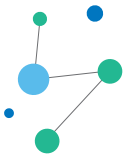


September 2024

# HUMAN RIGHTS TOOLKIT FOR VENTURE CAPITAL GENERAL PARTNERS

A Six-Step Approach to  
Technology-Related  
Human Rights Risks






## BACKGROUND

This resource from the UN B-Tech Project establishes a six-step framework designed to help venture capital (VC) general partners (GPs) understand how to assess technology startups' human rights risks before investment and how to use their leverage to help portfolio startups identify and address these risks on an ongoing basis.

By applying the framework outlined below, GPs can both minimize the material impacts to investors from startups' human rights risks and ensure that investments do not facilitate negative human rights impacts. Discussion of the meaning of startups' "human rights risks" and their material importance for GPs can be found in one of this document's companion resources, [Venture Capital, Technology Startups, and Human Rights: A Primer for General Partners and Limited Partners](#) ("B-Tech VC and Human Rights Primer").

Following some additional context, the framework is presented first as a one-page graphic illustration indicating the titles of each of the six steps. Then, each step is described in detail. The steps also reference several evaluation rubrics that are included in the annexes to this document.

This framework is not specific to any one type of human rights risk; after reading this document, GPs should feel prepared to apply the steps to whichever human rights risks may be associated with their investments. It should also be noted that the steps described below are only one suggested means by which GPs can approach this process. GPs should feel they have the flexibility to adapt the steps in the framework to fit their unique investment approaches, corporate structures, and specific companies or product types linked to their investments. The goal is simply for GPs to effectively identify startups' human rights risks and help portfolio startups address those risks.



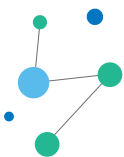
*While this Toolkit is tailored to GPs, startup accelerators will find much of the content in this document relevant as well, given their mission around upscaling, training, and developing startups. While some of the steps in the Toolkit will not be as pertinent for accelerators given how their leverage points differ from those of GPs, accelerators may still wish to adapt it for their needs.*

Finally, readers should note that the investor actions discussed in this document pertain specifically to the process by which GPs assess and act on startups' human rights risks and impacts before and throughout the life of discrete investments. These actions correspond broadly to the human rights due diligence responsibilities of investors as described by the [UN Guiding Principles on Business and Human Rights](#) ("the UNGPs"), the authoritative global framework delineating the human rights responsibilities of businesses. Other elements of investors' human rights responsibilities under UNGPs, including communicating publicly about human rights processes and providing access to remedy where portfolio companies have caused harm, are not addressed here. However, these responsibilities are also important and may be the subject of future B-Tech guidance.

### About B-Tech

The [B-Tech Project](#) is an initiative of the United Nations Office of the High Commissioner for Human Rights (OHCHR) that provides authoritative guidance and resources for implementing the United Nations Guiding Principles on Business and Human Rights in the technology space.





# About the framework

## Timelines

The steps below are designed to be applied regardless of the funding round in which an investment is made. However, a startup's maturity at the time of investment may influence how GPs implement the steps in the framework.

Early-stage companies are small enterprises with fluid business models; investors entering at these stages can look to project how startups' business activities may evolve and what related human rights risks may arise in the future. These investors will also have the opportunity to help startups put in place processes to identify and address human rights risks from their earliest stages of growth.

GPs investing in more mature startups will encounter more solidified business models which may already feature ingrained human rights risks. These investors may need to look backwards to examine any risks that went unaddressed at earlier stages of growth, the feasibility of startups addressing these legacy risks going forward, and how startups can now establish processes to identify human rights risks when no such processes existed in the past.

## “Step 0”: the human rights policy commitment

The six steps outlined in the framework below pertain to how GPs can assess and act on human rights risks linked to investments in specific startups. Before proceeding to these six steps, however, it is worth noting the importance of GPs first establishing their own policy commitment to minimizing negative human rights impacts associated with their investments.

We are calling this policy commitment “step 0.” The act of establishing such a commitment is outside the scope of this Toolkit's focus on identifying and addressing human rights risks in the course of investment. However, a policy commitment is an important precursor that sets the tone for respect for human rights internally across all divisions of an investment firm and signals expectations externally to startups. While human rights may ultimately be incorporated into broader sustainability or ESG due diligence efforts, it is essential that they are explicitly considered and addressed.

Establishing and embedding a human rights policy commitment also serves an important material purpose by codifying a GP's commitment to mitigating risk that may be missed by traditional financial risk and ESG approaches, which tend to focus more narrowly on risk to business.

In short, establishing a human rights policy commitment means GPs creating and making public a written policy document that:

- Affirms the GP's commitment to respect all internationally recognized human rights in the course of its investment activities;
- Describes how the GP incorporates analysis of human rights risks into its decision-making;
- Describes the GP's human rights expectations of the startups it funds, including that startups act to identify and address their human rights risks;
- Is embedded into other relevant policies, procedures, and accountability structures;
- Is approved at the most senior level of the firm.

In some cases, GPs also choose to include human rights-related “exclusion criteria” in these policy commitments. These exclusion criteria comprise commitments to avoiding all investment in specific types of companies (industries, subsectors, product types, business model features, etc.) that are considered to carry inherently high levels of human rights risk.

GPs can find a guide to creating a human rights policy statement in the [Checklist for Investor Human Rights Policy Commitments](#) from the Investor Alliance for Human Rights, as well as a list of publicly available investor human rights policy statements in [Investor Human Rights Policy Commitments: an Overview](#) from the UN Principles for Responsible Investment.

## Internal responsibility for human rights within investment firms and startups

GPs may also wonder whether successfully implementing the actions described in the framework below will require adding team members with specific human rights expertise. The short answer to this question is, “often not, but it depends.” Establishing processes to examine and identify human rights risks does not need to be overly complex. Conducting basic research about technology and human rights requires some effort and resource investment but does not necessarily require advanced human rights expertise. In many cases, existing team members responsible for sustainability or ESG issues should be able to adequately discharge the human rights actions outlined in this Toolkit, even if they do not have prior human rights experience.

