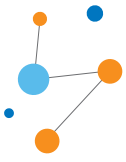


September 2024

HUMAN RIGHTS TOOLKIT FOR VENTURE CAPITAL LIMITED 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) limited partners (LPs) understand how to assess general partners' (GPs) approaches to technology startups' human rights risks and how to encourage GPs to improve these approaches.

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

The framework is presented first as a one-page graphic illustration indicating the titles of each of the six steps. Following the graphic, some further context for the framework is provided and 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, LPs should feel prepared to apply the steps to whichever human rights risks may be associated with their investments. Moreover, the steps described below are only one suggested means by which LPs can approach this process. LPs should feel they have the flexibility to adapt the steps in the framework to fit their unique investment approaches and corporate structures. The goal is simply for LPs to effectively identify GPs' human rights risks before investment and encourage GPs to address those risks.

LPs may also wish to consult the third document in B-Tech's suite of human rights resources for VC investors: the [Human Rights Toolkit for Venture Capital General Partners](#) ("B-Tech GP Toolkit"). This resource outlines best practices for GPs in identifying startups' human rights risks before investment and helping portfolio startups address these risks. Many of the recommendations for LPs below reference asking GPs to implement the best practice actions outlined in the *B-Tech GP Toolkit*.

Finally, readers should note that the investor actions discussed in this document pertain specifically to the process by which LPs assess and act on GPs' 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](#) (UNGPs), the authoritative global framework delineating the human rights responsibilities of businesses. Other elements of investors' human rights responsibilities under the 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 maturity of the startups comprising a given fund. However, the average maturity of a GP's portfolio startups may influence how LPs implement the steps in the framework.

GPs who specialize in early-stage companies are investing in small enterprises with fluid business models. LPs funding these GPs should seek to understand both how human rights risks in GPs' portfolios may evolve as companies grow as well as the adequacy of GPs' approaches to dealing with these evolving risks.

GPs investing in more mature startups will encounter more solidified business models which may already feature ingrained human rights risks. LPs funding these GPs should look backwards to understand how likely portfolio startups' human rights risks may have gone unaddressed in the past, and the feasibility of addressing these legacy risks going forward.

“Step 0”: the human rights policy commitment

The six steps outlined in the framework below pertain to how LPs can assess and act on human rights risks linked to investments with specific GPs. Before proceeding to these six steps, however, it is worth noting the importance of LPs first establishing their own policy commitments 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 LP firm and signals expectations externally to GPs. 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 an LP'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 LPs creating and making public a written policy document that:

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

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

LPs 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

LPs 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, LPs 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; and 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 LPs 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 LPs first carry out the six steps with existing team members and then adjust the firm’s capacity as needed.

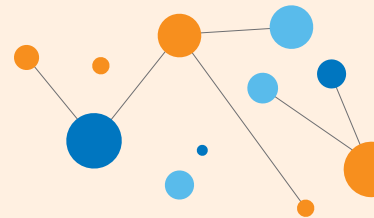
Finally, LPs should feel free to assign internal responsibility for the steps in the framework as they see fit. Investors may wish to assign responsibility for the full framework to sustainability or ESG specialists or split up the steps among different team members within the firm. B-Tech’s venture 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.

LIMITED PARTNER HUMAN RIGHTS FRAMEWORK:

Six steps for LPs



AS PART OF PRE-INVESTMENT DUE DILIGENCE, RESEARCH HUMAN RIGHTS ISSUES LINKED TO GPs' CURRENT AND PROJECTED FUTURE PORTFOLIOS



The first step is for LPs to understand before investment the level of human rights risk linked to a GP's investments. This includes the types of companies the GP is currently invested in as well as the projected makeup of the GP's upcoming fund which the LP is considering joining. Understanding the quantity and severity of these risks, as well as how they could potentially be addressed, is crucial for LPs to assess the level of material risk posed by a GP's human rights risks.

*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.*

To arrive at this understanding, LPs can incorporate human rights-focused research into their existing pre-investment due diligence processes. LPs can choose to record key takeaways while conducting this research however they wish, but the ultimate output for this information is a human rights summary included in investment memos, as discussed in step 3.

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

LPs can first conduct research to understand human rights risks that may be linked to a GP's current portfolio and the planned focus of its upcoming fund. It may not be feasible for LPs to do a deep dive into each of a GP's current portfolio startups. Instead, LPs can focus on assessing risks connected to the primary technology sub-sectors—and the associated product types, business models, markets, customers, etc.—where a GP currently invests and where it plans to invest in the upcoming fund. For example, if a GP is invested in or planning to invest in generative artificial intelligence (AI) startups, social media startups, and fintech startups, the LP can research human rights risks associated with these company types and the associated technology products and services.

Through this research, LPs should seek to understand:

- What risks to human rights may be associated with a GP's current and future portfolio startups, based on primary investment areas;
- The relative severity of the potential resulting human rights impacts;
- Best practice measures for preventing and mitigating any serious human rights risks identified, as well as the general technical feasibility of these measures.

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).

Startups may inadvertently create risks to human rights through various features of both their business models (companies' overall strategies for creating and delivering value) or 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 risks to investors. LPs' research should holistically examine how the totality of startups' business activities could place human rights at risk, and how these risks can be addressed. LPs can complete this research through two main avenues of inquiry:

Conduct desk review of public reports about human rights risks that may be linked to GPs' key investment areas

LPs can begin by consulting public reports from relevant experts about human rights risks that may be linked to startups in the GP's key investment areas. 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 a fund's likely investment areas. Some examples of high-quality reports and publications on technology and human rights risks are listed in the annex to the *B-Tech VC and Human Rights Primer*.

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

LPs can also reach out to external stakeholders with relevant knowledge to have conversations about the GP's potential human rights risks and how those risks could be addressed. This should ideally include both experts with knowledge of how startups 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 human rights harms 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, LPs 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*. LPs 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.

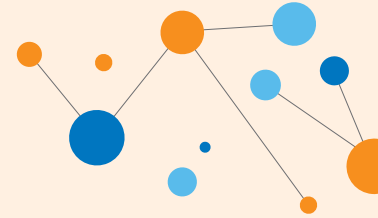
Use a research service to identify examples of real-world negative human rights impacts linked to GPs' current portfolio startups

LPs can also gain some visibility into the human rights performance of GPs' current portfolio startups by utilizing a research platform that searches for adverse media reporting linked to startups in social media, news articles, NGO reports, etc. Where these services find evidence of negative human rights impacts linked to GPs' portfolio startups, LPs can ask GPs to explain their responses to those incidents in due diligence calls (see step 2). While this information may not pertain to companies that will be included in the future fund the LP is considering, how the GP has responded to past human rights incidents is relevant for LPs' investment decisions.

