



Corporate Human  
Rights Benchmark  
Methodology 2020

**For the Automotive  
Manufacturing Industry**



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In 2019 the CHRB started a process of integrating into the World Benchmarking Alliance (WBA) and all intellectual property, ownership & rights will be transferred to the WBA in 2020.

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Foreword

The idea of a corporate human rights benchmark initially took hold in 2013 as a response to the lack of wide-scale, credible and publicly available data on corporate human rights performance, in spite of decades of work on business and human rights and the publication, a few years earlier, of the UN Guiding Principles on Business and Human Rights (UNGPs). This lack of credible data, coupled with a sense of urgency to improve the situation for individuals and communities (potentially) affected by the activities of businesses, prompted a group of like-minded investors, civil society organisations and independent experts to promote the creation of a human rights benchmark.

Four years later, in March 2017, the Corporate Human Rights Benchmark (CHRB) published its first benchmark, assessing and ranking just under 100 of the largest global listed companies from the Agricultural Products, Apparel and Extractives industries on their human rights performance. Since then, the CHRB has published two more benchmarks, in 2018 and 2019. The 2019 Benchmark covered 200 companies and included companies in the Information and Communications Technology (ICT) manufacturing sector for the first time.

All three benchmarks to date have revealed alarmingly low levels of implementation of the UNGPs by companies, despite significant improvements by a few companies and despite progress from a score of 18% on average in 2017 to 31% in 2019 for companies assessed since 2017. Human rights due diligence, as well as the provision of effective remedy, remain particularly low-scoring areas in the benchmark, with new companies added in 2019 scoring 17% on average; back to where the average scores were in 2017 and dragging down the sector scores overall.

I have been pleased to see the results being used by different stakeholders to inform their approach and promote improved disclosure and practices. Regular discussions with companies in and out of the benchmark list have revealed that companies are using the results and methodology to detect gaps in their approach, identify good practice from peers, look for guidance and elevate human rights questions internally.

We know that more and more investors are using the CHRB data to inform engagements with companies, either individually or collectively, with increasing numbers of shareholder resolutions being brought forward and challenging low-scoring companies. Some governments are also looking at the results and methodology to inform their decisions on business and human rights, with the United Nations High Commissioner for Human Rights, Michelle Bachelet, quoting the CHRB results in November 2019 as evidence that highlights the need for government action and for more mandatory measures. Beyond the benchmark results, the CHRB methodology is also being used to inform country-level assessments, with the publication of three studies in November 2019 using a cut-down version of the CHRB Methodology, in Ireland, Finland and Germany.

In 2019, the CHRB formally integrated with the World Benchmarking Alliance (WBA), which seeks to generate a movement around increasing the private sector’s impact towards a sustainable future for all. This is an exciting opportunity for both the CHRB and WBA. CHRB is continuing to produce standalone benchmarks of high-human-rights-risk sectors, whilst WBA is developing plans for a Social Transformation benchmark of 2,000 companies who can have the most impact on achieving the Sustainable Development Goals (SDGs), with human rights at the core of this wider assessment.

A cornerstone of both the WBA and the CHRB’s approach is actively listening and responding to stakeholders as part of an ongoing engagement process to ensure relevance and credibility. The CHRB Methodology was developed through extensive research and multi-stakeholder consultation over many years. Following the launch of the first benchmark the CHRB undertook a 5-month global consultation to pick up on the lessons learned during the pilot. In 2019 the CHRB incorporated indicators for the ICT manufacturing industry and in 2020 the CHRB is also publishing indicators for the automotive manufacturing industry, informed by public consultations in both cases.

We know that human rights are fundamentally qualitative and hard to measure, which makes it difficult for any assessment to do justice to the complexity of the issues involved. Because of this, it will only ever provide a proxy rather than an absolute measure of human rights performance. However, we remain convinced of the robustness of the CHRB Methodology and committed to its continuous improvement.

For this reason, in 2020 the CHRB is conducting a year-long review of its methodology in parallel to the 2020 assessment. The review will be an opportunity to reflect on the past three years of applying the CHRB Methodology and to gather feedback from a diverse range of stakeholders with a view to strengthening the CHRB’s approach going forward.

I am convinced of the essential role benchmarks can play in the promotion of human rights and the SDGs around the world, by creating a positive competitive environment, encouraging greater transparency and evidence-based advocacy, and by enabling companies, investors and the public to make better-informed choices.



**Camille Le Pors**  
Corporate Human Rights  
Benchmark Lead,  
World Benchmarking Alliance

Acknowledgments

The Corporate Human Rights Benchmark (CHRB) was launched in 2013 as a multi-stakeholder initiative and drew on support and expertise from investors, civil society organisations as well as independent business and human rights experts. As such the CHRB would like to thank APG Asset Management, Aviva Investors, Business and Human Rights Resource Centre, Calvert Investments, now known as Calvert Research and Management, the EIRIS Foundation, the Institute for Human Rights and Business, Nordea Wealth Management, VBDO as well as Margaret Wachenfeld and Bennett Freeman for their crucial support since the launch of the initiative. In 2019 the CHRB started a process of integrating into the World Benchmarking Alliance (WBA) and all intellectual property, ownership & rights will be transferred to the WBA in 2020.

This 2020 Methodology document for Automotive Manufacturing is the result of multi-stakeholder consultations held in the Summer and Autumn of 2019 and is adapted from the 2020 Methodology for the Agricultural Products, Apparel and Extractives industries (which itself is an updated version of the 2016 Pilot Methodology (and subsequent versions thereof), which

was the result of extensive multi-stakeholder consultation around the world involving representatives from over 400 companies, governments, civil society organisations, investors, academics and legal experts). The CHRB would like to thank Aviva Investors, Caux Roundtable Japan & Daimler AG for hosting consultation sessions on the indicators specific to the automotive industry, as well as all those who provided feedback on the indicators.

The CHRB would like to thank the Governments of the United Kingdom, Denmark, the Netherlands and Switzerland, as well as the Aviva Foundation for their vital support, as well as our parent organisation the WBA.

The CHRB would also like to thank all the stakeholders who contributed to the methodology work and to the publication of the benchmarks. The CHRB would also like to acknowledge the contribution RepRisk will make to the 2020 Benchmark as a provider of ESG risk metrics and analytics for the Serious Allegations Measurement Theme in the Methodology, as well as EIRIS Foundation and its partners as research provider for the CHRB.

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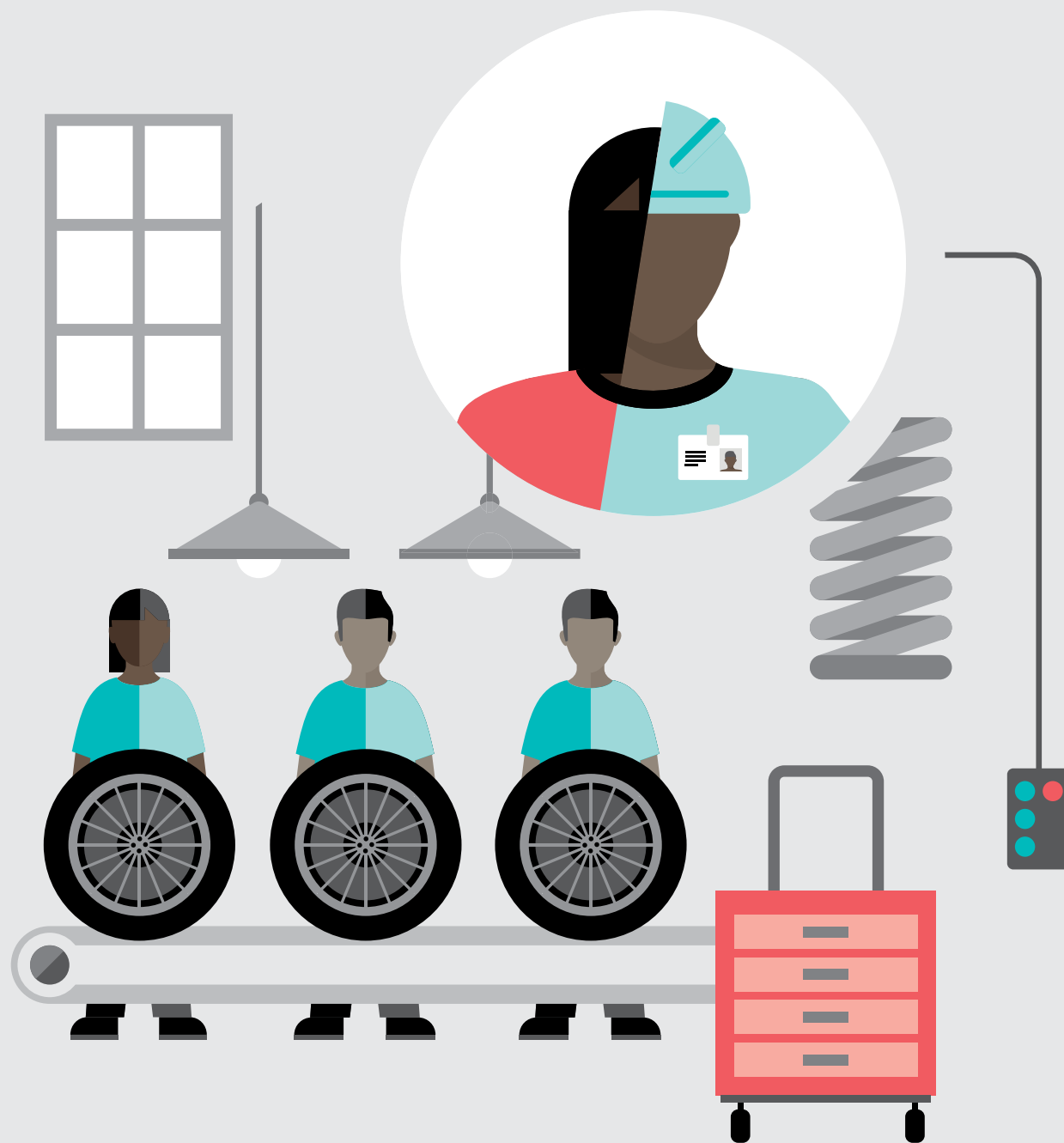
Key Definitions

A full glossary is available in Annex 5, however three key definitions are included below:

**Supplier:** Defined as tier 1 and beyond, including subcontractors. For the Automotive Manufacturing industry, refers to manufacturing sites for major components (note: for specific indicators on conflict minerals and on raw material sourcing, refers to refiners, smelters and raw materials).

**Supply chain:** Refers to all supply chain business relationships, tier 1 and beyond, including subcontractors.





# 1 Why the Need for a Benchmark?

Chapter 1 looks at the need for a benchmark and covers:

- The Challenge
- The Levers for Change
- CHRB Objectives and Expected Impacts



The Challenge

Human rights are basic standards to ensure dignity and equality for every person and companies can have both positive impacts on human rights as well as negative impacts. Business can create jobs and secure livelihoods, provide products and services, support community development and provide tax revenue for the state to invest in the well-being of its people. Yet, without a sound commitment to human rights, and their implementation through due diligence, a wide range of potential negative impacts can arise including precarious employment through poverty wages, the dispossession of indigenous peoples’ ancestral lands and the prevalence of modern slavery. It was only in 2011 that the first global set of operational principles, the UN Guiding Principles on Business and Human Rights or UNGPs, were officially endorsed following six years of development and global multi-stakeholder consultation. The UN Guiding Principles affirm the fundamental responsibility that companies must respect the rights of workers, communities, consumers and others potentially affected by their own operations as well as by their business relationships, and to demonstrate how they are doing so. They have since been reflected in other international standards including the OECD Guidelines for Multinational Enterprises, IFC Performance Standards and ISO 26000 Social Responsibility Guidance, reinforcing the status of the UN Guiding Principles as the authoritative baseline for corporate respect for human rights.

Preventing adverse impacts, on workers, communities and consumers, is one of the most pressing challenges faced by companies in today’s global marketplace. Given the relatively recent establishment of the UN Guiding Principles as the first clear baseline for how businesses should conduct their activities to avoid negative impacts on people, many companies are only beginning to implement or improve their human rights related policies, processes, practices and responses. This can be complex. It takes time and dedication to raise the operating standard of all companies to one where “responsible” and “sustainable” performance is the only performance.

This is a fundamental challenge, but there are already companies progressing rapidly in embedding human rights into their core business. By preventing and mitigating harm to people, company leaders are also reporting substantial benefits to their business.

The CHRB 2019 results, published in November 2019, highlighted a cluster of companies, including Adidas, Rio Tinto, Unilever and Marks & Spencer Group, taking a leadership position and driving forward corporate human rights performance. But, as the results showed, there is still a huge amount to be done by companies to ensure that people’s rights are respected; only one company in the 2019 Benchmark scored

more than 80 % and the average score across all companies was under 25 %. Just under half of the benchmarked companies (49 %) score 0 across all indicators related to human rights due diligence (B.2) and one in five companies have not demonstrated significant progress (an increase in more than 5 % in their score) since the 2017 Pilot Benchmark. Another key finding from the 2019 Benchmark is that the 100 new companies added in 2019 scored 17 % on average; back to where the average scores were in 2017 and dragging down the sector scores overall.

The CHRB recognizes that implementing respect for human rights across a company’s activities and business relationships is not simple. It takes commitment, resources and time to embed respect for human rights into the ways that a large and diverse workforce thinks and acts. Moreover, companies rarely control all the circumstances in which they operate; those contexts may change rapidly and serious human rights dilemmas may arise.

With the EU’s mandatory non-financial disclosure directive (2014), the UK Modern Slavery Act (2015), the French Due Diligence Law (2017), and Germany’s statement in its National Action Plan that the government will examine further steps, including legislative measures, if more than 50 % of all German-based companies with over 500 employees have not taken credible action to integrate human rights due diligence in their operations by 2020, we are seeing a shift towards more mandatory reporting. This should prompt more companies to embed human rights across their activities and to report on their performance, even though it is still early to see these reflected in practice.

The challenges surrounding negative human rights impacts are particularly acute in focus industries for the CHRB 2020 Benchmark, namely the Agricultural Products, Apparel, Extractives, Information and Communications Technology (ICT) Manufacturing and Automotive Manufacturing, as set out below (please note that the indicators for the Agricultural Products, Apparel, Extractives and ICT Manufacturing industries are published separately). These impacts are often linked via a business relationship, prompting more responsible companies to try to change the behaviour of their partners, which for the largest companies can number in the thousands and even hundreds of thousands. This provides both risks, given vast value chains, but also important opportunities to improve responsible business conduct globally.