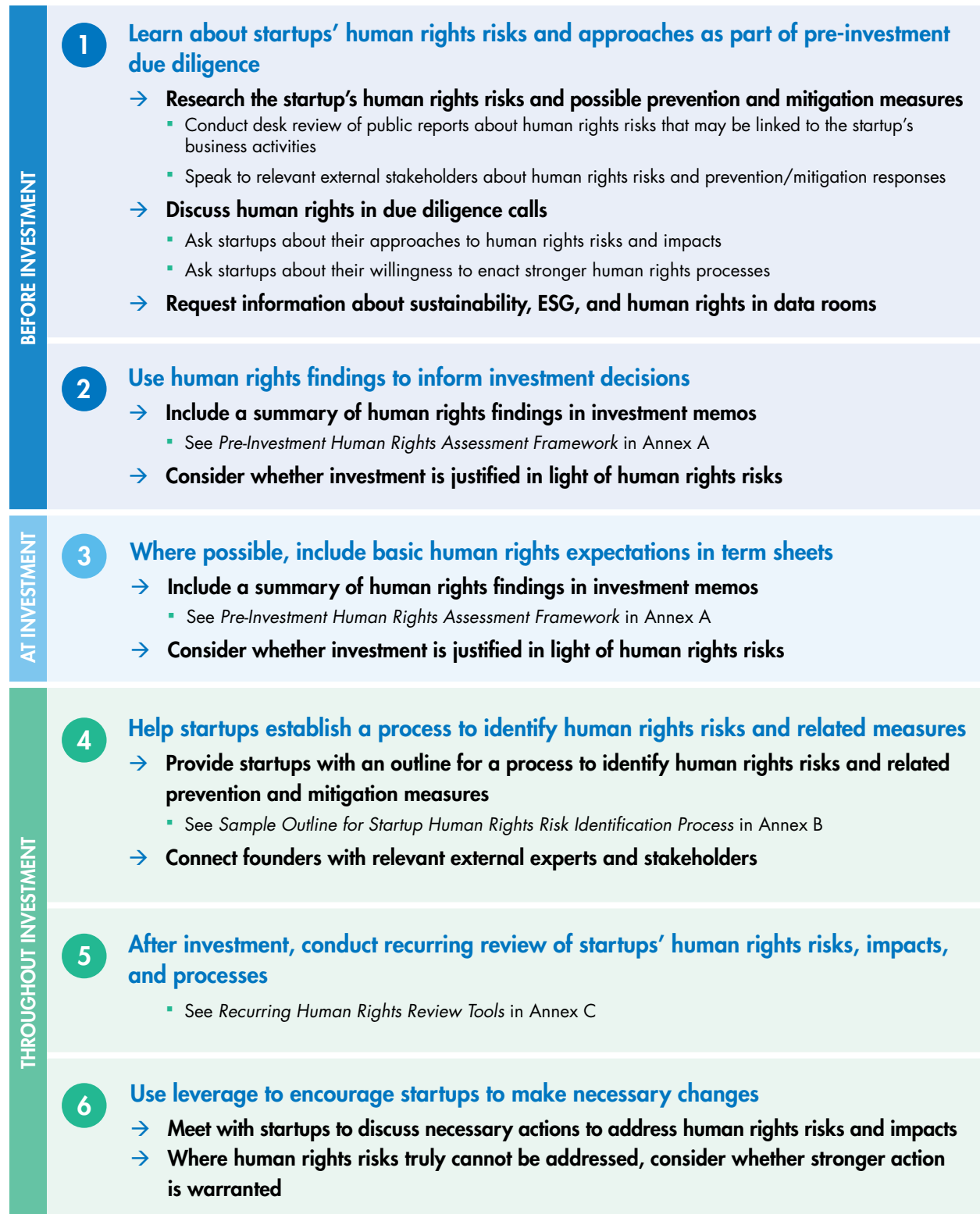
In some cases, GPs may find that current teams do not have the capacity to effectively identify and respond to human rights risks. This may become evident where completing the steps described in the framework is taking increasingly longer upon each repetition, or where investors notice that human rights risks are slipping through the cracks and are only identified after impacts have occurred. There may be different causes for this, including increasing technical complexity of human rights risks; the expansion of portfolios to include new and/or riskier technology subsectors; or the growth and evolution of portfolio companies’ business models, where increased numbers of individuals using or interacting with a company’s products means increased human rights risks.

Where GPs recognize this pattern occurring, they can consider hiring new team members with human rights knowledge or exploring how to upskill existing sustainability or ESG team members in human rights competencies. B-Tech recommends that GPs first carry out the six steps with existing team members and then adjust the firm’s capacity as needed.

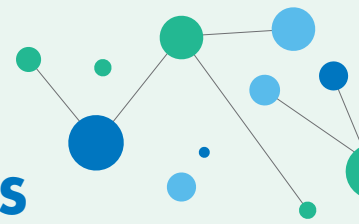
Finally, GPs should feel free to assign internal responsibility for the steps in the framework as they see fit. Investors may wish to assign responsibility for the full framework to sustainability or ESG specialists or split up the steps among different team members within the firm. B-Tech’s venture capital human rights resources have intentionally avoided being too prescriptive about which individuals inside of investment firms should discharge these steps. Simply put, we believe investors will know best which team members should have responsibility for different human rights actions and what is the best way to incorporate these actions into investing approaches.

# GENERAL PARTNER HUMAN RIGHTS FRAMEWORK:

## Six steps for GPs



# LEARN ABOUT STARTUPS' HUMAN RIGHTS RISKS AND APPROACHES AS PART OF PRE-INVESTMENT DUE DILIGENCE



The first step is for GPs to understand startups' human rights risks and their approaches to those risks before investment. This includes how a startup's business activities may pose risks to human rights, what actions would be necessary from the startup to address those risks, the level of action taken by the company to date, and the company's willingness to address its human rights risks going forward. All of these factors influence the level of material risk posed to investors by a startup's human rights issues, so this information is crucial context for GPs' ability to make informed investment decisions.

To arrive at this understanding, GPs can incorporate human rights-focused research into their existing pre-investment due diligence processes. GPs can choose to record key takeaways from this step however they wish, but the ultimate output for this information is a human rights summary included in investment memos, as discussed in step 2.

*B-Tech's VC resources reference the importance of startups "addressing" their human rights risks. This includes taking steps to **prevent** human rights risks from materializing into real negative human rights impacts wherever possible and to **mitigate** those impacts where they do occur.*

## Research the startup's human rights risks and possible prevention and mitigation measures

GPs can first conduct research to identify:

- Human rights risks that may be associated with a startup's business activities
- The relative severity of the potential resulting human rights impacts
- Best practice measures the startup could put in place to prevent and mitigate severe human rights impacts, and the general technical feasibility of these measures. (This information is an important input for step 6, when GPs encourage startups to implement specific human rights prevention and mitigation measures).

Startups may inadvertently create risks to human rights through various features of both their business models (companies' overall strategies for creating and delivering value) and operating models (how companies execute on those strategies), which are collectively referred to here as companies' "business activities." Data collection and storage practices, research and development processes, the structure of supply chains, labor arrangements, the design of sales models, the markets in which startups operate—

these and many other elements of business activities can be the cause of human rights risks, which can translate to material risk for investors. GPs' research should take a holistic look at startups to understand how the totality of their business activities could place human rights at risk and how these risks can be addressed. GPs can complete this research through two main avenues of inquiry:

The [severity of human rights impacts](#) should be judged by impacts' scale (the gravity of the impact on human rights); scope (the number of individuals who would be affected); and irremediability (the difficulty of restoring those impacted to their prior enjoyment of the right).

## Conduct desk review of public reports about human rights risks that may be linked to the startup's business activities

GPs can begin by consulting public reports from relevant experts about human rights risks that may be linked to the startup's current business activities and any planned future business activities. There is ample public reporting about technology-related human rights risks available from civil society organizations (CSOs), parliamentary commissions, academic institutions, etc. Investors can easily locate online resources that discuss human rights risks linked to core features of the startup's business model and operating model. These resources will provide digestible lists of human rights risks as well as information on best practices for addressing those risks. Some examples of high-quality reports and publications relating to technology and human rights risks are listed in the annex to the *B-Tech VC and Human Rights Primer*.

GPs should also conduct internet searches about the startup itself, looking to see if there is any public reporting linking the startup to specific, real-world negative human rights impacts. This will be especially relevant for more mature startups, as early-stage companies may have little online presence.

## Speak to relevant external stakeholders about human rights risks and prevention/mitigation responses

GPs can also reach out to a few external stakeholders with relevant knowledge to have conversations about the startup's potential human rights risks and how those risks could be addressed. This should include both: experts with knowledge of how the startup may pose human rights risks (e.g., human rights CSOs, technology experts, academics, etc.); and some people or groups likely to be affected by the types of negative human rights impacts that may occur, or their legitimate representatives (e.g., relevant human rights CSOs).