LPs should note that these tools' results generally are not mapped directly to the international human rights framework, though some do search in accordance with the UN Global Compact Principles, the UN Sustainable Development Goals, and various forms of national legislation pertaining to modern slavery and supply chains. Further, these tools do not always have visibility into startups, especially early-stage companies, so LPs should ensure that they select a service whose database includes as many private companies as possible.

STEP
TWO

AS PART OF PRE-INVESTMENT DUE DILIGENCE, LEARN ABOUT GPs' APPROACHES TO HUMAN RIGHTS



After conducting research into human rights risks that may be linked to GPs' investment areas, LPs can understand more about GPs' approaches to these risks and resulting impacts by discussing human rights during due diligence calls and requesting the inclusion of human rights-related information in data rooms.

The goal of this step is for LPs to assess how GPs' approaches to human rights risks and impacts stack up against the best practice steps for GPs outlined in the *B-Tech GP Toolkit*. However, because integration of human rights considerations into VC investing is still in its nascent phase, many GPs may report having no processes in place to consider human rights specifically. Accordingly, this step is also an opportunity for LPs to gauge GPs' willingness to improve their human rights processes and incorporate human rights considerations into their investing decisions over time.

All of this information will be factored into investment committees' decisions in step 3. The quality of GPs' 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 may materially harm LPs.

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

Ask about human rights during due diligence calls

LPs can use due diligence calls with GPs as an opportunity to do two things: First, ask questions to understand any processes GPs currently have in place to identify startups' human rights risks and impacts and to encourage startups to address these risks and impacts. Second, ask questions to gauge GPs' willingness to work toward implementing a comprehensive approach to startups' human rights risks and impacts over time that mirrors the best practice steps for GPs outlined in the *B-Tech GP Toolkit*.

Ask GPs about their approaches to human rights risks and impacts

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

- *Do you believe risks to human rights posed by startups also carry associated material risks for startups and investors? Why or why not?*
- *Do you use any internal tool or process to assess human rights risks linked to startups? If so, can you describe this process? Does it involve engagement with relevant external stakeholders?*
- *Do you have a team member(s) responsible for sustainability or ESG? Does this person/team's remit include any focus on human rights risks and impacts specifically?*
- *Do you consider how startups could pose risks to human rights before investing? What do you do if you identify such risks? Have these kinds of risks ever caused you to refrain from investing?*
- *Once you have invested, do you encourage startups to implement measures to address any human rights risks you identified in your pre-investment research?*
- *Once you have invested, do you monitor how portfolio startups could pose risks to human rights as their business models evolve? Do you ask startups to monitor these risks?*
- *If you identify that a portfolio startup is posing a new or previously unrecognized significant risk to human rights, how do you respond? Do you ever ask startups to make changes to their business activities to reduce these risks? Can you provide any examples?*
- *If you identify that a portfolio startup has caused real-world negative human rights impacts, how do you respond? Do you ever ask startups to make changes to their business activities to prevent and mitigate these impacts? Can you provide any examples?*
- *(Where relevant): Our research flagged reporting about some specific examples of real-world negative human rights impacts linked to your portfolio startups. Can you explain how you responded to these incidents?*

Some LPs may already ask GPs questions about sustainability and/or ESG as part of their due diligence processes, including by utilizing resources such as the UN Principles for Responsible Investment's [Responsible Investment Due Diligence Questionnaire for Venture Capital Limited Partners](#). Where this is the case, B-Tech recommends the incorporation of questions specific to human rights into these processes.

Ask GPs about their willingness to enact stronger human rights processes

In addition to the above questions pertaining to GPs' current human rights approaches, LPs can also gauge GPs' willingness to improve their human rights approaches over time. Exactly how LPs phrase this portion of due diligence calls—and whether they directly reference B-Tech's VC human rights resources—will be up to each individual investor, but a possible template for these discussions could be as follows:

We believe that GPs examining startups' human rights risks and any resulting impacts and encouraging startups to address those risks and impacts is critically important for reasons related to both materiality and sustainability. With that in mind, we hope to see all GPs we fund take a robust approach to human rights issues by implementing the best practice human rights actions outlined in B-Tech's [Human Rights Toolkit for Venture Capital General Partners](#). In summary, these are that GPs should:

- Identify startups' human rights risks, resulting impacts, and possible related prevention and mitigation measures as part of pre-investment due diligence;
- Incorporate information about startups' human rights risks and impacts and level of commitment to addressing those risks and impacts into investment decisions;
- Where pre-investment human rights-related due diligence identifies necessary human rights risk prevention and mitigation measures, encourage startups to implement these measures;
- Encourage and aid startups to establish a recurring process to identify their own human rights risks and impacts and related prevention and mitigation measures;
- After investment, conduct recurring review of startups' human rights risks, impacts, and processes.
- On an ongoing basis, encourage startups to make necessary changes to their human rights approaches, including implementation of new prevention and mitigation measures deemed necessary by the GP.

If we commit to your fund, are you willing to assess startups' human rights risks and impacts before investment and encourage portfolio startups to address those risks and impacts on an ongoing basis? This is not something we would expect to see on day one, but rather a goal to work toward.

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

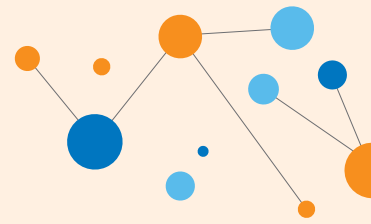
Request information related to sustainability, ESG, and human rights in data rooms

LPs can also request that GPs provide information about sustainability, ESG, or human rights policies in data rooms. Where GPs have specific policies pertaining to these topics, LPs should ask that these documents be included. LPs may also wish to request the inclusion of:

- A qualitative description of the GP's approach to integrating sustainability, ESG, or human rights into its investment processes (e.g., sourcing, due diligence, ownership, etc.);
- Any available case studies indicating positive or negative outcomes associated with portfolio companies' human rights risks, as well as the GP's response to those risks;
- Descriptions of how the GP has handled reporting to LPs about past human rights incidents connected to its portfolio startups;
- Any specific targets related to sustainability, ESG, or human rights.