CHRB seeks to help address these challenges, by creating year on year comparisons of the human rights performance of large corporations that are transparent, freely available and legitimate in the eyes of companies, civil society, investors and governments



Challenges in the Automotive Manufacturing Industry

Exploitative conditions continue to be found within the industry, with forced labour, lack of living wages for workers and restrictions to freedom of association being key issues. Negative impacts can also be linked to sponsorship activities and the use of products after they are sold. The use of natural resources in the manufacturing of automobiles can also give rise to range of potential human rights impacts within and beyond the ‘walls’ of the company. They affect communities around the world, whether by becoming entangled with abuses by unaccountable security forces, undermining the livelihoods of communities surrounding operations through impacts on their land, water and other natural resources, or failing to adequately consult indigenous groups to secure their consent prior to operations.

Figure 1 Challenges in the Automotive Manufacturing industry

The Levers for Change

The kinds of negative impacts on workers and their families, communities and customers occurring via companies’ activities and business relationships are the by-product of a global market failure. Markets are not routinely promoting corporate human rights responsibility or innovation through investment decisions and the allocation of capital, media scrutiny, regulation or advocacy for companies that are managing their human rights risks and impacts well. Because of this, most companies have no reason to account for their social ‘costs’; their impacts on human rights. As a consequence, capital is being misallocated; companies that impose the costs of their negative impacts onto workers, communities, and local governments are able to raise capital at the same rate as their more responsible peers, ultimately making them more competitive.

There are several ways to address this market failure, including through appropriate policy and regulation, but also by prompting disclosure of relevant information and letting the market and society respond to those disclosures. CHRB sees the competitive nature of the market as a powerful driver for change and represents a relatively untapped lever to confront these challenges.

Indices and rankings have been developed in recent years to rally specific industries to respond to particular global challenges. This includes, amongst others, Oxfam’s Behind the Brands ranking of ten major food and beverage companies, the Access to Medicine’s Index of pharmaceutical companies’ provision and pricing of medicines, the Access to Nutrition and Access to Seeds Indexes focused on the consumption and production ends of the global food value chain, and the Know the Chain benchmarks

which look at forced labour in the supply chains of ICT, Food and Beverage and Apparel and Footwear companies. The World Benchmarking Alliance, which the CHRB is now part of, will benchmark 2,000 companies by 2023 on their contribution to achieving the Sustainable Development Goals.

These public benchmarks, which allow for the comparison of companies by investors, civil society, consumers and their peers, provide a brilliant platform to encourage a race-to-the-top and to highlight those who are lagging behind. In 2015, a survey by the Economist Intelligence Unit (EIU) found that of 853 senior corporate executives questioned on which interventions could best enable them to meet their human rights responsibilities, the top choice was a public benchmark on companies’ human rights performance.

The CHRB aims to address this gap, by assessing certain factors across many companies to give a proxy measure of their human rights performance. This includes assessing the availability and quality of companies’ policy commitments on human rights and how they are governed, and assessing the effectiveness of the systems and processes implementing those commitments and specific practices to prevent impacts or respond to serious allegations.

Ultimately, if business is to serve society, respecting human rights should be a **competitive advantage**. In ranking the largest companies on their human rights performance, the CHRB is seeking to incentivize companies to race to the top of the annual Benchmark – within and across industries. CHRB’s objectives and expected impacts are detailed on the following page.

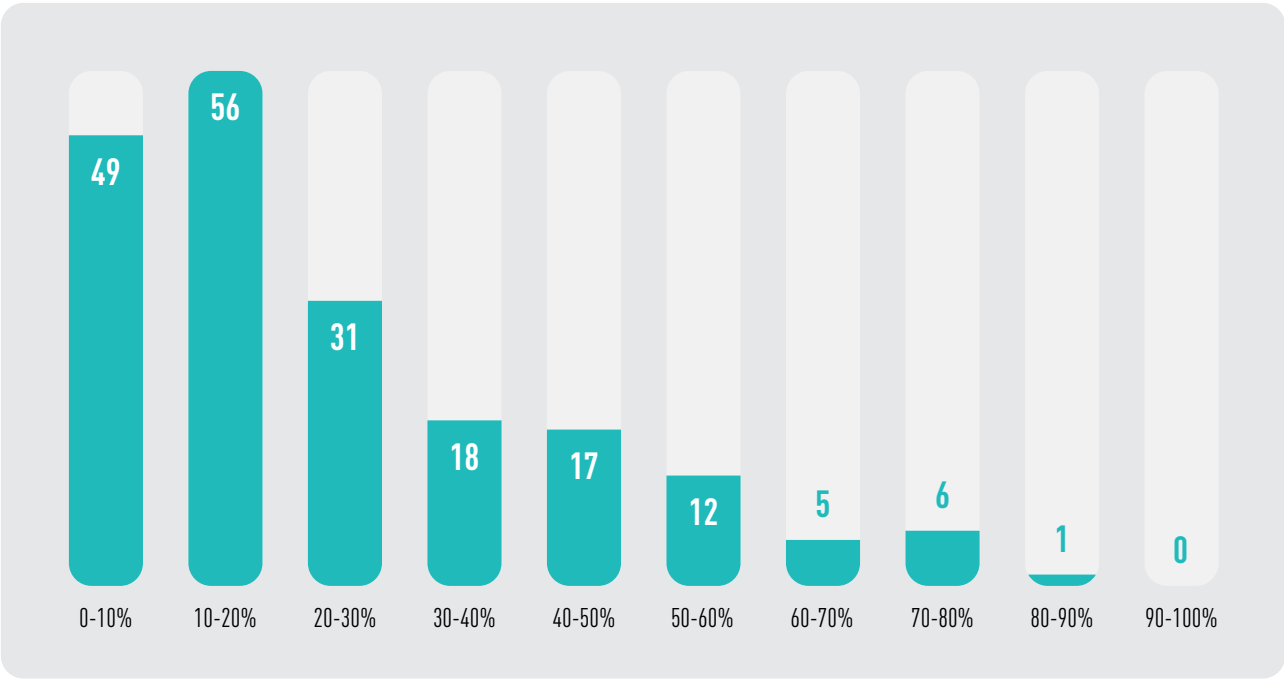


Figure 2 2019 Overall results: Number of companies per band

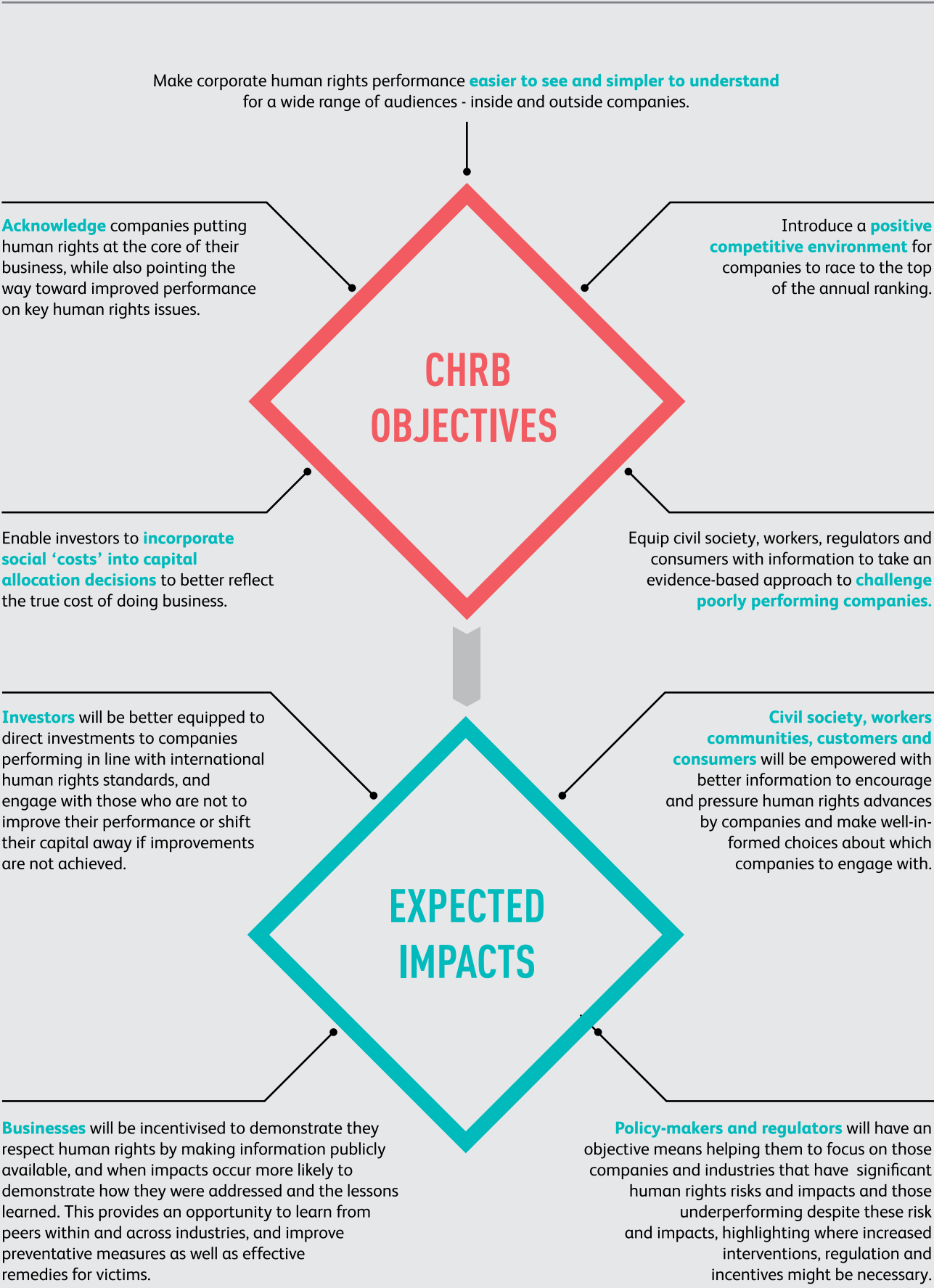
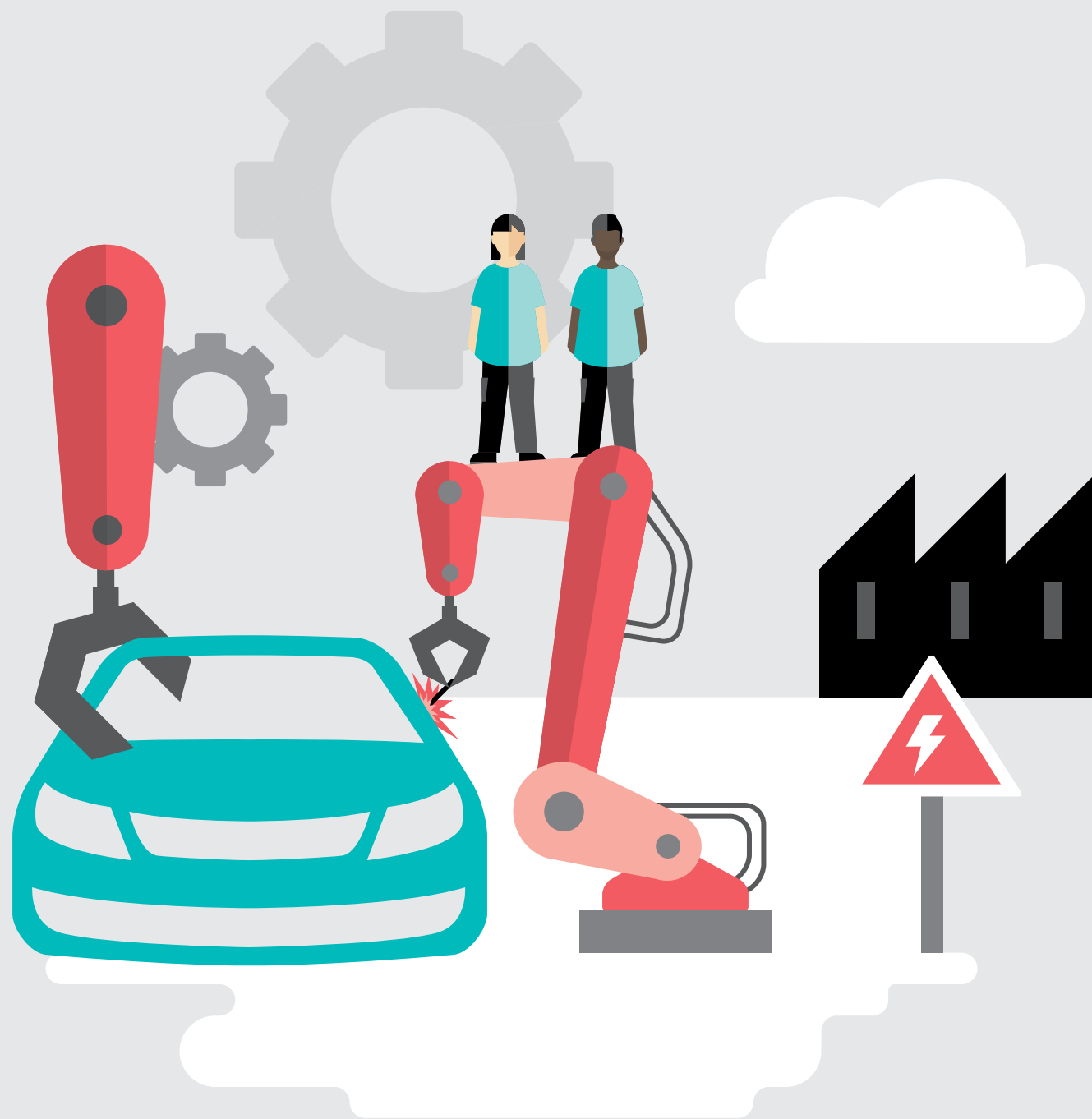


Figure 3 CHRB Objectives and expected impact



## 2 Introduction to the CHRB

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Chapter 2 looks to introduce the CHRB in more detail and covers:

- Who is the CHRB?
- Development of the CHRB Methodology
- Features of the Corporate Human Rights Benchmark



Who is the CHRB?