Such conversations are essential because these stakeholders often help investors access information missed by data providers and desk research, enabling investors to make more informed decisions. In order to identify relevant stakeholders, GPs may wish to begin by contacting organizations or individuals responsible for the public reports they consulted, such as those listed in the annex to the *B-Tech VC and Human Rights Primer*. GPs can also find more information about human rights stakeholder engagement for investors in the [Investor Toolkit on Human Rights](#) from the Investor Alliance for Human Rights.

## Discuss human rights in due diligence calls

After researching human rights risks that may be linked to startups' business activities, GPs can seek to understand more about startups' approaches to these risks by discussing human rights during due diligence calls.

The goal of this step is for GPs to understand whether founders are aware of their companies' risks to people and whether they have thought about ways to address these risks. In reality, most startups will likely not report examining human rights risks in a concerted way or having put in place prevention or mitigation measures specifically with human rights risks in mind. Accordingly, this step is also an opportunity for GPs to ask questions that gauge startups' willingness to improve their approach to human rights risks over time.

All of this information will be factored into investment committees' decisions in step 2. The quality of startups' approaches to human rights risks, as well as their willingness to improve these approaches, is a key factor that determines whether and to what extent human rights risks will materially harm GPs.

GPs may also wish to ask startups to read the *B-Tech VC and Human Rights Primer* before engaging them in discussions about human rights. Startups may be unfamiliar with exactly what GPs mean when they talk about “startups’ human rights risks,” and reading this document will help ensure that GPs and startups are on the same page.

### **Ask startups about their approaches to human rights risks and impacts**

Some specific questions that GPs may want to ask in due diligence calls to better understand startups’ current approaches to human rights risks and impacts are as follows:

#### **ESG/sustainability/human rights process questions**

- *Does your company have an internal process or team that examines the sustainability or ESG impacts of your business activities? If so, can you describe how this team/process operates? Does this team/process consider human rights impacts, specifically?*
- *Do you consider risks of negative impacts on people linked to your company’s business activities to carry related material risk to your company and its investors? Why/why not?*

#### **General human rights risk/impact questions**

- *Are you aware of any risks of negative impacts on people associated with your company’s business activities or product(s)? What are those negative impacts? How is your company taking action to prevent and mitigate these impacts?*
- *Are there specific populations or demographics that your company’s business activities or product(s) could risk harming disproportionately? If so, whom? How is your company taking action to prevent and mitigate these risks?*
- *Are you aware of any real-world negative human rights impacts that have resulted from your company’s business activities? If so, what were they? Can you describe your company’s response to such impacts, both in a general sense and in this specific instance?*

#### **Specific human rights risk/impact questions**

- *Our research suggests that X element of your business model could create human rights risks in the following way(s): ... Have you considered this? How serious do you believe this risk to be?*
- *Our research identified a few specific measures that could help to address your company’s human rights risks, including X, Y, and Z. Has the company sought to implement any of these measures in the past? Does it have plans to do so in the future?*

Some GPs may already ask startups questions about sustainability and/or ESG as part of their due diligence processes. Where this is the case, B-Tech recommends the incorporation of questions specific to human rights into these processes.



## Ask startups about their willingness to enact stronger human rights processes

In addition to the above questions pertaining to startups' current human rights approaches, GPs can also gauge startups' willingness to improve their human rights approaches over time. Exactly how GPs phrase this portion of due diligence calls will be up to each individual investor, but a possible template for these discussions could be as follows:

*"We believe that startups examining their human rights risks and taking action to address those risks and any resulting impacts is critically important for reasons related to both materiality and sustainability. With that in mind, we hope to see all startups we fund take a robust approach to human rights issues by:*

- Establishing a recurring process to identify human rights risks linked to their business activities, as well as possible measures to prevent or mitigate resulting negative human rights impacts (our firm provides a blueprint for the design of this process);*
- Participating in human rights review meetings with our firm wherein we discuss your company's progress toward previously discussed human rights goals, how human rights risks may have changed or evolved, and what measures may be necessary to address human rights risks;*
- Implementing measures to prevent and mitigate serious negative human rights impacts where necessary.*

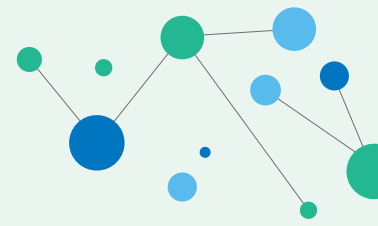
*If we make a funding offer to your company, are you willing to make a good faith effort to implement the above steps? This is not something we would expect to see on day one, but rather a goal to work toward, and our firm will support you as you seek to meet these goals."*

GPs will often lack the leverage to mandate that startups commit to taking specific human rights actions as a condition of investment—for example, when a GP is a minority investor in a company and lacks alignment on human rights matters with other investors, or where startups are choosing among multiple GPs. Nevertheless, it is important for GPs to communicate their desire for startups to implement these human rights measures and ask directly about startups' willingness to do so, even if this conversation is likely to be non-binding. Having this conversation before investment both signals the gravity that GPs assign to human rights issues and surfaces important information about startups' willingness to take human rights risks seriously.

## Request information related to sustainability, ESG, and human rights in data rooms

GPs can also request that startups provide information about sustainability, ESG, or human rights policies in data rooms. Startups may not have specific policies pertaining to these topics, or the policies they do have may not specifically reference human rights. Nevertheless, startups' responses (or non-responses) to these requests are all relevant data points for GPs.

## USE HUMAN RIGHTS FINDINGS TO INFORM INVESTMENT DECISIONS



Having gained a fuller understanding of a startup's human rights risks, possible measures for addressing those risks, and the startup's willingness to address them going forward, the next step is for GPs to ensure that investment committees have this information and incorporate it as they consider whether to ultimately commit to the funding round.

### Include a summary of human rights findings in investment memos

GPs can include in investment memos a summary of the human rights information gathered in step 1. This summary should address:

- How the startup's business activities may pose risks to human rights, including the relative severity of such risks;
- How these risks may translate to material risk for the GP, including how human rights risks may grow more or less material throughout the investment holding period (i.e., are human rights risks likely to pose short, medium, or long-term material risk to the investor?);
- Available prevention and mitigation measures the startup could implement to address its human rights risks (with a focus on risks with the most severe potential impacts), and the expected efficacy of these measures;
- The startup's awareness of its human rights risks and any action it has taken to address those risks to date;
- The startup's willingness to address human rights risks going forward.

Along with this written summary, GPs should also include a categorization of a startup's overall level of human rights risk and associated material risk on the summary page of the investment memo. For this purpose, Annex A provides a *Pre-Investment Human Rights Assessment Framework*, which includes a numerical evaluation rubric for judging startups' level of human rights risk, along with some instructive examples. There is not necessarily a minimum threshold at which the number resulting from this rubric should suggest against investment; the rubric is provided as an aid for GPs to better understand startups' human rights risks.

### Consider whether investment is justified in light of human rights risks

Finally, investment committees can then incorporate the human rights information gathered by their teams when making investment decisions.

As above, there is no formula or minimum "human rights score" that GPs should use when deciding if a startup's human rights risk profile suggests for or against investment. Startups falling into the "red flag" or "high risk" categories in the *Pre-Investment Human Rights Assessment Framework* provided in Annex A may well prove

too risky for GPs to fund without harming human rights and exposing themselves to high levels of material risk. However, the mere presence of human rights risks linked to a startup's business activities should not necessarily be a disqualifying factor.

