.

Section 1

What is human rights due diligence?

Figure 2: Stages of the business lifecycle that are relevant for human rights due diligence



There is no 'one-size-fits-all' approach to HRDD. This is because human rights: (i) cut across different phases of the oil and gas project life cycle; (ii) cut across all core business activities; (iii) are associated with a range of business relationships; and (iv) are managed across company functions, roles and responsibilities. For examples of potential human rights considerations for different oil and gas activities see Box 4.

A company may conduct a human rights assessment as part of the environmental, social and health impact assessments (ESHIA) process or separately, to assess risks to and impacts on people's rights as a result of the company's operations, value chains and other business relationships. Such assessments are distinct from traditional business risk assessment, which focuses on risks to the company or to a project's success. Human rights risks and impacts can, however, pose business risks. Companies may therefore find it valuable to link the processes.

Oil and gas companies have developed and used a variety of tools and processes that have enhanced the industry's HRDD capabilities (see Figure 3 for examples of tools used to understand human rights risks and impacts). Companies can select and create HRDD processes based on what is relevant to their business activities and meets their needs. Taken together, these processes provide a comprehensive approach to HRDD.

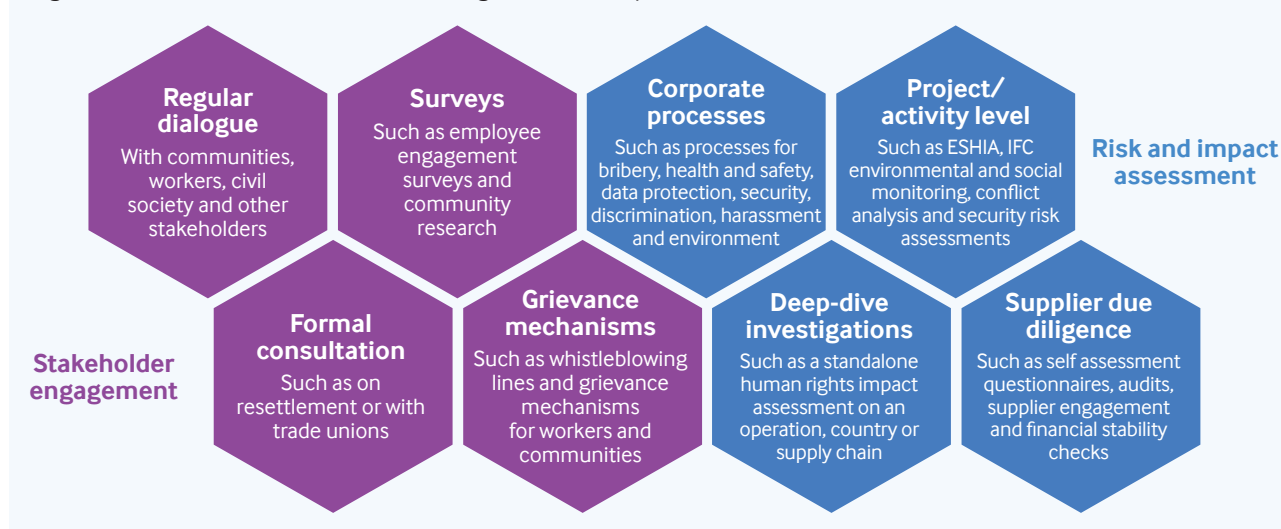
In addition, IPIECA provides a forum for the constructive exchange of technical ideas and expertise between practitioners from IPIECA member companies and external experts, which enables HRDD processes and practices to be continuously improved.

Box 4: Examples of human rights considerations

Human rights considerations for different oil and gas activities vary greatly. This list includes some possible examples:

- Right to life
- Right to healthy and safe working conditions
- Freedom of association and collective bargaining
- Right to just and favourable conditions of work
- Right to clean drinking water and sanitation
- Rights of Indigenous Peoples
- Right to an adequate standard of living
- Right to security of person
- Right to health

Figure 3: Tools used to understand human rights risk and impacts



DEVELOP MEANINGFUL STAKEHOLDER ENGAGEMENT THROUGHOUT

The UNGPs call for the HRDD process to include 'meaningful consultation with potentially affected groups and other relevant stakeholders'⁴. However, the UNGPs recognise that this can be challenging and that companies may need to refer to representatives or credible, independent experts, including human rights defenders, where direct engagement is not possible.

Meaningful stakeholder engagement for HRDD purposes, viewed through a human rights lens, is about understanding the concerns of people whose rights are potentially impacted by company activities, together with effective engagement through regular dialogue. This lens sees potentially impacted people as part of the dialogue and not simply as the recipients of decisions. Some affected people prefer to be known as rights holders in the engagement process. See Box 5 for an explanation of rights holders in the UNGPs.

Box 5: Rights holders in the UNGPs

The commentary on Principle 17 points out that: 'Human rights due diligence can be included within broader enterprise risk management systems, provided that it goes beyond simply identifying and managing material risks to itself, to include risks to rights holders.'

Article 1 of the Universal Declaration of Human Rights states that all human beings are born with rights. People affected by government or company activities are therefore rights holders and should be treated as participants in dialogue about change that may affect them (such as the development of a new industrial plant). They may claim the rights enshrined in the Universal Declaration of Human Rights, other international human rights instruments and applicable national laws.

Some stakeholders prefer to be called rights holders, because they believe the term emphasises that they have clear rights that go beyond engagement and extend to participation in decisions about their future.

Getting meaningful stakeholder engagement right:

- provides an avenue for people to participate in regular dialogue;
- includes their perspectives in the decision-making process;
- demonstrates respect for local and Indigenous cultures and customs;
- enables companies to identify adverse impacts and affected groups that may otherwise be missed;
- supports the development of effective mitigation strategies;
- builds and strengthens trust and relationships by providing a platform for managing concerns and disputes;
- supports a continuous and proactive process of identifying and assessing issues;
- provides early warning of emerging issues and flags opportunities for positive actions;
- enables resolution of issues in a collaborative and mutually beneficial way; and
- establishes corporate actors as more trusted partners in local and national development.

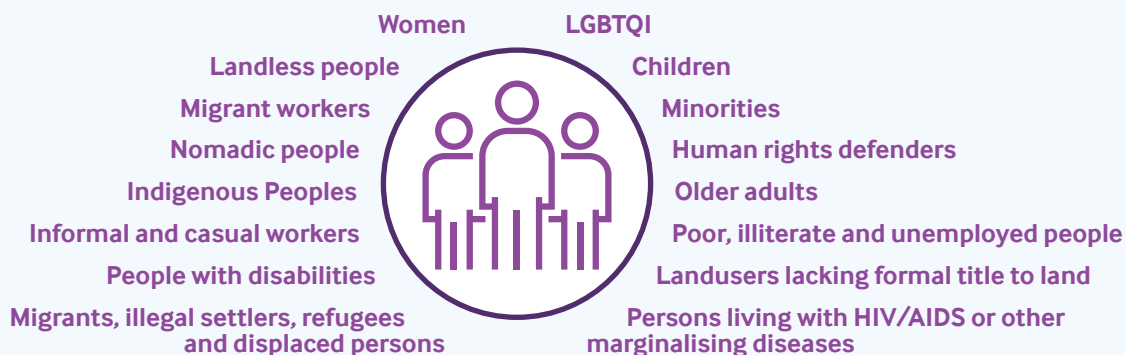
If affected groups include vulnerable people, this may influence both engagement and human rights impact mitigations. In the UNGPs, the commentaries of Principles 12 and 18 state that companies should consider the situation and needs of individuals belonging to specific groups or populations that require particular attention. The commentaries give examples of such groups: Indigenous Peoples, women, minorities (national, ethnic, religious, linguistic), children, persons with disabilities, and migrants and their families. Some people may be in several categories of vulnerability or experience discrimination in multiple ways (see Figure 4 for examples of possible vulnerable groups).

When planning engagement companies may consider how to decide whether people affected by their activities may be vulnerable, and whether any vulnerabilities could influence the design of impact mitigations⁵. Box 6 sets out examples of some possible questions that companies could use to help them understand potential vulnerabilities.

⁴ UNGPs Principle 18: https://www.ohchr.org/documents/publications/guidingprinciplesbusinesshr_en.pdf

⁵ Page 11 of the interpretive guide on the corporate responsibility to respect human rights, published by the Office of the UN High Commissioner for Human Rights, provides further information about vulnerability: https://www.ohchr.org/documents/publications/hr.pub.12.2_en.pdf

Figure 4: Non-exhaustive list of groups that may be vulnerable in particular contexts

**Box 6: Questions for vulnerable groups**

Identifying and engaging with vulnerable individuals and groups are essential activities for respecting human rights. Steps should be taken to:

1. Understand people's lives to build insight into how business activities and relationships might be more likely to affect them due to their particular vulnerability. Questions to ask might be:
 - What are their experiences of day to day life?
 - What are their existing concerns and daily challenges?
 - How might their vulnerabilities reduce their ability to recover from adverse impacts?
2. Understand power dynamics. Questions to ask might be:
 - Who has power within and over the group?
 - How does power manifest?
 - Whose voices may not be heard because certain groups dominate?
3. Identify existing and trusted communications channels. Questions to ask might be:
 - How do they get their information?
 - Where would they go if they had a question, problem or concern related to the company's activities?
 - Who speaks on their behalf?
4. Check awareness and trust of grievance mechanisms. Questions to ask might be:
 - Are they aware of any existing grievance mechanism and would they use it if there was an issue?
 - What if it was regarding a sensitive topic (e.g. sexual harassment or discrimination against LGBTQI people)?

Human rights defenders

A human rights defender is any individual or group who in a personal or professional capacity strives to protect human rights at a local, national, regional and/or international level. This may include trade union organizers, human rights campaigners and labour rights advocates. They can also be Indigenous leaders or community members who are defending their traditional lands against potential and actual impacts caused by or connected to the activities of state actors, companies, and other parties.

Human rights defenders can bring attention to business-related potential and actual impacts on human rights. Their actions can put them at heightened risk of vulnerability or marginalization, for example retaliatory actions such as arbitrary detention or arrest.

The role of business is to respect the human rights of defenders and use leverage as appropriate, so that they are not put at additional risk as a consequence of the company's activities or business relationships.

CASE STUDY**Example of a company's commentary on human rights defenders**

In its 2019 statement on Human Rights Defenders, Chevron stated that it 'will not tolerate or contribute to physical threats, intimidation or violence against human rights defenders lawfully exercising legitimate rights. In the event of unlawful or violent protests, Chevron recognizes, as a member of the *Voluntary Principles on Security and Human Rights*, the principle that security may use force "only when strictly necessary and to an extent proportional to the threat" and not violate the rights of individuals exercising their legitimate rights.'

Why is human rights due diligence important for the oil and gas sector?



Why is human rights due diligence important for the oil and gas sector?

The business case for HRDD is straightforward: if a company does not adequately understand and address the potential and actual human rights impacts associated with its operations, value chains and other business relationships, then there may be significant adverse consequences for people and for the company.

Consequences to people could include loss of land, labour rights infringements and deterioration in health, wealth and freedom of speech. Consequences to companies may include reputational, operational, financial and legal implications as outlined below. By respecting the rights of individuals, companies provide a foundation for safe, productive and quality work environments. See Figure 5 for an illustration of the business benefits of addressing human rights.

HRDD can also enable a company to play a transformative role in the societies in which it operates. By both addressing negative human rights impacts and enhancing positive ones, companies can help to advance the aims of the UN Sustainable Development Goals (SDGs) (see Box 7). This can be especially important for oil and gas companies operating in countries over several decades, and where local conditions and circumstances can change.