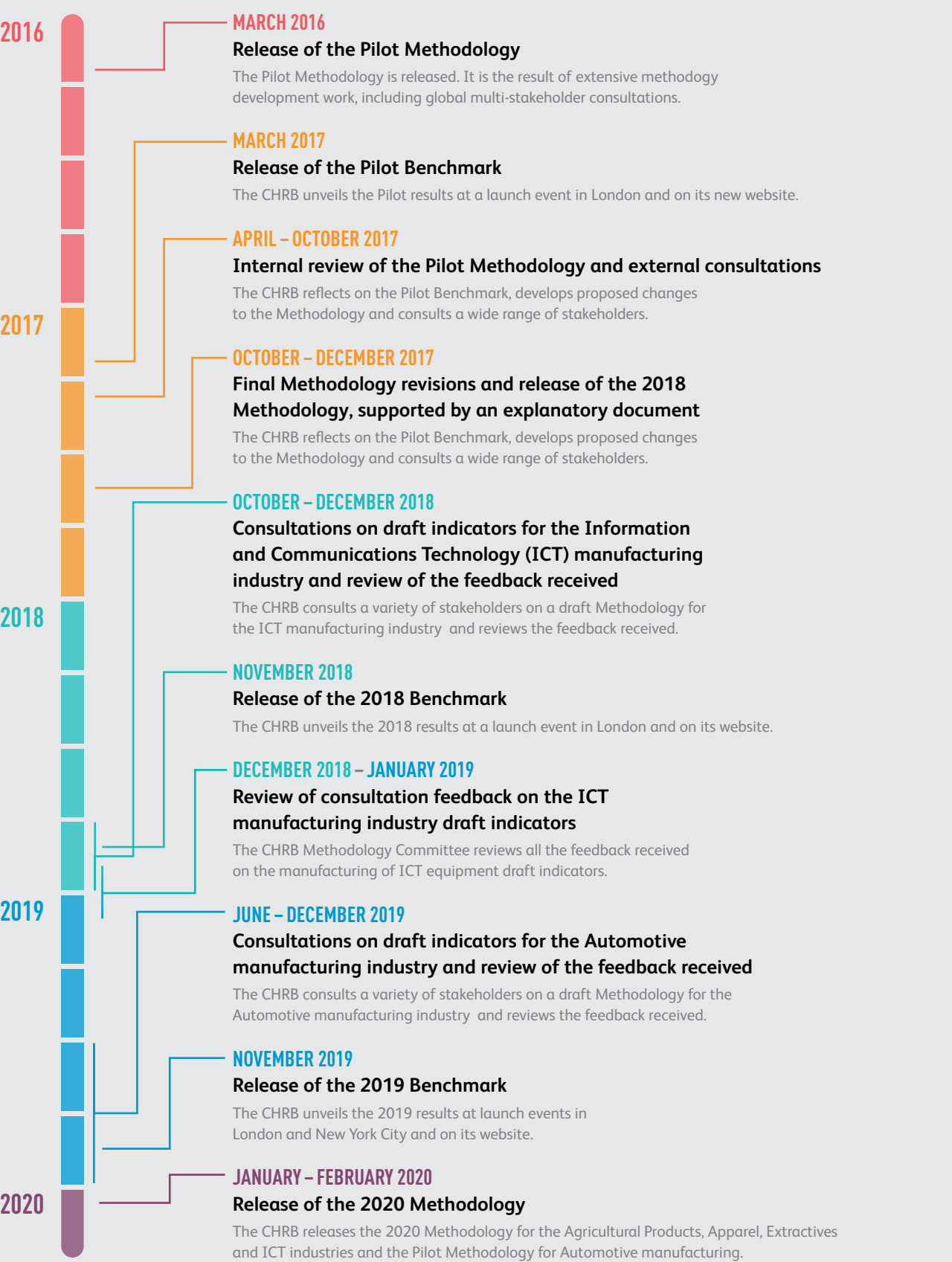
The **Corporate Human Rights Benchmark (CHRB)**, is part of the **World Benchmarking Alliance (WBA)**, which seeks to generate a movement around increasing the private sector’s impact towards a sustainable future for all. Within WBA, the CHRB will continue to produce annual benchmarks that rank global companies on their human rights performance. The ultimate aim, to rank the top 500 globally listed companies, will be achieved incrementally.

Following the launch of the 2019 Benchmark in November 2019, in 2020 CHRB will repeat the process for the Agricultural Products, Apparel, Extractives and Information and Communications Technology manufacturing industry as well as piloting a benchmark for the Automotive manufacturing industry. In 2020 the CHRB is conducting a year-long review of its methodology in parallel to the 2020 assessment. During the review the CHRB will consult with a diverse range of stakeholders, including companies, investors, civil society organisations and individual experts.

The CHRB Methodology Committee, led by Margaret Wachenfeld (IHRB, Themis Research) and Peter Webster (Eiris Foundation), directed the development of the CHRB Methodology and is responsible for leading reviews and updates, as well as for technical oversight of the research process for producing the Benchmark each year. Following integration with the WBA, the Methodology Committee will be gradually expanded to form the CHRB Expert Review Committee (ERC).

The CHRB team includes Camille Le Pors (Benchmark Lead), responsible for the delivery of the benchmarks and for engagement with stakeholders to promote the methodology and results, Angus Sargent (Research Analyst) who conducts research and supports internal system maintenance and outreach for CHRB as well as a Research Project Manager.

Development of the CHRB Methodology



For more information on the development of the **CHRB Methodology**, see the CHRB website ([www.corporatebenchmark.org](http://www.corporatebenchmark.org)).

# Features of the Corporate Human Rights Benchmark

## Transparency

The UN Guiding Principles expect companies to both know and show that they are respecting human rights. In order to prompt further disclosure by companies on the topic of human rights, the CHRB research process uses only publicly available information for the assessment – with one exception under the Responses to Serious Allegations Measurement Theme E, which utilises external sources. This is an effort to drive transparency by companies on their human rights approaches and also to ensure that the CHRB itself is as transparent as possible in how it reaches its results and what information its assessments are based upon. As the level of information companies publish on their approaches to human rights increases, companies will gain recognition for their efforts; those affected by companies will be able to better understand the measures a company is taking to avoid impacts; investors can better direct their finances; civil society can use the information to target their campaigns and advocacy; and governments and policy makers can better target their interventions.

## Policies, Processes, Practices and Responses

In order to offer a truly rigorous and credible proxy measure of corporate human rights performance, the CHRB seeks to assess companies’ human rights performance at several levels. These include the policy level (Measurement Theme A), the process and systems level (Measurement Themes B and C), the performance level, including specific practices (Measurement Theme D) and responses to serious allegations (Measurement Theme E), as well as a final level focusing on a company’s overall transparency (Measurement Theme F).

These levels have been carefully developed through numerous consultations with stakeholders to seek to achieve a balance between measuring actual human rights impacts on the ground as well as the effectiveness of policies and processes implemented across large and complex companies to systematically address their human rights risks and impacts.

## International and Industry-Specific Standards

The Benchmark’s policy and process indicators have been carefully and consultatively developed to ensure they reflect and reinforce the expectations of the UN Guiding Principles. In addition, the CHRB Methodology also takes as its basis certain industry-specific global standards to ensure as relevant, rigorous and credible a ranking as possible when comparing companies within the same industry. These sources are listed in Annex 6.

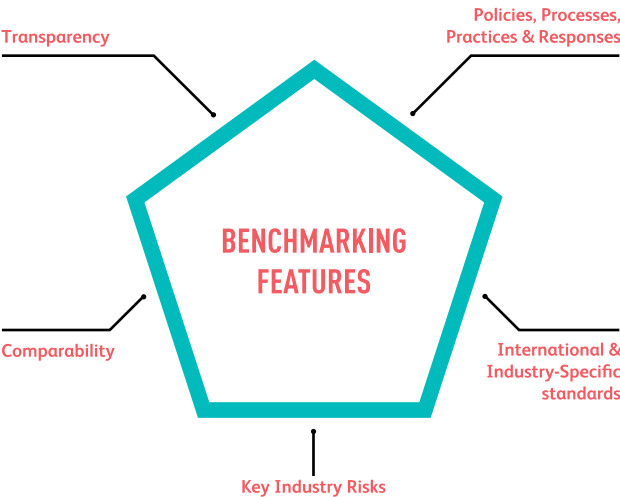


Figure 4 Benchmarking Features

## Key Industry Risks

To aid the inter- and intra- comparative benefits of the Benchmark, the CHRB Methodology incorporates ‘key industry risks’ typically faced by companies in each industry. These are risks commonly regarded as potentially severe or likely within the industry. Companies are expected to demonstrate how they are preventing them through a process of human rights due diligence, or why they are not relevant for their operations. These key industry risks have been identified through extensive research and multi-stakeholder consultation. While the key industry risks are anticipated to be relevant to companies in the industry, they may not necessarily match an individual company’s most ‘salient’ human rights issues. Salient human rights issues are those at risk of the most severe negative impacts through a company’s specific activities or business relationships. This means that while key industry risks are common, industry-wide human rights risks, whether they materialise or are ‘salient’ for a specific company may vary. As part of the CHRB Methodology, companies will be able to explain why any of the industry risks are not relevant to them and they will then not be marked down for not addressing them if there is sufficient justification. The lists are also not meant to indicate that these are the only human rights impacts of these industries.

These key industry risks will evolve and change within the Benchmark long-term, as some risks are managed and reduced, and others become more apparent. This will ensure that the Benchmark is always as credible a proxy measure for corporate human rights performance as possible.



### Key Industry Risks in the Automotive Manufacturing Industry

- Child labour
- Forced labour
- Freedom of Association & Collective Bargaining
- Health & Safety
- Working Hours
- Responsible Sourcing of Minerals
- Responsible Sourcing of Materials
- Women’s Rights

Figure 5 Key industry risks for the 2020 Benchmark

## Comparability

Comparability is vital in order for the CHRB to assess companies against each other and to track progress over time. The CHRB seeks to offer comparability in several different ways:

### Across industries

The CHRB offers comparability of company human rights performance across a diversity of industries, namely the Agricultural Products, Apparel, Extractives, ICT Manufacturing and Automotive Manufacturing industries. This means that, for example, an extractives company can be measured against an apparel company, enabling pan-industry competition on human rights.

### Within industries

By utilising key industry risks and standards, the CHRB seeks to achieve the granularity necessary to compare companies within the same industry and identify those leading and lagging. It is expected that competition – and learning – among peers will be one of the most significant impacts of the Benchmark.

### By Measurement Theme

The CHRB Measurement Themes have been carefully and consultatively developed to best assess overall corporate human rights performance. Companies can therefore be compared across any or all of the six CHRB Measurement Themes.

### Over time

The CHRB will be produced annually, meaning companies will be able to demonstrate improvement in their human rights performance over time. As the CHRB is produced each year, an invaluable record will develop showcasing individual companies’ progress, as well as industry-level improvements, or lack thereof.

## Limiting Factors

### Proxies for Performance

As noted in the Foreword there are, as yet, no quantitative base units for corporate human rights performance. Human rights are about the dignity of each and every human life and about the core values that make life worth living. Ultimately, that is very hard to measure. But the Benchmark is a small step in moving companies along the path of seeing that value beyond the financial bottom line. The CHRB Methodology is seeking to deliver, based on expertise, research and consultation, the most accurate proxies for corporate human rights performance. These will continue to evolve over time as learnings and practice continue to emerge.

### Coverage of company operations

The Benchmark ranks the largest publicly listed companies, often with extensive operations globally. The information drawn on for the Benchmark is as precise as the information released by companies on a disaggregated basis and available through reasonably accessible sources globally and locally. In order to deal with this challenge, the Benchmark scores companies based on demonstrating examples of good practices and asks for coverage of operations. While recognising that the information made available for such large-scale enterprises may be small, the Benchmark is about progress. It is expected that there will be expansion in coverage and depth of company operations over time, as examples are shared and transparency increases.

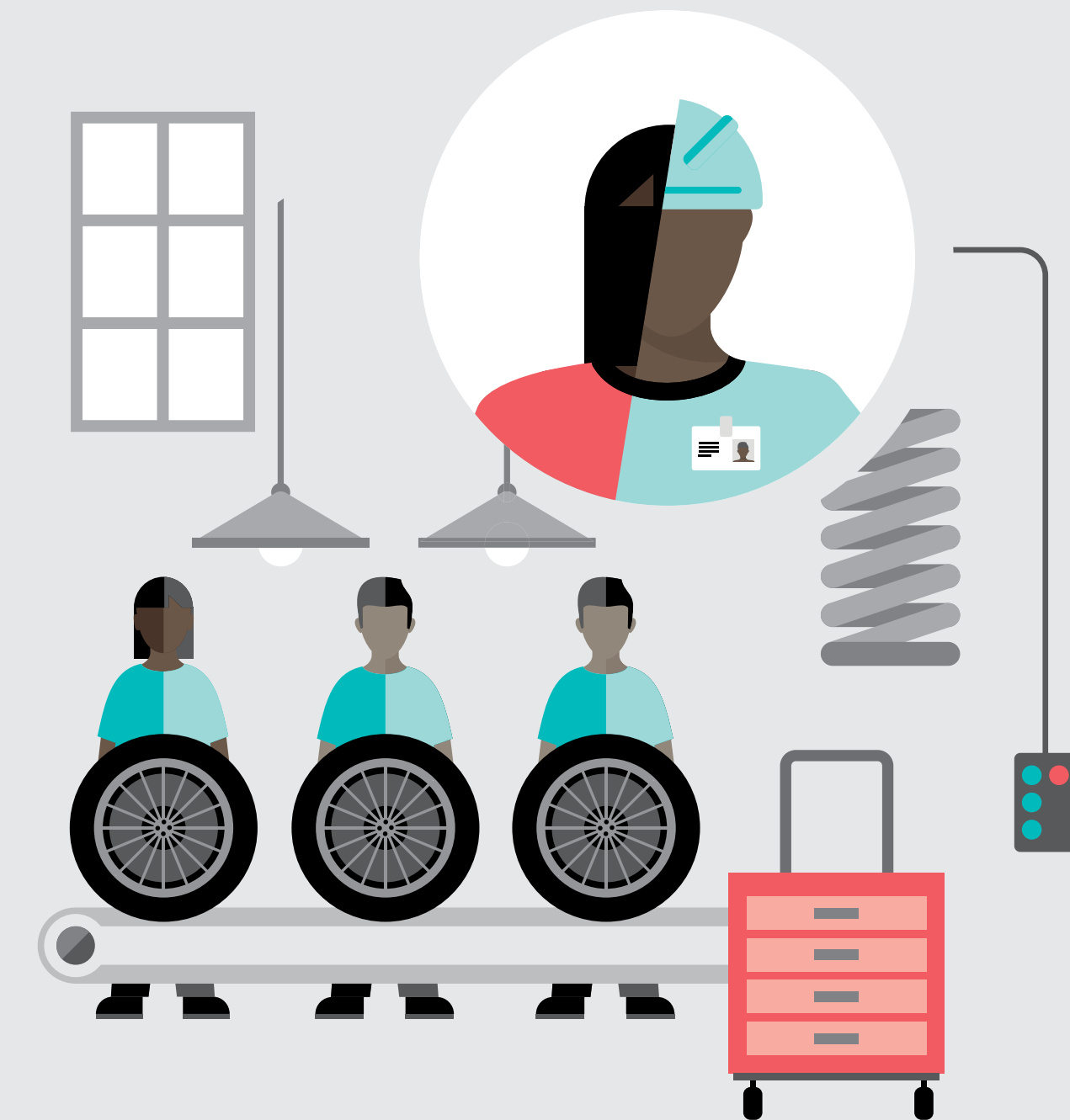
### Scope

Human rights performance is a broad and developing area of study. To be able to create a meaningful comparison between companies, the scope of the methodology has been deliberately limited. A more detailed discussion on the scope of the 2019 methodology is included in the next section.