Broadly, GPs' goal should be to ensure that: (1) there is not an unacceptably high level of severe human rights risk linked to the startup's business activities, and what risk there is can feasibly be addressed; and (2) the startup has sufficient maturity and willingness to implement or improve processes to identify human rights risks and prevent/mitigate serious negative human rights impacts.

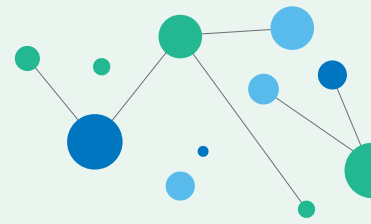
In some cases, however, GPs' human rights-related due diligence may lead to the conclusion that severe human rights risks cannot be effectively addressed and that investment should be avoided. There may be different reasons for this, including:

- **Efficacy of available technical prevention and mitigation measures:** Sufficient technical measures for preventing and mitigating negative human rights impacts linked to the startup's technologies may not yet be achievable. Alternatively, some measures may exist but may not be effective for the most severe human rights impacts that could occur.
- **Complexity and expense of prevention and mitigation:** Where effective prevention and mitigation measures do exist, their implementation may still be unfeasible if the startup cannot realistically meet the requisite resource costs.
- **Maturity of the startup:** If the startup is in its early stages and complex prevention and mitigation measures are required, the company may not have the capacity to implement these measures. If the startup is more mature and has not taken steps to address potentially severe human rights risks in the past, these risks may now be so ingrained into the business model that addressing them is not feasible.
- **Lack of startup buy-in:** If the startup does not agree that identifying and addressing human rights risks is important, preventing serious negative human rights impacts—and related material impacts—in the future will prove difficult. Though many startups will not have addressed human rights risks in a direct way to date, GPs should feel confident before investing that they have a startup's buy-in to tackle this work in the future. Without this, GPs run the risk of portfolio companies refusing to implement critical prevention or mitigation measures or making business decisions that introduce severe human rights risks against investors' wishes.

Where these dynamics are in place, investments are likelier to pose severe risks both to human rights and to GPs' bottom lines.

## STEP THREE

# WHERE POSSIBLE, INCLUDE BASIC HUMAN RIGHTS EXPECTATIONS IN TERM SHEETS



Once a decision to invest has been made, GPs can also look to incorporate basic human rights expectations of startups into term sheets.

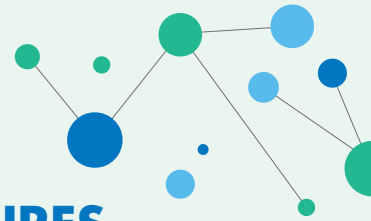
This may not always be straightforward; some startups may be reluctant to accept human rights-related clauses in term sheets or may view such clauses as conflicting with the desires of other investors. Nevertheless, GPs should make an attempt to include human rights language in term sheets where achievable. This language can be general, broadly acknowledging that the GP has asked the startup to examine startups' human rights risks and help portfolio companies address those risks. For example:

*"[The startup] acknowledges that [the GP] has made requests about [the startup] addressing human rights risks, including by seeking to understand how its business activities could pose risks to the rights enshrined by the Universal Declaration of Human Rights and endeavoring to minimize the impacts of these risks."*

Such clauses may not constitute a binding agreement by startups to take specific human rights actions, but they are a helpful way for GPs to document their request that startups focus on human rights.

## STEP FOUR

# HELP STARTUPS ESTABLISH A PROCESS TO IDENTIFY HUMAN RIGHTS RISKS AND RELATED MEASURES



After term sheets are agreed, the next step is for GPs to aid portfolio startups in creating a recurring process to identify human rights risks and impacts and related prevention and mitigation measures. GPs can help startups do this in two main ways:

## Provide startups with an outline for a process to identify human rights risks and related prevention and mitigation measures

While human rights risk identification processes for startups do not need to be complex, startups are unlikely to know how to structure such a process without some guidance. GPs should provide startups with a basic outline for this process, based on GPs' own human rights risk identification processes. This outline should ask startups to:

- Consult written reporting that discusses potential links between the startup's business activities and human rights risks, as well as possible measures for preventing and mitigating negative human rights impacts;

- Have discussions with some relevant external stakeholders (human rights experts and affected groups or their legitimate representatives) about human rights risks and how to prevent and mitigate their impacts;
- Focus primarily on human rights risks whose impacts would be most severe;
- Perform these actions upon receiving funding and on a semi-regular basis thereafter, for example once or twice yearly;
- Report their findings to GPs by filling out a *Recurring Human Rights Self-Assessment Questionnaire for Startups* (at Annex C) and participating in semi-regular human rights meetings, as discussed in step 5 and step 6, respectively.

This outline can be delivered to startups in more than one way. Some GPs may wish to simply provide startups with a short, written memo; a *Sample Outline for Startup Human Rights Risk Identification Process* is provided for this purpose at Annex B. Alternatively, GPs who enroll founders in development programs or create online resources to educate founders in business disciplines may wish to extend this model to include short online or video modules on structuring simple processes to identify human rights risks and prevention and mitigation measures.

Preparing and delivering this outline does not need to be especially time-consuming for GPs, who can use the same standard outline with any startup they fund. Moreover, establishing these processes should not require too many resources from startups. For early-stage companies whose business models are more fluid, examining human rights risks does not need to be more complex than basic research and a few conversations. The goal is simply to get startups thinking about their human rights risks and how to address them in a systematic way. Startups conducting these processes themselves and making an effort to identify their own human rights risks early is a key means by which GPs can protect themselves from human rights-related material risk.

## **Connect founders with relevant external experts and stakeholders**

Like GPs, startups' processes for identifying human rights risks and related prevention and mitigation measures should involve discussions with both experts and affected groups or their legitimate representatives. GPs can help connect founders with the necessary external stakeholders. In many cases, these may be the same stakeholders that GPs consulted for their own human rights processes outlined in step 1; the annex to the *B-Tech VC and Human Rights Primer* is again a good starting point.

## AFTER INVESTMENT, CONDUCT RECURRING REVIEW OF STARTUPS' HUMAN RIGHTS RISKS, IMPACTS, AND PROCESSES

While GPs' attention to human rights issues is crucial around the time of investment, human rights risks also change and evolve as startups grow, and real-world negative human rights impacts may have occurred. Accordingly, the next step is for GPs to assess startups' human rights risks, impacts, and processes throughout the life of their investments.

GPs can achieve this by establishing a recurring internal review process. As a baseline, B-Tech recommends that GPs conduct these reviews once or twice annually, but more frequent reviews may be called for where human rights risks are especially severe or where serious impacts are identified.

GPs can take a three-part approach to conducting these reviews, organized around the three tools provided at Annex C:

### 1 The GP fills out the *Recurring Startup Human Rights Assessment Questionnaire for GPs at Annex C*.

This questionnaire asks GPs a few basic questions about their understanding of startups' human rights performance in the most recent period. Filling out this questionnaire will require GPs to repeat the research actions outlined in step 1, this time with a focus on how a startup's human rights risks have evolved. Through consultation of up-to-date human rights reporting and new conversations with relevant external stakeholders, GPs should aim to understand:

- **Any new human rights risks linked to the startup's business activities that have arisen since the previous review;**
  - Prevention or mitigation measures that could effectively address these risks.
- **Any previously identified human rights risks linked to the startup's business activities that have changed demonstrably in scale or scope since the previous review;**
  - Prevention or mitigation measures that could effectively address these risks.
- **Any specific instances of real-world negative human rights impacts linked to the startup and the severity of these impacts;**
  - Prevention or mitigation measures that could effectively address these impacts.