GPs may not have documentation to submit in response to these requests or may ask to schedule a call to elaborate on their responses. In any case, GPs' responses (or non-responses) to these requests are all relevant data points for LPs.

INCORPORATE HUMAN RIGHTS INFORMATION INTO INVESTMENT DECISIONS



Having gained a fuller understanding of a GP's level of human rights risk, its approach to those risks, and its willingness to address them going forward, the next step is for LP investment committees to incorporate this information as they consider whether to ultimately invest.

Include a summary of human rights findings in investment memos

LPs can include in investment memos a summary of the human rights information gathered in step 1 and step 2. This should broadly aim to summarize a GP's human rights risks and compare its approach to those risks against the best practice steps for GPs outlined in the *B-Tech GP Toolkit* by discussing:

- The quantity and severity of human rights risks linked to the GP's investment strategy and the projected makeup of its upcoming fund;
- How these risks may translate to material risk for the LP, including how human rights risks may grow more or less material throughout the investment (i.e., are human rights risks likely to pose short, medium, or long-term material risk to the LP?);
- The general feasibility of startups preventing and mitigating these kinds of risks;
- The presence and quality of the GP's processes for:
 - Identifying human rights risks before investment and on an ongoing basis afterward;
 - Incorporating human rights information into investment decisions;
 - Supporting startups in establishing processes to identify human rights risks and impacts;
 - Encouraging startups to implement necessary measures to prevent and mitigate severe negative human rights impacts;
- The GP's level of willingness to improve its human rights approach going forward.

Along with this written summary, LPs should also include a **categorization of a GP'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 an *LP Pre-Investment Human Rights Assessment Framework*, which includes a numerical evaluation rubric for judging GPs' level of human rights risk. 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 LPs to better understand GPs' human rights risks.

Consider whether investment is justified in light of human rights risks

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 LPs should use when deciding if a GP's human rights risk profile suggests for or against investment. GPs falling into the "red flag" or "high risk" categories in the *LP Pre-Investment Human Rights Assessment Framework* provided at Annex A may well prove too risky for

LPs to fund without harming human rights and exposing themselves to high levels of material risk. However, the mere presence of human rights risks in a GP's portfolio, or the absence of effective policies for helping startups address those risks, should not necessarily be disqualifying factors.

Broadly, LPs' goal should be to ensure that: (1) there is not an unacceptably high level of severe human rights risk linked to the key investment areas of the GP's upcoming fund, and what risk there is can feasibly be addressed; and (2) the GP has sufficient maturity and willingness to implement or improve processes to identify startups' human rights risks and to encourage startups to address those risks going forward.

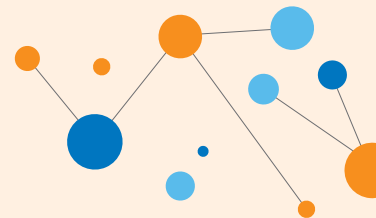
In some cases, however, LPs' human rights-related due diligence may lead to the conclusion that severe human rights risks cannot be effectively addressed and that investment should be avoided. There may be different reasons for this, including:

- **Efficacy of available technical prevention and mitigation measures:** Sufficient technical measures for preventing and mitigating negative human rights impacts linked to the GP's primary investment areas 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 GP's portfolio startups cannot realistically meet the requisite resource costs.
- **Maturity of the GP's portfolio startups:** If the GP invests primarily in early-stage startups, these companies may not have the capacity to implement complex human rights prevention and mitigation measures. If the GP invests primarily in more mature startups, where these startups have not taken steps to address potentially severe human rights risks in the past, these risks may now be so ingrained into business models that addressing them is not feasible.
- **Lack of GP buy-in:** If the GP does not agree that identifying human rights risks and helping startups address them is important, preventing serious negative human rights impacts—and related material impacts—in the future will prove difficult. Though many GPs will not have dedicated human rights processes in place, LPs should feel confident before investing that they have a GP's buy-in to tackle this work in the future. Without this, LPs run the risk of GPs failing to encourage startups to implement critical prevention or mitigation measures or making investment decisions that introduce severe human rights risks against LPs' wishes.

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

STEP
FOUR

WHERE POSSIBLE, INCLUDE BASIC HUMAN RIGHTS EXPECTATIONS IN SIDE LETTERS



This may not always be straightforward; the inclusion of side letters requires negotiation between LPs' and GPs' legal counsel, and some GPs may be reluctant to accept side letters or may view side letters referencing human rights as conflicting with the desires of other LPs investing in a fund. Nevertheless, LPs should make an attempt to include human rights language in side letters where possible. This language can be general, broadly acknowledging that the LP has asked the GP to examine startups' human rights risks and help portfolio companies address those risks. For example:

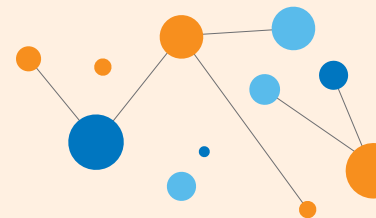
"[The GP] acknowledges that [the LP] has made requests about [the GP] including human rights considerations in its investment approach, including by seeking to understand how potential investments and portfolio companies could pose risks to the rights enshrined by the Universal Declaration of Human Rights and endeavoring to minimize the impacts of these risks."

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

Where LPs' human rights policy commitments include human rights-related exclusion criteria, these can also be referenced in side letters.

STEP
FIVE

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



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

LPs can achieve this by establishing a recurring internal review process to assess GPs' human rights performance in the most recent period. As a baseline, B-Tech recommends that LPs conduct these reviews at least 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.