# 3 Overview of the Benchmark Process

Chapter 3 provides a more detailed overview of the benchmark process, covering:

- **The CHRB Research Process**
- **Scope of the 2020 Benchmark**
  - Scope of Industries and Industry Activities
  - Scope of Business Relationships
  - Scope of Companies
- **Out of Scope for the 2020 Benchmark**
- **Future Benchmarks**



The Annual CHRB Research Cycle

PHASE I	Disclosure Phase	<p>The CHRB encourages companies to disclose information that is relevant to the CHRB assessment in their own documentation, websites and formal reporting, and to ensure it is easily accessible. Companies that were already previously assessed by the CHRB are invited to inform the CHRB of any new publications since the previous assessment.</p> <p>Companies can also make any new statements or information publicly available through the CHRB Disclosure Platform, which is open during the Disclosure Phase. All information published on the Disclosure Platform is publicly viewable.</p> <p>The aim of the Disclosure Phase and of the Disclosure Platform is to ensure that companies can put the most relevant and up-to-date information in front of CHRB researchers.</p> <p>Should companies choose not to highlight or disclose any new information, the research team bases its assessment on the information available in the public domain.</p>
PHASE II	First Research Phase	<p>The CHRB Research Team carries out an initial assessment, based on publicly available information.</p>
PHASE III	Engagement and Second Disclosure Phase	<p>Each benchmark company receives its draft scorecard with the initial assessment and any outstanding questions from the research team.</p> <p>Companies have an opportunity to review the assessment and feedback issues to the CHRB. This period of engagement is an opportunity to understand and discuss any discrepancies in the analysis due to either a lack or misinterpretation of data. This process is especially important regarding allegations made by a third party about a company’s impacts.</p> <p>At this point companies have a further opportunity to direct the CHRB to <b>specific</b> information, including information enclosed in documents that were not public by the end of the first Disclosure Phase. The Disclosure Platform is open for any new disclosures from companies.</p>
PHASE IV	Second Research Phase	<p>Following engagement with company representatives and review of new disclosures, the company assessments are finalised.</p>

Scope of the 2020 Benchmark

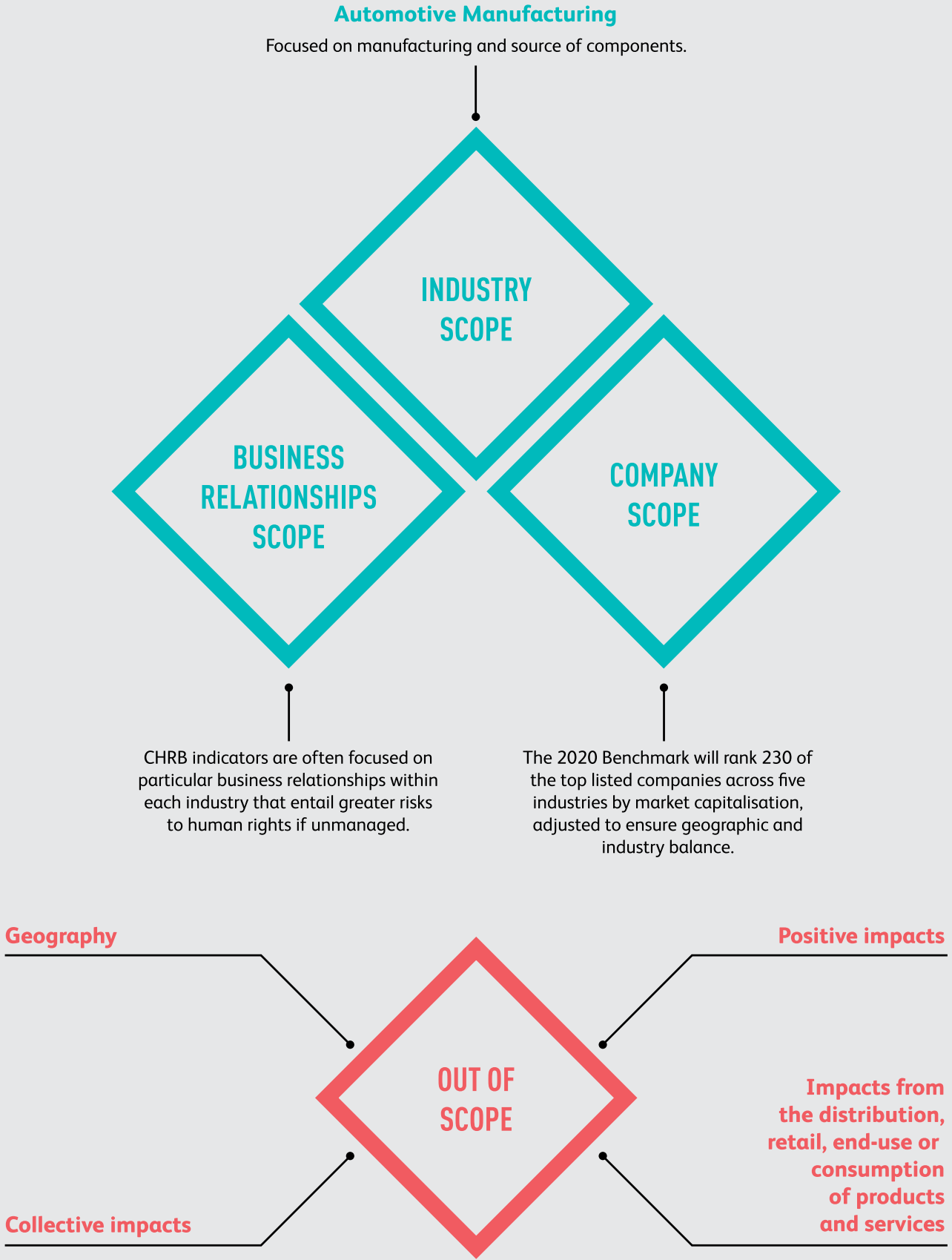


Figure 6 Overall scope of the 2020 Benchmark

Scope of Industries and Industry Activities

The 2020 Benchmark will focus on the industries that were assessed in the 2017 Pilot Benchmark, namely the Agricultural Products, Apparel, Extractives and ICT manufacturing industries, as well as a Pilot Benchmark on Automotive manufacturing (indicators for ICT and Automotive manufacturing are published separately). These industries were chosen following multi-stakeholder consultations held in 2014 and subsequently and consider:

- the severity of human rights impacts of the industry,
- the extent of previous work on human rights in the industry, including through industry-specific initiatives,
- the existence of other human rights-related benchmarks covering the industry, and
- the global economic significance by size or “connecting” influence.

Each industry has a wide range of human rights risks and impacts at every step of its value chain (in particular, see Figure 5) and the largest companies in the world covered by the Benchmark have particularly complex operations. The 2020 Benchmark therefore focuses on particular activities and relationships (see also the section below on Out of Scope areas). For the purpose of the 2020 Benchmark, the scope of activities for each industry is set out in Figure 7 below.

This is not to imply that human rights impacts from other activities in the industry value chain are less important or not relevant to a more complete picture of each industry’s full sweep of potential human rights impacts. A more complete assessment, across a wider range of activities, would be beneficial, but the current scope has been prioritised in line with CHRB’s global consultations and the resources available to conduct the benchmark research.



### Automotive Manufacturing

The CHRB focuses on the production and manufacturing, but not on the distribution and retailing of automobiles.

Figure 7 Scope of industry activities for Automotive Manufacturing

Scope of Business Relationships

Like the previous benchmarks, the 2020 Benchmark will focus on certain business relationships key to each industry that, if not managed at all or not managed well, entail particular risks to human rights and often to the company being benchmarked. Most of the companies that will be included in the CHRB will potentially have many thousands of different types of business relationships. Just as companies often need to prioritise which business relationships to focus on first, so has the CHRB needed to focus on certain types of relationships in each industry. This is not to say that other types of business relationships are not important or may not involve human rights impacts, but for the purpose of the 2020 Benchmark, and being realistically able to understand and measure company’s performance, the CHRB has chosen to focus on particular business relationships set out in the image on the right.

Scope of Companies

To maintain consistency and to investigate changes, the companies from the 2017, 2018 and 2019 Benchmarks will be assessed for the 2020 benchmark. In order to increase the scope of the Benchmark, the CHRB has selected additional companies for the 2020 benchmark, bringing the total number of companies to 230. Companies were selected according to the following criteria:

- Market capitalisation;
- Whether the company derives at least 20% of revenues from the relevant industry;
- Alignment with companies assessed by KnowtheChain in their recent benchmarks; and
- Alignment with companies assessed in the WBA’s Climate benchmark (for automotive companies).

The CHRB also sought to ensure:

- Geographical balance: according to market capitalisation; and
- Industry balance: according to market capitalisation.

Some companies are assessed against more than one CHRB industry. For example, some retailers fall into both the Agricultural Products and Apparel industries. In this case companies are assessed both in terms of how they manage their Agricultural Products and Apparel business. When considering what elements of a company to assess, the CHRB methodology considers subsidiaries, associated companies, joint ventures, franchises, divisions, operating units and certain discontinued operations as follows:



### Automotive Manufacturing

Within the Automotive Manufacturing industry, the CHRB Methodology focuses on the supply chain and manufacturing aspects. This focus varies in individual indicators, between direct suppliers with which the company has formal and contractual relationships on the one hand and all those within and beyond the first tier on the other. References to business relationships in these industries therefore vary between:

#### Suppliers

Defined as tier 1 and beyond, including subcontractors.

#### Supply Chain

Defined as all supply chain business relationships, tier 1 and beyond, including subcontractors.

Figure 8 Scope of business relationships for the 2020 Benchmark

### CHRB includes the following company structures when defining what is included as part of the company:

- **Subsidiaries** (+50% equity ownership)
- **Associated companies** (20-50% inclusive)
- **Subsidiaries of associated companies**
- **Associated companies of subsidiary companies**
- **Joint ventures or consortia** (with at least a 20% equity stake)
- **Franchises**
- **Divisions**
- **Operating units**
- **Discontinued operations where it is clear turnover is still being derived** (but subject to one year review)

Figure 9 Company structures covered the 2020 Benchmark

Out of Scope for the 2020 Benchmark

There are some aspects that contribute to the human rights performance of companies, but will not be covered in the 2020 Benchmark in order to focus on key issues and maintain a manageable scope.

Geography

Generally speaking, criteria in this Methodology have not been framed in terms of geographic location. So, while there are specific criteria for each industry, there are not specific criteria for companies operating in particular geographies – although there are some criteria that encourage companies to identify their salient risks, which might include geographical considerations.

Consumption of products and services

The 2020 Benchmark focuses on the production end of the value chain of each industry, rather than on the impacts linked to the distribution, retailing, end-use or consumption of products and services (see also Industry Scope above). For example, food safety issues such as sugar content and obesity related to agricultural products or the consumption of gasoline in consumer vehicles. This focus may be added in future iterations of the Benchmark.

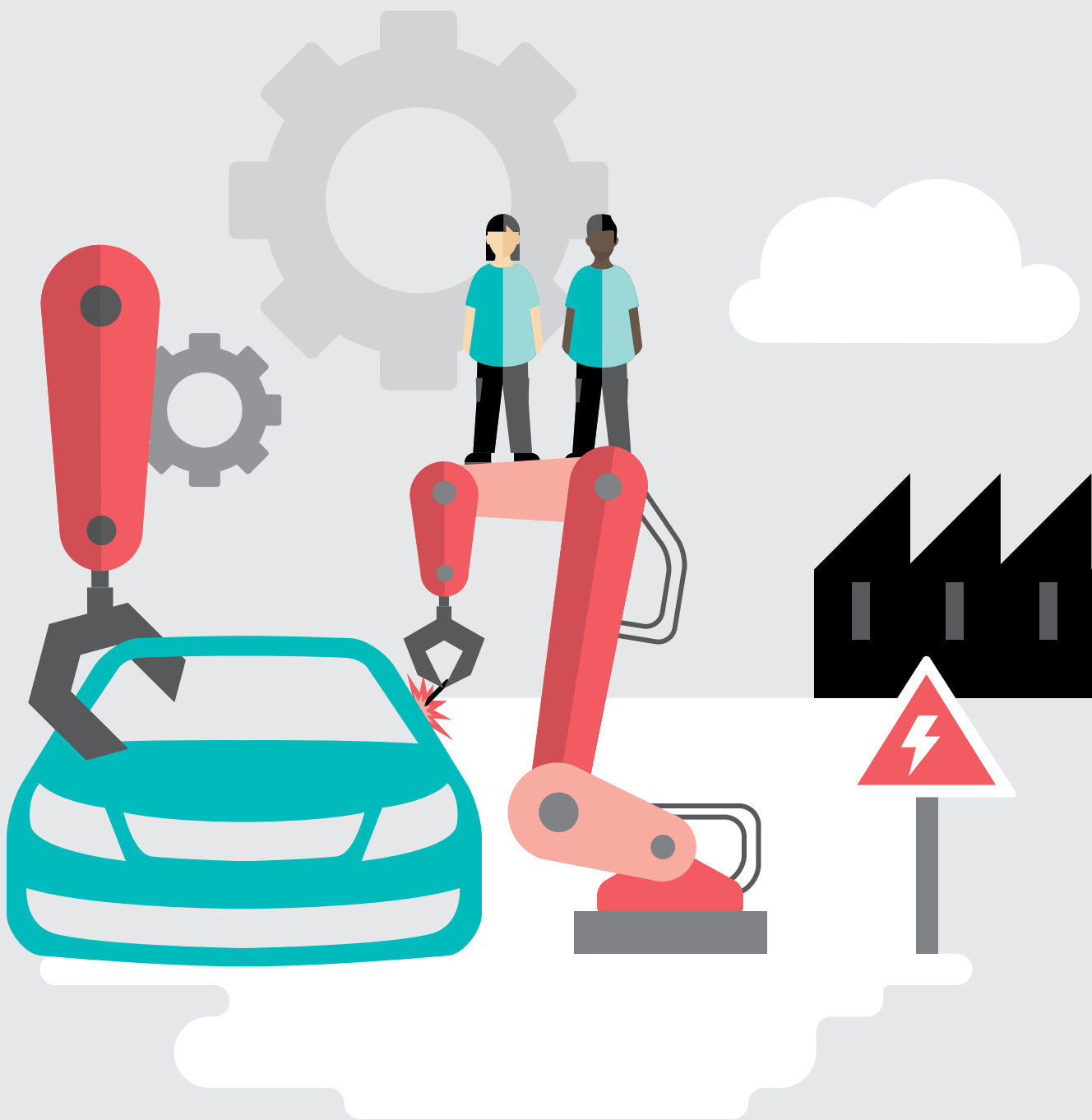
**Positive impacts:** In line with the UN Guiding Principles, the Benchmark focuses on measures to avoid adverse impacts on human rights. It does not consider positive impacts through, for example, CSR and philanthropic programmes.