The *Recurring Startup Human Rights Assessment Questionnaire for GPs at Annex C* provides detailed questions to guide GPs' research in respect of the above information.

- ### 2 The GP asks the startup to fill out the *Recurring Human Rights Self-Assessment Questionnaire for Startups at Annex C*. This simple questionnaire asks startups to self-report basic information about their human rights performance and any new risks that have arisen. This can also be structured as a conversation in which GPs ask startups these questions directly, if preferred.

- 3** Drawing on the information gathered from the two above actions, the GP uses the *Recurring Human Rights Evaluation Rubric* at Annex C to judge startups' current level of human rights risk and their human rights performance. There is not necessarily a minimum cumulative numerical score that GPs should be looking for. Rather, this process is designed to help GPs arrive at an approximate quantification of a startup's human rights progress.

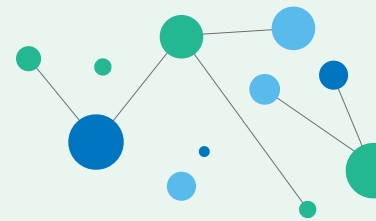
The goal of this process is for GPs to gain a fuller understanding of:

- **Startups' progress toward implementing actions previously agreed with GPs, including:**
  - Creating and using an internal process to identify human rights risks and related prevention and mitigation measures;
  - Enacting prevention and mitigation measures previously agreed with GPs.
- **The evolution of startups' human rights risks (i.e., if new risks have appeared and whether previously identified risks have changed/evolved);**
- **Any identifiable real-world negative impacts to human rights linked to the startup's business activities;**
- **Any new prevention or mitigation measures the GP believes the startup should implement to address new human rights risks or impacts that have occurred;**

Gathering this information is an important basis for the final step of this Toolkit, wherein GPs will use their leverage to encourage startups to make necessary changes and improvements.

## STEP SIX

# USE LEVERAGE TO ENCOURAGE STARTUPS TO MAKE NECESSARY CHANGES



The final—arguably most important—step is for GPs to use their leverage as investors to encourage startups to make necessary changes. Both GPs' pre-investment human rights research (step 1) and their recurring human rights review processes (step 5) will surface information about startups' human rights risks and impacts, their human rights progress, and specific corrective actions GPs want startups to take going forward. This final step is GPs' opportunity to ask startups directly to implement those actions. This is the key means by which GPs can seek to ensure that human rights risks are sufficiently addressed **before** they lead to tangible material harm to investors, as well as real-world negative impacts to human rights.

Where severe human rights risks linked to startups' business activities cannot be sufficiently addressed, GPs should assess whether their continued investment is consistent with their responsibility to respect human rights and consider taking stronger action.

## Meet with startups to discuss necessary actions to address human rights risks and impacts

GPs should meet with startups as necessary to discuss human rights and request any specific human rights actions that GPs want startups to take.

The frequency and intensity of these engagements can be tailored based on the quantity, severity, and materiality of human rights risks linked to a startup's business activities. As a baseline, GPs can seek to discuss human rights with startups once or twice annually, after the investor and the startup complete their respective individual processes to identify human rights risks and impacts and related prevention and mitigation measures. If GPs believe human rights risks are elevated and sustained, or if serious impacts have been identified, more frequent and intensive engagements might be necessary, especially if specific actions and timeframes have been agreed upon for the startup to address these issues. This approach ensures that the level of oversight is both appropriate and effective, adapting to changes in the startup's risk profile over time.

These human rights meetings with startups are an opportunity for GPs to accomplish three things:

- **Discuss the findings of both GPs' and startups' most recent human rights review processes, including new risks identified and any real-world impacts that have materialized.**
- **Where the startup has not progressed vis-à-vis previously agreed human rights goals, identify why. Discuss what additional resources the startup needs and whether the GP can help the startup access these resources.**
- **Ask the startup to take specific human rights actions deemed necessary by the GP going forward, which may include:**
  - If the startup's human rights risk identification process is not yet operational, finalize this process and begin using it to identify human rights risks linked to business activities.
  - Implement prevention or mitigation measures necessary to address human rights risks. These may include measures identified by the GP during its pre-investment human rights research; any other measures previously agreed upon by the startup and the GP, where the startup has not yet fully implemented these measures; and additional measures now deemed necessary by the GP based on new or substantively changed risks or real-world impacts identified during the human rights review process.

Because startups are unlikely to have strong approaches to human rights risks in place at the time of investment, GPs should not expect that startups will have eliminated all human rights risks or achieved all human rights goals in the preceding six or 12 months. Instead, GPs should look for indications of startups' progress toward previously set human rights goals and buy-in toward future goals.



## Where human rights risks truly cannot be addressed, consider whether stronger action is warranted

As discussed above, GPs will not always succeed in persuading startups to implement human rights measures. This may occur where a GP lacks alignment on human rights with other investors in a startup or where implementing human rights prevention and mitigation measures would mean resource costs or business model changes that threaten a startup's financial viability.

Where these scenarios occur, GPs should make a judgment about the severity of the human rights risks involved. Where the human rights risks linked to a startup's business activities are not severe, it may be acceptable for a GP to remain invested even if the startup is unwilling or unable to implement human rights measures that the GP has advocated for, provided the GP continues to encourage the startup to address human rights risks. When human rights risks are severe and sustained, however, this becomes much more problematic.

In extreme cases, GPs may need to accept that remaining invested would pose an unacceptably high risk to human rights (and, by extension, to the GP) and that divestment could be necessary. However, exiting an investment is not always immediately actionable for GPs. When human rights risks are severe and apparently not addressable, but divestment is not an immediate option, GPs can consider first taking other intermediate actions to signal their concern, such as indicating that they will forgo subsequent funding rounds or relinquishing board seats.

# ANNEX A: PRE-INVESTMENT HUMAN RIGHTS ASSESSMENT FRAMEWORK

## GP Pre-Investment Human Rights Assessment Framework

*Note: the examples below are provided to illustrate investments that **may** carry varying levels of human rights risk. However, technology startups' business models and products can fall into higher or lower risk categories based on the interaction of a number of different factors, including the startup's previous level of attention to its human rights risks, the markets in which it operates, the types of customers it does or does not sell its products to, etc.*

RED FLAG	
DESCRIPTION	EXAMPLE
<p>The GP has identified significant risks to human rights linked to the startup's business activities. The GP believes that some of these risks are likely to lead to severe negative human rights impacts without sufficient prevention and mitigation measures, and some impacts may not be preventable or mitigatable at all.</p> <p>Despite this, the startup indicates that it is not concerned about risks to human rights posed by its business activities and does not believe there is associated material risk. The startup reports that it does not have processes in place to identify human rights risks and has not taken any specific steps to address such risks. Further, the startup does not indicate a willingness to adopt such processes going forward and will not commit to implementing specific measures to address human rights risks. Moreover, effective prevention and mitigation measures for some of the startup's human rights risks either do not exist or would require such wholesale change to the startup's business model that they are not feasible.</p> <p>Based on this dynamic, the associated material risk to investors is high.</p>	<p>The GP is considering funding a startup that develops targeted surveillance software products that allow users to monitor and observe private mobile phone communications. The company sells these products to governments, including law enforcement agencies, for the purpose of monitoring criminal and terrorist networks.</p> <p>The GP's research finds that these kinds of highly intrusive spyware products may be inherently inconsistent with the right to privacy and can also negatively affect the exercise of other fundamental rights. In practice, the startup's products have reportedly been used to intercept the personal communications of journalists and political opposition figures, including individuals who were later allegedly subjected to arbitrary detention or torture. These uses of the startup's products have received attention from international media and human rights groups.</p> <p>The startup is aware of these risks but is not concerned by them. The company has indicated, through both its actions and its discussions with the GP, that it does not maintain a process to identify its own human rights risks and does not plan to alter its business practices to prevent or mitigate negative human rights impacts. Moreover, given the nature of the startup's products and its practice of selling those products to governments with poor human rights records, severe risks to human rights are an ingrained element of the company's business model. The GP believes that at least some of the likely resulting impacts to human rights cannot be mitigated.</p>