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

1 The LP fills out the *Recurring GP Human Rights Assessment Questionnaire for LPs* (see Annex B).

This questionnaire asks LPs a few basic questions about their understanding of GPs' human rights performance in the most recent period. Filling out this questionnaire will require LPs to repeat the research actions outlined in step 1, this time with a focus on the companies comprising the GP's fund. Through consultation of up-to-date human rights reporting, conversations with relevant external stakeholders, and review of updated outputs from research services, LPs should aim to understand:

- **Any human rights risks linked to the fund's existing investment areas (i.e., technology industry sub-sectors or company types) that are new or substantially changed since the previous review, and the severity of these risks;**
 - Prevention or mitigation measures that could effectively address these risks.
- **Human rights risks linked to new investment areas (i.e., technology industry subsectors or company types) the fund has entered since the previous review, and the severity of these risks;**
 - Prevention or mitigation measures that could effectively address these risks.
- **Specific instances of real-world negative human rights impacts linked to any of the fund's portfolio startups (i.e., incidents flagged by research services or otherwise identified in reporting from media, CSOs, etc.), and the severity of these impacts;**
 - Measures that could effectively prevent or mitigate these impacts going forward.

The *Recurring GP Human Rights Assessment Questionnaire for LPs* provides detailed questions to guide LPs' research in respect of the above information.

2 The LP asks the GP to fill out the *Recurring Human Rights Self-Assessment Questionnaire for GPs* (see Annex B).

This simple questionnaire asks GPs 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 LPs ask GPs these questions directly, if preferred.

3 Drawing on the information gathered from the two above actions, the LP uses the *Recurring Human Rights Evaluation Rubric* (see Annex B) to judge GPs' current level of human rights risk and their human rights performance.

This simple questionnaire asks GPs 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 LPs ask GPs these questions directly, if preferred.

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

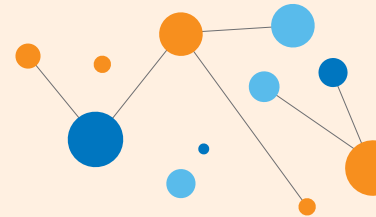
- GPs' progress toward implementing actions previously agreed with LPs, including:
 - Creating and using an internal process to identify startups' human rights risks and related prevention and mitigation measures;

- Encouraging startups to establish their own human rights risk identification processes;
 - Encouraging startups to implement necessary prevention and mitigation measures for their human rights risks;
- The evolution of human rights risks linked to startups included in the fund (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 startups in the fund;
- Any new prevention or mitigation measures the LP believes that startups in the fund should implement to address human rights risks. These may be sector-wide measures or measures specific to individual portfolio startups in response to real-world human rights impacts that were identified.

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

STEP SIX

USE LEVERAGE TO ENCOURAGE GPs TO TAKE CORRECTIVE ACTION AS NECESSARY



The final—and arguably most important—step is for LPs to use their leverage as investors to encourage GPs to make necessary changes.

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

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

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

LPs should meet with GPs as necessary to discuss human rights and request any specific human rights actions that LPs want GPs 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 GP's portfolio. As a baseline, LPs can seek to discuss human rights with GPs once or twice annually, after GPs and LPs complete their individual processes to identify human rights risks and impacts and related prevention and mitigation measures. If LPs 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 GP to address these issues. This approach ensures that the level of oversight is both appropriate and effective, adapting to changes in the GP's risk profile over time.

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

- **Discuss the findings of both LPs' and GPs' most recent human rights review processes, including new risks identified and any real-world impacts that have materialized.**
- **Where the GP has not progressed vis-à-vis previously agreed human rights goals, identify why and discuss how the GP can make more progress toward these goals.**
- **Ask the GP to take specific human rights actions deemed necessary by the LP going forward, which may include:**
 - If the GP's human rights risk identification process is not yet operational, finalize this process and begin using it to identify human rights risks linked to portfolio companies and potential investments;
 - Advocate for portfolio companies to operationalize their own human rights risk identification processes, where they have not done so already;
 - Advocate for portfolio companies to implement prevention and mitigation measures necessary to address human rights risks. These may include any measures previously agreed upon by portfolio companies and the GP, where companies have not yet fully implemented these measures; additional measures the LP believes all companies in a given investment area or technology subsector should implement (e.g., that all generative AI startups should utilize algorithmic audits and red teaming processes); and additional measures the LP believes a specific portfolio company should implement in response to real-world negative human rights impacts linked to that company.

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

Where human rights risks truly cannot be addressed, consider taking stronger action

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

Where these scenarios occur, LPs should make a judgment about the severity of the human rights risks involved. Where the human rights risks linked to a GP's portfolio and investment strategy are not severe, it may be acceptable for an LP to remain invested even if the GP does not or cannot implement human rights measures that the LP has advocated for, provided the LP continues encouraging the GP to address human rights risks. When human rights risks are severe and sustained, however, this becomes much more problematic.

In extreme cases, LPs may need to accept that remaining invested would pose an unacceptably high risk to human rights (and, by extension, to the LP) and that divestment could be called for. However, exiting an investment is not always immediately actionable for LPs. When human rights risks are severe and apparently not addressable, but divestment is not an immediate option, LPs can consider first taking other intermediate actions to signal their concern, such as indicating that they will not participate in the GP's future funds due to human rights concerns or relinquishing Limited Partner Advisory Committee seats.

ANNEX A: PRE-INVESTMENT HUMAN RIGHTS ASSESSMENT FRAMEWORK

LP Pre-Investment Human Rights Assessment Framework

Note: the descriptions below are provided to illustrate examples of GP portfolios that carry varying levels of human rights risk. However, GPs' portfolios may carry higher or lower overall levels of human rights risk based on the interaction of a number of different factors, including other areas where the GP is invested, the level of attention paid to human rights risks by the GP's portfolio startups, the markets where portfolio startups operate, the types of customers portfolio companies do or do not sell to, etc.

RED FLAG	
DESCRIPTION	EXAMPLE
<p>Historically, the GP has invested primarily in technology subsectors or product types that the LP has identified as potentially posing serious risks to human rights; the GP's upcoming fund plans to do the same. The LP believes that a number 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 GP indicates that it is not concerned about risks to human rights posed by its portfolio startups, nor associated material risks. The GP reports that it does not have processes in place to identify human rights risks before investment or to work with startups to help them address human rights risks. Further, the GP does not indicate a willingness to adopt such processes going forward.</p> <p>An ESG research service has also flagged multiple incidents in which the GP's current portfolio startups were linked to specific negative human rights impacts, some of which were deemed severe by the LP. When asked about these incidents, the GP did not report having discussed with the relevant startups any specific actions to prevent or mitigate these impacts in the future.</p>	<p>The LP is considering funding a GP that invests heavily in surveillance and weapons technology. The GP's portfolio includes startups developing facial recognition technology for use by border and police agencies; AI products for use in weapons systems; and surveillance software that allows users to covertly monitor the contents of mobile phones. The upcoming fund that the LP is considering joining will invest in these same areas.</p> <p>The LP's research indicates that these products can carry serious human rights risks. The use of facial recognition technology to conduct mass public surveillance poses serious risks to the right to privacy. The integration of AI into weapons systems threatens individuals' right to be free from arbitrary deprivation of life. And highly intrusive spyware products may be inherently inconsistent with the right to privacy and can also negatively affect people's ability to exercise other fundamental rights. The GP does not express concern over these risks and views them as an in-built element of its investment strategy.</p> <p>The LP's research identifies several examples of real-world negative human rights impacts linked to the GP's current portfolio startups. These include a news story about a political opposition figure in</p>