**Collective impacts:** The Benchmark does not include issues that are relevant to human rights but where specific impacts on identifiable victims cannot be directly attributed to a particular company or its business relationships. For example, climate change links to human rights concerning a clean environment or taxation links to economic rights. It is not to imply that these impacts are not important or significant, but they cannot be measured using the kinds of performance measures currently incorporated in the Benchmark.

Future Benchmark

The CHRB intends to expand its scope to cover more industries and more companies over time.





# 4 Approach to Scoring

The CHRB is comprised of six Measurement Themes (A to F). These cover companies’ human rights related policy commitments and governance, their systems and processes for implementing those policy commitments, their performance in relation to specific practices and responses to allegations of impacts, and their overall transparency.

Each Measurement Theme contains a series of indicators, which are grounded in the UN Guiding Principles on Business & Human Rights and international human rights standards, with additional industry-specific requirements applied to some indicators. Sources have been referenced throughout to highlight the alignment of each indicator to existing standards and practices. The CHRB indicators follow a set structure, awarding either zero, half, one, one point five, or two points depending on whether the indicator requirements are assessed to have been met (following a review of publicly available information).

Each company is scored per Theme and the total score is compared to other companies to determine their place on the benchmark. For more details of the points system, please see Annex 2.

The rest of this chapter details the wider approach to scoring and covers the Themes and Indicators, their Weighting, Indicator Scoring, Cross-referencing and Types of Evidence.

The CHRB Measurement Themes & Indicators

The CHRB Methodology is composed of six Measurement Themes, each containing a series of indicators: Measurement Theme A focuses on governance and policy commitments, Measurement Themes B and C focus on systems and processes. Measurement Theme D focuses on specific practices to prevent human rights impacts in each industry and Measurement Theme E on responses to allegations of serious negative impacts on human rights. Measurement Theme F focuses on the level of transparency displayed by the company.

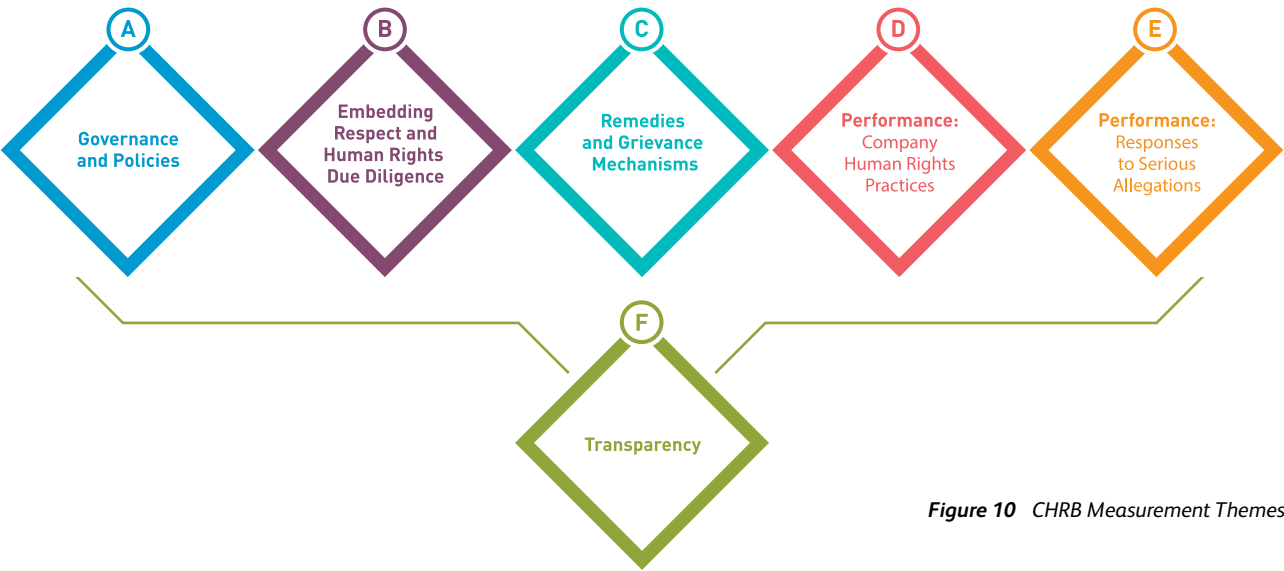


Figure 10 CHRB Measurement Themes

Weighting of Measurement Themes

The scores for the Measurement Themes are weighted according to the CHRB weighting rules to produce a company’s total CHRB score. Each Measurement Theme has a specific weighting, shown in Figure 11 below:

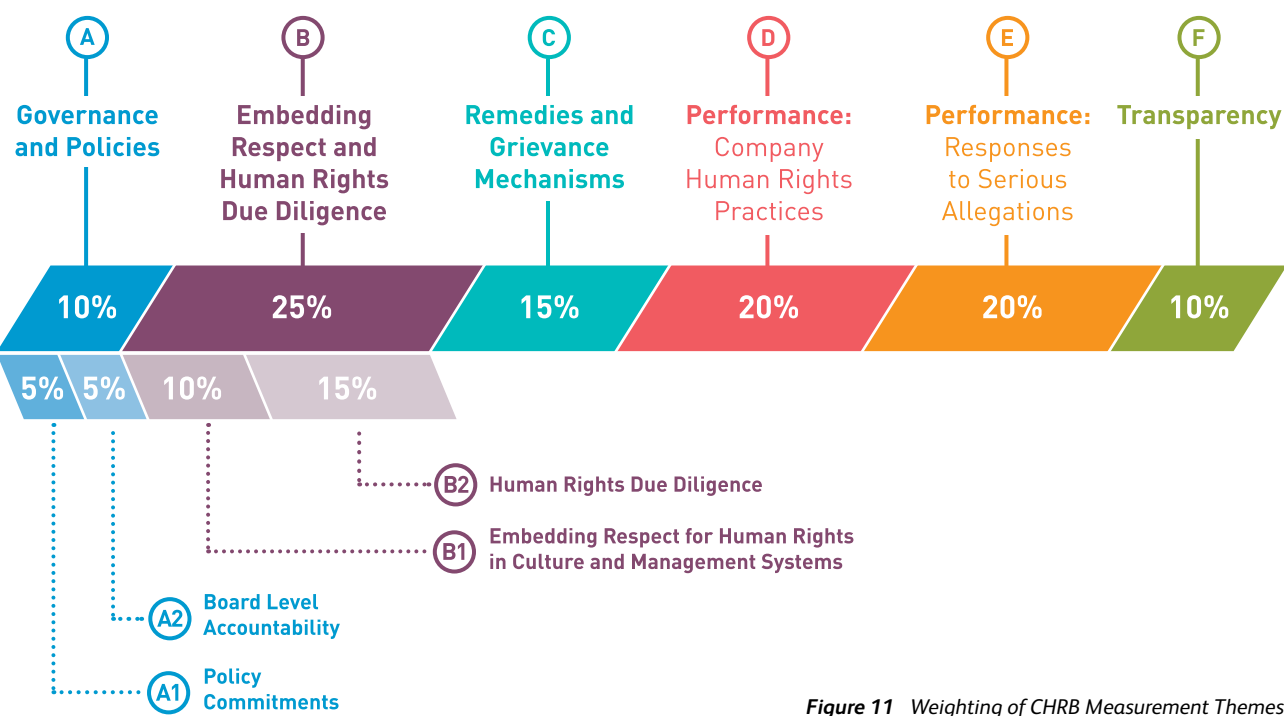


Figure 11 Weighting of CHRB Measurement Themes

Indicator Scoring

Each Theme is broken down into multiple indicators. For each indicator a company may score zero, one or two points as well as 0.5 and 1.5 for certain multi-criteria indicators (see Annex 2 for a list of half scoring indicators). Half points are available in cases of multi-criteria indicators; where the company is asked to fulfil more than one requirement to get a full score of 1 or 2. Where this is the case, the indicator description will include an ‘AND’ in capital letters to separate those requirements. They must be distinguished from a lower case ‘and’ which merely introduce an additional idea within the same requirement (and do not therefore create a possibility to score a half-point). Where there are more than two requirements for a score 1 or a score 2, the company can score half a point for any of those requirements but will need to fulfil all of them to obtain a full point.

A company will score zero points if they do not provide sufficient evidence to fulfil any of the requirements highlighted in Score 1. To gain two points a company must fulfil all the requirements outlined in Score 1 and Score 2. Indicator ‘Locks’ place specific requirements on generic indicators that apply to different industries (e.g. Apparel versus Extractives). These are mandatory requirements to reach the relevant score of 1 or 2.

Indicators can receive a single, double, half or quarter weighting. This is highlighted and explained in Annex 2, which contains all the scoring rules.

In some cases a company can receive 0.5 points on an indicator when it meets some or all of the requirements of Score 2 but none of the requirements for Score 1. This rule was introduced in 2018 to enable the CHRB assessment to give credit to companies that fulfil some of the Score 2 requirements even if they do not fulfil the more basic requirements of Score 1. Companies are still unable to receive 1.5 or 2 points if they do not meet the Score 1 requirements, but they can receive 0.5 points if they demonstrate good practice under Score 2.

A company’s total score on a Measurement Theme is calculated by adding the number of points awarded in the respective Theme (taking into account specific indicator weightings) and dividing this number by the maximum number of points available. Special scoring rules apply to Measurement Theme E (Responses to Serious Allegations) and Measurement Theme F (Transparency).

Cross-Referencing

A wide range of global and industry-specific initiatives and standards were used to develop the CHRB Methodology. The major sources are listed in Annex 6.

Individual indicators also cross-reference specific sources to highlight the alignment of each indicator to existing standards and practices. Figure 13 below also lists the acronyms of sources specifically referenced in individual indicators.

Types of Evidence

The Benchmark will be using publicly available information coming from a company’s websites, their formal financial and non-financial reporting or other public documents, plus statements, such as those related to its policy commitments. These could be codes of conduct, policies, values, guidelines, FAQs and other related documents. The CHRB will also consider reports, such as annual, CSR, sustainability reports, or human rights reports if these are available, or other reports written for other purposes if these contain information applicable to CHRB indicators.

External sources of information, such as press articles, external reports or other sources will be used in Measurement Theme E – Responses to Serious Allegations. Only sources covered by Vigeo Eiris, BHRRC and RepRisk will be considered and each source used in the assessment will be shared with companies. Sources mainly include multilateral organisations, trade unions and relevant NGOs. Analysts working for BHRRC, RepRisk and Vigeo Eiris regularly monitor email listings and search global press and NGO websites for information relating to alleged breaches and the Dow Jones/Reuters Factiva service is used to source news articles. General guidelines for reviewing such sources are detailed in Measurement Theme E.

For the assessment of the company’s response in Measurement Theme E, company sources will be used. Where in the interest of protecting victims, or in case of confidentiality issues related to an on-going court case, the CHRB will consider non-publicly available information on a case-by-case basis. Where it does so, it will indicate that this is the case.

The CHRB encourages companies to include relevant information in their own documentation and websites and in their formal reporting. However, companies can make any new statements or information publicly available through the **CHRB Disclosure Platform** and that information may be used in Benchmark assessments as relevant for the individual indicators in question. The Disclosure Platform will be opened and closed for set periods of time. Companies will be informed of these disclosure windows. Information submitted after a disclosure deadline may not be assessed by the researchers.

How to Read a CHRB Indicator

A typical CHRB indicator follows a specific structure, illustrated in Figure 12. Many of the terms in the Methodology have a specific definition that is drawn from international standards and industry-specific sources wherever possible. Please see the list of Sources Referenced in Annex 6 and the Glossary in Annex 5. In addition to the typical structure of a CHRB indicator, there are certain rules built into CHRB indicators.

Indicator rules are specified below:

- **AND’s and OR’s:** Most CHRB indicators operate using ‘OR’ and ‘AND’ rules. Where two or more requirements are separated by ‘OR’ in bold, companies being benchmarked are required to complete one of the options listed. Where two or more requirements are separated by ‘AND’ in bold, companies being benchmarked are required to complete both or all of the options listed in order to obtain a full point, but can score half points if they meet at least one of the requirements.
- **Scoring:** In order to meet the requirements of a Score 2, the requirements of a Score 1 must also be met.
- **Split indicators:** There are some indicators in Measurement Theme D on Company Human Rights Practices that have been split into related parts. These either break down a broad issue into sub-issues or split the indicator’s focus between a company’s own operations and its supply chain. Where these exist, the parts (e.g. parts a and b) will add up to a whole indicator in terms of scoring. For example, part a of an indicator with two parts will be worth half the overall points; part c of an indicator with four parts will be worth a quarter of the overall points.
- **Timeframe for examples:** Many CHRB indicators require an example of the specific issue in question to be made public. In these instances, and unless otherwise specified in the indicator description, the timeframe within which such examples occurred is within three years of the start of the annual CHRB research cycle. There is an exception to this rule in the case of examples related to land and free prior and informed consent (FPIC), where the timeframe for when the example occurred is longer, recognising that these activities may occur less frequently, but the example provided must relate to ongoing and active operations/activities.
- **Diversified companies:** Diversified companies may be required to fulfil more than one set of industry requirements.