## HIGH RISK

DESCRIPTION	EXAMPLE
<p>The GP has identified risks to human rights linked to the startup’s business activities and believes that some negative human rights impacts resulting from these risks are not preventable. The GP believes that some of these impacts could be severe, though it may be possible for severe impacts to be prevented or mitigated through swift action from the startup. If these impacts do come to fruition, they may pose serious material risk to the company and its investors.</p> <p>The startup has not taken meaningful steps in the past to address its human rights risks and its awareness of these risks does not appear sophisticated to the GP. The startup does not have a process in place to examine and act on risks to human rights.</p> <p>The GP believes that the startup may come around to the idea that it should act to identify human rights risks and implement measures to prevent and mitigate those risks, but notes skepticism from the management team at the outset. The startup is hesitant to commit to implementing specific human rights risk mitigations but may agree to a broad commitment to examine its approaches to human rights issues.</p> <p>Based on this overall dynamic, the GP believes that there is a good chance that some of the startup’s human rights risks will become real-world negative human rights impacts, and possibly severe ones. The associated material risk to investors is accordingly relatively high. The GP is unsure if the startup will sufficiently commit to the actions necessary to mitigate its human rights risks.</p>	<p>The GP is considering funding a startup that is developing a proprietary large language model to serve as the back end of a public-facing generative AI platform. This platform will rapidly generate image and video content based on text prompts entered by users. The startup’s business model envisions making this service available to the public on a subscription basis.</p> <p>The GP’s pre-investment research identifies a number of potential human rights risks connected to generative AI image and video creators. For example, the online dissemination of political disinformation created with generative AI tools may pose a risk to individuals’ right to freely choose political representatives. The right to own property may also be placed at risk by the unauthorized use of intellectual property to train foundation models. And the creation of deepfake pornography using generative AI tools poses a serious risk to the right to security of person and the right to freedom from degrading treatment. Likewise, the use of generative AI to perform analysis or make recommendations in employment contexts may introduce biases based on gender, race, or age, which could threaten the right to be free from discrimination.</p> <p>The GP is especially concerned about the potential for the startup’s products to be used to create deepfake pornography or child sexual abuse material. The startup indicates to the GP that it has put in minimal effort to prevent these outcomes, but largely believes that human rights risks stem from the way its products are used, and thus responsibility lies with end users.</p> <p>The GP asks if the startup is willing to do more to identify and address human rights risks, including through prevention and mitigation measures such as the implementation of algorithmic auditing; red teaming processes; filters that prohibit prompts that could elicit sexual or pornographic content; watermarking of AI-generated content; and privacy-preserving approaches to data collection. The startup indicates that it may be willing to strengthen its approach to its human rights risks but is not fully convinced of the need to implement all of the measures described by the GP.</p>

## MODERATE RISK

DESCRIPTION	EXAMPLE
<p>The GP has identified risks to human rights linked to the startup's business activities, at least some of which are likely to materialize into impacts without preventative action from the company. If left unmitigated, these impacts could cause substantial harm to people, which in turn may affect the reputation and/or financial viability of the company.</p> <p>The startup demonstrates some awareness of its human rights risks and seems to understand that they could pose associated material risk to the company. The startup indicates that it is putting thought into how it can address these risks but cannot point to specific best practice mitigation or prevention measures that it has implemented or plans to implement. The startup also does not utilize a standardized process for identifying its human rights risks.</p> <p>Drawing on its research, the GP is confident that effective measures to prevent or mitigate the most serious potential human rights impacts do exist. Implementing these measures will require some expense and resources from the startup, but not to an extent that will prove overly onerous. The startup has indicated some willingness to implement these measures, as well as a human rights risk identification process.</p> <p>Based on this dynamic, the GP believes there is a moderate chance that the startup will be linked to negative human rights impacts, though likely not severe ones if effective prevention and mitigation measures are put in place. The associated material risk to the GP is accordingly also moderate. The GP believes this risk can be effectively mitigated if the startup agrees to take strong action to account for its human rights risks. The GP has some confidence that the startup will agree to implement these measures in earnest.</p>	<p>The GP is considering funding a startup that develops machine learning algorithms for use in the financial services sector, which it sells to financial institutions and other companies in the fintech space. The startup's products perform predictive analytics in support of institutions' allocations of individual credit scores and mortgage approvals.</p> <p>The GP's research finds that there are possible risks of significant harm to people associated with these products. Bias present in the outputs of the startup's algorithms could unintentionally lead end users to deny mortgages or assign lower credit scores to racial and ethnic minorities, women, and other minority groups, negatively impacting the right to be free from discrimination, among others. This category of human rights risk has received growing attention from media and regulators in recent years and is likely to pose an associated material risk to the startup if not effectively addressed.</p> <p>The startup says it is familiar with the risks to people associated with algorithmic bias and aims to reduce these risks associated with its products. However, the startup cannot point to a specific list of prevention and mitigation measures that it has implemented. The startup also does not maintain a recurring process to identify human rights risks or monitor the use of its products for evidence of negative human rights impacts.</p> <p>The startup indicates to the GP that it is willing to both establish a human rights risk identification process and implement more prevention and mitigation measures. The GP mentions measures such as establishing bias training and human rights training for internal algorithm developers and users; regular testing/modifying of algorithmic systems; auditing training datasets; contractual safeguards; and capacity building for customers or end-users. The startup says it is willing to explore taking these actions.</p>

## LOW RISK

DESCRIPTION	EXAMPLE
<p>The GP has identified a small number of human rights risks linked to the startup’s business activities. The GP sees a possibility that a few of these risks could lead to negative human rights impacts without sufficient prevention and mitigation measures but is confident the impacts would not be severe and believes that prevention and mitigation would not be too complex for the startup.</p> <p>The startup demonstrates awareness of its human rights risks and indicates that it has taken some action to address them. The startup also has a standardized process to consider its ESG risks on an ongoing basis. This process covers some, though not all, types of human rights risks, and does not reference human rights specifically.</p> <p>The startup indicates to the GP that it is prepared to strengthen human rights prevention and mitigation measures where necessary, based on conversations with the GP. The startup is also willing to strengthen its ESG risk identification process by incorporating a specific focus on human rights.</p> <p>Based on this overall dynamic, the GP believes that there is a low chance that the startup will be linked to negative human rights impacts. If such impacts occur, the GP is confident they will be few and not severe. The associated material risk to the GP is accordingly also low. The GP believes this risk can be effectively mitigated by the startup agreeing to incorporate a human rights focus into its already existing ESG processes and is confident the startup will take these actions.</p>	<p>The GP is considering funding a startup that offers cloud software-as-a-service (SaaS) platforms that optimize various business processes, such as data modelling and project management, for small enterprises.</p> <p>The GP’s research indicates that while this sector is not as risky from a human rights perspective as some others, the prevalence of “low touch” or “touchless conversion” sales models in the SaaS industry can pose risks to human rights. These sales models often grant companies limited visibility into who their end users are; where end users utilize SaaS products in ways that exacerbate human rights risks in end users’ own business models, this can link SaaS developers indirectly to negative human rights impacts.</p> <p>The startup tells the GP that it is aware of these risks and that it makes an effort to avoid selling to customers whose end use of the company’s products would pose risks to people. This includes a recurring risk identification process that considers risks to people associated with the startup’s known customers. The startup also has a policy specifically banning the use of its products for purposes that are inconsistent with company sustainability principles (which do not specifically reference human rights). Nevertheless, the startup acknowledges that its limited visibility into the identity of some end users makes this practically difficult.</p> <p>Going forward, the startup expresses a willingness to ensure that its risk identification process includes a specific human rights focus. The startup also indicates it is willing to implement additional prevention and mitigation measures specified by the GP, including introducing more end-user visibility into its sales models and communicating with customers and sales partners about prohibited and unsupported uses of its services.</p>