<p>Based on this dynamic, the LP believes that there is a high chance that some of the companies included in the upcoming fund will be linked to negative human rights impacts, and possibly severe ones. The associated material risk to the GP and the LP are accordingly high.</p>	<p>another country who was subjected to torture and arbitrary detention by a government. This person believes they were identified and arrested based on surveillance carried out via phone intrusion software produced by one of the GP's startups. In another example, a police department allegedly used facial recognition technology developed by one of the GP's startups to identify peaceful protesters demonstrating against a police-involved shooting. These protesters were then arbitrarily detained days later.</p> <p>The GP is aware of these incidents but does not express concern, explaining that it views these impacts as solely the responsibility of end-users, not startups or investors. The GP also indicates that it has no plans to alter its investment focus, nor to ask startups to take any specific action vis-à-vis human rights risks.</p>
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HIGH RISK	
DESCRIPTION	EXAMPLE
<p>The GP is invested in some technology subsectors or product types that the LP has identified as potentially posing serious risks to human rights; the GP's upcoming fund will invest in these same areas. The LP believes that at least one of these risks would likely lead to severe negative human rights impacts without sufficient prevention and mitigation measures. The GP indicates some awareness of these risks but is not concerned about its portfolio companies' possible negative human rights impacts.</p> <p>The GP does not have a standardized process to examine startups' human rights risks before investment but does report that it considers possible controversies and reputational damage linked to negative social impacts as part of investment decisions. The GP does not work with startups to help them address human rights risks after investment. The GP is hesitant to commit to specific human rights actions but may agree to a broad, non-binding commitment to examine its approach to human rights risks.</p>	<p>The LP is considering joining a GP's fund that plans to invest in generative AI startups, an area where the GP already has some portfolio investments. The fund plans to include companies developing a variety of different generative AI products and services, including consumer-facing video, image, and text generators as well as B2B AI applications that analyze resumes and generate performance reviews.</p> <p>The LP's research indicates that generative AI platforms can be linked to a range of different human rights risks and impacts that vary in severity, depending on the use case and capabilities of the product. For example, the online dissemination of political disinformation created with generative AI text, image, and video generators 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</p>

An ESG research service has also flagged incidents in which the GP's portfolio startups were linked to specific negative human rights impacts, at least one of which was deemed severe by the LP. The GP is aware of these incidents and reports that it discussed them with the relevant startups, but this did not include discussion of specific prevention or mitigation measures.

Based on this dynamic, the LP believes there is a good chance that some of the GP's portfolio companies will be linked to negative human rights impacts, and possibly severe ones. The associated material risk to the GP and the LP are accordingly relatively high. The LP believes this risk could be effectively mitigated if the GP agrees to take strong action to account for its portfolio human rights risks but is unsure of the level of commitment the GP will put forth toward these actions.

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.

The LP is especially concerned that the GP's portfolio startups' products could be used to create deepfake pornography or child sexual abuse material. When the LP asks the GP about these human rights risks, the GP demonstrates some familiarity with the generative AI-related risks mentioned by the LP but states that it does not maintain a standardized process for identifying AI startups' human rights risks before investment.

The GP also cannot point to specific human rights prevention or mitigation measures it asks startups to implement. The LP indicates that it would hope to see the GP's generative AI startups implement strong measures to prevent serious negative human rights impacts, including algorithmic auditing; red teaming processes; filters prohibiting prompts that could elicit sexual or pornographic content; watermarking of AI-generated content; and privacy-preserving approaches to data collection. The GP indicates some willingness to engage in further discussions about these measures but does not appear keen to ask startups to commit to implementing them.

The LP's research also identified reporting about some specific examples of real-world negative human rights impacts linked to the GP's portfolio startups. One example involved a woman running for political office in another country who was the subject of an online targeted harassment campaign that used sexually suggestive deepfakes of her likeness, which are believed to have been created using one of the GP's current portfolio startups' products. The GP is aware of this story and expresses concern, reporting having discussed the issue with the startup. However, the GP says that it was unable to confirm that the startup was in fact linked to this particular example and did not ask the company to make any specific changes to prevent this outcome in the future.

MODERATE RISK

DESCRIPTION	EXAMPLE
<p>The GP's upcoming fund will invest in at least one technology subsector or product type that the LP has identified as potentially posing risks to human rights. The LP believes that at least one of these risks would likely lead to negative human rights impacts without sufficient prevention measures but believes that effective mitigation measures exist to ensure that impacts are not severe. The GP shows some awareness of these risks.</p> <p>The GP indicates that it considers these types of risks before investing, but its process for doing so is not standardized. The GP also indicates that it occasionally speaks to startups about the need to take action to reduce negative social impacts, but its process for doing so is sporadic and generally conducted only in response to a specific incident that has occurred. The GP indicates some willingness to improve both of these processes.</p> <p>An ESG research service has flagged at least one incident in which the GP's current portfolio startups were linked to specific negative human rights impacts. The GP is aware of these incidents and reports that it raised them with the relevant startups and discussed how the impacts could be prevented or mitigated.</p> <p>Based on this dynamic, the LP believes that there is a moderate chance that some of the GP's portfolio companies 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 and the LP are accordingly also moderate. The LP believes this risk can be effectively mitigated if the GP agrees to take strong action to account for its portfolio human rights risks. The LP has some confidence that the GP will agree to implement these measures in earnest.</p>	<p>The LP is considering joining a GP's fund that will invest in fintech and health tech startups. This may include startups developing machine learning algorithms to predict individual credit scores for financial services companies; to make determinations in mortgage approvals for lending banks; and to make resource allocation decisions about medical care for hospitals. The GP's current portfolio includes some such companies.</p> <p>The LP's research indicates that biases present in algorithmic decision-making systems (or in their training data) can lead to risks to human rights. The use of machine learning algorithms to allocate credit scores, loans, and healthcare has been shown to sometimes produce results that are biased toward racial and ethnic minorities, for example. This can threaten, among others, the right to be free from discrimination, the right to own property, and the right to the highest attainable standard of health.</p> <p>The GP tells the LP it is familiar with the risks to people associated with algorithmic bias and considers this risk before investing but does not do so in a standardized way. Likewise, the GP does sometimes speak to startups about the need to ensure that bias is eliminated from AI products where possible but cannot point to a standard list of actions that it asks fintech and health tech AI startups to take to address human rights risks.</p> <p>The LP's research identified an incident wherein one of the GP's current portfolio startups was publicly linked to a pattern of lower-than-average credit scores assigned to individuals from racial and ethnic minority groups. The GP indicates that both it and the startup are aware of this incident and were troubled by it. The GP explains that it discussed with the startup the need to prevent this from happening again and understands that some action was taken, though the GP has not followed up closely and is not certain about current best practice for preventing and mitigating this kind of negative human rights impact.</p>