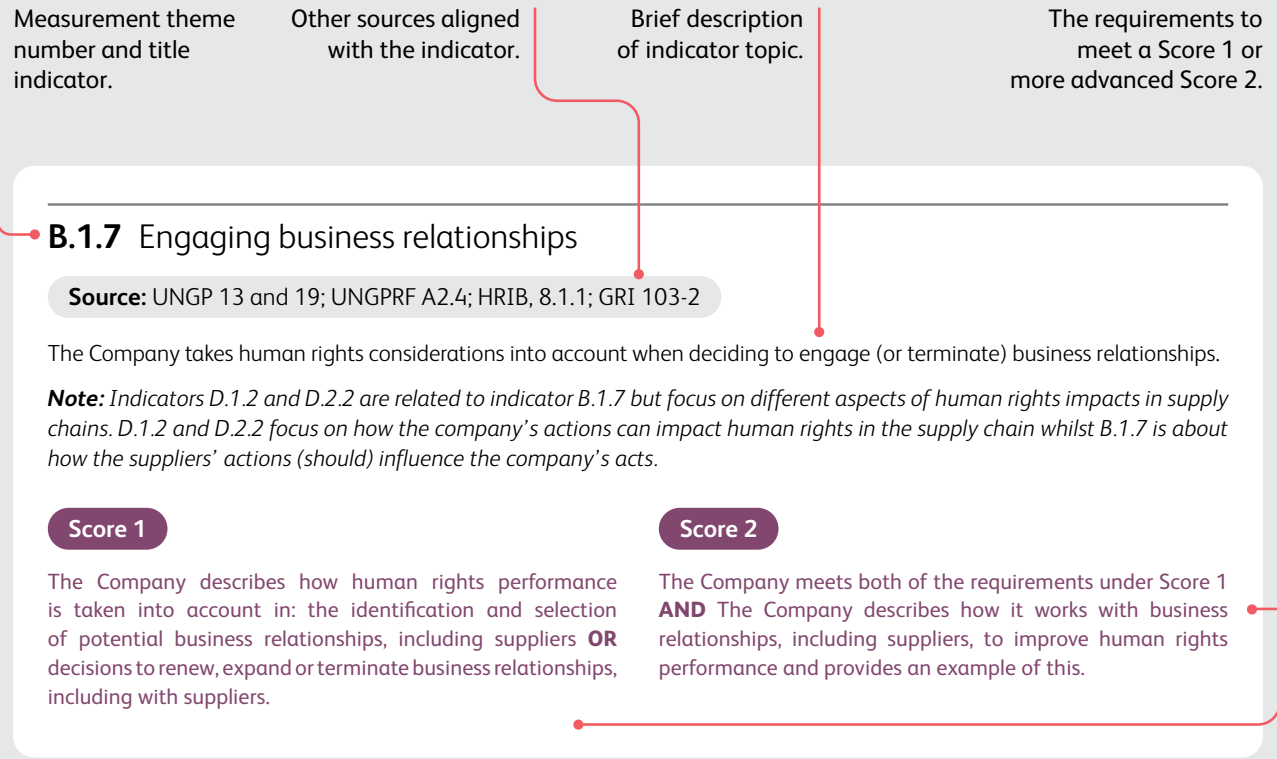
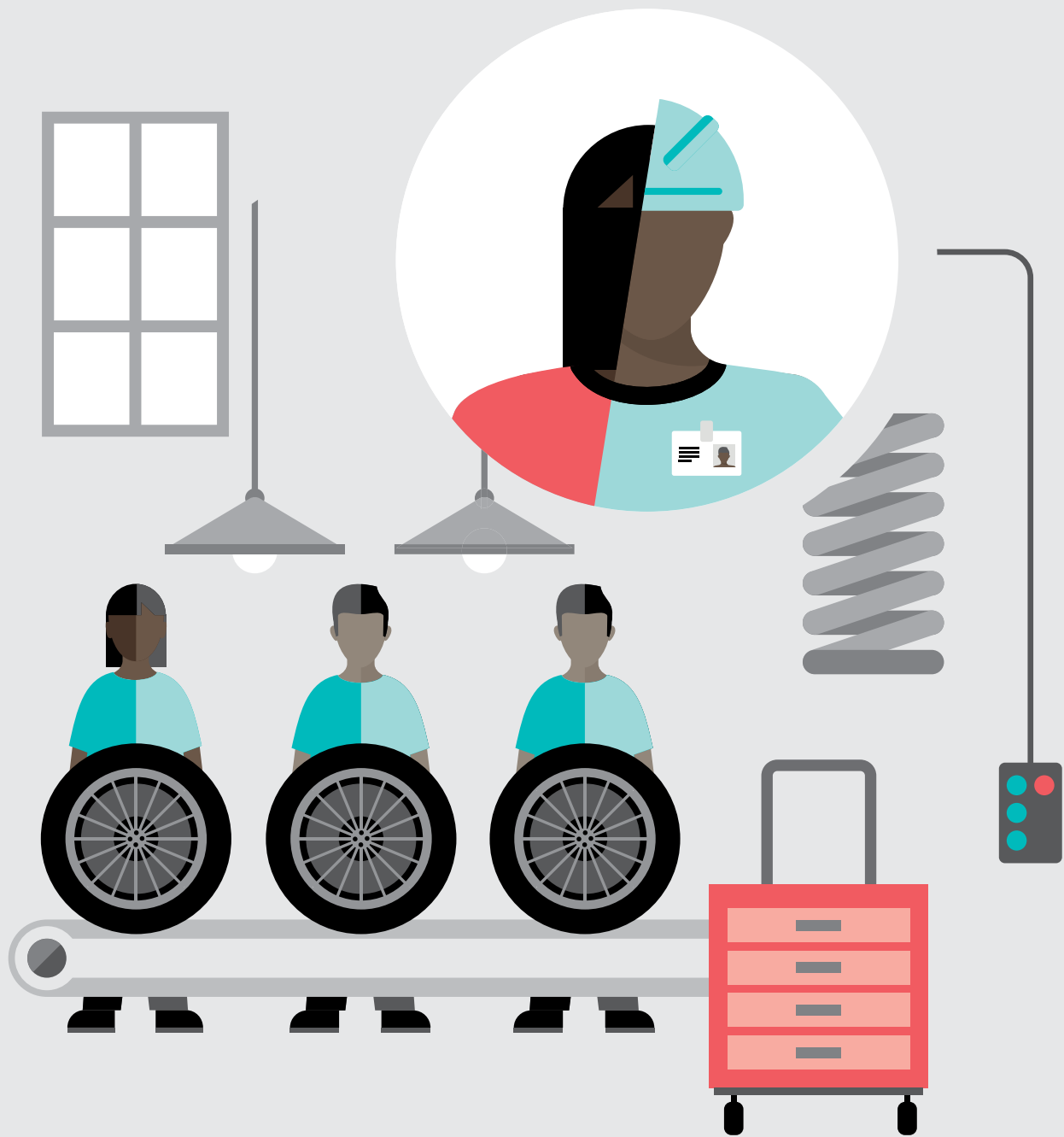


Figure 12 CHRB Indicator Structure

Referenced Sources

Figure 13 below lists the acronyms for sources referenced directly within individual CHRB indicators and to which the CHRB indicators are aligned. A wider set of references were also used to inform the development of the CHRB Methodology more generally, and are listed in Annex 6.

Figure 13 Sources referenced in CHRB indicators	
CEDAW	Convention on the Elimination of all Discrimination Against Women
CRBP	United Nations (UN) Children’s Rights and Business Principles
CRC	Convention on the Rights of the Child
EITI	Extractives Industry Transparency Initiative
ETI	Ethical Trading Initiative Base Code
FDC 2014	French Development Cooperation Operational Guide to due diligence of agribusiness projects that affect land and property rights (2014)
FLA	Fair Labor Association Code of Conduct and Compliance Benchmarks
FWF	Fair Wear Foundation Labour Standards
GLWC	Global Living Wage Coalition
GRI	Global Reporting Initiative
HRIB	Danish Institute for Human Rights, Indicators for Business
ICCPR	International Covenant on Civil and Political Rights
ICESCR	International Covenant on Economic, Social and Cultural Rights
ICMM PS 2013	International Council on Mining and Metals Position Statement on Indigenous Peoples and Mining (2013)
ICOC	International Code of Conduct for Private Security Service Providers
IFC PS	International Finance Corporation Performance Standards
ILO No. 1	International Labor Organization (ILO) Hours of Work (Industry) Convention, 1919 (No. 1)
ILO No. 14	ILO Weekly Rest (Industry) Convention, 1921
ILO No. 29	ILO Forced Labour Convention, 1930
ILO No. 87	ILO Freedom of Association and Protection of the Right to Organise Convention, 1948
ILO No. 98	ILO Right to Organise and Collective Bargaining Convention, 1949
ILO No. 100	ILO Equal Remuneration Convention, 1951
ILO No. 105	ILO Abolition of Forced Labour Convention, 1957
ILO No. 106	ILO Weekly Rest (Commerce and Offices) Convention, 1957
ILO No. 111	ILO Discrimination (Employment and Occupation) Convention, 1958
ILO No. 138	ILO Minimum Age Convention, 1973
ILO No. 169	ILO - Indigenous and Tribal Peoples Convention, 1989
ILO No. 182	ILO Worst Forms of Child Labour Convention, 1999
Interlaken Group 2015	Interlaken Group, Respecting Land and Forest Rights – A Guide for Companies (2015)
IPIECA 2012	IPIECA Indigenous guide on Peoples and the oil and gas industry: context, issues and emerging good practice (2012)
OECD	OECD Guidelines for Multinational Enterprises (2011)
SA8000	Social Accountability 8000 International Standard
SASB	Sustainability Accounting Standards Board
SDG	UN Sustainable Development Goals
UNDRIP	UN Declaration on the Rights of Indigenous Peoples
UN GA Res	UN General Resolution 64/292 The Human Right to Water and Sanitation (August 3, 2010)
UN GC CEO Water Mandate	UN Global Compact CEO Water Mandate
UN Guiding Principle / UNGP	UN Guiding Principles on Business and Human Rights
UNGPRF	UN Guiding Principles Reporting Framework
UNSR IP 2013	Report of the UN Special Rapporteur on the Rights of Indigenous Peoples, James Anaya - Extractive industries and indigenous peoples (2013)
UN Voluntary Guidelines	UN Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security
USAID 2015	USAID Operational Guidelines for Responsible Landbased Investment (2015)
VPSHR	Voluntary Principles on Security and Human Rights
WEP	Women’s Empowerment Principles



# 5 Measurement Themes and Indicators

In order to offer a truly rigorous and credible proxy measure of corporate human rights performance, the Benchmark seeks to assess companies' human rights performance at several levels.

These include the governance and policy level (Theme A), the systems and process level (Themes B and C), the performance level, including specific practices (Theme D) and responses to allegations (Theme E), as well as a final level focusing on a company's overall transparency (Theme F).

These levels have been carefully developed through numerous consultations with stakeholders to seek to achieve a balance between measuring actual human rights impacts on the ground as well as the effectiveness of policies and processes implemented across large and complex companies to systematically address their human rights risks and impacts.

These Measurement Themes and their specific indicators will evolve as the CHRB Methodology is regularly reviewed and learnings on effective approaches to managing human rights continue to emerge.

The rest of chapter 5 is split into the 6 different measurement themes and their indicators.

## Measurement Theme A

Governance and Policy Commitments

## Measurement Theme B

Embedding Respect and Human Rights Due Diligence

## Measurement Theme C

Remedies and Grievance Mechanisms

## Measurement Theme D

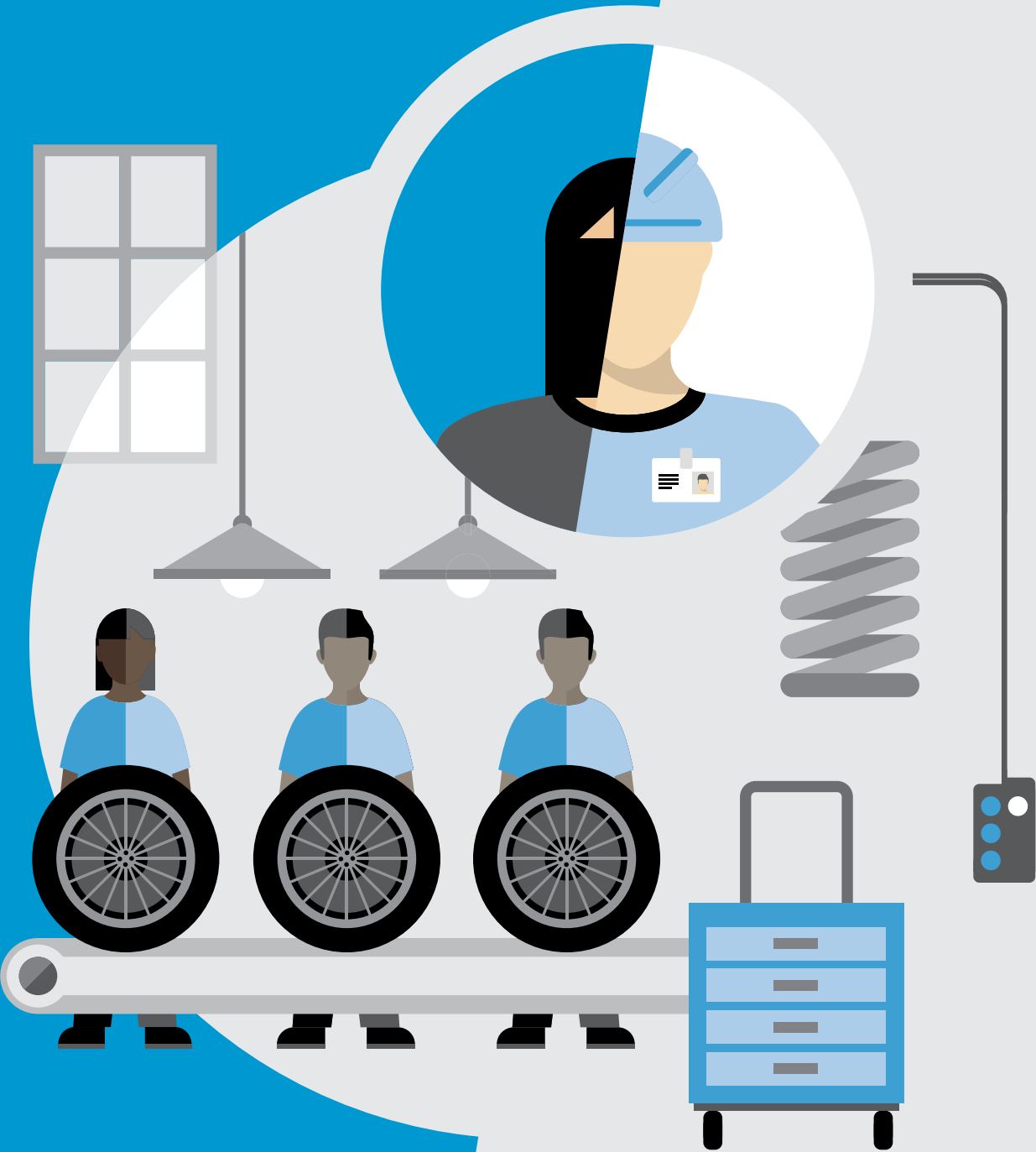
Performance: Company Human Rights Practices

## Measurement Theme E

Performance: Responses to Serious Allegations

## Measurement Theme F

Transparency



# A Governance and Policy Commitment

This Measurement Theme focuses on a company’s human rights related policy commitments and how they are governed. It includes two related sub-themes:

- **Policy Commitments:** These indicators aim to assess the extent to which a company acknowledges its responsibility to respect human rights, and how it formally incorporates this into publicly available statements of policy.
- **Board Level Accountability:** These indicators seek to assess how the company’s policy commitments are managed as part of the Board’s role and responsibility.