Box 7: SDGs and human rights

The SDGs are grounded in the international human rights agenda, putting equality and non-discrimination at their centre, with a promise to 'leave no one behind'.

The United Nations Development Programme stated that 'Over 90% of the goals and targets of the SDGs correspond to human rights obligations'. Consequently, it is not possible to fulfil the ambition of 'Agenda 2030' without addressing adverse human rights impacts. For more information, see the UN resources: <https://uhri.ohchr.org/en/SDGS>

Source: *Human rights and the SDGs - two sides of the same coin* <https://www.undp.org/content/undp/en/home/blog/2019/human-rights-and-the-sdgs---two-sides-of-the-same-coin.html>

Figure 5: Adapted from the WBCSD CEO Guide to Human Rights⁶



⁶ WBCSD CEO Guide to Human Rights: <https://www.wbcd.org/Programs/People/Social-Impact/Human-Rights/Resources/CEO-Guide-to-Human-Rights>

Section 2

Why is human rights due diligence important for the oil and gas sector?



Business drivers for implementing HRDD processes include:

Seizing opportunities

- Improving relationships with stakeholders through ongoing engagement and dialogue about project issues and other concerns.
- Working with local and Indigenous communities, to understand and consider integrating their knowledge into ongoing project operations.
- Providing a safe and secure operating environment in which communities, workers and companies can thrive in a relationship of mutual respect.
- Attracting, retaining and engaging valuable talent, including people who want to work with companies committed to understanding and addressing their impacts.
- Maintaining and growing investor confidence.
- Responding to or aligning with an increasing number of statutes, regulations, and reporting standards (voluntary or otherwise).

Addressing risks to people and the company

- Identifying and managing potential impacts on communities, employees and workers in supply and value chains.
- Meeting the requirements of financial institutions which build human rights, including HRDD, into their lending conditions⁷.
- Mitigating the growing risk of potential corporate litigation, activist campaigning and collective action in response to alleged human rights abuses.
- Avoiding potential reputational and financial impacts.
- Avoiding the loss of 'employer of choice' status among existing and prospective employees.

At site level, if risks to and impacts on human rights are not actively managed, they can have tangible consequences in the form of budget overruns, start-up delays or production constraints, as well as potentially affecting the company's reputation and relationships. Events or consequences that can result from human rights impacts, and which give rise to business risk, include:

- local community opposition such as protests or blockades, particularly of supplies essential to a project (e.g. water);
- community lobbying of local or national authorities to refuse or rescind permits;
- unforeseen claims for compensation;
- legal cases with punitive enforcement measures; and
- safety incidents, sabotage, go-slows and strikes.

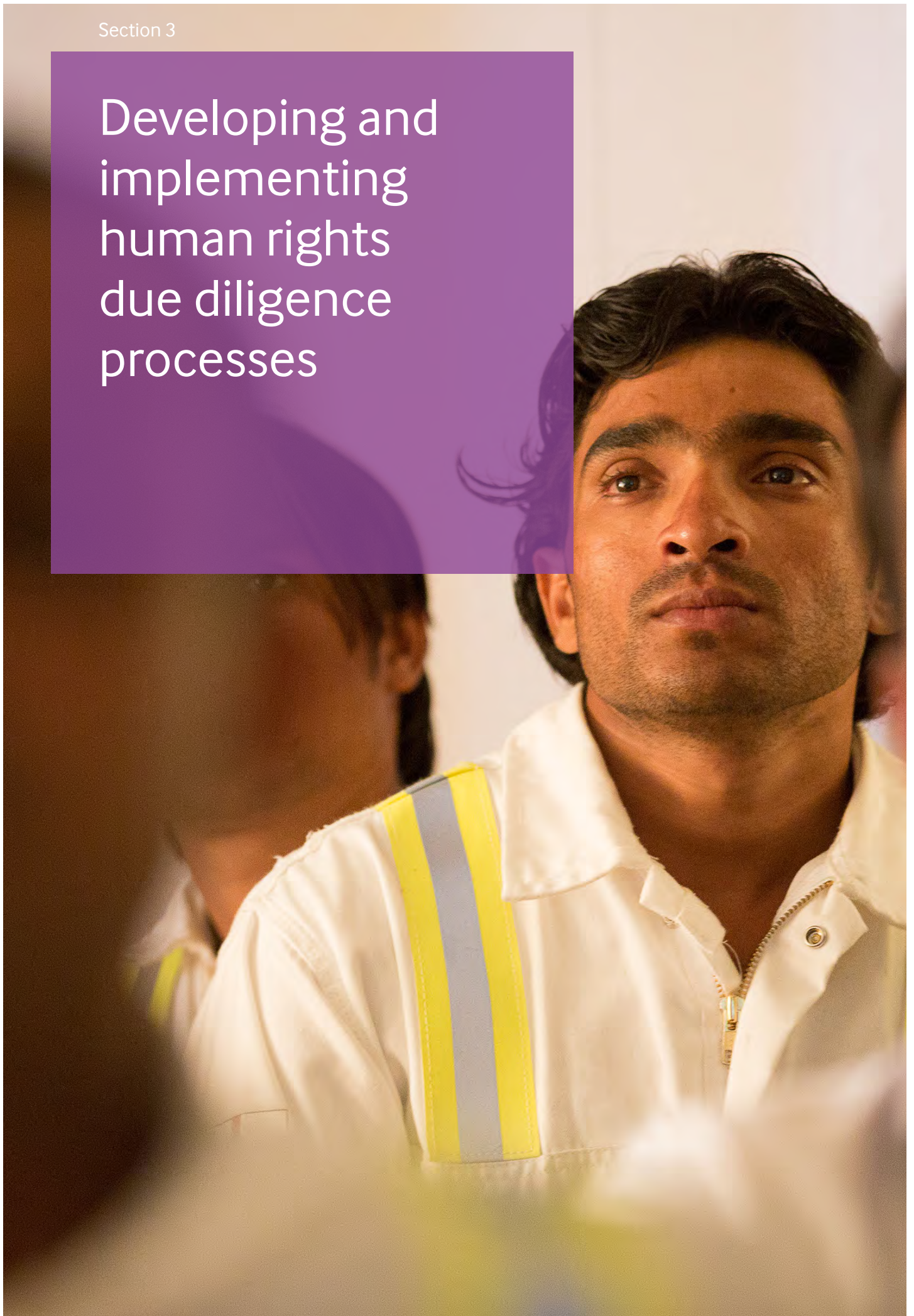
'Failure to conduct proper human rights due diligence can impose significant costs on companies and, as a result, on their investors. Meaningful and ongoing human rights due diligence can help protect companies against costly litigation processes and settlements, high employee turnover rates, consumer boycotts, and other business risks.'

Statement released by 71 investors through The Investor Alliance for Human Rights, 2019

Source: The Investor Case for Mandatory Due Diligence: <https://www.business-humanrights.org/sites/default/files/documents/the%20investor%20case%20for%20mhrdd%20-%20final%20for%2011.25%20launch.pdf>

⁷ See 2019 changes to the Equator Principles for examples: <https://www.globalelr.com/2019/12/equator-principles-association-adopts-equator-principles-4/>

Developing and implementing human rights due diligence processes



Developing and implementing human rights due diligence processes

1. ASSESS HUMAN RIGHTS RISKS AND IMPACTS FROM OPERATIONS, VALUE CHAINS AND BUSINESS RELATIONSHIPS

The first step in HRDD is to identify and assess risks and impacts to human rights from the company's operations, supply or value chains and other business relationships, including decommissioning and divestment. This involves viewing the company's activities through a human rights 'lens'.

Human rights assessments can take a range of forms, depending on the project stage or activity, from desktop research looking at news articles, to hazard analysis, to formal human rights impact assessments (HRIAs)⁸. Many companies now integrate human rights into their ESHIAs⁹ and the associated management systems. Box 8 provides examples of potential sources of information to inform human rights assessments.

Companies may also conduct a group-wide assessment of a specific issue, such as modern slavery; a site-level assessment of an aspect, such as security arrangements; or an in-depth assessment of all potential human rights impacts for a particular country, project or activity.

To meet the expectations of the UNGPs, all assessments should involve engagement with potentially affected individuals and groups, whether at corporate or project level. Section 3.4 of this guidance provides more detail on communicating impacts externally, particularly when concerns are raised by or on behalf of affected stakeholders.

As part of creating a rigorous process to record actions and aid external reporting, companies may find it useful to produce a list of their activities, potential impacts, relevant human rights and potentially affected people.

Table 1 provides a simplified example that companies can customise and build on. For example, a more complex database could contain additional information, such as proposed actions to prevent, minimise, mitigate and where necessary remediate. The checklist in Section 6

includes further examples, including various processes, programmes and tools that a company may use to address human rights risks and impacts. Companies could also opt to include the risks to the company if identified human rights impacts are not addressed.

Box 8: Potential sources of information to inform human rights assessments

- Country reports on human rights (e.g. those published by US Department of State, Office of the High Commissioner of Human Rights, Human Rights Watch and Amnesty International)
- Issue and sector reports (e.g. Global Slavery Index, US Department of Labor or State reports on Forced Labor and Child Labor, UNICEF reports on children's rights, Transparency International, World Press Freedom Index, UN Human Development reports)
- Government or local government reports to understand baseline information (e.g. on demographics, health, education)
- Other relevant assessments (e.g. ESHIA, conflict assessment, security risk assessment, employee surveys)
- News articles, media and social media coverage (e.g. the Business and Human Rights Resource Centre)
- Direct engagement with potentially affected groups (e.g. employees, local communities, suppliers, subcontracted workforces and subsets of these such as women, people with disabilities, etc)
- Engagement with representatives of potentially affected groups (e.g. trade unions, non-governmental organisations (NGOs), international NGOs, community-based organisations, industry bodies, local/regional/national governments)
- Engagement with internal experts, industry associations, peer companies or others undertaking similar activities or in the same geographies
- Feedback from grievance mechanisms

⁸ For example of what an HRIA may include, see Danish Institute of Human Rights (2016) Human Rights Impact Assessment, Guidance and Toolbox. https://www.humanrights.dk/sites/humanrights.dk/files/media/dokumenter/business/hria_toolbox/introduction/welcome_and_introduction_final_may2016.pdf_223791_1_1.pdf

⁹ IPIECA and the Danish Institute for Human Rights (2013) *Integrating human rights into environmental, social and health impact assessments. A practical guide for the oil and gas industry*. The guidance describes the relevance of human rights to the industry and includes detailed tables that companies can customise to create their human rights assessments. <http://www.ipieca.org/resources/good-practice/integrating-human-rights-into-environmental-social-and-health-impact-assessments-a-practical-guide-for-the-oil-and-gas-industry/>

Table 1: Examples of potential oil and gas company activities and their connection to potential human rights impacts

Oil and gas company activity	Example of a potential impact	Potential human rights impacted	Potentially affected group(s)
Use of local water source	Reduction in access to safe drinking water	Right to health	Local community members, especially children, nursing mothers and those with underlying health conditions
Access to land used by local residents, including Indigenous Peoples where present	Location of a well pad on a site of significant ceremonial importance for Indigenous Peoples	Right to participate in the cultural life of the community	Local community members, including Indigenous Peoples
	Land can no longer be used by children to access school	Right to education	Children
Employment of migrant workers by contractor	Migrant workers have taken loans to obtain employment, leading to indebtedness.	Right to just and favourable working conditions	Migrant workers and their families
	Employer confiscates their passports	Right to freedom of movement	
Use of private contractors to maintain site security	Contracted security guards injure local protesters who gather peacefully outside a site	Right to life, liberty and security of person	Local community members
		Right to peaceful assembly	
Purchase of equipment	Equipment supplier treats its employees poorly, through underpayment of wages and excessive working hours	Right to just and favourable working conditions	Workers in the supply chain
Sale of ships to shipbreaking companies	Shipbreaking done by workers in conditions of poor health and safety	Rights to just and favourable working conditions	Shipbreaking workers, their local communities and families
		Right to life	
		Right to health	

A company may also choose to develop standalone human rights risk registers on specific topics, for example the supply chain, using specialised resources such as the IPIECA *Company and supply chain labour rights guidance and tools*¹⁰. Such registers can be used to monitor and track the nature of the human rights risks, the implementation of mitigation measures and the effectiveness of those measures.

