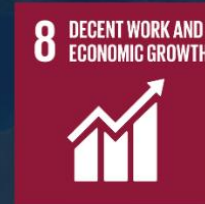




2024 Working Group

Technical challenges identified in embedding a Human Rights Due Diligence process



Terms of Reference

2024

1. Introduction

In line with its mission to promote sustainability leadership and encourage business respect for internationally recognised human rights, the UN Global Compact Network Australia (**UNGCNA**) has established a Human Rights Due Diligence Working Group (**HRDD WG**) to support UNGCNA participants to connect, share and work through technical challenges involved in the establishment of a Human Rights Due Diligence Process in alignment with the UN Guiding Principles on Business and Human Rights.

While HRDD WG members will be able to provide input into the content covered in the sessions, discussions will likely focus on technical challenges identified through embedding a human rights due diligence process, including:

- Engaging broader internal stakeholders on the notion of 'risk to people', including broader operational, compliance and regulatory risk colleagues
- Communicating performance on human rights due diligence, including internally within the business and externally to rights-holders and broader affected stakeholder groups

Participation in the HRDD WG will provide members with opportunities to hear from and engage with leading voices on HRDD within Australia and abroad. It is designed as a safe space for practitioners to openly discuss technical issues identified through embedding a human rights due diligence process. External experts and HRDD WG members will be engaged to provide presentations where appropriate. As a peer-learning WG, members will be expected to take part in facilitated discussions, share their own challenges, learnings and experiences.

Participation in the HRDD WG is characterised by a willingness to work through technical challenges associated with embedding a human rights due diligence process.

UNGCNA will communicate the activities of the HRDD WG via email. Calendar invites will be sent to nominated participant representatives.

2. Purpose of the Human Rights Due Diligence Working Group (HRDD WG)

The purpose of the HRDD WG is to:

- Connect UNGCNA participants together with experts and peers to identify and work through solutions to technical challenges experienced during the establishment of a HRDD process;

- Keep participants up to date with relevant developments through access to experts; and
- Help to shape the future of human rights due diligence within Australia using the collective leadership voice of the HRDD WG where appropriate.

3. Membership of the Human Rights Due Diligence Working Group

Membership in the HRDD WG is open to corporate participants of the UNGCNA. Interested participants will be invited to submit an Expression of Interest outlining relevant work and capacity in this area. Expressions of Interest will open on **12 March 2024** and close on

Restricted to 20 organisations

To ensure dialogue in the HRDD WG remains focused and targeted, membership in the HRDD WG will be **limited to 20 organisation per calendar year**.

- Membership in the HRDD WG lasts for one calendar year.
- Where UNGCNA receives more than 20 Expressions of Interest, it will place subsequent expressions on a waiting list.
- Members that fail to be represented by either nominated representative at two consecutive meetings without prior notice will be formally notified via email that their membership has been suspended and offered to the next organisation on the waiting list. No refunds will be offered for membership suspension due to non-attendance.

Requirements for nominated representatives

- To facilitate peer learning and capacity building with participating organisations, each member **may nominate two representatives per organisation**. Membership is non-transferable without consultation with UNGCNA. At least one nominated representative must have:
 - An understanding of relevant human rights due diligence related standards, including the *UN Guiding Principles on Business and Human Rights* and the *OECD Guidelines on Responsible Business Conduct for Multinational Enterprises*;
 - Visibility of the approach taken towards embedding elements of the human rights due diligence process within the organisation (including, where relevant, to modern slavery);
 - Sufficient experience to engage in an external dialogue, including leading and presenting at HRDD WG sessions where relevant;
- Both company representatives must be willing and available to attend all WG sessions.

Both nominated representatives are responsible for disseminating information and learnings from the HRDD WG to their colleagues, especially those working in business functions that can influence and contribute to the development and implementation of strategies relating to human rights due diligence.

A list of organisations represented in the HRDD WG will be made available on UNGCNA's public website. If requested by a particular member, we will omit publishing their representation in the WG.

If there is available space, corporate participants of the UNGCNA that are interested in joining the HRDD WG and meets the criteria outlined, may express their interest by emailing secretariat@unglobalcompact.org.au inserting [EOI: HRDD WG] in the subject heading at any time.

Consultants, professional services and law firms

Membership in the HRDD WG by non-business participants, sustainability-related service providers, consultants, professional services and law firms is not permitted. However, UNGCNA may invite experts from consultants, professional services and law firms to present on particular topics at the HRDD WG from time to time.