A

Governance and Policy Commitments

10%

These sub-themes are broken down into the following indicators and weightings:

A.1 Policy commitments (5%)

- A.1.1 Commitment to respect human rights
- A.1.2 Commitment to respect the human rights of workers
- A.1.3 Commitment to respect human rights particularly relevant to the industry
  - A.1.3.a Commitment to responsible sourcing of minerals
  - A.1.3.b Commitment to respect human rights particularly relevant to the automotive manufacturing industry
- A.1.4 Commitment to engage with stakeholders
- A.1.5 Commitment to remedy
- A.1.6 Commitment to respect the rights of human rights defenders

A.2 Board level accountability (5%)

- A.2.1 Commitment from the top
- A.2.2 Board discussions
- A.2.3 Incentives and performance management

Policy Commitments

What do the UN Guiding Principles on Business and Human Rights expect?

A policy commitment is a statement approved at the highest levels of the business that shows the company is committed to respecting human rights and communicates this internally and externally.

**Note:** The term “statement” is used to describe a wide range of forms a company may use to set out publicly its responsibilities, commitments, and expectations – this may be a separate human rights policy or human rights commitments within other formal policies, or provisions within other documents that govern the company’s approach such as a company code, business principles, etc.

Why is this important?

A policy commitment sets the “tone at the top” of the company that is needed to continually drive respect for human rights into the core values and culture of the business.

It indicates that top management considers respect for human rights to be a minimum standard for conducting business with legitimacy; it sets out their expectations of how staff and business relationships should act, as well as what others can expect of the company. It should trigger a range of other internal actions that are necessary to meet the commitment in practice.

Research Note on Commitment Language

Because of this, whenever a CHRB indicator requires a policy commitment, the CHRB researchers will look for an explicit commitment or any form of promise that companies will uphold the specific rights, instruments and/or standards listed in the indicator description. This means that language that is ambiguous, vague or weak will be considered insufficient to qualify as a clear expression of commitment.

The examples listed below would typically be accepted by the CHRB analysts as a clear expression of commitment:

- The company commits to respect X
- The company is committed to respecting the rights under X
- The company adheres to X
- The company upholds X
- The company endorses the principles enshrined in X
- The company follows the principles of X

By contrast, the examples listed below would be considered insufficient:

- The company’s commitments are consistent with X
- The company’s commitments are in line with / aligned with X
- The company’s commitments are informed by / based on X
- The company strives to ensure X is respected
- The company recognises the principles of X

Board Level Accountability

What do the UN Guiding Principles on Business and Human Rights expect?

The development and implementation of a company’s approach to human rights should be guided from the top of the business, which for larger companies is the Board.

Companies need to strive for coherence between their responsibility to respect human rights and policies and procedures that govern their wider business activities and relationships. This should include, for example, policies and procedures that set financial and other performance incentives for personnel, procurement practices or lobbying activities where human rights are at stake. A Board committee is often the best placed to ensure such coordination.

Why is this important?

Signals from and attention to human rights issues by the Board indicates that top management considers respect for human rights to be a minimum standard for conducting business with legitimacy.

A.1 Policy Commitments (5%)

A.1.1 Commitment to respect human rights

Source: UNGP 11 and 12; UNGPRF A1; GRI 103-2

The Company publicly commits to respecting human rights across its activities. It must be clear the commitment relates to all internationally recognised human rights, rather than to only one or more selected human rights. This only considers commitments to avoid adverse human rights impacts and does not include philanthropic commitments.

Note: Additional industry-specific commitments are considered in A.1.3.

Score 1

The Company has a publicly available statement of policy committing it to respect human rights **OR** the ten principles of the UN Global Compact (as principles 1 and 2 include a commitment to respect human rights) **OR** the rights under the Universal Declaration of Human Rights (UDHR) **OR** the International Bill of Human Rights.

Score 2

The Company’s policy commitment also commits it to: the UN Guiding Principles on Business and Human Rights **OR** the OECD Guidelines for Multinational Enterprises.

A.1.2 Commitment to respect the human rights of workers

Source: UNGP 12 and 16(c), UNGPRF A1 and GRI 103-2

The Company publicly commits to respecting the principles concerning fundamental rights at work in the eight ILO core conventions as set out in the Declaration on Fundamental Principles and Rights at Work (see Figure 14), together with those human rights of workers that are particularly relevant to the industry. It also has a publicly available statement of policy committing it to respect the human rights of workers in its business relationships, and in particular respecting the rights of workers in its supply chain.

Score 1

The Company has a publicly available statement of policy committing it to respecting the human rights that the ILO has declared to be fundamental rights at work (ILO Core Labour Standards) **OR** the Company has a publicly available statement of policy committing it to respecting the ten principles of the UN Global Compact (principles 3 to 6 are based on the ILO Declaration on Fundamental Principles and Rights at Work). **AND**, in addition to one of the above, the Company’s policy commitment(s) also states that it expects its suppliers to commit to respecting each of the ILO core labour standards and explicitly lists them in that commitment.

Score 2

The Company’s policy statement on the ILO Core Labour Standards includes explicit commitments to respect: freedom of association and the right to collective bargaining and the rights not to be subject to forced labour, child labour or discrimination in respect of employment and occupation **AND** the Company’s publicly available statement of policy also commits it to respecting the ILO conventions on labour standards on working hours and the health and safety of its workers **AND** the Company’s policy commitment(s) also states that it expects its suppliers to commit to respecting the ILO conventions on labour standards on working hours and the health and safety of their workers.

Figure 14 The four fundamental principles and rights at work.

The ILO Declaration on Fundamental Principles and Rights at Work covers the following four fundamental principles and rights at work, laid out in eight conventions:

- Freedom of association and the effective recognition of the right to collective bargaining (Convention No. 87 & No. 98)
- Elimination of all forms of forced or compulsory labour (Convention No. 29 & No. 105)
- Effective abolition of child labour (Convention No. 138 & No. 182)
- Elimination of discrimination in respect of employment and occupation (Convention No. 100 & No. 111)

Additional ILO labour standard: Working Hours (Conventions 1, 14 & 106)

A.1.3.a Commitment to responsible sourcing of minerals

Source: OECD Guidance, Chinese Guidance

The Company publicly commits to the responsible sourcing of minerals from conflict affected and high-risk areas in line with the OECD Due Diligence Guidance for Responsible Supply Chains from Conflict-Affected and High-Risk Areas, including its current supplements on tin, tantalum, tungsten and gold (3TG) (3rd edition) (the OECD Guidance). The OECD Guidance Annex II includes the Model Supply Chain Policy for a Responsible Global Supply Chain of Minerals from Conflict-Affected and High-Risk Areas that includes standards against which due diligence is to be conducted. For companies headquartered in mainland China, Hong Kong and Macau or controlled or owned by mainland Chinese nationals, as an alternative, the Company publicly commits to the responsible sourcing of minerals from conflict affected and high-risk areas in line with the “Chinese Due Diligence Guidelines for Responsible Mineral Supply Chains” (2015) (Chinese Guidance), which are consistent with the OECD Guidance.

Note: It is assumed that references to the OECD Guidance commit the company to following the OECD Guidance for conflict affected and high-risk areas unless a more limited (geographic or other) scope is indicated in company documents or reporting. This assumption applies to all references to OECD Guidance. Therefore, if a more limited scope is indicated, companies will not score points in this indicator A.1.3.a where the OECD Guidance is referred to, nor in the indicators on the application of the OECD Guidance covered in Measurement Theme D below.

Score 1

The Company has a publicly available statement of policy committing it to the responsible sourcing of minerals **AND** the Company commit to follow the OECD Guidance at least in respect of 3TG **AND** the Company requires its suppliers to follow the company’s responsible sourcing policy or the Company requires its suppliers to follow the OECD Guidance.

Score 2

The Company’s responsible sourcing policy commitment to following the OECD Guidance explicitly covers all minerals **AND** the Company expects its suppliers to include a similar requirement for their suppliers.

A.1.3.b Commitment to respect human rights particularly relevant to the industry

Source: UNGP 12; UNGPRF A1.2; GRI 103-2

The Company publicly commits to respecting, and expects that the business relationships in its supply chain respect, the human rights of individuals belonging to specific groups or populations that require particular attention (for example, women, children, minorities, persons with disabilities, and migrant workers and their families (see Figure 15)), where they may be at heightened risk of becoming vulnerable or marginalised (or further vulnerable or marginalised) if adversely impacted by the activities of the Company or its business relationships.

Note: General commitments to non-discrimination are covered under A.1.1. and A.1.2 and therefore not considered in this indicator; this indicator is looking for more specific commitments to particular groups.

Score 1

The Company has a publicly available statement of policy committing it to respecting at least one of the following: women’s rights **OR** children’s rights **OR** migrant workers’ rights. **AND**, in addition to at least one of the above the Company’s policy commitment(s) also states that it expects its suppliers to make similar commitments.

Score 2

The Company’s publicly available statement of policy committing it to respecting women’s rights also refers to the relevant part(s) of the Convention on the Elimination of Discrimination Against Women or of the Women’s Empowerment Principles. **OR** the Company’s publicly available statement of policy committing it to respecting children’s rights also refers to the relevant part(s) of the Convention on the Rights of the Child or of the Children’s Rights and Business Principles. **OR** the Company’s publicly available statement of policy committing it to respecting migrant workers’ rights also refers to the relevant part(s) of the International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families. **AND** the Company’s policy commitment(s) also expects its suppliers to make these commitments.

Figure 15 Key international human rights instruments protecting the rights of individuals/groups that may require particular attention

- International conventions protecting the rights of individuals who may be affected by a company’s activities include but are not limited to:
- United Nations (UN) Convention on the Elimination of all Forms of Discrimination against Women (CEDAW), 1979
  - UN Convention on the Rights of the Child (CRC), 1989
  - UN Convention on the Elimination of All Forms of Racial Discrimination (CERD), 1965
  - International Labour Organization (ILO) Convention 107, Indigenous and Tribal Populations Convention, 1957
  - ILO Convention 169, Indigenous and Tribal Peoples Convention, 1991
  - UN Declaration of the Rights of Indigenous Peoples (UNDRIP), 2007
  - UN Convention on the Rights of Persons with Disabilities (CRPD), 2006

A.1.4 Commitment to engage with stakeholders

Source: UNGP 12 and 18b; UNGPRF C2

The Company publicly commits to engage with its stakeholders, including potentially and actually affected stakeholders, and/or their legitimate representatives.

Score 1

The Company has a publicly available statement of policy committing it to engage with its potentially and actually affected stakeholders, including in local communities where relevant **OR** there is evidence that the company regularly engages with potentially and actually affected stakeholders and/or their legitimate representatives.

Score 2

The Company’s publicly available statement of policy also commits it to engaging with affected stakeholders and/or their legitimate representatives in the development or monitoring of its human rights approach **OR** there is evidence that the Company regularly engages with potentially and actually affected stakeholders and/or their legitimate representatives in the development or monitoring of its human rights approach.

*Note: Engagement with potentially and actually affected stakeholders means engaging in a dialogue with the stakeholders who might be, or are, impacted by the company’s activities and/or with their legitimate representatives. Depending on the nature of the company’s operations, this can include (but is not limited to) workers, their families, local communities and any other person or group of people whose life and environment might be impacted. Legitimate representatives are those that the affected or potentially affected stakeholders have asked to represent them. This can include (but is not limited to) community representatives, legal representatives and trade unions, community-based organisations and civil society organisations. Evidence of engagement in the last two years will count as evidence of regular engagement.*

A.1.5 Commitment to Remedy

Source: UNGP 22; UNGPRF C6

The Company publicly commits to providing for or cooperating in remediation for affected individuals and workers and communities through legitimate processes (including judicial and non-judicial mechanisms, as appropriate), where it identifies that it has caused or contributed to adverse impacts.

Score 1

The Company has a publicly available statement of policy committing it to remedy the adverse impacts on individuals and workers and communities that it has caused or contributed to.

Score 2

The policy commitment also includes a commitment to the following: Working with its suppliers to remedy adverse impacts which are directly linked to its operations, products or services through the suppliers’ own mechanisms or through collaborating with its suppliers on the development of third party non-judicial remedies. **AND** the Company’s policy commitment recognises its approach to remedy should not obstruct access to other remedies, or it includes commitments to collaborating in initiatives that provide access to remedy.

A.1.6 Commitment to respect the rights of human rights defenders

Source: UNGP 12; UNGPRF A1.2

The Company publicly commits to not tolerating threats, intimidation, physical or legal attacks against human rights defenders, including those exercising their rights to freedom of expression, association, peaceful assembly and protest against the business or its operations. (See also Indicator C.5)

Score 1

The Company has a publicly available statement of policy committing it to neither tolerate nor contribute to threats, intimidation and attacks (both physical and legal) against human rights defenders in relation to its operations.

Score 2

The Company’s policy commitment(s) also states that it expects its suppliers to make this commitment.

A.2 Board Level Accountability (5%)

A.2.1 Commitment from the top

Source: UNGP 16(a); UNGPRF A1.1 and A2; GRI 102-26

The Company’s human rights policy commitments are approved and communicated at Board level and a Board member or Board committee is tasked with addressing one or more areas of respect for human rights.

*Note: Management level responsibility is assessed under indicator B.2.1. and therefore, not considered in this indicator.*

Score 1

The Company’s human rights policy commitments are approved by the Board or the CEO by name **AND** a Board member or Board committee is tasked with specific governance oversight of one or more areas of respect for human rights.

Score 2

Board members or the CEO make speeches, presentations or other communications setting out the Company’s approach to human rights or discussing its business importance.

A.2.2 Board discussions

Source: UNGP 16 and 24; UNGPRF A2.2; GRI 102-18 and 102-31

The Company has processes in place to discuss and address human rights issues at Board level or the Board or a Board committee regularly reviews the Company’s salient human rights issues and provides examples of what was discussed.

Score 1

The Company describes the process it has in place to discuss and address human rights issues at Board level or how the Board or a Board committee regularly reviews the Company’s salient human rights issues **OR** The Company provides examples of either specific human rights issues, or trends in types of human rights issues, discussed at Board level or a Board committee during the Company’s last reporting period.

Score 2

The Company meets both of the requirements under Score 1.

### A.2.3 Incentives and Performance Management

**Source:** UNGP 16; UNGPRF A2.3; GRI 102-35

The Company provides incentives to the Board linked to the implementation of its human rights policy commitments or targets.