As operating contexts change and projects evolve, so too do human rights risks, meaning that previously effective mitigations may need to be reassessed. Like health and safety processes, the HRDD process should therefore be continuous and not a one-off event. This may involve monitoring the operating context for changes, regular engagement with potentially affected groups and having systems in place to review and update assessments. Cross-functional engagement plays an important role in providing updates on changing risks.

Effective community and worker grievance mechanisms can also serve as continuous feedback loops to identify potential and actual human rights impacts. A subsequent section of this document provides more detail on this topic.

Box 9: A note on national oil companies

As state-owned entities, national oil companies (NOCs) may have duties to protect human rights, alongside the corporate responsibility to respect human rights.

Close alignment with state policy goals can both provide opportunities to protect human rights and also present additional risks when there is not a clear separation of state and commercial activities.

For other oil and gas companies working in joint ventures with NOCs, there may be additional aspects of contextual risk to consider in HRDD processes.

¹⁰ <http://www.ipieca.org/resources/good-practice/company-and-supply-chain-labour-rights-guidance/>

CASE STUDIES

Examples of different types of human rights assessment

bp: topic-specific assessments

bp commissioned independent assessments of labour conditions in its contractor workforce in Oman, where they worked with contractors that employ migrant workers. The assessments, which included terms of recruitment and employment, identified issues related to working practices, passport retention, recruitment fees and worker grievance mechanisms.

Eni: a supplier-specific assessment

Eni conducted a human rights assessment on a supplier in Africa. The supplier was identified by considering country risk and sector risk, based on workers' rights risk exposure. Both the assessment and the areas covered were based on the SA8000 Standard. The assessment was carried out with the aim of understanding the supplier's strengths and weaknesses on issues of social responsibility, particularly on workers' rights, and increasing awareness of these issues.

Total: a dedicated HRIA

A Total affiliate conducted a dedicated HRIA with the Danish Institute for Human Rights in Papua New Guinea with a focus on gender, security and conflict. The key finding was: 'Work with public security forces towards Voluntary Principles on Security and Human Rights training and ensure security risks assessment.'

Understanding salience

The concept of 'salience' may be considered when implementing HRDD. The UNGPs *Interpretive Guide* states that companies need to 'know which human rights the enterprise is most likely to have an impact on – that is, which rights are the most salient to its operations – while also ensuring that these do not become its exclusive focus'.¹¹ The SHIFT *UNGPs Reporting Framework* states that a company's salient human rights are 'the human rights at risk of the most severe negative impact through the company's activities and business relationships'.¹²

Salient human rights may vary in different businesses and locations, and they may arise along with potential environmental, socio-economic and security impacts. As an example, the salient, and therefore the most relevant, human rights risks for a new development on land used by a community for farming and water supplies may include rights associated with community livelihoods and the right to water and sanitation.

Identifying the salient, or most relevant, human rights risks through the HRDD process indicates which human rights risks should be prioritised for severity assessment. This can help businesses fulfil the UNGPs expectation that while all adverse human rights impacts are important '.... in the absence of specific legal guidance, if prioritization is necessary business enterprises should begin with those human rights impacts that would be most severe or where delayed response would make them irremediable'¹³.



¹¹ For further information on salience, please see *The Corporate Responsibility to Respect Human Rights, An Interpretive Guide*: https://www.ohchr.org/documents/publications/hr.pub.12.2_en.pdf

¹² See page 48 of the UN Guiding Principles Reporting Framework (with implementation guidance): https://www.ungpreporting.org/wp-content/uploads/UNGPRreportingFramework_withguidance2017.pdf

¹³ UNGPs Principle 24, commentary: https://www.ohchr.org/documents/publications/guidingprinciplesbusinesshr_en.pdf

Assessing severity

Assessing severity of impacts can be challenging and take considerable resources. The UNGPs state that: ‘Severity of impacts will be judged by their scale, scope and irremediable character’¹⁴. The UNGPs themselves do not go into more detail, but the Interpretive Guide to the UNGPs provides further information.¹⁵ Figure 6 illustrates the concept of severity in human rights impacts.

Companies may therefore wish to consider these three factors to help them determine the severity of a potential human rights impact. Companies could decide their own definitions of these terms when carrying out HRDD. As an example, ‘scale’ could explain the seriousness of the harm to someone’s enjoyment of specific human rights; ‘scope’ could explain how many people are affected; and ‘irremediability’ could explain any limitations on whether the harm could be put right if it occurs. Box 10 provides possible questions to help with investigating severity; companies can use and adapt these to suit the circumstances.

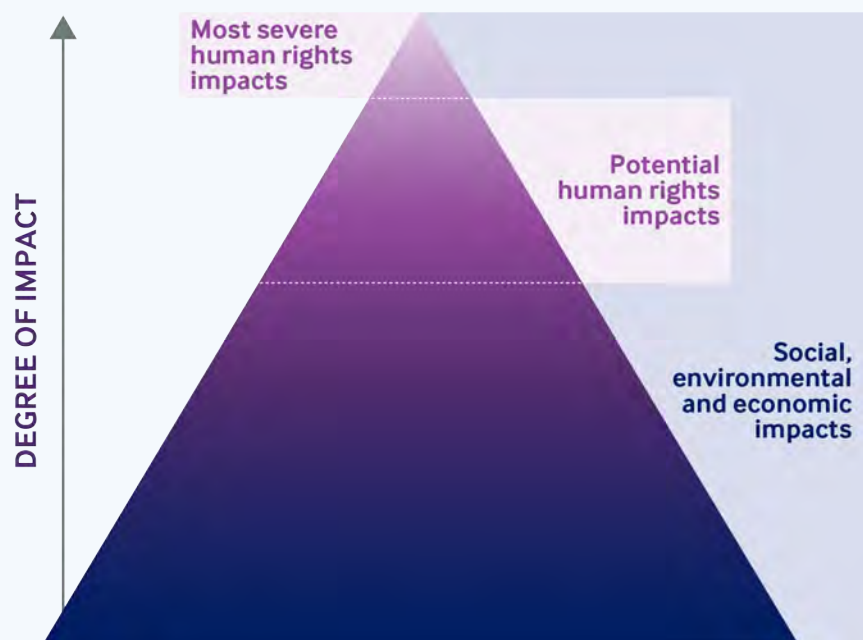
Severity could be assessed at corporate or project level, and as part of an impact assessment or as a response to an emerging incident.

Box 10: Assessing severity

Companies may consider the following to help them determine answers to the severity questions:

- **Vulnerability** of the individual(s) or group impacted, e.g. due to age, gender, minority status, economic status, education status, ethnic background or level of societal discrimination.
- **Magnitude of impacts** (‘scope’ and ‘scale’):
 - Duration of impact – temporary, short or long term or permanent
 - Frequency of impact/likelihood – constant, often, occasional, rare, one off
 - Small, medium or large number of people affected; proportion of a particular group affected
 - Geographical scope – local, regional, international
 - Nature of the change – what is impacted and how badly (e.g., % of normal household income lost)
- **Changes to the lives** of (potentially) affected groups and individuals, including potential cumulative impacts on their lives and livelihoods – this can be determined through meaningful engagement with affected groups and their representatives.
- **‘Irremediability’**: The difficulty with which those impacted can be restored to their prior enjoyment of rights.

Figure 6: Severity in human rights impacts



¹⁴ UNGPs Principle 14, commentary: https://www.ohchr.org/documents/publications/guidingprinciplesbusinessshr_en.pdf

¹⁵ Please see page 20 of The Corporate Responsibility to respect human rights: An interpretive guide: https://www.ohchr.org/documents/publications/hr.pub.12.2_en.pdf

CASE STUDY

Using a human rights lens to inform a project's early stages

In La Guajira, Colombia, Repsol carried out an impact assessment with a participatory approach, including respect for local culture. The methodology was presented in advance to the traditional authorities (the Wayuu ethnic group) and interviews ensured the active participation of local communities throughout the process. The outcomes of the study were shared with communities at mass meetings in the local language (Wayunikki), singling out aspects in relation to territoriality, loss of young people's identity, employment rights, economic rights, women's rights and environmental rights.

The major impact identified, however, was the protection of sacred spaces and the cultural impact, where no mitigating measures were possible. As a result of the findings, the company took the decision to discontinue its operations in this block. Repsol's approach to integrating a human rights lens at the earliest stage of the project enabled meaningful participation by the Wayuu community that fed directly into corporate decision-making.

2. INTEGRATE THE FINDINGS FROM ASSESSING IMPACTS ACROSS INTERNAL FUNCTIONS AND TAKE APPROPRIATE ACTION

The UNGPs call on companies to take appropriate actions in response to the risks and impacts they identify: 'Potential impacts should be addressed through prevention or mitigation, while actual impacts – those that have already occurred – should be a subject for remediation'.¹⁶ See Box 11 for an explanation of cause, contribution and linkage.

For potential impacts, the company can take one or more of the following actions:

- Avoid entirely by removing the source of the potential impact.
- Mitigate by reducing the severity of the impact if it were to occur.
- Mitigate by reducing the likelihood of the impact occurring.

To address risks and impacts, it is important to understand their root causes. Companies should try to avoid exacerbating existing problems or creating unintended consequences. The human rights assessment, combined with meaningful engagement with those (potentially) affected, may help to avoid this.

Where root causes are structural (e.g. poverty, corruption), the company might not be able to address and manage the human rights risks by itself. In such situations, engagement with institutional stakeholders and communities/representatives of civil society organizations (and if possible, also with those potentially affected) may help to improve outcomes.

Box 11: Cause, contribution and linkage

Principle 13 of the UNGPs expects a company to:

- avoid causing or contributing to adverse human rights impacts through its own activities, and address such impacts when they occur; and
- seek to prevent or mitigate adverse human rights impacts that are directly linked to its operations, products or services by their business relationships.

Principle 19 and its commentary provide further guidance for situations where others are causing the impact, but the impacts are still linked to the company.

In deciding whether a company has caused, contributed or is directly linked to a human rights impact, factors to consider include:

- Whether the company is directly and solely responsible for that impact.
- Extent to which the company enabled, encouraged, or motivated human rights harm by another.
- Extent to which it could or should have known about such harm.
- Quality of any mitigating steps it has taken to address or prevent the harm.
- Companies should consider how to use their leverage to mitigate the risk of an impact where other actors are involved.

UNGP's Principle 13 and 19: https://www.ohchr.org/documents/publications/guidingprinciplesbusinesshr_en.pdf

¹⁶ Commentary to UNGPs Principle 17: https://www.ohchr.org/documents/publications/guidingprinciplesbusinesshr_en.pdf

Root cause analysis may include:

- Understanding existing legal and regulatory frameworks.
- Mapping key stakeholder relationships and power dynamics.
- Assessing the vulnerability of (potentially) affected groups.
- Analysis of capacity and willingness of different actors to address problems.
- Addressing any lack of oversight/auditing.
- Analysis of underlying corporate assumptions that led to a particular approach.