## GREEN FLAG

DESCRIPTION	EXAMPLE
<p>After robust due diligence research, the GP has not identified unaddressed risks to human rights linked to the startup's business activities. Where risks have been identified, the startup has already taken steps to prevent or mitigate their impacts. The GP does not foresee risk of specific negative human rights impacts arising, but is confident that if impacts do arise, they will not be severe and will be addressable through basic prevention and mitigation measures.</p> <p>The startup demonstrates strong awareness of its own human rights risks and the importance of addressing human rights risks more broadly. The startup has a process in place to identify human rights risks and is open to implementing additional prevention or mitigation measures, should the management team and GP agree these are necessary.</p> <p>Based on this overall dynamic, the GP does not foresee risk that the startup will be linked to negative human rights impacts. Accordingly, the GP does not foresee associated material risk to investors. The GP is satisfied with the human rights processes that the startup has in place, but the startup also indicates a willingness to examine how these processes can be iteratively improved going forward.</p>	<p>The GP is considering funding a startup that has developed a digital messaging and videoconferencing platform. The GP's research has indicated that investments in this space can sometimes carry human rights risks. For example, where these platforms do not offer end-to-end encryption, or where they contain "back doors" that could allow governments to access user data, this can pose a risk to the right to privacy and can have a chilling effect on the exercise of other fundamental rights, such as the right to freedom of expression.</p> <p>The startup demonstrates strong awareness of these risks and their links to not only broadly negative impacts on people, but specifically negative impacts on human rights. The company utilizes a recurring risk identification process that aims to identify human rights risks before they lead to impacts. The startup also has put in place specific prevention and mitigation measures with user privacy and other human rights in mind, including making end-to-end encryption the default setting for all users and disclosing detailed reports of all government requests for user data.</p> <p>The GP is satisfied that the startup has put in place effective measures to address human rights risks and that negative impacts to privacy and other rights will be minimal if they do occur. The startup has also indicated a willingness to continue improving its privacy protections into the future.</p>

# ANNEX B: SAMPLE OUTLINE FOR STARTUP HUMAN RIGHTS RISK IDENTIFICATION PROCESS

## Outline for Your Startup's Human Rights Risk Identification Process

### OBJECTIVE

The creation of a recurring (once or twice yearly) process by which your startup identifies:

- Human rights risks that may be posed by its business activities
- The severity of potential resulting human rights impacts\*
- Measures that could be implemented to prevent and mitigate negative human rights impacts

When the process is repeated (i.e., for all iterations after the first one), it should focus on identifying:

- Any new human rights risks linked to your business activities that have arisen since the previous review
- Any previously identified human rights risks linked to your business activities that have changed demonstrably in scale or scope since the previous review. For example, these scenarios may arise where newly prominent use cases or capabilities of technologies give rise to new categories of human rights risk or exacerbate existing risks.

\*Severe impacts are those with the greatest scale (the gravity of the impact on human rights), the largest scope (the number of individuals who would be affected), and the highest level of irremediability (the difficulty of restoring those impacted to their prior enjoyment of the right).

### STEP 1: CONSULT EXPERT WRITTEN REPORTING

You can begin by consulting public reports from relevant experts about human rights risks that may be linked to your company's business activities. Note that human rights risks can stem from various features of companies' business models (overall strategies for creating and delivering value) and operating models (how companies execute on those strategies). For example, data collection and storage practices, research and development processes, the structure of supply chains, labor arrangements, the design of sales models, the markets in which companies operate, etc. can be linked to human rights risks.

There is ample public reporting about technology-related human rights risks available from civil society organizations, parliamentary commissions, academic institutions, etc. Basic internet searching will help you identify resources that are pertinent to your company. You should focus on identifying resources that discuss human rights risks linked to core features of your business model and operating model. These resources will provide digestible lists of human rights risks as well as information on best practices for addressing those risks.

## STEP 2: CONSULT EXTERNAL STAKEHOLDERS

You should also reach out to a few external stakeholders with relevant knowledge for conversations about your company's potential human rights risks and how those risks could be addressed. This can include both: experts with knowledge of how your business activities could pose human rights risks and effective prevention and mitigation strategies for those risks (e.g., human rights organizations, technology experts, academics, etc.); and some people or groups likely to be affected by the types of human rights harms that may occur, or their legitimate representatives (e.g., relevant human rights organizations and affected communities). These conversations will augment your understanding of possible human rights risks linked to your company and measures that may help to address those risks. You will find that these individuals are willing to speak with you, and your GP can help you get started with a list of names.

## OUTPUT

The purpose of conducting this process is for you to stay apprised of your company's risks to human rights so you can act to address them. How you choose to record key takeaways from this process is up to you, but your GP will ask you to update them on your findings semi-regularly by filling out a *Recurring Human Rights Self-Assessment Questionnaire for Startups*, which they will provide to you, and by participating in meetings to discuss your company's human rights progress.

## REPETITION

This process should be performed at the time of investment and then again semi-regularly thereafter, for example once or twice annually.



# ANNEX C: RECURRING HUMAN RIGHTS REVIEW TOOLS

## Recurring Human Rights Self-Assessment Questionnaire for Startups

### PROGRESS TOWARD RISK IDENTIFICATION PROCESSES

Has your company created a process to identify human rights risks and related prevention and mitigation measures? Is this process operational yet? Has your company utilized it?

*If yes, does this process include all of the elements referenced in the Sample Outline for Startups' Human Rights Risk Identification Processes provided by your GP (consultation of expert written reporting, consultation of external stakeholders, focus on the most severe risks)?*

*If not, how much work remains to be done? What challenges has your company faced?*

### PROGRESS TOWARD IMPLEMENTING PREVIOUSLY AGREED PREVENTION AND MITIGATION MEASURES

If your company and the GP previously agreed on necessary prevention and mitigation measures to address your company's human rights risks, have you successfully implemented these measures?

*If not, how much work remains to be done? What challenges has your company faced?*

### HUMAN RIGHTS RISKS

Have you identified any new risks to human rights linked to your business activities since the previous human rights review?

*If yes, what are these risks? Do you believe that any new risks could have severe potential impacts?*

Have any previously identified human rights risks linked to your business activities changed demonstrably in scale or scope since the previous review? (For example, these scenarios may arise where newly prominent use cases or capabilities of technologies give rise to new categories of human rights risk or exacerbate existing risks.)

