

2022 HRMI Solutions Co-Design Summit

Engaging the Private Sector on Human Rights



September 8, 13, and 20, 2022



Appreciations

We are grateful for the support from our Design Team members who helped shape and guide the strategy session design and for CoCreative's role in convening design and facilitation.

Deep dive session leads



Anne-Marie Brook
Co-Founder, Human Rights
Measurement Initiative



Kees Gootjes
Business & Human Rights Advisor,
ABN AMRO Bank N.V.



K. Chad Clay
Co-Founder, Human Rights
Measurement Initiative



Stephen Bagwell
Researcher Human
Rights Measurement
Initiative



Uwe Schillhorn
Program Director,
Emerging Markets
Investment Alliance



Roqaya Dhaif
Rule of Law, Security and
Human Rights Team, UNDP



Kelly Liu
Sustainability
Manager, Cisco

Facilitation and support team



Russ Gaskin
CoCreative



Luzette Jaimes
CoCreative



Pratibha Singh
Program Manager, Human
Rights Measurement
Initiative



Ella Fraser
Intern, Human Rights
Measurement Initiative

Workshop Purpose

The Problem

Governments aren't fulfilling their human rights obligations to their people, and the private sector isn't leveraging its influence to support that happening.

The Summit Purpose

Build a community of leaders working at the intersection of business/finance and human rights to **co-design** innovations to advance the engagement of the private sector in Human Rights.

The Summit Goal

To produce new solutions to engage private sector actors in advancing country-level human rights, and finding new solutions to support companies in supporting human rights in their own supply chains.

The solutions are both products and services, some of which may be offered at no cost and others which will have costs associated. We anticipate, of course, that HRMI and its partners will end up offering some of these new solutions while others will be developed and provided by other organisations or companies in this field.

Our desired outcomes

Connecting

Strengthen connections across leaders working at the intersection of business/finance and human rights

Each participant has experienced meaningful collaboration with appreciation for the power of difference and diversity

Aligning

We have aligned, at least generally, on a set of innovations to engage the private sector in advancing country-level Human Rights

Learning

We have aligned, at least generally, on a set of innovations to engage the private sector in advancing country-level Human Rights