CASE STUDY

Incorporating labour rights into supplier due diligence

A large oil and gas company had processes in place at the supplier pre-qualification stage to manage safety and integrity issues but lacked measures to tackle labour rights. To address this gap, the company developed a set of labour rights expectations for its suppliers. However, with around 30,000 suppliers the company needed to focus its due diligence on the suppliers where the risks of non-compliance were greatest.

Working with external specialists, the company developed an assessment method that identified both the countries and types of jobs at highest risk of labour rights violations. Using this information, the company was able to implement additional due diligence on the suppliers assessed as high risk both for job type and country. Prior to onboarding, suppliers had to answer a set of questions about their policies and systems for managing labour rights amongst their workforce and, if gaps were found, develop plans to correct them. Following the assessment, suppliers were approved for three years, with re-evaluations required after that for contract extensions or new work orders.

The risk-based approach provided a cost-effective way to assess labour rights risk in the company's extensive supply chain. Relying on independent, industry-leading data to identify labour risk at the country level was very important for securing both internal and external buy-in that the assessment criteria were robust.

There will be some steps that companies may take unilaterally by integrating actions into environmental or social management plans, corrective action plans, training, capacity building and data collection practices. Other steps can be taken in conjunction with a third party, such as the state, business partners, worker representatives, local NGOs or community partners.

Examples of the types of mitigation actions companies could consider include:

1. Redesigning project plans and adjusting work scope to factor in human rights, e.g. during the front-end engineering design.
2. Ensuring sufficient internal resources with the right capacity and decision-making frameworks, providing training for teams and taking a cross-functional approach, e.g. enabling community liaison officers to report to decision-makers at country level and empowering them to address issues quickly.¹⁷
3. Reducing the vulnerability of (potentially) affected groups, e.g. informing workers of their rights in a language or form of communication they will understand.
4. Strengthening the capacity of affected groups to address issues and empowering them to claim their rights. Examples are training community members to participate effectively in consultations, including through capacity building; or providing a resource (from the company or external) to provide advice on the ground.
5. Supporting a contractor to improve its practices.
6. Implementing improved behavioural practices, e.g. using a similar tool to the 'stop work authority' that is often used in safety practices so that if employees recognises the risk of a severe human rights impact occurring, they have the authority (and obligation) to prevent it.

After steps have been taken to address the most severe human rights impacts and risks, the company can then re-prioritise the remaining human rights risks, by looking again at severity and likelihood. It can then move on to addressing the next most severe risks.

When adverse impacts occur despite all efforts to prevent them, and the company identifies that it caused or contributed to those adverse impacts, then there is a need to provide for or co-operate in remediation.

¹⁷ Community liaison officers team building and management guidance: <http://www.ipieca.org/resources/good-practice/community-liaison-officers-team-building-and-management-guidance/>

CASE STUDY

Addressing road safety

Shell identified road safety as an important human rights risk, impacting their own workforce and the communities in which they operate. As a result, the company has sought to establish national programmes and to join an international programme to address and prevent road safety. For example, Shell established road safety programmes in some of their country operations, including Malaysia, India and Scotland. Shell also joined the Global Road Safety Partnership, where businesses, governments and development agencies work together to prevent road deaths and reduce injuries around the world. For more information, see <https://www.shell.com/sustainability/safety/transport-safety/community-road-safety.html>

Leverage

Companies may find that they do not have direct control over the steps needed to address a human rights risk or impact: for example, if the issue is occurring down the supply chain or due to the actions of third parties. In these instances, the UNGPs call for companies to use and try to increase any leverage that they have with the entity causing the human rights impact. Leverage may take different forms, depending on the situation and what the company deems appropriate. Where business partners are concerned, it may be possible to include provisions in agreements with the partners about the implementation of HRDD. If the company has limited leverage over the entity causing a human rights impact, then it may seek to increase its leverage, such as by working with others. For example, if the goal is to improve the practices of a supplier, then a company's efforts may involve working with other clients of that supplier to raise standards, offering technical expertise to help a supplier embed better systems or incentivizing change through preferential treatment, such as shorter payment terms.

CASE STUDY

Enhancing leverage through a Joint Industry Platform to improve supply chain engagement

In 2018 bp, Equinor, Shell and Total joined forces to create a collaborative approach to human rights supplier assessments. They extended an open invitation to other companies to join them. The initiative has created an industry framework for human rights supplier assessments, based on a tool developed by IPIECA. Results of conducted assessments will be shared with the participating companies through an independent third party. The framework will make it easier and more efficient for suppliers to demonstrate how they respect human rights and care for their people. The sharing mechanism across the participating parties aims to support the improvement of working conditions in the companies' supply chains. The initiative does not include collaboration on selection of suppliers, which continues to remain the independent decision of each participant. For further information, visit <https://epim.no/huri/>.

CASE STUDY

Integrating actions to improve labour conditions among contractors

bp commissioned independent assessments of labour conditions in its contractor workforce in Oman, where there is a significant migrant worker population. The assessments, which included terms of recruitment and employment, identified issues related to working practices, passport retention, recruitment fees and worker grievance mechanisms. The corrective actions that followed the assessment included:

- Developing action plans to reduce the risk of modern slavery on site and in bp supply chains.
- Putting in place policies that prohibit forced labour, including specifically in relation to recruitment fees and restrictions on workers' freedom of movement.
- Improving the way bp communicates its expectations on labour rights to its contractors, including hosting labour management forums to raise awareness and share good practices.

bp has strengthened its controls through implementing systematic monitoring processes, including checks, site walkovers and worker surveys. The number of workers charged recruitment fees in the last two years when mobilised to site has been significantly reduced. In addition, a contractor self-verification process to assess conformance with bp Oman's worker welfare and human rights policy has been put in place and is regularly reviewed by bp.

3. TRACK PERFORMANCE ON PREVENTING AND MITIGATING ADVERSE IMPACTS

The UNGPs call for companies to track their effectiveness in preventing and mitigating human rights risks and impacts. A company may track its effectiveness through a standalone tool to monitor such issues, or it could integrate the monitoring into existing management systems.

The company may find it beneficial to record its efforts and any lessons learned, so that it can continually improve its processes and assess any new human rights risks and impacts that come to light.

Key performance indicators for HRDD and performance

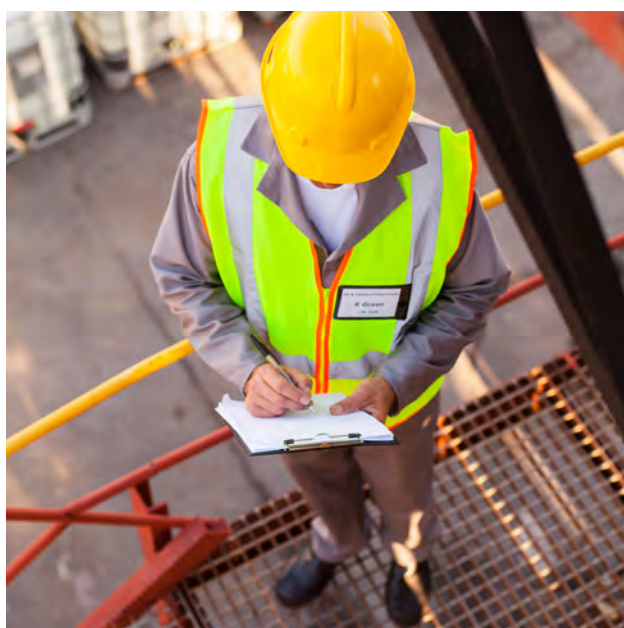
Companies may establish key performance indicators (KPIs) to track the effectiveness of measures to mitigate human rights risks and impacts. Many companies already have KPIs in place for monitoring environmental, safety, health, security or other social performance risk factors, often as part of an integrated risk management approach. Given the potential that human rights risks and impacts may arise along with these risks, the existing KPIs could therefore be included as part of a company's system for monitoring human rights.

KPIs can be leading or lagging and can be used to monitor both large and small-scale behaviour or activities. See Box 12 for an explanation of leading and lagging indicators and Box 13 for example KPIs related to modern

slavery. Leading and lagging indicators should be used in combination to monitor the effectiveness of key controls, with each KPI clearly defined.

Different functions may already collect relevant data, which can feed into assessment of human rights performance. For example, if a project is consistently behind schedule, then this could be a lagging indicator of a performance issue, but it could also potentially be a leading indicator of adverse human rights impacts. For instance, if there is potential for those delivering the work to be under increased pressure to complete work more quickly or at reduced cost, this may lead to impacts such as excessive working hours or decreased attention to worker safety.

Functions collecting potentially relevant data could include, among others, human resources (e.g. employee engagement, number/type of grievances, trade union involvement); occupational health and safety (e.g. accommodation, food, wellbeing, safety training, personal protective equipment); environment (e.g. water use, waste, air quality); local content (e.g. employment and supplier data); security (training and engagements with public or private security); and other functions managing community interactions (e.g. grievance mechanisms, engagements). Human rights and social performance practitioners could also draw on efforts to change corporate safety culture, where the focus has been on making safety everyone's responsibility and on measuring the effectiveness of preventative measures, in addition to tracking incidents.



Box 12: Key performance indicators

KPIs can be leading or lagging:

- **Leading indicators** reflect inputs and processes that are predictive measures of performance and are often (but not always) positive, such as the number of people receiving human rights training.
- **Lagging indicators** record events and outcomes that help to measure progress and provide a retrospective measure of performance. They are often (but not always) negative or undesirable, such as the number of non-compliances found in an audit.
- **Some indicators can be both leading and lagging.** For example, poor water quality is a lagging indicator of environmental impacts but could be a leading indicator of health impacts.

Box 13: Examples of possible KPIs for modern slavery

Leading

- Amount of time behind schedule/cost.
- Percentage of foreign migrants in workforce.
- Percentage of low skilled workforce.
- Percentage of workers recruited through third parties.
- Knowledge and awareness levels of modern slavery and how to respond among key staff and potentially affected workers.

Lagging

- Amount of money returned in recruitment fees to workers.
- Number of suppliers/contractors identified in supply chain management performance checks as having modern slavery present in their business or supply chain.

Figure 7 adapts a safety triangle concept used by safety professionals to classify safety performance. It gives examples of leading and lagging indicators for human rights risks. The list of examples in the triangle are non-exhaustive but illustrative of the type of risk level, from leading (bottom of triangle) to lagging (top of triangle).