*If yes, what are these risks? Do you believe that any such risks could have severe potential impacts?*

## REAL-WORLD HUMAN RIGHTS IMPACTS

Are you aware of any real-world negative impacts to human rights linked to your company that have arisen since the previous assessment?

*If yes, please describe these impacts, including their severity, and your company's response*

## NEED FOR NEW PREVENTION AND MITIGATION MEASURES

Do you believe that any newly identified or significantly changed human rights risks linked to your company's business activities require new prevention or mitigation measures, beyond what has already been identified and agreed upon by your company and the GP?

*If yes, what are the necessary measures? How feasible are they to implement? What resource cost would they present to your company? Do you require additional resources to make implementing these measures feasible?*

Do you believe that any real-world negative human rights impacts linked to your company's business activities require new prevention or mitigation measures, beyond what has already been identified and agreed upon by your company and the GP?

*If yes, what are the necessary measures? How feasible are they to implement? What resource cost would they present to your company? Do you require additional resources to make implementing these measures feasible?*

## Recurring Startup Human Rights Assessment Questionnaire for GPs

### HUMAN RIGHTS RISKS

Since the previous human rights review, has the GP identified any new human rights risks linked to the startup's business activities? Have any previously identified human rights risks linked to the startup's business activities changed demonstrably in scale or scope? (For example, these scenarios may arise where newly prominent use cases or capabilities of technologies give rise to new categories of human rights risk or exacerbate existing risks).

*If yes, does the GP believe that any of these new or changed risks are likely to lead to severe impacts to human rights?*

### REAL-WORLD HUMAN RIGHTS IMPACTS

Has the GP identified any real-world negative impacts to human rights linked to the startup that have arisen since the previous review?

*If yes, please describe these impacts, including their severity, and the company's response*

### NEED FOR NEW PREVENTION AND MITIGATION MEASURES

Does the GP believe that any newly identified or significantly changed human rights risks necessitate the startup implementing new prevention or mitigation measures?

*If yes, what are the necessary measures? How feasible are these measures to implement? What resource cost would they present to the startup?*

Does the GP believe that any real-world negative human rights impacts identified necessitate the startup implementing new prevention or mitigation measures?

*If yes, what are the necessary measures? How feasible are these measures to implement? What resource cost would they present to the startup?*

## Recurring Human Rights Evaluation Rubric

STARTUP PROGRESS TOWARD CREATION OF A RISK IDENTIFICATION PROCESSES	
1	The startup has not progressed toward creating and using a human rights risk identification process. The GP judges that the main reason for this is a lack of interest or buy-in from the startup's management team.
2	The startup has not progressed toward creating and using a human rights risk identification process. The GP judges that the main reason for this is a genuine lack of resources or capacity from the startup, rather than a lack of buy-in. The GP believes this resource gap is addressable.
3	The startup has made some progress toward creating a human rights risk identification process. However, the process is not yet operational and the startup has not begun using it. The GP judges that the startup will continue to progress toward fully implementing this process.
4	The startup has created a human rights risk identification process and has used it for identifying risks and related prevention and mitigation strategies. The process does not yet include all elements that the GP has requested (e.g., stakeholder consultation), but the GP judges that the startup will incorporate these elements in time.
5	The startup has created and is using a functional human rights risk identification process, in line with the outline provided by the GP.
STARTUP PROGRESS TOWARD IMPLEMENTING PREVIOUSLY AGREED PREVENTION AND MITIGATION MEASURES	
1	The startup has not progressed toward implementing prevention and mitigation measures previously agreed with the GP. The GP judges that the main reason for this is a lack of interest or buy-in from the startup's management team.
2	The startup has not progressed toward implementing prevention and mitigation measures previously agreed with the GP. The GP judges that the main reason for this is a genuine lack of resources or capacity from the startup, rather than a lack of buy-in. The GP believes this resource gap is addressable.
3	The startup has made some progress toward implementing prevention and mitigation measures previously agreed with the GP. However, none of these measures have yet been fully implemented. The GP judges that the startup will continue to progress toward fully implementing these measures.
4	The startup has fully implemented some prevention and mitigation measures previously agreed with the GP and is working on implementing others. The GP judges that the startup will implement all of these measures in time.
5	The startup has fully implemented all prevention and mitigation measures previously agreed with the GP.

HUMAN RIGHTS RISKS	
1	The GP and/or startup have identified new human rights risks linked to the startup's business activities as well as previous human rights risks that changed demonstrably in scale or scope. At least some of these risks are considered to have severe potential impacts to human rights.
2	The GP and/or startup have identified either new human rights risks linked to the startup's business activities or previous risks that changed demonstrably in scale or scope. At least some of these risks are considered to have severe potential impacts to human rights.
3	The GP and/or startup have identified new human rights risks linked to the startup's business activities as well as previous human rights risks that changed demonstrably in scale or scope. None of these risks are considered to have severe potential impacts to human rights.
4	The GP and/or startup have identified either new human rights risks linked to the startup's business activities or previous risks that changed demonstrably in scale or scope. None of these risks are considered to have severe potential impacts to human rights.
5	Neither the startup nor the GP has identified any new human rights risks linked to the startup's business activities or previous risks that changed demonstrably in scale or scope.

REAL-WORLD HUMAN RIGHTS IMPACTS	
1	There are clear links between the startup's business activities and specific, real-world human rights impacts, which were severe in nature. The startup has not taken any demonstrable proactive measures to address these impacts and does not indicate an interest in doing so.
2	There are clear links between the startup's business activities and specific, real-world human rights impacts, some of which were severe in nature. The startup recognizes the need to implement measures to address these risks but has not done so yet.
3	There are clear links between the startup's business activities and specific, real-world human rights impacts. Some of these impacts may have been severe, but the startup has begun taking demonstrable proactive measures to prevent these impacts from reoccurring.
4	There are links between the startup's business activities and some real-world human rights impacts, but none of the impacts were deemed severe in nature. The startup has taken demonstrable proactive measures to prevent these impacts from reoccurring.
5	The GP has identified no links between the startup's business activities and specific, real-world human rights impacts.

## NEED FOR NEW PREVENTION AND MITIGATION MEASURES

1	The GP has identified new or significantly changed human rights risks or real-world impacts linked to the startup's business activities. The GP wants to see the startup implement corresponding new or updated prevention and mitigation measures but believes this is unlikely, either because the startup is unwilling to do so or because the necessary measures are too costly or complex.
2	The GP has identified new or significantly changed human rights risks or real-world impacts linked to the startup's business activities. The GP wants to see the startup implement corresponding new or updated prevention and mitigation measures but is unsure whether this will happen. This may be because the startup is noncommittal about implementing the measures or because the resource cost of implementing them is high, and the GP is unsure if the startup can meet this cost.
3	The GP has identified new or significantly changed human rights risks or real-world negative human rights impacts linked to the startup's business activities. The GP wants to see the startup implement corresponding new or updated prevention and mitigation measures and is reasonably confident this will happen. The startup expresses a willingness to implement for these measures, which should not prove especially difficult or costly.
4	The GP has identified new or significantly changed human rights risks or real-world negative human rights impacts linked to the startup's business activities, but existing or previously agreed upon prevention or mitigation measures will be sufficient to address these risks.
5	The GP has not identified new or significantly changed human rights risks or real-world impacts linked to the startup's business activities and thus no new prevention or mitigation measures are needed.