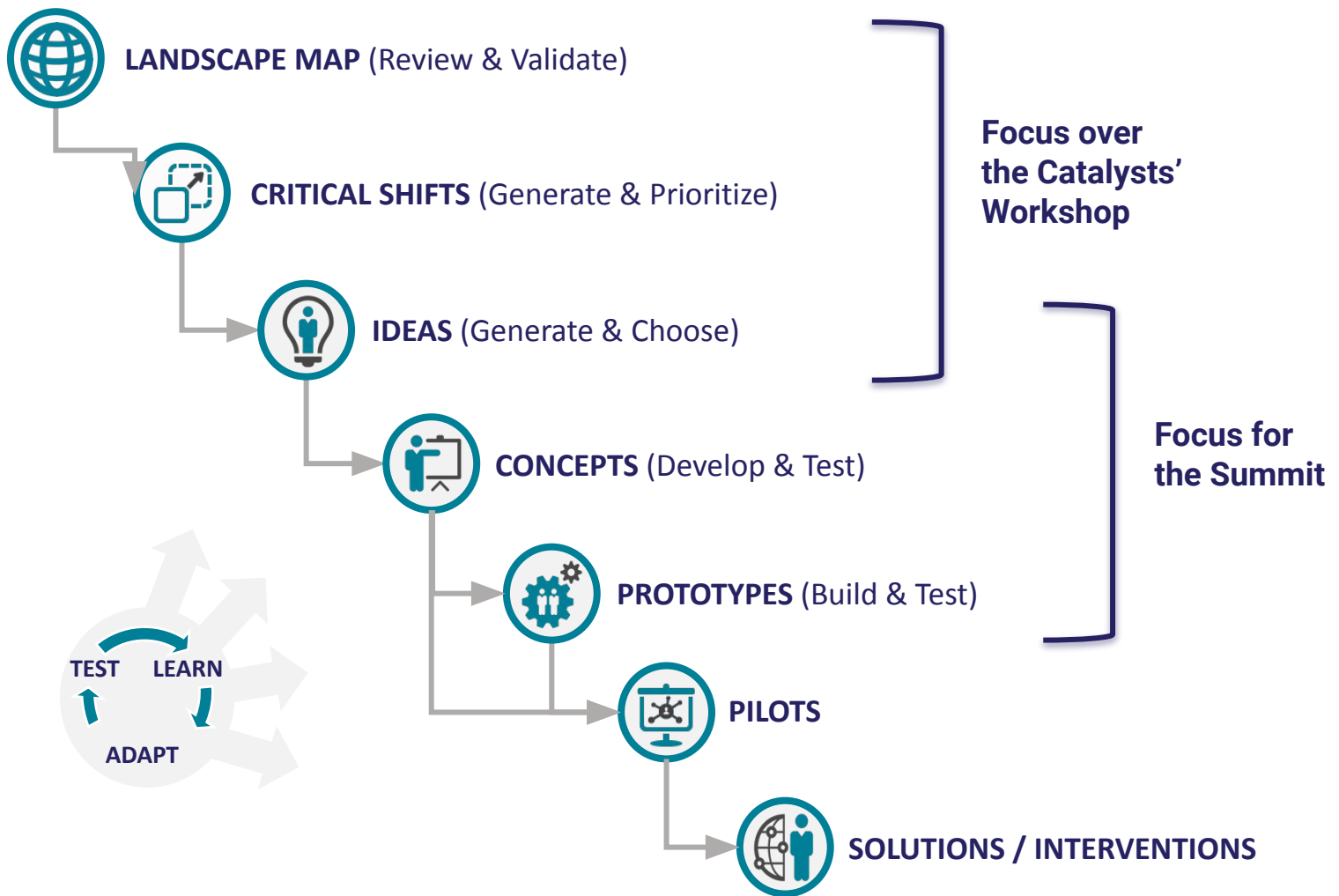
Making

Specific innovations ready to be prototyped after the Summit

A list of others whom we should engage to advance the innovations

Individual and collective commitments to immediate next steps

Our strategy co-design process



Values

That inform the life and work of our participants



Deep Dive Topics

Our areas of focus

Our concepts and explorations

These topics were identified EITHER as key areas of priority at the Catalysts workshop earlier this year (you can read the report from that event [here](#)), OR they are concepts that were pitched by Summit participants for co-design at this event.

- | | | |
|----|---|----------|
| 1. | Rights Tracker: Investor - New HRMI country-level human rights data for investors and companies | p. 9-10 |
| 2. | Enabling Access to Remedy | p. 11-12 |
| 3. | Measuring Labor Rights | p. 12-13 |
| 4. | Exploring: “How might we leverage new learning about how the private sector influences country-level human rights?” | p. 14-15 |
| 5. | How to Convince Sovereigns to Put More Emphasis on Human Rights | p. 16-17 |
| 6. | Digital Rights Dashboard | p. 18-19 |
| 7. | Exploring: Human Rights Disclosure - How can disclosure positively influence human rights impacts? | p. 20 |
| 8. | Human Rights Compass for Software Developers | p. 21 |

Deep dive topics



Deep dive topics



Deep dive topics



Deep dive topics



Rights Tracker: Investor. New HRMI country-level human rights data for investors and companies

Overview

What problem is this concept addressing?

Currently, human rights are not fully (or adequately) incorporated into ESG country ratings and sovereign ESG analysis. This means that investors are missing some country-level human rights risks in their portfolio analysis.

This innovation aims to shift us to a future where standardised, robust, and comprehensive human rights country scores are widely used within the sovereign ESG and country rating industries. Uses include a) risk management b) to help achieve positive investment impact.

Concept design

Initially discussed under the working name 'Rights-Invest', we have now renamed this innovation Rights Tracker: Investor (RTI). RTI is an expanded range of data products designed for subscription use by the private sector. A partial prototype was available at the time of the summit, and a full version of RTI v1.0 will be available in the first half of 2023. RTI will have wider country coverage and no missing data when compared to the HRMI Rights Tracker dataset.

What does success mean for this concept?

For this concept, ultimate (long term) success would mean a revolutionary rewiring of the financial sector. All investors would be using human rights data to assess risk, and socially responsible investors would have a wider choice of options and clearer outcome reporting. Crucially, governments will also start paying more attention to human rights if they know it is something investors care about.