Before defining a KPI for HRDD purposes, it is helpful to have a clear objective for the purpose of the data to be collected. For example, a KPI could be developed to:

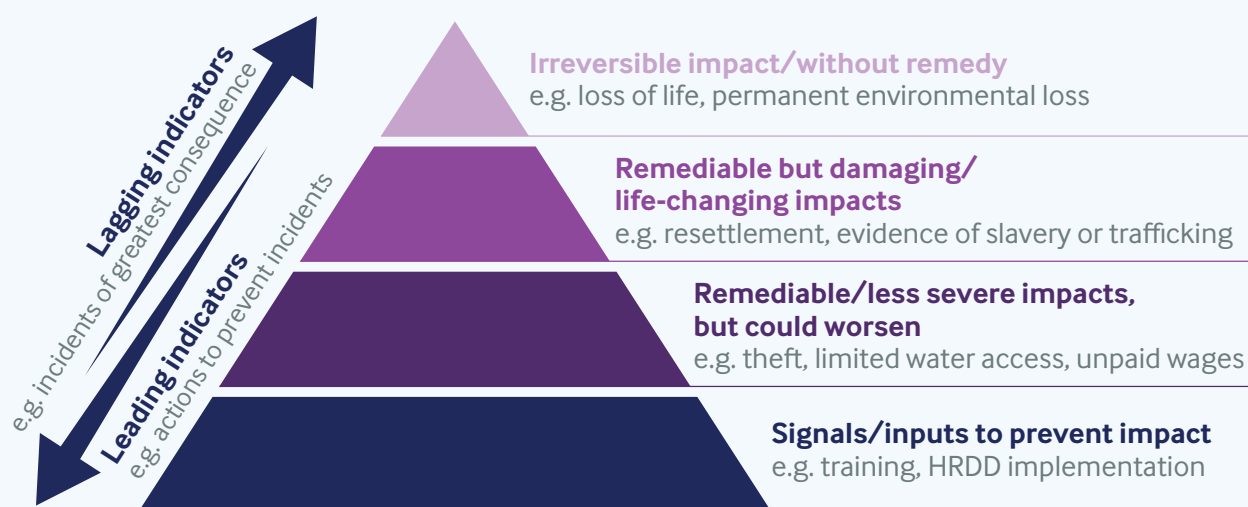
1. Identify, assess and mitigate a risk.
2. Understand performance in controlling a risk.
3. Enable continuous improvement of management system expectations.
4. Assess new measures to address a significant incident/impact.

5. Evaluate actions taken to address recurring issues which could lead to a severe human rights impact.
6. Understand the current status of an issue (baselining).
7. Disclose evidence of progress against an external commitment.

At a corporate level, KPIs can examine the effective implementation of HRDD processes. However, most human rights impacts occur to particular people in particular locations at particular times. Therefore, companies operating in multiple or diverse countries or regions, may consider conducting local human rights assessments to identify the impacts for each operation, and then adopting locally appropriate mitigation measures and KPIs to assess performance.

KPIs may need to be modified or adjusted to reflect localised risks, so that they indicate performance in these locations or operations.

Figure 7: A human rights adaptation of the safety triangle



4. COMMUNICATE HOW IMPACTS ARE ADDRESSED

As part of HRDD, the UNGPs state that ‘to account for how they address their human rights impacts, business enterprises should be prepared to communicate this externally, particularly when concerns are raised by or on behalf of affected stakeholders’¹⁸. The UNGPs also call for businesses whose activities pose risks of severe human rights impacts to report formally on how they address them.

This is the ‘showing’ part of ‘knowing and showing’ respect for human rights, which is central to the UNGPs and provides for transparency. Proactively reporting on challenges may be a way to show maturity of approach to respecting human rights.

Implementing the communications aspects of HRDD, as set out in the UNGPs, can help companies respond to the increasing pressure on businesses to be transparent about their human rights impacts and the steps they are taking to address them. These pressures include the following:

- The global regulatory environment is placing greater legal accountability for human rights performance and disclosure on companies. For example, legislation such as the UK and Australian Modern Slavery Acts, the French Duty of Vigilance Law and the Dutch Child Labour Law require companies to conduct and report on aspects of HRDD.
- Scrutiny of human rights is increasingly a factor in investor decision-making, including a rise in activist investing and examples of major divestment in relation to human rights abuses.
- Business partners are more commonly featuring human rights in commercial contracts and joint venture agreements.
- Investors and civil society are using peer comparison through benchmarking and rating tools.
- Affected stakeholders are working through civil society organisations and NGOs to pressure companies into being more transparent.

Communication is expected at different levels:

- Corporate level for investors, shareholders and other stakeholders.
- Directly to affected groups, including employees and project-affected groups.



IPIECA’s *Sustainability reporting guidance for the oil and gas industry*¹⁹ provides a comprehensive framework to help oil and gas companies report externally on human rights, in alignment with the UNGPs’ expectations of companies. For those interested in a broader, all-industry approach, a large group of investors and Professor John Ruggie, who developed the UNGPs, have endorsed the UN Guiding Principles Reporting Framework²⁰. Reporting can be done in a standalone report, a corporate responsibility or sustainability report, or be integrated into the annual report.

The UNGPs encourage companies to communicate to (potentially) affected groups about the steps taken to prevent, mitigate or remediate impacts on them. When doing so, companies should work to make the communication accessible to these groups by:

1. mapping (potentially) affected groups;
2. understanding how best to engage such groups, e.g. directly or through representatives;

¹⁸ UNGPs Principle 21: https://www.ohchr.org/documents/publications/guidingprinciplesbusinesshr_en.pdf

¹⁹ IPIECA, API and IOGP’s *Sustainability Reporting Guidance*: <http://www.ipieca.org/our-work/sustainability-reporting/sustainability-reporting-guidance/>

²⁰ UN Guiding Principles Reporting Framework (website): <https://www.ungpreporting.org/>

Section 3

Developing and implementing human rights due diligence processes

3. taking into account vulnerabilities, power imbalances and other barriers to engagement, such as a cultural reluctance to speak up or a junior position in the company;
4. taking advice from (potentially) affected groups and third-party experts on how to communicate with the potentially affected groups, listen effectively and provide a safe space for them to speak out;
5. ensuring communication is two-way, i.e. it is based on facilitating engagement and dialogue, rather than only for information provision by the company or only for gathering information from the community;
6. being transparent about the communications process, so that interlocutors know what to expect, together with when and how to expect it;
7. paying attention to language and terminology to avoid misunderstandings in a particular local context;
8. considering potential risks associated with putting human rights information in the public domain, especially where this could put vulnerable groups at risk; and
9. recognising the risks that some individuals or groups may be taking in engaging with the company and consulting with them to understand how best to prevent retaliation (e.g. if they ask for confidentiality or for the company to provide a different pretext for the engagement). This may be particularly important in the case of human rights defenders.

This approach is as relevant to communications within a corporate headquarters, e.g. on employment discrimination, as it is to communications about a project, e.g. on resettlement.



Human rights due diligence within the corporate human rights framework



Human rights due diligence within the corporate human rights framework

HRDD processes both support and are supported by effective grievance mechanisms and remediation where appropriate. As well as a clear company policy or statement on its commitment to respecting human rights. The following sections describe how human rights due diligence can be incorporated into the corporate human rights architecture through:

1. the establishment of grievance mechanisms and remediation of adverse impacts; and
2. commitment to respecting human rights and embedding into policies and management systems.

ESTABLISH GRIEVANCE MECHANISMS AND REMEDY ADVERSE IMPACTS

Grievance mechanisms

Community and worker grievance mechanisms are processes for receiving, investigating, responding to and closing out complaints or grievances from affected communities and workers in a timely, fair and consistent manner. A critical point in the design and implementation of community and/or worker grievance

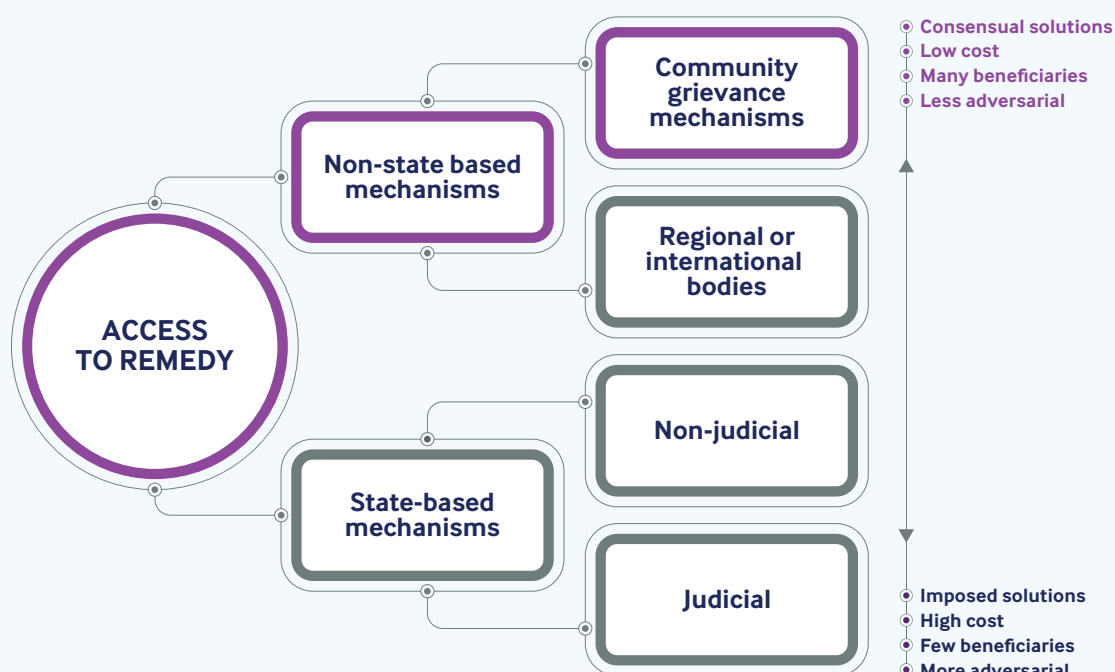
mechanisms is making them accessible (e.g. in terms of language, cost and process), and trusted by all relevant stakeholders, such as local community members, including Indigenous Peoples, women, children and minority groups and workers.

Grievance mechanisms are an important means to provide remedy. They can also act as an early detection system to raise awareness of new issues that feed back into the HRDD process. In this way, they can inform the human rights assessment and provide a means to track the effectiveness of a company's human rights performance.

An access point to lodge a grievance can take many shapes, such as a community office, a designated phone number, websites, physical drop boxes, engagement with community liaison officers and intermediary channels such as trade unions and NGOs. Companies may need to provide a variety of access points at corporate and project or site-levels, as no single access point will meet everyone's needs.

Figure 8 shows how community grievance mechanisms fit into the wider landscape of state and non-state routes to remedy.

Figure 8: Illustrative example of the various state and non-state routes to remedy.



Section 4

Human rights due diligence within the corporate human rights framework

Corporate-level and worker-level grievance mechanisms, such as whistleblowing lines, complaints processes, worker committees or human resources channels, should be monitored to check that people know about and trust the processes in place and to check that they facilitate access to remedy. Companies should also consider how contractors and workers in supply chains (and other affected groups with whom they do not usually have direct contact) can raise concerns and whether that is something the company could support, for example through an external hotline or capacity building with suppliers.

CASE STUDY

One grievance mechanism with multiple access points

Tengizchevroil, a Chevron-operated entity in Kazakhstan, was one of the first Chevron business units to develop a grievance mechanism. Tengizchevroil receives community input on operations via email, mail, comment box mechanisms and Kazakhstan's first toll-free telephone line.

CASE STUDY

Responding to community concerns

At bp's South Caucasus Pipeline Expansion project in Georgia and Azerbaijan, all complaints are logged with a seven-day period of receipt and bp aims to investigate and provide a formal response within 30 days. An internal panel reviews the investigation outcomes and agrees resolution of the grievance and any corrective measures, where necessary. Most of the concerns raised by communities living near bp's operations in 2018 related to job opportunities and nuisance.

Whatever form these grievance mechanisms and channels take, they should consider the UNGPs' effectiveness criteria by being legitimate, accessible, predictable, equitable, transparent, rights compatible and dialogue based, as well as being a source of continuous learning. This includes enabling anonymity where requested. Grievance processes should also commit to non-retaliation against those reporting concerns.

