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Dear Mr Morrison,

ICT Sector Discussion Paper for Public Comment

I am writing to comment on behalf of Standard Life Investments, regarding the discussion paper on the implementation of the UN Guiding Principles on Businesses and Human Rights (“Guiding Principles”) in the Information and Communication Technology (ICT) Sector.

Standard Life Investments is a leading UK institutional investor, with assets under management of £161 billion as at 31 March 2012. In our view companies associated with human rights abuse have a higher risk of attracting opposition from consumers, international watchdogs and local communities that can impact on their sales and ability to conduct business. We believe that it is important to have clarity and consensus on the standards to be applied to business conduct in relation to human rights. As an investor in the ICT Sector, we welcome the European Commission’s decision to develop guidance for this purpose in the Sector.

In response to the specific questions posed within the discussion paper;

- We believe that the paper does identify the key impacts and challenges facing the ICT sector in relation to human rights.
- We believe that there are a number of existing initiatives, focused specifically on the sector and other sectors, which could be referenced to develop the forthcoming guidance, such as the Electronic Industrial Citizenship Coalition (EICC) and the Global Network Initiative (GNI). However, we would recommend that existing initiatives are not the main point of reference during the development of the upcoming guidance.
- To produce clear guidance, we believe that the whole product life cycle needs to be addressed and human rights impacts and challenges should be considered during each phase of the life cycle including the sourcing of raw material, manufacture of goods, use of goods and final disposal or recycling of the product.

In addition to the comments above we would also encourage that the guidance covers the following issues.

1 Conflict Minerals

We recognise the challenges surrounding this area and that other initiatives are currently seeking to set out company standards. It would be useful if the paper could expand on the issue of conflict minerals and offer direction on which existing initiatives are endorsed.

2 Private Companies

We suggest that the guidance give greater consideration to the use of surveillance technologies by private companies, for commercial purposes.

3 New Technologies

The guidance should require companies in the sector to ensure that consumers are aware of new technologies that create a threat to or invasion of privacy, such as timestamp and location coordinate technologies.

4 Human Rights Policy Implementation and Reporting

We suggest that the guidance encourage companies to create human rights policies, due diligence processes and grievance mechanisms which are aligned with the key criteria specified in the Guiding Principles. In a report we published on how extractives sector companies comply with the Guiding Principles we outlined our view of the key criteria and evaluated company reporting against them. We recommend that the guidance follow a similar approach that emphasises the value of reporting in a way that enables investors and other stakeholders to assess company performance. Further details of our Report can be found on our website at;
http://uk.standardlifeinvestments.com/consultant/corporate_governance_and_sri/index.html

5 Freedom of Expression Vs Legitimate Restrictions

As a result of the global nature of the sector and the varying directives prescribed by different regulators, it would be useful if the guidance considered the potential for encouraging the adoption of a uniform international standard by national governments.

We hope these comments are helpful and invite you to contact me if you require any elaboration on the above. Thank you very much for giving us the opportunity to contribute our views.

Yours sincerely



Andy Mason

SRI Analyst

Standard Life Investments