4. Expectations of nominated representatives

In order to maximise opportunities for peer learning, WG members will be expected to:

- Actively participate in every meeting. When the meeting is online, members will be asked to keep cameras on throughout.
- Share information on how their company is approaching the selected meeting topic, as well as the obstacles, successes, and learnings they have experienced in the process.
- Highlight practical actions they are taking to address challenges identified in implementing a human rights due diligence process.

Conduct within the HRDD WG

- The Chatham House Rule will apply to all HRDD WG meetings, unless explicitly agreed in advance by all participants.
- Participants are expected not to share or disseminate information acquired during WG meetings with people outside their organisation, without express permission from UNGCNA.
- Nominated representatives should not consider membership within the HRDD WG to be an opportunity for business development.

5. HRDD WG Meeting Schedule

The UNGCNA will convene at least four WG meetings in 2024. The focus of each meeting will be confirmed throughout the year, based on participant needs, trends in the market, relevant events and regulatory movement.

- UNGCNA may choose to invite guest speakers where relevant to share technical expertise on each selected topic.
- Each meeting will incorporate a peer-to-peer learning and sharing component.

Dates

The scheduled dates for the HRDD WG in 2024 are as follows (note that scheduled dates are subject to change):

	Date	Time	Location
Session #1	Thursday 11 April	11:00am – 12:30pm AEDT	Virtual
Session #2	Tuesday 25 June	11:00am – 12:30pm AEDT	Virtual
Session #3	Wednesday 21 August	11:00am – 12:30pm AEDT	Virtual
Session #4	Wednesday 16 October	11:00am – 12:30pm AEDT	Virtual

6. Meeting Modalities

- Each meeting will consist of an interactive engagement of at least 1.5 hours in duration.
- Agendas and any pre-read will be issued to participants at least 5 business days prior to the meetings to allow for review and preparation.
- Dates of meetings and attendance invitations to be set in the first quarter of each year.

Where appropriate, updates and outputs will be shared by the UNGCNA with our broader membership via the UNGCNA Bulletin and Human Rights Working Group webpage on our website:

<https://unglobalcompact.org.au/business-human-rights/working-groups/>.

At the end of the year, UNGCNA will publish a short summary of the key takeaways from the HRDD WG meetings across the year. The learnings will be anonymised, but participants will be asked prior to the report being published if their organisation wishes to be listed in the appendix as a WG member.

7. Cost of the HRDD WG

The cost of joining the HRDD WG is AUD \$900.00 + GST for the calendar year. Companies will be invoiced prior to the first meeting of the group. The fee is fixed for the calendar year and refunds will not be issued should a nominated representative fail to attend one or more session.

8. Competition law considerations

Recognising that working groups are designed to promote multi-party engagement on challenging ESG issues, UNGCNA reminds all participants of their competition law obligations and recommends certain procedures to mitigate any risks.

- Competition law limits how businesses can communicate and cooperate with each other – this is particularly relevant to interactions between competitors.
- Certain types of cooperation can undermine competition, raise legal risks under the *Competition and Consumer Act* and potentially lead to an investigation and enforcement action by the Australian Competition and Consumer Commission .
- This could include agreements to fix prices, rig bids, divide up markets or restrict output.

Exchanges of sensitive commercial information, such as internal pricing information, strategic plans, customer lists and bidding plans, can also raise competition law risks. As such, within working groups convened by the UNGCNA, members must not:

- Raise sensitive commercial information;
- Discuss plans or encourage others to cooperate in a way that could lessen competition (eg move business towards or away from a particular suppliers)

To assist in facilitating constructive discussion on working towards shared sustainability goals, the Chair of the HRDD WG will:

- Ensure that the content of WG calls are documented in order to preserve a record of all discussions.
- Remind participants of our competition law protocol at the outset of each call.
- Require a discussion to cease if it lends itself towards discussion of sensitive commercial information.

If any participant has concerns about the nature of discussions or cooperation in the WG they should seek their own legal advice and advise the Chair of the HRDD WG of the nature of their concerns.

9. Complaints

Concerns regarding any aspect of the HRDD WG should be conveyed in writing and emailed to:

- Chris Caskey, Manager, Human Rights, UN Global Compact Network Australia:
(Chris.Caskey@unglobalcompact.org.au).

10. Participant Acknowledgement

By signing the below, _____ (participant representative name) agrees to the UNGCNA Human Rights Due Diligence Working Group Terms of Reference 2024.

Signature: _____ Date: _____