IPIECA has developed a comprehensive manual on *Community grievance mechanisms in the oil and gas industry*²¹ as well as a guidance document on *Worker grievance mechanisms*²². These provide more detailed discussions around the concepts discussed in this section.

Remedy

Where a company has caused or contributed to an adverse human rights impact, it should remediate that impact. Part of HRDD is about deciding what remedy to apply, in consultation with affected people if appropriate, and then implementing the remedy.

However, there are cases where the company itself has not caused or contributed to the harm. On this point the UNGPs state that 'where adverse impacts have occurred that the business enterprise has not caused or contributed to, but which are directly linked to its operations, products or services by a business relationship, the responsibility to respect human rights does not require that the enterprise itself provide for remediation, though it may take a role in doing so'²³. In this type of situation, the UNGPs make clear that the company is not responsible for remediation, however, the business could, for example, review whether it would be possible and appropriate to use leverage to advocate for and support remedy.

The Office of the United Nations High Commissioner for Human Rights defines remedy as²⁴:

- Equal and effective access to justice.
- Adequate, effective and prompt repair for harm suffered.
- Access to relevant information concerning violations and reparation mechanisms.

Remedy may need to be provided in cooperation with others, particularly where root causes of human rights impacts are systemic. Failure to provide adequate remedy can lead to long-lasting legacy issues both for affected groups and for companies, including reputational harm.

Where some impacts are unavoidable despite a company's efforts to minimise them, it is important to demonstrate that the company is making all reasonable efforts to provide remedies that are appropriate for the affected individuals.

²¹ <http://www.ipieca.org/resources/good-practice/community-grievance-mechanisms-in-the-oil-and-gas-industry/>

²² http://www.ipieca.org/media/4666/worker_grievance_mechanisms_lisc_2019.pdf

²³ UNGPs, section on Remediation, Principle 22: https://www.ohchr.org/documents/publications/guidingprinciplesbusinessshr_en.pdf

²⁴ VII, Victim's rights to remedies: <https://www.ohchr.org/EN/ProfessionalInterest/Pages/RemedyAndReparation.aspx>

A remedy depends on the context, severity of impact and the needs of those who have had their rights adversely impacted, which should be determined through assessments and meaningful stakeholder engagement. It should be culturally sensitive, without entrenching societal discrimination, and the remedy itself should not cause or contribute to adverse human rights impacts. For example, in the case of resettlement, the company should consider all (potentially) affected people, not just the heads of households, and give consideration to sustainable remedy options. For examples of remedy that a company may undertake see Box 14.

Box 14: Examples of remedy

Examples of repair for harm that oil and gas companies may undertake:

- Provide further information
- Change operating practices
- Implement disciplinary measures
- Restrict activities
- Restore employment
- Acknowledge and apologise
- Correct inaccuracies in past company statements
- Cover the cost of legal assistance
- Provide medical or psychological care
- Repair damage
- Develop livelihood restoration programmes
- Pay compensation
- Guarantee non-repetition

COMMIT TO RESPECTING HUMAN RIGHTS AND EMBED INTO POLICIES AND MANAGEMENT SYSTEMS

The UNGPs state the importance of accompanying HRDD by a public commitment to respect human rights. Oil and gas companies may elect to express their commitment through a standalone human rights policy, or by integrating it into related core enterprise policies or codes of conduct. Such a commitment:

- establishes the foundation for company processes to identify, prevent, mitigate and account for how it addresses adverse human rights impacts;
- forms the basis for a company's cross-functional approach to respect human rights; and
- signals to internal and external stakeholders that the company is serious about respecting human rights.

The policy or statement may:

1. state an explicit commitment to respect all international human rights standards outlined in the International Bill of Human Rights and the ILO's Declaration on the Fundamental Principles and Rights at Work;
2. explain how the company understands its responsibility to respect human rights and how the company approaches HRDD as set out in the UNGPs;
3. communicate the company's expectations of employees, suppliers and others business partners in terms of respecting human rights;
4. be approved at the most senior level and clarify who in the company is responsible and accountable for implementation; and
5. be publicly available and actively communicated to internal and external stakeholders (see Box 15 for examples).

The process of development and the content of policies or statements addressing human rights may vary from company to company but ideally should consider engagement and consultation with potentially affected groups and individuals and consider being informed by relevant internal and external expertise.

The policy commitment should be embedded in the company's management systems, so that respect for human rights becomes part of corporate culture and informs the company's operations and decisions, from entering a new market to selecting contractors.

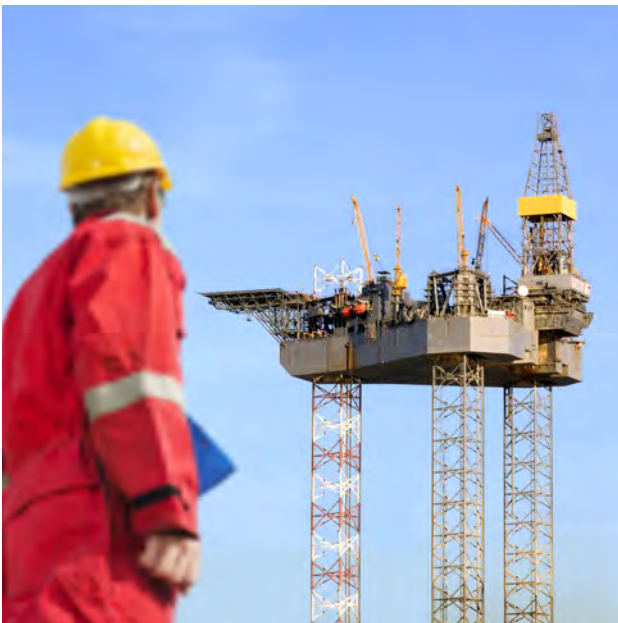
Companies can integrate human rights into existing governance structures and mechanisms. There may be greater opportunities to manage potential human rights issues and create long-term organizational capacity by working within and enhancing existing systems, rather than developing a standalone system.

Section 4

Human rights due diligence within the corporate human rights framework

IPIECA and the International Association of Oil and Gas Producers (IOGP) provide an *Operating management system framework* to help companies define and achieve performance goals and stakeholder benefits, while managing the broad and significant range of risks inherent in the oil and gas industry²⁵. This framework offers an integrated approach and the flexibility to address some or all of a wide range of risks, impacts or threats associated with human rights related to occupational health and safety; environmental and social responsibility; process safety, quality and security.

It can help to establish an internal dedicated team to help the company address all relevant aspects of human rights. Companies can form internal cross-functional human rights working groups or committees that collaborate to monitor and manage human rights issues from diverse perspectives and check that issues have not fallen into functional gaps.



Box 15: Examples of internal and external stakeholder engagement on company policy commitment

Potential ways to engage internal and external stakeholders on your policy commitment, include:

- Training
- Communication campaigns
- Inductions and onboarding processes
- Providing focal points to answer questions and dilemmas from site-level staff
- Establishing human rights champions across functions
- Engaging worker representatives to support awareness-raising
- Workshops and interactive seminars on specific human rights issues
- Internal and external briefings and reports, including factsheets and guidance notes
- Holding 'human rights moments' at the start of meetings
- Referencing human rights across other policies and codes
- Integrating human rights clauses in contracts with contractors
- Integrating human rights in change management procedures and cross departmental risk analysis

²⁵ <http://www.ipieca.org/resources/good-practice/operating-management-system-framework-for-controlling-risk-and-delivering-high-performance-in-the-oil-and-gas-industry/>

Human rights and the energy transition



Human rights and the energy transition

Transitioning to a lower-carbon global economy will have social, economic, environmental and human rights benefits in the long term. IPIECA's vision is to 'advance the oil and gas industry's environmental and social performance and contribution to the energy transition in the context of sustainable development.'

The UNGPs, SDGs and other human rights-related frameworks are as relevant to low-carbon and alternative energy production as they are to traditional oil and gas businesses. Low-carbon and alternative energy businesses have the same human rights responsibilities as other companies: they should assess their potential and actual human rights impacts and then act to prevent, minimise, mitigate and where necessary remediate them. Stakeholders expect these businesses to apply HRDD processes to their activities.

Box 16: Concept of 'just transition'

Numerous international organisations have called for a 'just transition' to a lower-carbon global economy.

While there is no single universally accepted definition of this term, the emphasis is on achieving the energy transition in a fair and just way that does not place disproportionate burdens on some groups, and on ensuring long-term social, economic, environmental, and human rights benefits for workforces and communities. For examples of different perspectives on the just transition, please consult the footnotes below.

Many organisations see the 'just transition' as a mechanism to help fulfil the SDGs.

Governments, businesses, and society all have a role in enabling and supporting a 'just transition'.

As oil and gas companies transition to a lower carbon future they should consider how their HRDD strategies and processes address the complexities and potential human rights impacts of their transition strategies.

The potential human rights impacts, and supply chains of low-carbon and alternative energy businesses may differ from those of traditional oil and gas businesses, but companies can continue to leverage their existing knowledge and expertise of current HRDD practices to address these differences.

In applying existing HRDD knowledge and practices to low-carbon energy production, companies should consider the following:

Understanding the impacts: Low-carbon and alternative energy production's potential human rights impacts may differ from those of traditional oil and gas production: for instance, the scaling up or acquisition of renewables businesses such as solar, wind turbines or biofuels may include a HRDD approach that takes large-scale land use into account. However, many of the established processes, tools and practices of oil and gas companies, including their supply chain processes, can be used to identify, assess, prevent or mitigate and account for how human rights impacts are applicable to low-carbon and alternative energy production. For example, companies can use the ESHIA or similar risk assessment process to identify impacts.

Some potential human rights impacts of low-carbon and alternative energy production may affect people directly, such as land acquisition or labour rights infringements. Other potential human rights impacts may arise along with potential environmental impacts or from the extraction of natural resources needed by the business.

- a A sustainability institute viewpoint: University of Cambridge Institute for Sustainability Leadership paper on JT. <https://www.cisl.cam.ac.uk/resources/publication-pdfs/justice-in-the-transition-to-a-low-carbon-economy.pdf>
- b A labour rights viewpoint: ILO, Guidelines for a Just Transition Towards Environmentally Sustainable Economies and Societies for All. https://www.ilo.org/global/topics/green-jobs/publications/WCMS_432859/lang-en/index.htm
- c An investment viewpoint: UN PRI, Climate change and the just transition: a guide for investor action. <https://www.unpri.org/climate-change-and-the-just-transition-a-guide-for-investor-action/3202.article>
- d A general business & human rights organisation viewpoint: IHRB report Just Transitions for All: Business, Human Rights and Climate Action. https://www.ihrb.org/uploads/reports/Just_Transitions_For_All_-_Business%2C_Human_Rights%2C_and_Climate_Action_-_IHRB_Nov2020.pdf



The following are generic examples of risk factors or possible impacts to consider. They will vary according to the nature and circumstances of each business:

- labour rights impacts on these businesses' project sites, in on-site operations or in supply chains.
- local communities, including Indigenous Peoples, affected by land acquisition for panels, crops or turbines, or the designation of marine exclusion zones for offshore wind farms.
- potential increased demand for conflict minerals.
- biodiversity and water quality impacts from pesticides and other agricultural techniques.
- waste management challenges from use of new materials and processes.
- end of product lifecycle management, such as the scrapping of solar panels and electric car batteries.
- understanding the sourcing of electricity that powers electric vehicles and the management of CO₂ emissions from hydrogen fuelling.