	<p>The GP indicates a willingness to improve and standardize its processes both for assessing the level of human rights risk associated with startups' fintech and health tech offerings before investment and for helping these portfolio startups prevent and mitigate resulting human rights impacts. The GP says it is willing to ask startups to take specific steps to address these impacts going forward, 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.</p>
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LOW RISK

DESCRIPTION	EXAMPLE
<p>The GP's upcoming fund plans to invest in a small number of technology subsectors or product types that the LP has identified as potentially posing risks to human rights. The LP sees a possibility that some 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 startups.</p> <p>The GP demonstrates awareness of these risks and indicates that it has a standardized process to examine sustainability or ESG risks before investing, which covers some, though not all, types of human rights risks. The GP also says that it reviews startups' sustainability or ESG risks on an ongoing basis after investment and asks startups to make changes to address risks where necessary. The GP indicates a willingness to incorporate a specific focus on human rights risks into both of these processes.</p> <p>An ESG research service flagged no more than one incident in which the GP's current portfolio startups were linked to specific negative human rights impacts, which was not deemed severe by the LP. The GP provides a detailed description of its approach to this incident, including the plan it put in place with the startup to prevent such impacts in the future.</p>	<p>The LP is considering joining a GP's fund that will make investments in the cloud computing space. The GP has already invested in several startups offering software-as-a-service (SaaS) platforms that optimize different business processes, such as data modelling and project management, for small enterprises.</p> <p>The LP'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 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 GP is aware of these risks and indicates that before investing in SaaS startups, it investigates who startups' key customers are to ensure that end use of startups' products does not pose unacceptable risks to people. The GP also explains that it asks portfolio SaaS startups to avoid selling products to end users whose business activities pose especially high risks to people, where possible. The GP's conversations with startups about these issues are not couched specifically in terms of human rights, and they</p>

Based on this dynamic, the LP believes that there is a low chance that some of the GP’s future portfolio companies will be linked to negative human rights impacts. If such impacts occur, the LP is confident they will be few and not severe. The associated material risk to the GP and the LP are accordingly also low. The LP believes this risk can be effectively mitigated by the GP agreeing to incorporate a human rights focus into its already existing processes to identify startups’ risks to people before investment and its work with portfolio startups to address those risks. The LP is confident the GP will take these actions.

do not draw on a standard set of effective prevention and mitigation measures that the GP asks SaaS startups to implement.

The LP’s research identified one news article that discusses the ability of online hate groups to purchase and make use of internet-based software services to disseminate their messages; this article mentioned different SaaS products and services that companies had unknowingly sold to hate groups, some of which were linked to alleged incitement of violence online. The products named included one developed by one of the GP’s current portfolio startups. The GP tells the LP it is aware of this article and both the GP and the startup were alarmed by it. The GP and the startup terminated the hate group’s account and ensured that it was not permitted to purchase further services. The GP could not be certain that the company would not unknowingly sell services to a similar group in the future, given the structure of the company’s sales model.

Going forward, the GP expresses a willingness to ensure that processes for assessing risks to people before investment and encouraging portfolio startups to address these risks are comprehensive and inclusive of a specific human rights focus. The GP also indicates it is ready to ask portfolio SaaS startups to implement specific prevention and mitigation measures, including introducing more end-user visibility into sales models and communicating clearly with customers and sales partners about prohibited and unsupported uses of the company’s services.

GREEN FLAG

DESCRIPTION

The GP is not invested in technology subsectors or product types that the LP has identified as posing serious risks to human rights; the upcoming fund does not plan to invest in any such areas. The LP 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 easily addressed through basic prevention

EXAMPLE

The LP is considering joining a GP’s fund that will invest primarily in digital communications startups, especially companies that develop messaging services and video conferencing platforms. The GP already has some investments in this area.

The LP’s research has indicated that investments in this space can sometimes carry human rights

and mitigation measures. The GP demonstrates strong awareness of its portfolio startups' human rights issues and indicates that it considers human rights risks specifically before investment, in addition to broader ESG or sustainability considerations.

The GP has standardized processes for assessing startups' human rights risks before investment and for supporting portfolio startups in addressing human rights risks that arise. These processes examine human rights risks specifically.

An ESG research service flagged no incidents in which the GP's current portfolio startups were linked to specific negative human rights impacts.

Based on this dynamic, the LP does not foresee risk that the GP's portfolio companies will be linked to negative human rights impacts. Accordingly, the LP does not foresee associated material risk to investors. The LP is satisfied with the human rights processes that the GP has in place, and the GP also indicates a willingness to examine how these processes can be iteratively improved going forward.

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.

The GP demonstrates strong awareness of these risks and their links to not only broadly negative impacts on people, but specifically negative impacts to human rights. The GP indicates that before investing in messaging and videoconferencing startups, it conducts a thorough assessment of the measures that companies have put in place to protect users' privacy. The GP says it is looking for evidence that companies not only utilize end-to-end encryption but make it the default setting for all users. The GP says it also wants to see that startups publicly disclose details when governments request that companies relinquish user data, as well as descriptions of companies' responses.