Nearer-term Milestones for Success

Step 1: RTI v1.0 is successfully adopted by initial partners


Step 2: The product is iterated and improved

Step 3: HRMI gets its first paying customer for RTI v1.0

Eventually, HRMI becomes financially self-sustaining with less reliance on grants and donations, thanks to earned revenue from RTI users.

What RTI needs to succeed

 Inner organisations who want to use HRMI data in their country ratings and financial investment products

 Time to scale operations and develop new methodologies, but this can be sped up by funding.

 Approximately \$7 million USD in extension capital over four years

Rights Tracker: Investor. New HRMI country-level human rights data for investors and companies

The co-design process

What participants liked

Participants highlighted the usefulness of this concept as a major benefit, viewing RTI as a way for investors to more easily capture the human rights situation and trends in a given country in their ESG analysis. Feedback suggested that there is a solid market for this product, given the lack of standardised/ comprehensively collated human rights data currently feeding in to Sovereign ESG analysis.

What Summit participants proposed

- Communicate this concept carefully, so potential data users can understand the value add of the RTI dataset, and how it builds on, or differs from, other existing data sources.
- Consider how to best present the dataset. Will it be through the free Rights Tracker website, or a separate portal?
- Engagement is needed with HRMI's network of Human Rights Defenders (HRDs), civil society peers, etc about charging for data / moving away from being a purely philanthropically funded organisation, to another model. What concerns are there?

What we decided together

In session three, we built on the work that had been done in the previous sessions to come to conclusions on what the first steps to take over the 2-3 months were.

To learn next

- Is there a risk that RTI could encourage divestments that could negatively impact a poor country?
- What levers/ use cases are there to encourage investor groups to use HRMI data?
- Test indicators with investor networks and International Financial Institutions
- Explore how to link improvement in human rights scores with improvement of profitability of investments

To do next

- Develop briefing materials for customers. Show how HRMI can fill the gaps in their knowledge and create a more complete view for different data users
- Produce a full beta dataset by November 2022 and share with trial partners
- Outreach to potential and investors/funders
- Secure expansion capital to support RTI development and release

Enabling Access to Remedy

Overview

What problem is this concept addressing?

Currently, access to remedy is negatively perceived and grievance mechanisms are being viewed as a place to ‘whine and complain’, instead of a way to exact positive change. This pilot aims to shift these perceptions, making Access to Remedy a fundamental part of human rights, the low-carbon global transition, and acts as an early warning mechanism.

This Access to Remedy pilot could help address the grievances caused by economic activity quickly, locally, and effectively, as opposed to the inadequate current access. Currently not enough grievances are being raised, so private sector actors don’t truly understand the impact of their actions on human rights. Also problems are not being fixed.

Concept design

This concept sees a potential pathway for HRMI’s global network to help improve information on grievances and global access to remedy in the practitioners’ local area, country, or region. Early ideas proposed that this could happen through an online reporting mechanism or in response to private sector inquiries.

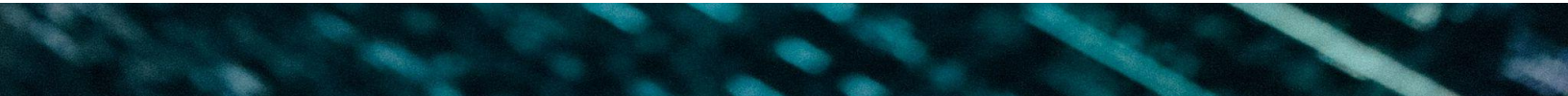
What does success mean for this concept?

If successful, this concept will see a roll-out of a global grievance network, with increased numbers of grievances being registered and tracked. There will be more remedy being provided by the private sector, and more understanding of their impacts on human rights. There will also be further reporting on an issue after it has been initially raised to ensure attempts were made at resolution. If a wide scope is decided upon, success will also mean that grievances are being satisfactorily remediated.

Key resources needed to make this concept work

There is no clear cut dollar amount on how much money is needed for this concept. The primary resources needed will be time and expertise.

Time is needed to develop the concept into a working pilot, as well as to bring that pilot into existence and a fully developed process for addressing grievance mechanisms. Experts within the the Remedy area are also integral for this concept, as it is not just HRMI’s global network that is needed, but also those with knowledge about grievance mechanisms, how to use them, and how to best get them adopted by those suffering from violations.