Length of business cycle: While oil and gas projects can take many years to plan and execute, the decision cycles for low-carbon and alternative energy projects are generally shorter, and companies will need to adapt. Their ESHIA and HRDD processes will need to be nimble, but investors, impacted people and civil society will expect them to be thorough.

New business partners: If companies add low-carbon and alternative energy investments to their portfolios they may need to develop joint ventures and other

business partnerships with companies and communities that are new to them. These may differ from the partners with whom they are used to doing business. Some partners may be less familiar with prospective suppliers' labour rights standards, particularly if the product and the suppliers are new to them. Some business partners may be small/medium enterprises with limited or less capacity, expertise or experience of HRDD processes. Some may have experience of HRDD though and be able to share the knowledge and expertise that they have gained from developing their existing operations.

Oil and gas companies will therefore need to assess their business partners' HRDD capabilities and understand their supply chains. Where HRDD capabilities are lacking, companies should collaborate with new business partners by leveraging their HRDD knowledge and experience. This might include supporting implementation of effective HRDD practices, sharing supplier qualification or supply chain assessment tools, stating what standards a joint venture needs to meet, and monitoring performance. If they are not the operator, companies will need to find ways to provide support to the operator's human rights performance.

Over the next few years, an increasing number of companies are likely to invest in low-carbon and alternative energy projects. Many of them will gain valuable experience in implementing HRDD, creating opportunities for companies in the sector to share their knowledge for the benefit of all.

Summary of potential human rights risks and impacts, affected groups and processes to identify, prevent or mitigate risks



Summary of potential human rights risks and impacts, affected groups and processes to identify, prevent or mitigate risks

The checklist below (Table 2) provides generic examples of potential human rights risks and impacts linked to company activities, potentially affected groups, and various company processes that could be used to identify, avoid or mitigate potential risks or impacts. Companies could adapt this checklist for a specific project or operation, or for the company as a whole, and use it as a record of currently available processes that they could use to manage potential human rights risks and impacts.

Adaptations could for example include the addition of a column on the right for comments about the suitability of

each existing process and whether it needs enhancement to be more effective in addressing the relevant potential human rights impact. For instance, workplace health and safety audits that already take place regularly could be a mechanism to check for labour rights issues, but questions might need to be inserted into them to improve their ability to pick up signs of labour rights risks (other than health and safety) that they are not currently designed to look for.

The examples in the checklist are generic, non-exhaustive and non-prescriptive.

Table 2: Generic examples of potential human rights risks and impacts

Potential risks and impacts to human rights	Potentially affected groups	Examples of existing processes, programmes and tools to identify, prevent or mitigate human rights risks and impacts
Working conditions		
<ol style="list-style-type: none"> Forced labour and abusive practices Poor recruitment practices Excessive working hours Underpaid, delayed or withheld wages Restricted freedom of movement Hiring of underage workers Unsafe or unhealthy working conditions Unsafe or unhealthy living arrangements Recruitment and treatment of local workers, including women Barriers to unions / worker representation and limits to freedom of association and collective bargaining Inability to voice concerns and grievances Retribution when workers voice concerns or grievances Discrimination in hiring, developing or promoting workers Harassment in the workplace 	<p>Employees; employees of contractors and subcontractors; female employees; children and young workers; foreign and internal migrant workers; vulnerable workers; workers recruited locally, including casual labour; low-skilled workers</p>	<ul style="list-style-type: none"> Human resources, safety and health policies and procedures, and periodic compliance reviews Compliance reviews with national laws and regulations Workplace health, safety and environmental assessment process Use of employment contracts for direct employees and third-party workers Worker training and development programmes (safety, technical and functional skills) Workplace and worker accommodation audits Periodic review of worker feedback (e.g. surveys, worker committees) Access to multiple means of voicing grievances (e.g. management, human resources, hotline, worker committees, trade union representatives, etc.) Periodic review of 'whistleblowing' and incidence reporting processes and feedback

Section 6

Summary of potential human rights risks and impacts, affected groups and processes to identify, prevent or mitigate risks

Potential risks and impacts to human rights	Potentially affected groups	Examples of existing processes, programmes and tools to identify, prevent or mitigate human rights risks and impacts
Land acquisition		
<ol style="list-style-type: none"> Physical displacement and resettlement, including forced evictions Lack of free, prior and informed consent (FPIC)²⁶ among Indigenous Peoples Loss of livelihoods/economic displacement Loss of cultural heritage 	Households affected by resettlement; host communities for resettled households; local businesses; Indigenous Peoples	<ul style="list-style-type: none"> Risk assessment for new country entry Integrating human rights into ESHIAs Standalone human rights impact assessments Avoidance or minimisation of community impacts in design, construction, operations and demobilisation Resettlement action plans Livelihood restoration plans Cultural heritage management plans Vulnerable peoples plans Biodiversity plans Stakeholder engagement process throughout facility lifecycle Deployment of community liaison officers Human rights awareness training for project and operations staff Community grievance mechanism process and monitoring
Influx management		
<ol style="list-style-type: none"> Altering existing community access to healthcare, education, food, clean water, livelihoods and cultural assets Potential for conflict over jobs and resources Unethical recruitment and treatment of local workers Rise in sexual exploitation and violence Increased cost of living 	Indigenous Peoples and other communities local to a project, especially women and children; jobseekers in and outside project-affected communities; commercial sex workers	<ul style="list-style-type: none"> Strategic social investments targeting community access to health, education, water, livelihoods and cultural assets Providing workforce with their own accommodations or other facilities (e.g. health care) Periodic review of relevant policies and procedures, e.g. involuntary resettlement, Indigenous Peoples
Community health, safety and environment		
<ol style="list-style-type: none"> Increase in traffic leading to infrastructure damage Noise, light, odour pollution Safety (or unsafe conditions) Hazardous waste Water quality and availability Air quality Biodiversity loss affects food sources Infectious diseases, including sexual health²⁷ 	Pedestrians, especially children; communities adjacent to project sites	

²⁶ For an explanation of FPIC, please see UN Office of the High Commissioner for Human Rights (OHCHR) on free, prior and informed consent. <https://www.ohchr.org/EN/Issues/IPeoples/EMRIP/Pages/StudyFPIC.aspx>

²⁷ Please see IPIECA-IOGP *Infectious disease outbreak management. A programme manual for the oil and gas industry* for guidance on infectious disease outbreak management. <https://www.ipieca.org/resources/good-practice/infectious-disease-outbreak-management-a-programme-manual-for-the-oil-and-gas-industry/>

Section 6

Summary of potential human rights risks and impacts, affected groups and processes to identify, prevent or mitigate risks

Potential risks and impacts to human rights	Potentially affected groups	Examples of existing processes, programmes and tools to identify, prevent or mitigate human rights risks and impacts
Security practices		
<ol style="list-style-type: none"> 1. Abusive behaviour by public security forces 2. Abusive behaviour by private security 3. Company-level equipment transfer and usage 4. Safety risks to security personnel 5. Rise in sexual exploitation and violence 	<p>Indigenous Peoples and other communities local to site security activities, especially women and children²⁸; workers employed by contractors</p>	<ul style="list-style-type: none"> • Company commitment to and implementation of the VPs²⁹ • Conflict assessment • Periodic security risk assessments • Periodic reviews of security management procedures • Periodic review of compliance with requirements in private security contracts • Process of tendering and contracting with security providers • Training for security providers on negotiation and appropriate use of force • Memoranda of Understanding or joint operating procedures with public security forces • Stakeholder engagement and grievance mechanisms • Programmes or strategic social investments targeting root causes of conflict (e.g. local employment)
Sourcing of goods and services		
<ol style="list-style-type: none"> 1. Forced labour and abusive practices 2. Child labour 3. Poor recruitment practices 4. Unsafe or unhealthy working conditions 5. Limits to freedom of association or collective bargaining 6. Discrimination in hiring, developing or promoting workers 7. Harassment in the workplace 8. Excessive working hours 9. Underpaid, delayed or withheld wages 10. Restrictions to freedom of movement 11. Inability to voice concerns or grievances 12. Retribution when workers voice concerns or grievances 13. Unsafe and/or unhealthy living arrangements (if supplier provides living arrangements) 14. Environmental impacts on people, such as pollution or air quality 	<p>Workers in supply chains; migrant workers; female workers; children and young workers; vulnerable workers; communities local to suppliers</p>	<ul style="list-style-type: none"> • Supplier code of conduct or responsible sourcing policy • Contract language (e.g., terms and conditions) that reflect supplier expectations • Pre-qualification supplier screening processes • Company's supplier management process (e.g. bidding, pre-qualification, contracting, training, relationship management) • Monitoring of supplier contract compliance • Supplier engagement sessions • Audits of selected suppliers, with corrective actions as necessary • Supplier communications materials • Review of company purchasing practices • Collaborative improvement programmes with suppliers

²⁸ See DCAF and ICRC's *Addressing Security and Human Rights Challenges in Complex Environments Knowledge Hub and Toolkit* for examples of how different vulnerable groups can be impacted by security practices: <http://www.securityhumanrightshub.org/content/toolkit>

²⁹ Voluntary Principles on Security and Human Rights: www.voluntaryprinciples.org/

Section 6

Summary of potential human rights risks and impacts, affected groups and processes to identify, prevent or mitigate risks

Potential risks and impacts to human rights	Potentially affected groups	Examples of existing processes, programmes and tools to identify, prevent or mitigate human rights risks and impacts
Impacts on children		
<ol style="list-style-type: none"> Physical displacement and resettlement Disrupted access to education Child labour Ability to participate in decision making Risk of sexual exploitation and violence Abusive security practices 	Children and young people; child-headed households	<ul style="list-style-type: none"> Consideration of impacts on children in facility design, construction, operations and demobilisation Inclusion of children's lens in resettlement action plans and human rights impact assessments Children's rights awareness training for project and operations staff Community grievance mechanism process made accessible to children Strategic social investments targeting impacts on children Engagement with children or their representatives throughout the facility lifecycle Periodic review of relevant policies and procedures, e.g. interaction with children
Impacts on women and girls		
<ol style="list-style-type: none"> Participation in decision making Physical displacement and resettlement Women's livelihoods and economic displacement Employment of women Discrimination and harassment Rise in sexual violence and exploitation Gender inequality in remedy (especially if women and girls were disproportionately impacted) Gender inequality in benefits of social investment 	Women currently employed by company/project; women and girls in or near to the project site; women seeking employment; women engaged in impacted livelihoods; women in resettled households	<ul style="list-style-type: none"> Consideration of impacts on women and girls in facility design, construction, operations and demobilisation Gender lens applied to resettlement action plans and stakeholder engagement processes Deployment of female community liaison officers Gender awareness training for project and operations staff Community grievance mechanism process reviewed for accessibility to women, especially those reporting sensitive issues such as gender-based violence Strategic social investments targeting impacts on women and girls Gender impact assessment Periodic review of relevant policies and procedures with a gender lens
Retaliation		
<ol style="list-style-type: none"> Abuse by security personnel, police, other authorities Arbitrary arrest and detention Trials for baseless accusations Limits on freedom of movement Limits on freedom of speech Safety risks Discrimination in access to public services or jobs 	Human rights defenders	<ul style="list-style-type: none"> Consult with defenders about abuse prevention – e.g. anonymity, confidentiality Company statement about respecting the rights of defenders Private conversations with authorities about respecting human rights defenders

Section 6

Summary of potential human rights risks and impacts, affected groups and processes to identify, prevent or mitigate risks

