



B-Tech Peer Learning Platform

Summary Note — Third Session

INTRODUCTION

On 10 May 2023, the <u>UN Human Rights B-Tech Project</u> held the third session of its Peer Learning Platform (PLP), a series of webinars open to participants from a diverse range of tech companies from different geographic regions.

The B-Tech Project aims to prevent and mitigate human rights risks relating to the development and use of digital technologies. This is achieved through promoting effective implementation of the UN Guiding Principles on Business and Human Rights ("UNGPs") in tech. Over the past several years, the B-Tech Project has engaged with a number of companies in the sector through its <u>Tech Company Community of Practice</u> (CoP), which has greatly informed and enhanced many different B-Tech <u>outputs</u>. In order to expand engagement to more companies from diverse geographic regions, the B-Tech Project introduced the PLP, which is open to any company from the tech sector or with an interest in the application of the UNGPs to the sector. The PLP is intended to:

- Broaden tech companies' engagement with the UNGPs, informed by B-Tech foundational guidance;
- Support capacity building within these companies;
- Broker connections among human rights functions across the industry; and
- Foster geographic outreach to tech firms headquartered globally.

Held in two sessions at 10am CET and 9am PDT to accommodate participants in different time zones, this third convening of the PLP introduced participants to <u>Human Rights Risk in Business Models and Responsible Investment in Tech</u>, providing insight into the human rights harms that may be inherent in tech business models, and reiterating the expectations of the UNGPs in addressing and mitigating such risks.

PART I: ADDRESSING HUMAN RIGHTS RISKS IN BUSINESS MODELS

B-Tech advisor Ben Pitler began with an introduction to the session. Lene Wendland, Chief of the UN Human Rights Office's Business and Human Rights Unit, gave an overview of the B-Tech Project and its work streams. The B-Tech team added that for each of B-Tech's key focus areas, output reports and foundational papers addressing the risks in the context of the UNGPs are available.

Lene focused her remarks on the importance of identifying and mitigating human rights risks in technology company business models. In her remarks, Lene noted that some observe a causal link between technology business models and human rights challenges. She then shared B-Tech's definition of a business model, which encompasses *how an organization creates and captures value, dealing with strategies and their execution*. Business models are made up of three elements, all of which can create human rights risks:

¹ Participation in the Peer Learning Platform is limited to representatives from industry in order to foster an open, peer learning environment. B-Tech offers a separate opportunity for civil society representatives, as well as various multi-stakeholder engagements and events.

- 1. **Value Proposition:** What the company offers, and to whom.
- 2. **Value Chain:** How the company delivers its value, and who and what it relies on. For technology companies this includes how they source, treat, and use data.
- 3. **Revenue Model:** How the company generates income, in order to be profitable.

The session went on to provide practical examples of human rights risks linked to technology business models and noted the propensity of some companies to focus more on operational risks than business model-related risks. The B-Tech team reiterated the UNGPs' expectations for companies to act to identify, prevent, mitigate, and remediate human rights risks linked to company business models.

The session summarized recommendations for how human rights risks should be properly considered in business models, including by reviewing performance incentives, stress testing, and scrutinizing plans for product/service testing. The session restated the need for effective stakeholder engagement at the board level, for board members to understand the impact of their products and services on stakeholders.

PART II: INVESTOR RESPONSIBILITY TO RESPECT HUMAN RIGHTS

Ben provided an introduction to B-Tech's investor-focused work, noting the investor responsibility to engage with tech companies on business model related risks. He shared information on a B-Tech guidance tool geared toward institutional investors, a template framework that guides investors' understanding of tech company human rights due diligence in respect of business model-related human rights risks. He noted that the framework provides questions for investors to ask companies, with engagement cards showing how specific business model features could lead to human rights risks. He concluded noting that the investor tool was developed to help promote meaningful engagement between investors and tech company investor relations.

UPCOMING PLP SESSIONS FOR 2023:

- **July 12:** Regulation and the Smart-Mix concept (UNGPs Compass)
- **September 13:** Access to Remedy
- November 8: Stakeholder Engagement, Vulnerable Groups & Governance Gaps

These sessions are subject to change and the list may be amended based on participant input and demand. The B-Tech Project welcomes participants to share their ideas for particular dilemmas or urgent topics to be covered in future PLP sessions. Participants may join in any or all of the sessions of the PLP, which do not constitute a linear course. B-Tech will post brief summary notes, such as this one, of the issues covered in each session, on our <u>website</u>. As per the Chatham House Rule, these notes will have no attribution.

For additional information about the B-Tech Peer Learning Platform, please contact <u>OHCHR-b-techproject@un.org</u>. For more information about the B-Tech Project, including past and upcoming activities, please visit the B-Tech <u>project portal</u>.