Enabling Access to Remedy

The co-design process

What participants liked

The idea of drawing on HRMI's network of Human Right Defenders was well received by participants. It can provide best practices and learnings from experts across a variety of sectors, helping skip over the issue faced in many countries of getting started on their own. It can also be a way to 'give back' to the time and knowledge the defenders in these networks give HRMI.

The independence and accountability focus of this concept was also well received. A completely independent remedy project has the potential to create better outcomes and accountability than those linked with institutions facing complaints. This concept also has the potential to both reactively and proactively generate accountability, perhaps more so than other mechanisms available at the moment.

What Summit participants proposed

- Need to work through legal liability and privacy issues when it comes to naming companies and filing complaints
- Need to establish what the focus of the process/pilot would be: ensuring more access to remedy or allowing companies to establish an early warning mechanism
- Finding a way to distinguish between different modes of remedy
- Piloting the idea in a small number of countries
- Focus on living wage as a jumping off point for enabling remedy
- Ensure the concept develops specificity in terms of analysis and accountability

What we decided together

In session three, we built on the work that had been done in the previous sessions to come up with some key challenges the concept might face, and what steps we would take with the pilot going forward.

Key challenges

- Ensuring there is sufficient overlap between HRMI experts and the people with knowledge about private sector issues that need remedy
- Loss of confidence if companies don't effectively remedy
- Actually achieving meaningful impact

First steps

- Assembling interested participants for a pilot
- Identifying the right situation
- Securing funding for a pilot
- Potentially collaborating with HRMI working group focusing on 'labour rights'

Measuring Labour Rights

Overview

What problem is this concept addressing?

Currently, we lack valid, reliable, and widely available data on labour rights. Likewise, there is low accountability for violations of labour standards. This pilot aims to create valid and reliable data, co-designed with stakeholders and easily accessible to all. By having globally available and comparable data, it will be easier for companies and investors to hold governments accountable for poor labour rights practices and to direct capital flows to where they can be used best.

Concept design

The concept proposes to cover several rights, including association, collective bargaining and striking, freedom from child labour, adequate minimum wage, the reasonable limitation of working hours, occupational safety and health, and freedom from forced labour. It will also likely include indicators of migrant workers' rights, gender-based harassment, social insurance, and discrimination. Data that are separable by identity and sector would be ideal.

We will likely rely on existing data to the extent possible, but fill gaps using a HRMI expert survey, with the survey co-designed with stakeholders. There could also be an expert analysis of existing domestic law. Ultimately, a review of existing data and a co-design workshop will be necessary to drive this work forward.

What does success mean for this concept?

The first sign of success for this concept would be the existence of annually updated, reliable, valid, and accessible data on labour rights for nearly every country in the world. Ultimate success, however, would be the use of the data to drive and generate better respect for labour rights around the world.

Key resources needed to make this concept work

Funding and time will be a key part of this concept. It will be required to support the co-design workshop, the design of the metrics used to measure the rights, and the distribution of the survey to labour rights practitioners around the world.

Access to networks and those with the necessary expertise is also required. The concept requires access to labour experts around the world. To get an accurate picture, the network of experts must include expertise from a number of different sectors, including the informal economy.

Measuring Labour Rights

The co-design process

What participants liked

There was a lot of positive feedback about the sectoral differentiation of the concept. It was noted that this is what investors need when they are looking at labour rights in terms of investing. The participants also noted the importance of focusing on the informal economy, and the data gap that currently exists within this area. Participants found the concept relevant and needed, and noted that it could bring more focus to the area of labour rights.

There was also a positive reception to the various aspects of labour rights and conditions that this concept focuses on, particularly migrant rights, as well as appreciation for the emphasis on co-design.

What Summit participants proposed

- Highlighting the importance of the informal economy
- Identifying the ways in which some of these labour rights might be connected
- Conducting a mapping of what already exists in this space
- Identifying actors responsible for violations, as well as those who are likely to experience violations

What we decided together

In session three, we built on the work that had been done in the previous sessions to come to conclusions on what we need to test or learn next, and what the first steps we should take over the next 2-3 months are.

What to test or learn next

- What to do when there is a lack of available or accessible data?
- How likely is this dataset to be adopted by investors and companies?
- How can this be most practically used by our target user groups?