Potential risks and impacts to human rights	Potentially affected groups	Examples of existing processes, programmes and tools to identify, prevent or mitigate human rights risks and impacts
Bribery and corruption		
<ol style="list-style-type: none"> 1. Loss of revenue for public services 2. Community investment diverted to elites/ vested interest groups 3. Benefits sharing of government revenue not received by impacted communities 	Local/national population; people intended as direct beneficiaries of investments	<ul style="list-style-type: none"> • Company policy to address bribery and corruption • Company policies on transparent hiring and contracting process • Employee awareness programmes/anti-corruption training • Internal procedures for reporting and following up suspected violations • Due diligence procedures for business partners, including suppliers and contractors • Contract clauses • Revenue transparency and engagement with governments on Extractive Industries Transparency Initiative (EITI) or benefits sharing • Voluntary initiatives such as Publish What you Pay
Sale and use of products		
<ol style="list-style-type: none"> 1. Use of revenues to fund conflict 2. Use of products to enable human rights abuses 	Populations at risk of conflict or human rights abuses	<ul style="list-style-type: none"> • Conflict assessment • Due diligence on buyers of products • Voluntary initiatives such as the EITI
Decommissioning, downscaling and early exit		
<ol style="list-style-type: none"> 1. Loss of employment 2. Loss of access to related services (e.g. those supported by social investment) 3. Health, safety and environmental consequences of infrastructure decommissioning (e.g. shipbreaking) 	Employees and other workers; workers in the supply chain; communities local to a project/ company; workers involved in and communities adjacent to infrastructure decommissioning	<ul style="list-style-type: none"> • Trade union engagement • Company policies on retrenchment and redundancy • Decommissioning fund and planning • Conducting ESHIAs/impact assessments for decommissioning • Due diligence of decommissioning companies or of companies to whom projects and assets are sold

Glossary and resources

Glossary and resources

GLOSSARY OF FREQUENTLY USED TERMS AND ACRONYMS

Community grievance mechanism	A community grievance mechanism is a process for receiving, investigating, responding to and closing out complaints or grievances from affected communities in a timely, fair and consistent manner.
CSR	Corporate social responsibility.
ESHIA	Environmental, social and health impact assessment.
FPIC	Free, prior and informed consent.
Human rights	Human rights are rights inherent to all human beings, regardless of nationality, place of residence, sex, national or ethnic origin, colour, religion, language, or any other status. Human beings are all equally entitled to human rights without discrimination. These rights are all interrelated, interdependent and indivisible ³⁰ .
Human rights due diligence (HRDD)	<p>Human rights due diligence. The UNGPs state that: 'In order to identify, prevent, mitigate and account for how they address their adverse human rights impacts, business enterprises should carry out human rights due diligence.</p> <p>The process should include assessing actual and potential human rights impacts, integrating and acting upon the findings, tracking responses, and communicating how impacts are addressed. Human rights due diligence:</p> <p>(a) Should cover adverse human rights impacts that the business enterprise may cause or contribute to through its own activities, or which may be directly linked to its operations, products or services by its business relationships.</p> <p>(b) Will vary in complexity with the size of the business enterprise, the risk of severe human rights impacts, and the nature and context of its operations.</p> <p>(c) Should be ongoing, recognising that the human rights risks may change over time as the business enterprise's operations and operating context evolve.'</p> <p>(UN Guiding Principles on Business and Human Rights, Section 17)</p>
Salient human rights	Those human rights at risk of negative impact through the company's activities or business relationships.
UNGPs	United Nations Guiding Principles on Business and Human Rights.
Worker grievance mechanism	A procedure through which a grievance can be raised by a worker, assessed, investigated and responded to. It is also a framework through which workers can gain access to remedy for any adverse impacts or damage they have suffered as a result of business activities.

³⁰ OHCHR (website) 'What are human rights?' <https://www.ohchr.org/EN/Issues/Pages/WhatareHumanRights.aspx>

RESOURCES

IPIECA has produced a number of useful resources to assist oil and gas companies. There are also several external resources that can provide additional guidance. The content of external resources may change, and their inclusion here does not necessarily imply that IPIECA is formally endorsing them.

IPIECA resources

- *Community grievance mechanisms in the oil and gas industry*
<http://www.ipieca.org/resources/good-practice/community-grievance-mechanisms-in-the-oil-and-gas-industry/>
- *Community liaison officers team building and management guidance*
<http://www.ipieca.org/resources/good-practice/community-liaison-officers-team-building-and-management-guidance/>
- *Company and supply chain labour rights guidance*
<http://www.ipieca.org/resources/good-practice/company-and-supply-chain-labour-rights-guidance/>
- *Human rights training tool*
www.ipieca.org/publication/human-rights-training-toolkit-3rd-edition
- *Indigenous Peoples in the oil and gas industry: context, issues and emerging good practice*
<http://www.ipieca.org/resources/good-practice/indigenous-peoples-and-the-oil-and-gas-industry-context-issues-and-emerging-good-practice/>
- *Integrating human rights into environmental, social and health impact assessments*
<http://www.ipieca.org/resources/good-practice/integrating-human-rights-into-environmental-social-and-health-impact-assessments-a-practical-guide-for-the-oil-and-gas-industry/>
- *Sustainability reporting guidance for the oil and gas sector*
<https://www.ipieca.org/our-work/sustainability/performance-reporting/sustainability-reporting-guidance/>
- *Voluntary principles on security and human rights: Implementation guidance tools*
<http://www.ipieca.org/resources/good-practice/voluntary-principles-on-security-and-human-rights-implementation-guidance-tools/>

External resources

- Children's Rights and Business Principles (CRBP website):
<https://childrenandbusiness.org/>
- Child vulnerability matrix (PDF file, see pages 110-111):
https://www.unicef.org/csr/files/FINAL_Child_Rights_and_Mining_Toolkit_060217.pdf
- DCAF and ICRC's *Addressing security and human rights challenges in complex environments knowledge hub and toolkit*
<http://www.securityhumanrightshub.org/>
- Doing Business with Respect for Human Rights (Shift, Oxfam, Global Compact Netherlands website):
<https://www.businessrespecthumanrights.org/#>
- IFC Performance Standards (International Finance Corporation website):
www.ifc.org/performancestandards
- ILO Core Labour Conventions (International Labour Organization website):
www.ilo.org/global/standards/lang-en/index.htm
- International Alert's *Human rights due diligence in conflict-affected settings: guidance for extractives industries* (PDF file): https://www.international-alert.org/sites/default/files/Economy_HumanRightsDueDiligenceGuidance_EN_2018.pdf
- OECD Guidelines for Multinational Enterprises (Organisation for Economic Co-operation and Development website):
www.oecd.org/daf/internationalinvestment/guidelinesformultinationalenterprises
- OECD Due Diligence Guidance for Responsible Business Conduct (OECD website):
<https://www.oecd.org/investment/due-diligence-guidance-for-responsible-business-conduct.htm>

- OHCHR's *Human rights translated: a business reference guide* (PDF file):
https://www2.ohchr.org/english/issues/globalization/business/docs/Human_Rights_Translated_web.pdf
- *Respecting trade union rights in global value chains: practical approaches for business* (Shift, Mondiaal FNV pdf file):
<https://shiftproject.org/resource/respecting-trade-union-rights-in-global-value-chains-practical-approaches-for-business/>
- *The corporate responsibility to respect human rights: An interpretive guide* (PDF file):
<https://www.ohchr.org/Documents/Issues/Business/RtRInterpretativeGuide.pdf>
- The Human Rights Guide to the Sustainable Development Goals (Danish Institute for Human Rights website):
<http://sdg.humanrights.dk/>
- The Universal Declaration of Human Rights (United Nations website):
<https://www.un.org/en/about-us/universal-declaration-of-human-rights>
- UN Declaration on the Rights of Indigenous Peoples:
<https://www.un.org/development/desa/indigenouspeoples/declaration-on-the-rights-of-indigenous-peoples.html>
- UN *Guiding principles on business and human rights* (PDF file):
https://www.ohchr.org/documents/publications/GuidingprinciplesBusinessshr_eN.pdf
- UN Guiding Principles Reporting Framework (dedicated website):
<https://www.ungpreporting.org/>
- UN OHCHR explanation of FPIC:
<https://www.ohchr.org/EN/Issues/IPeoples/EMRIP/Pages/StudyFPIC.aspx>
- Voluntary principles on security and human rights (website):
www.voluntaryprinciples.org/
- WBCSD CEO Guide to Human Rights (WBCSD website):
<https://www.wbcds.org/Programs/People/Social-Impact/Human-Rights/Resources/CEO-Guide-to-Human-Rights>

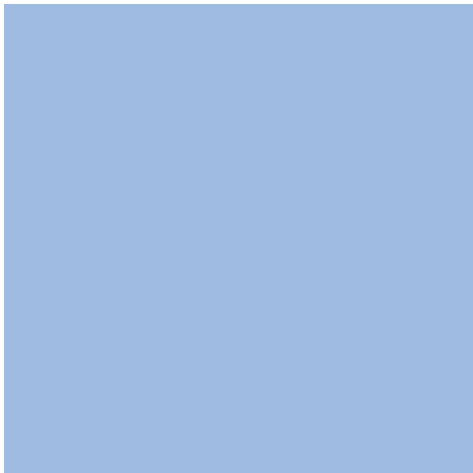


IPIECA is the global oil and gas industry association for advancing environmental and social performance. It convenes a significant portion of the oil and gas value chain and brings together the expertise of members and stakeholders to provide leadership for the industry on advancing climate action, environmental responsibility, social performance and mainstreaming sustainability.

Founded at the request of the UN Environment Programme in 1974, IPIECA remains the industry’s principal channel of engagement with the UN. Its unique position enables its members to support the energy transition and contribute to sustainable development.

MEMBERS

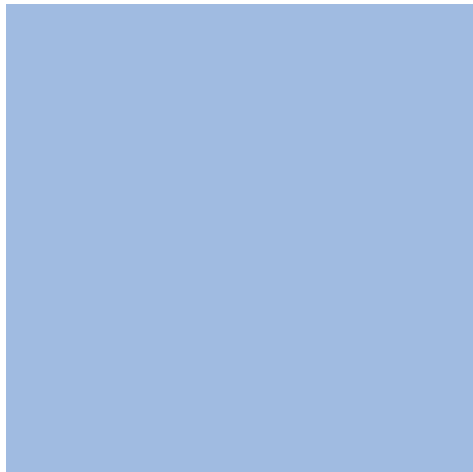
ADNOC	Eni	OMV	SNH
AIP	Equinor	Ovintiv	Suncor
AMEXHI	ExxonMobil	PAJ	Total
API	FIPI	PDO	Tullow Oil
APPEA	FuelsEurope	Petrobras	UKPIA
ARDA	Halliburton	PETRONAS	VNPI
Arpel	Hess	PTTEP	Wintershall Dea
AXPC	IBP	Qatar Petroleum	Woodside
Baker Hughes	Idemitsu Kosan	Repsol	World LPG Association
BHP	IGU	SAPIA	World Petroleum Council
BP	INPEX	Saudi Aramco	
BVEG	IOGP	Schlumberger	
Canadian Fuels Association	IOOA	Shell	
CAPP	JPEC		
Cenovus	Kosmos Energy		
Cepsa	Marathon Oil		
Cheniere	McDermott		
Chevron	Murphy Oil		
CNOOC	Neptune Energy		
Concawe	NOGEPa		
ConocoPhillips	Norsk olje & gass		
Ecopetrol	Occidental		
ENEOS Holdings	Oil & Gas UK		
Energy Resources Aotearoa	Oil Search		
	Olie Gas Danmark		



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