The GP indicates it does not invest in digital communications startups that do not meet these criteria. The GP also describes a pre-investment process that it applies to all potential investments whereby it examines possible human rights risks in detail. The GP also says that it meets with portfolio startups regularly to discuss human rights risks and ways to address them.

The LP's research did not identify links between the GP's current portfolio startups and any specific, real-world negative human rights impacts. Instead, the LP read written reporting by several human rights organizations that ranked different messaging apps based on the strength of their protections for user privacy; one of the GP's portfolio startups was mentioned and ranked highly.

ANNEX B: RECURRING HUMAN RIGHTS REVIEW TOOLS

Recurring Human Rights Self-Assessment Questionnaire for GPs

PROGRESS TOWARD CREATION OF HUMAN RIGHTS RISK IDENTIFICATION PROCESSES

Has your firm created recurring processes to identify and review startups' human rights risks and related prevention and mitigation measures, both before investment and on a recurring basis thereafter? Is this process operational yet?

If yes, do these processes include all of the elements referenced in step 1 and step 5 of the UN B-Tech Project's [Human Rights Toolkit for Venture Capital General Partners](#)?

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

PROGRESS TOWARD ENCOURAGING STARTUPS TO IMPLEMENT HUMAN RIGHTS RISK IDENTIFICATION PROCESSES

Has your firm begun asking portfolio startups to establish their own recurring processes to identify human rights risks and related prevention and mitigation measures, based on the blueprint provided in step 4 of the UN B-Tech Project's [Human Rights Toolkit for Venture Capital General Partners](#)?

If yes, are startups successfully implementing these processes?

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

PROGRESS TOWARD WORKING WITH STARTUPS TO IMPLEMENT PREVENTION AND MITIGATION MEASURES

Has your firm created a recurring process through which it discusses human rights prevention and mitigation measures with startups and encourages them to implement necessary measures, as described in step 6 of the UN B-Tech Project's [Human Rights Toolkit for Venture Capital General Partners](#)?

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

Since the previous review, has your firm asked any portfolio startups to implement specific prevention and mitigation measures in response to human rights risks?

If so, can you describe these measures? How did startups respond?

Has the LP previously asked your firm to encourage startups—whether individual companies or all companies in a particular category—to implement any specific human rights prevention or mitigation measures?

If yes, has your firm spoken to relevant startups about these measures, and how much progress has been made? **If not**, why? How much work remains to be done? What challenges has your firm faced?

HUMAN RIGHTS RISKS

Since the previous human rights review, has your firm identified any new human rights risks linked to specific portfolio startups, or any previously identified human rights risks linked to specific portfolio startups that have changed demonstrably in scale or scope?

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

Since the previous human rights review, has your firm identified any new human rights risks linked to the fund's existing investment areas (i.e., technology industry subsectors or company types)? Have any previously identified human rights risks linked to existing investment areas 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, what are these risks? Do you believe that any of them could have severe potential impacts?

Since the previous human rights review, has the fund entered any new investment areas (i.e., technology industry subsectors or company types)? If so, have you identified any human rights risks linked to these investment areas?

If yes, what are these risks? Do you believe that any of them 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 portfolio startups that have arisen since the previous human rights review?

If yes, please describe these impacts (including their severity); your firm's response; and any action taken by the startup(s).

NEED FOR NEW PREVENTION AND MITIGATION MEASURES

Do you believe that any newly identified or significantly changed human rights risks necessitate you asking all companies of a particular type or in a particular technology industry subsector to implement new prevention or mitigation measures?

If yes, which company types? What are the necessary measures? How feasible are these measures to implement? What resource cost would they present to the category(ies) of company in question?

Do you believe that any real-world negative human rights impacts linked to your portfolio startup(s) necessitate you asking specific startups to implement new prevention or mitigation measures?

If yes, which startups? What are the necessary measures? How feasible are they to implement? What resource cost would they present to the startup(s) in question?

Recurring GP Human Rights Assessment Questionnaire for LPs

SECTOR-BASED HUMAN RIGHTS RISKS

Since the previous human rights review, has the LP identified any new human rights risks linked to the fund's existing investment areas (i.e., to specific technology industry subsectors or company types)? Have any previously identified human rights risks linked to existing investment areas 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 LP believe that any of these new or changed risks are likely to lead to severe impacts to human rights?

Since the previous human rights review, has the fund entered any new investment areas (i.e., specific technology industry subsectors or company types)? If so, has the LP identified any human rights risks linked to these investment areas?

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

REAL-WORLD HUMAN RIGHTS IMPACTS

Has the LP identified any real-world negative human rights impacts linked to specific portfolio startups that have arisen since the previous assessment?

If yes, please describe these impacts, including their severity, and the relevant startup's response.

NEED FOR NEW/SPECIFIC PREVENTION AND MITIGATION MEASURES

Does the LP believe that any newly identified or significantly changed human rights risks necessitate the GP asking all companies of a particular type or in a particular technology industry subsector to implement new prevention or mitigation measures?

If yes, which company types? What are the necessary measures? How feasible are these measures to implement? What resource cost would they present to the category(ies) of company in question?

Does the LP believe that any real-world negative human rights impacts linked to portfolio startup(s) necessitate the GP asking specific startups to implement new prevention or mitigation measures?

If yes, which startups? What are the necessary measures? How feasible are they to implement? What resource cost would they present to the startup(s) in question?

Recurring Human Rights Evaluation Rubric

GP PROGRESS TOWARD CREATING A RISK IDENTIFICATION PROCESSES	
1	The GP has not progressed toward creating and using a human rights risk identification process. The LP judges that the main reason for this is a lack of interest or buy-in from the GP's management team.
2	The GP has not progressed toward creating and using a human rights risk identification process. The LP judges that the main reason for this is a genuine lack of resources or capacity from the GP, rather than a lack of buy-in. The LP believes this resource gap is addressable.
3	The GP has made some progress toward creating a human rights risk identification process. However, the process is not yet operational, and the GP has not begun using it. The LP judges that the GP will continue to progress toward fully implementing this process.
4	The GP has created a human rights risk identification process and has used it for identifying portfolio startups' risks and related prevention and mitigation strategies. The process does not yet include all elements outlined in the <i>B-Tech GP Toolkit</i> , as requested by the LP, but the LP judges that the GP will incorporate these elements in time.
5	The GP has created and is using a functional human rights risk identification process in line with the <i>B-Tech GP Toolkit</i> , as requested by the LP.