First steps

- Write a concept note to pitch the need, opportunity and our solution
- Identify potential early investors/ funders
- Complete a mapping process to identify data gaps
- Organise and run a co-design workshop focused on design of the labour rights survey and methodology for producing country scores

Exploring: “How might we leverage new learning about how the private sector influences country-level human rights?”

What problem is this exploration addressing?

This exploration is focused on understanding how we can leverage the information HRMI recently gathered on the private sector’s impact on human rights, via inclusion of a new question in the 2022 HRMI survey (see question below). Overall, the responses suggested that the private sector is having a negative impact on human rights, particularly with regard to disrespecting labour rights, punishing protesters, spreading misinformation, and degrading the environment.

Currently, this means that firms are perceived negatively, increasing their risks from an investment perspective. At the same time, human rights are often framed in the private sector as messy and subjective, as well as costly to companies and investors. Through leveraging this data, it is hoped that we could shift the status quo, moving to a situation where firms use their influence to openly promote respect for rights and where human rights are seen by the global private sector as integral to a virtuous circle of positive global conditions for people, the planet, and the business climate.

The survey question

“In (your country), have domestic or foreign investors, banks, economic advisors, or corporations recently encouraged or discouraged policies or practices that affect government respect for (physical integrity, empowerment or economic and social rights)? If so, how?”

This question was piloted in Angola, Australia, Brazil, India, South Korea, and the US.

The possibilities we wanted to explore:

- How might we leverage this insight to inform better strategy for engaging private sector actors in country-level human rights?
- What might this look like in concrete terms?

So far, this data has been used to write an article about the impact of the private sector on human rights. It was published on the Loop, a political science blog run by the European Consortium of Political Research. It can be found [here](#).

Exploring: “How might we leverage new learning about how the private sector influences country-level human rights?”

The co-design process

What emerged in our thinking?

- A perspective that kept coming up in the process was the need to disaggregate the private sector into smaller categories. When speaking of the private sector as a singular entity, we are not able to derive more useful insights.
- There was also agreement that the private sector is hesitant to admit that it can impact human rights or policy at all. There were questions about whether it hides behind this hesitancy to avoid examining the possible negative impact they have. This hesitancy could also stem from human rights being viewed as anti-profit and/or a messy political issue, or the fact that human rights violations often occur in unregulated parts of supply chains, which businesses think they have limited leverage over.
- It was also noted that the business model of lowest price procurement impedes the ability of businesses to truly get on board with human rights.
- There is a difference between the active (direct impact) and passive (e.g. lobbying/political power) effects the private sector has on human rights

The unanswered questions we still had

- How do we motivate the private sector to care about this new information?
- How do we engage with leaders in the private sector to understand the importance of human rights for economic sustainability and resilience?
- Is the lack of care for human rights in the private sector solvable by data, or would a norms/morals argument be more persuasive?

What we wanted to explore next

A key area to explore was determining how best to split up the private sector to better examine the human rights situations around the world. Some ideas including splitting it by industry or sector. We also noted that it would be key to investigate the different impacts of international and domestic private sector entities on human rights, as well as the role of industry associations and lobbying against human rights.

We also agreed that it was important to determine the split between the private sector's active and passive impacts on human rights, along with identifying which parts of the private sector don't know about their negative human rights impacts compared to the actors that know, but just simply don't care.

How to Convince Sovereigns to put More Emphasis on Human Rights

Overview

What problem is this concept addressing?

Currently, very few countries are issuing sovereign social ('S') bonds, with only one less-developed country (LDC) having issued one. The agencies responsible for sovereign bond issuance, such as Treasury departments, have also not had incentives to promote economic and social human rights due to the income bias traditionally producing low ESG scores. Because of their low S scores, they focus on green bonds as opposed to issuing human rights or social bonds.

This concept aims to increase the numbers of sovereign social bond issuance among LDCs, alongside improving the promotion of economic and social rights among the agencies that are responsible for issuing sovereign bonds. This will hopefully lead to an increase in ESG scores, and more capital flows to LDCs.

Concept design

Education is a key way to address the lack of social bonds and to improve ESG scores and economic and social rights in LDCs. By making both institutional investors and the agencies responsible for sovereign bond issuance in LDCs aware of HRMI's income-adjusted economic and social rights scores, the income bias of ESG scores can be rectified. This education can be increased through a series of webinars, which can be facilitated by the Emerging Markets Investment Alliance (EMIA).

This new data can be used in working groups within the institutional investment community to promote human rights goals in LDCs. These groups can then work with sovereigns to improve ESG scores or the issuance of social bonds.

What does success mean for this concept?

Success will be reflected in LDCs improving their S scores and more often issuing sovereign social bonds, and by doing so help to improve the economic and social rights situations in their countries. The ESG scores of the countries that have been engaged will improve, attracting more capital flows.

Key resources needed to make this concept work

Subject matter experts are an important resource for this concept. Experts from HRMI or the World Bank can help with the education campaigns, and experts are also required to pick relevant economic and social rights issues. This concept also requires institutional investors who will engage with Sovereigns on this topic.

How to Convince Sovereigns to put More Emphasis on Human Rights

The co-design process

What participants liked

It was acknowledged that the current state of investing means that this concept has the potential to significantly impact financial flows: emerging markets sovereign bonds are a large asset class and there is a strong demand for ESG bonds at the moment, meaning that there are incentives for issuers.

Capital markets are also a signalling tool that will impact policy and decision making across other sectors, attracting more financing to poorer countries. There was also appreciation for the focus on collaboration and education in this concept. Focusing on data that are already established was also thought to be a good idea, as it gives investors the ability to quantitatively analyse rights in the context of sovereigns.

What Summit participants proposed

- Considering the risk that penalising poor performers could lead to a negative human rights spiral
- Making sure we avoid 'social washing', but how do we do this?
- Using different language, such as human development or human capital, could avoid the politically sensitive connotations of words like 'human rights' and 'social'

What we decided together

In session three, we built on the work that had been done in the previous sessions to come to conclusions on what we need to test or learn next and what the first steps are that we could take over the next 2-3 months:

Key challenges this concept might face

- Resistance from some governments due to the delicate nature of human rights
- Gaining funding to run training sessions - EMIA usually works with policy experts from NGOs and non for profits that don't require funding

Next steps

- Disseminating the post-summit report and human rights indicator data to users
- Begin holding presentations on the topic at relevant financial conferences or via useful channels to reach a broader community
- HRMI to run a webinar about their data for EMIA members, helping to gauge interest on how to plan for concrete advocacy

Digital Rights Dashboard

Overview





What problem is this concept addressing?

Digital technology is being increasingly used to abuse human rights around the world; suppressing dissent, violating free speech, and invading privacy. As digital technology becomes more important internationally to access things such as education, employment, and other necessary services, it is becoming more pressing to gain insight on how human rights frameworks can be applied in the digital realm. Currently, there is no easy way to assess how well countries are respecting digital rights around the world, which this concept aims to address.

Concept design

A digital rights dashboard, a concept pitched by UNDP, is a new a way to understand how well rights and freedoms are respected at the country level in the digital realm. It will identify trends, perceptions, good practices, and gaps and compile them into an easy to use dashboard. Over time, our understanding of the state of human rights in the digital realm will increase, allowing us to see overview trends both regionally and globally.

Four key pillars, each containing a number of indicators

	Right to privacy	Right to free expression	Right to access	Right to freedom of association
				
	Existence of privacy laws	Number of government requests to remove content	Measure of universal internet connectivity in a country.	Restrictions on access to content
Country A	4.5	2.3	3.2	1.2

Leads to standardized scoring (1-6) based on transparent methodology

The key milestones

1. Literature review: Gaining a holistic understanding of digital rights and relevant other tools
2. Framework development: Identifying indicators for data collection and experts to consolidate the data (current stage)
3. Data collection: Collection of data in five pilot countries based on previously determined indicators
4. Design and operationalisation: Design of the tool and integration of data
5. Launch: Public launch of the tool with five pilot countries and eventually global coverage in the future.

Digital Rights Dashboard

The co-design process

What participants liked

There was a positive response to the idea of concretely identifying the negative aspects of digitalisation, and support for the need to start measuring abuses in the digital space. Many participants noted that a project like this was sorely needed in the human rights sector, and that this concept could help develop ideas on how to implement human rights frameworks into digital spaces in the future.