GP PROGRESS TOWARD ENCOURAGING STARTUPS TO IMPLEMENT HUMAN RIGHTS RISK IDENTIFICATION PROCESSES	
1	The GP has not asked portfolio startups to implement human rights risk identification processes. The LP judges that the main reason for this is a lack of interest or buy-in from the GP's management team.
2	The GP has not asked portfolio startups to implement human rights risk identification processes. The LP judges that the main reason for this is a genuine lack of resources or capacity from the GP, rather than a lack of buy-in. The LP believes this resource gap is addressable.
3	The GP has begun asking portfolio startups to implement human rights risk identification processes, but no startups have fully operationalized these processes yet. The LP judges that the GP's startups will continue to progress toward creating and utilizing these processes.
4	The GP has begun asking portfolio startups to implement human rights risk identification processes, and some startups have now operationalized these processes. Startups' processes do not yet include all elements outlined in the <i>B-Tech GP Toolkit</i> , as requested by the LP, but the LP judges that the GP will encourage startups to incorporate these elements in time.
5	The GP has begun asking portfolio startups to implement human rights risk identification processes. All startups are in some stage of operationalizing these processes, and some startups are utilizing processes in line with the <i>B-Tech GP Toolkit</i> , as requested by the LP.

GP PROGRESS TOWARD WORKING WITH STARTUPS TO IMPLEMENT PREVENTION AND MITIGATION MEASURES

1	The GP reports it is not encouraging portfolio startups to implement human rights prevention and mitigation measures. If the GP and LP previously agreed on specific measures that the GP should ask some portfolio startups to implement, the GP reports that it has not raised these measures with startups. The LP judges that the main reason for this is a lack of interest or buy-in from the GP's management team.
2	The GP reports it is not encouraging portfolio startups to implement human rights prevention and mitigation measures. If the GP and LP previously agreed on specific measures that the GP should ask some portfolio startups to implement, the GP reports that it has not raised these measures with startups. The LP judges that the main reason for this is a genuine lack of resources or capacity from the GP, rather than a lack of buy-in. The LP believes this resource gap is addressable.
3	The GP has made some progress toward encouraging portfolio startups to implement necessary human rights prevention and mitigation measures. If the GP and LP previously agreed on specific measures that the GP should ask some portfolio startups to implement, the GP has raised these with startups but indicates that these measures have mostly not yet been implemented. The LP believes that the GP will continue encouraging startups to implement necessary measures to address human rights risks.
4	The GP reports it is encouraging portfolio startups to implement necessary human rights prevention and mitigation measures. If the GP and LP previously agreed on specific measures that the GP should ask some portfolio startups to implement, the GP has raised these with startups and indicates that some of these measures have been implemented and that startups are working on implementing others. The LP judges that the GP will encourage startups to implement all necessary measures in time.
5	The GP reports it is encouraging portfolio startups to implement necessary human rights prevention and mitigation measures. If the GP and LP previously agreed on specific measures that the GP should ask some portfolio startups to implement, the GP has raised these with startups and indicates that all such measures have been implemented.

HUMAN RIGHTS RISKS

1	The GP and/or LP have identified new human rights risks—linked to specific startups or to the GP's overall investment areas—as well as previously identified human rights risks that have 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 LP have identified either new human rights risks—linked to specific startups or to the GP's overall investment areas—or previously identified risks that have 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 LP have identified new human rights risks—linked to specific startups or to the GP’s overall investment areas—as well as previously identified human rights risks that have 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 LP have identified either new human rights risks—linked to specific startups or to the GP’s overall investment areas—or previously identified 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 GP nor the LP has identified any new human rights risks or previously identified risks that changed demonstrably in scale or scope.

REAL-WORLD HUMAN RIGHTS IMPACTS

1	There are clear links between some of the GP’s portfolio startups’ business activities and specific, real-world human rights impacts, which were severe in nature. The GP and the relevant startups have not taken any demonstrable proactive measures to address these impacts and the GP does not indicate an interest in doing so.
2	There are clear links between some of the GP’s portfolio startups’ business activities and specific, real-world human rights impacts, some of which were severe in nature. The GP and the relevant startups recognize the need to implement measures to address these risks but have not done so yet.
3	There are clear links between at least one of the GP’s portfolio startups’ business activities and specific, real-world human rights impacts. Some of these impacts may have been severe, but the GP and the relevant startup(s) have begun taking demonstrable proactive measures to prevent these impacts from reoccurring.
4	There are links between at least one of the GP’s portfolio startups’ business activities and specific, real-world human rights impacts, but none of the impacts were deemed severe in nature. Both the GP and the relevant startup have taken demonstrable proactive measures to prevent these impacts from reoccurring.
5	The LP has identified no links between any of the GP’s portfolio startups’ business activities and specific, real-world human rights impacts.

NEED FOR NEW PREVENTION AND MITIGATION MEASURES

1	The GP and/or LP has identified new or significantly changed human rights risks or real-world negative human rights impacts linked to portfolio startups. The LP wants to see startups implement corresponding new or updated prevention and mitigation measures but believes this is unlikely, either because the GP is unwilling to advocate for these measures or because startups will be unable to implement them due to their cost and complexity.
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2	<p>The GP and/or LP has identified new or significantly changed human rights risks or real-world negative human rights impacts linked to portfolio startups. The LP wants to see startups implement corresponding new or updated prevention and mitigation measures but is unsure whether this will happen, either because the GP is noncommittal about advocating for these measures or because the resource costs to startups of implementing these measures are high, and the LP/GP are unsure if startups can meet them.</p>
3	<p>The GP and/or LP has identified new or significantly changed human rights risks or real-world negative human rights impacts linked to portfolio startups. The LP wants to see startups implement corresponding new or updated prevention and mitigation measures and is reasonably confident this will happen. The GP expresses a willingness to advocate for these measures, which will not be especially difficult or costly for portfolio startups to implement.</p>
4	<p>The GP and/or LP has identified new or significantly changed human rights risks linked to portfolio startups, but existing or already agreed upon prevention or mitigation measures will be sufficient to address these risks.</p>
5	<p>Neither the GP nor the LP has identified new or significantly changed human rights risks or real-world negative human rights impacts linked to portfolio startups, and thus no new prevention or mitigation measures are needed.</p>