The simplified and easy to access presentation of the data was also noted as useful, increasing the likelihood that it will be used by civil society and human rights practitioners. The process for developing the project was also praised, e.g. starting small with a pilot and including “spot checks” by experts to maintain the quality of the project.

What Summit participants proposed

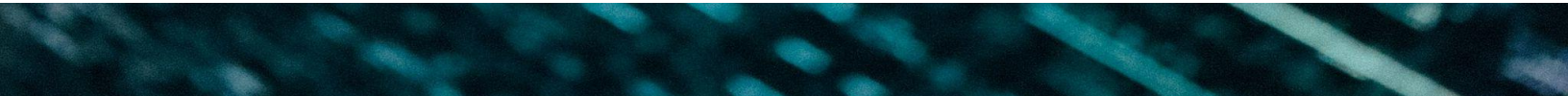
- Delineating state driven abuses vs. corporate abuses
- A way to navigate a breakdown of indicators and scores
- Clarifying what dimensions are being captured in the measurement of the rights
- Including a way to breakdown the indicators and scores to get a better understanding of digital rights
- Exploring tensions within the rights, e.g. incitement to violence vs censorship
- Ensuring that the panel of experts includes both tech specialists and human rights advocates

Moving forward

UNDP is taking this concept forward, and as of the final session they were moving into the next step of the development process with their first expert panel.

What does success mean for the digital rights dashboard team?

- It is clear, transparent, and inclusive, providing a measure of digital rights that can be applied in concrete ways
- It is useful for UNDP country offices and programming
- It has accurate measurements available for a large number of countries
- Country specific experts are included in the development of the scores to create the most accurate outcomes



Exploring: Human Rights Disclosure

How can disclosure positively influence human rights impacts?

What problem is this exploration examining?

It is expected that more transparency and disclosure from the private sector will drive advancement of human rights outcomes. We explored exactly what outcomes we expect to achieve by driving more disclosure, as well as how we can create an environment that incentivises more disclosure by private sector actors.

What emerged in our thinking:

Question 1: In what ways do we expect more transparency by private sector actors will help improve human rights outcomes?

- Help to hold companies accountable to their commitments and to prevent harm to communities and rightsholders
- Improve rightsholders' access to remedy
- Allow investors to better identify companies that are making progress towards human rights commitments
- Help companies benchmark their performance and identify actions to be taken to improve their performance
- More available data can help influence better behaviours and policies
- Illuminate systemic challenges that the private sector struggles to address

Question 2: What mechanisms might help us reach those outcomes?

- Multi-stakeholder forums that can foster alignment and collaboration among different actors and stakeholders across the value chain
- Financial and tax incentives
- Solutions that can be right-sized for companies of all sizes and maturities
- Convergence around key international human rights standards
- More industry level research that can support companies' needs for confidentiality and anonymity

What questions could we explore moving forward?

1. What mechanism would have the largest impact from both depth and breadth perspectives?
2. How could we create a working group with companies and investors to talk about these issues?

Human Rights Compass for Software Developers

Overview

This concept, developed by the Danish Institute for Human Rights, focuses on reducing the risk of human rights abuses by educating software engineers, analysts, and scientists through an easy-to-use learning platform. These actors play a key role in making early decisions that can influence human rights down the track. The goal of this concept is to help make sure they are aware of the risks their products could cause, and know how to mitigate them.

This concept proposes that education take place through an online self-learning tool, created by expert practitioners with experience building human rights assessments. During the design process, the human rights compass will also engage with engineers/scientists/product developers to ensure the methodology, content, and design is relevant to their work.

The Danish Institute of Human Rights participated in Session 1 before deciding to continue to develop their concept outside of HRMI's Summit. More information about the progress of this concept can be found by contacting Jonathan Andrews at jand@humanrights.dk

Thanks!

The HRMI team would like to say a very big thank you to everyone who contributed to the Summit. This is the first time we have run a co-design event on-line and we learned a lot about what works well and what we really wish we could have been in-person for.

We especially thank those people who took the opportunity to pitch their concept or innovation.

We look forward to seeing how each of the concepts described in this report are now taken forward!



2022 HRMI Private Sector Human Rights Summit
Private Sector's Role in Human Rights

Published October 2022

Images from Unsplash