**Score 1**

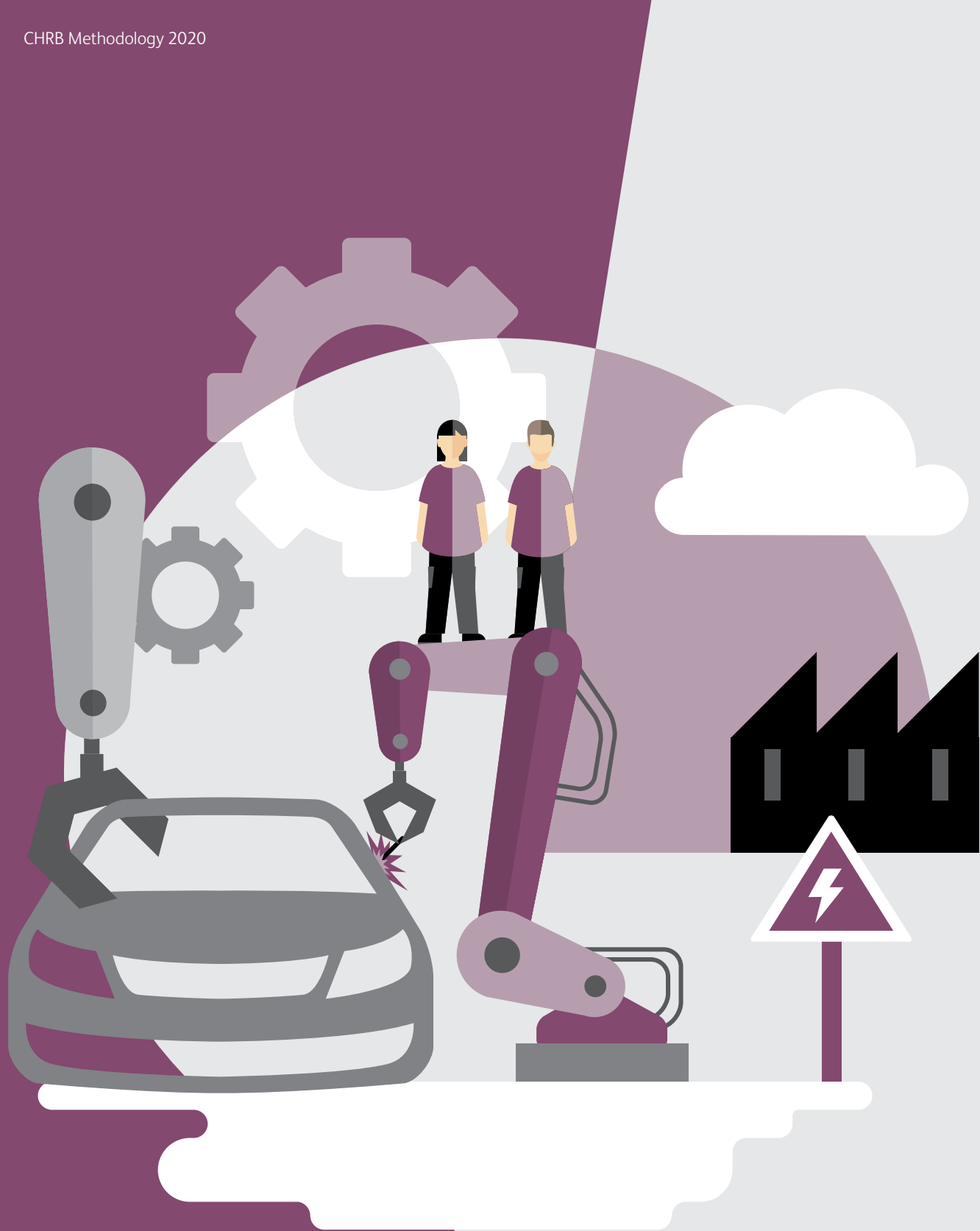
The Company indicates that at least one Board member has an incentive or performance management scheme linked to an aspect of the Company’s human rights policy commitment(s).

**IF** the Company has linked its scheme to only one aspect of its human rights policy commitments then this aspect must be one of the key industry risks (listed in Figure 5) the Company considered salient.

**IF** that one-aspect is Health and Safety, then it must include the health and safety of local communities, or workers in the supply chain.

**Score 2**

The criteria linking Board remuneration to human rights performance is also made public.



# B Embedding Respect and Human Rights Due Diligence

This Measurement Theme assesses the extent of a company’s systems and processes established to implement the company’s policy commitments in practice. It includes two related sub-themes:

- **Embedding:** These indicators seek to assess how the company’s human rights policy commitments are embedded in company culture and across its management systems and day-to-day activities, including within the management systems covering their business relationships.
- **Human rights due diligence:** These indicators focus on the specific systems the company has in place to ensure that due diligence processes are implemented to assess the real-time risks to human rights that the company poses, to integrate and act on these findings so as to prevent and mitigate the impacts, and to track and communicate those actions. These indicators are aligned to the human rights due diligence steps in the UN Guiding Principles on Business & Human Rights.

**Note:** These systems / processes described may be dedicated to addressing human rights or they may be integrated into wider systems for managing risks and impacts, provided the systems address risks and impacts to people and not just risks to the Company



B

Embedding Respect and Human Rights Due Diligence (25%)

B.1 Embedding Respect and Human Rights Due Diligence (10%)

- B.1.1 Responsibility and resources for day-to-day human rights functions
- B.1.2 Incentives and performance management
- B.1.3 Integration with enterprise risk management
- B.1.4 Communication/dissemination of policy commitment(s)
  - B.1.4.a Communication/dissemination of policy commitment(s) within Company’s own operations
  - B.1.4.b Communication/dissemination of policy commitment(s) to business relationships
- B.1.5 Training on human rights
- B.1.6 Monitoring and corrective actions
- B.1.7 Engaging business relationships
- B.1.8 Approach to engagement with potentially affected stakeholders

B.2 Human rights due diligence (15%)

- B.2.1 Identifying: Processes and triggers for identifying human rights risks and impacts
- B.2.2 Assessing: Assessment of risks and impacts identified (salient risks and key industry risks)
- B.2.3 Integrating and Acting: Integrating assessment findings internally and taking appropriate action
- B.2.4 Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts
- B.2.5 Communicating: Accounting for how human rights impacts are addressed

Embedding Respect for Human Rights in Company Culture and Management

Systems

**What do the UN Guiding Principles on Business and Human Rights expect?** The company’s statement(s) of commitment should be publicly available in prominent locations and communicated actively to workers, business relationships and others, including investors and stakeholders, so that they are aware of the company’s commitments and integrate the commitment into company culture. Companies should align the policies and procedures that govern their wider business activities and relationships with their responsibility to respect human rights.

**Why is this Important?** These steps of embedding policy commitments into company culture and broader management systems and reinforcing them with specific due diligence processes ensures that a company takes a systematic and proactive, rather than ad hoc or reactive approach, to respecting human rights.

Human Rights Due Diligence

**Human rights due diligence is a fundamental expectation of the UNGPs and the ‘knowing and showing’ of this due diligence process can be explained via the following 4 steps:**

1. Identifying and Assessing

**What do the UN Guiding Principles expect?** Companies should identify and assess any negative impacts on human rights with which they may be involved. This includes actual impacts (past or current) and potential impacts (those possible in the future– also referred to as human rights risks), from the company’s own activities and from its business relationships, direct relationships and those one or more steps removed. The focus must be on risks to the human rights of people, as distinct from risks to the business itself, although the two are increasingly related.

**Why is this Important?** Assessing is the process by which the company gathers the basic information it needs in order to know what its human rights risks are, so it can prevent and mitigate them. It is the starting point for a company to understand how to translate its human rights policy commitment into practice. Therefore, involving different parts of the company in the assessment process helps to build shared responsibility for addressing the actual and potential impacts identified.

2. Integrating & Acting

**What do the UN Guiding Principles expect?** To address negative human rights impacts, businesses should integrate the findings from their impact assessments across relevant internal functions and processes, act to prevent and mitigate the impacts identified, and have the internal decision-making, budget allocation and oversight processes in place to enable effective responses.

**Why is this Important?** Through the process of “integration” a company can take the findings from its assessment of impacts, identify who in the company needs to be involved in addressing them, and work with them to decide on an effective response. It is through the actions it takes to prevent or mitigate impacts that the company actually reduces its impacts on people, which is central to achieving respect for human rights.

3. Tracking

**What do the UN Guiding Principles expect?** Companies need to track their responses to actual and potential human rights impacts to evaluate how effectively they are being addressed. Tracking should be based on appropriate qualitative and quantitative indicators and draw on internal and external feedback, including from affected stakeholders.

**Why is this Important?** Tracking how well the company is managing its human rights risks is the only way the company can really know it is respecting human rights in practice. Tracking is a crucial dimension of continuous improvement – it helps the company identify trends and patterns; it highlights recurring problems that may require more systemic changes to policies or processes, as well as good practices that can be shared across the company. Tracking is also essential for the company to be able to communicate accurately to all its stakeholders about what it is doing to meet its responsibility to respect human rights.

4. Communicating

**What do the UN Guiding Principles expect?** Companies need to be prepared to communicate externally in order to account for how they address their impacts, particularly when concerns are raised by, or on behalf of, affected stakeholders. Companies that may have severe human rights impacts should report formally on how they address them.

**Why is this Important?** It is by knowing and showing that they respect human rights in practice that companies build trust in their performance, demonstrate their reliability as partners, and gain a sustainable “social license to operate”. More widely, it is part of being accountable for how they do business, not least to those who may be impacted. Increasingly, shareholders, governments, potential business relationships, stock exchanges and civil society stakeholders also expect companies to provide information on their human rights performance.

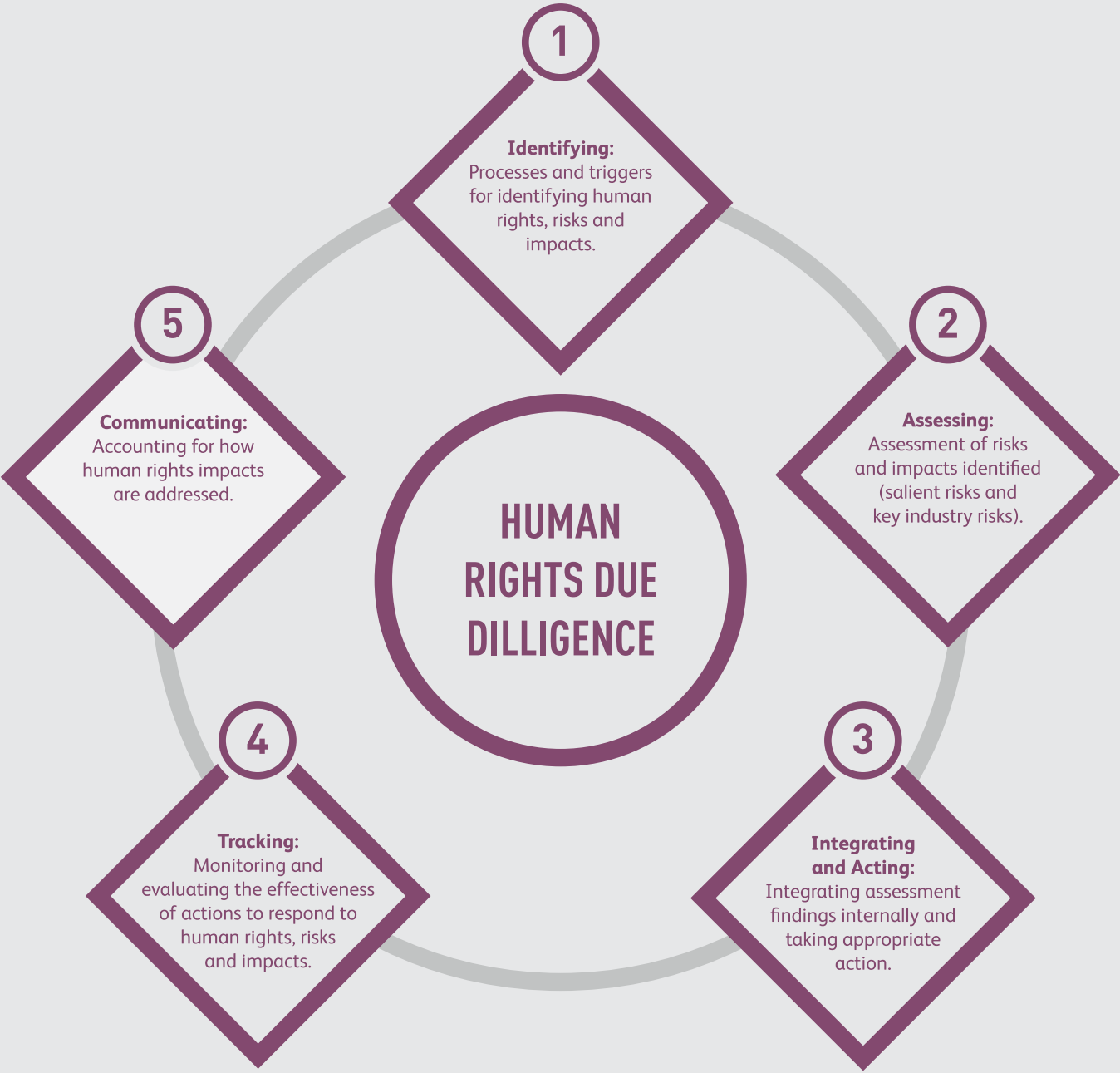


Figure 16 Human Rights Due Diligence process

B.1 Embedding Respect and Human Rights Due Diligence (10%)

Key Concepts

- Key Industry risks:** The risks commonly regarded as potentially severe and/or likely within the industry and that companies are expected to demonstrate, through a process of human rights due diligence, how they are preventing them or why they are not relevant. Therefore, while these risks are anticipated to be relevant given the company’s industry, they may not necessarily be the individual company’s most salient human rights issues. These may change over time.
- Salient human rights issues:** Those human rights that are at risk of the most severe negative impacts through a company’s activities or business relationships. They therefore vary from company to company, and over time.
- Materiality:** Refers to what is really important or has great consequences, and the various definitions of materiality take differing views depending on who is asking and for what purpose. For company public reporting, materiality often refers to a threshold used to determine what information a company will disclose in its formal reporting. Definitions of what constitutes that threshold vary considerably.

B.1.1 Responsibility and resources for day-to-day human rights functions

Source: UNGP 19; UNGPRF A2 and A2.1; GRI 102-19 and 102-20

The Company outlines senior level responsibility for human rights within the Company as well as the organisation of the day-to-day responsibility for human rights across relevant internal functions.

Note: Board level responsibility is assessed under indicator A.2.1 and therefore not considered in this indicator.

Score 1

The Company indicates the senior manager role(s) responsible for relevant human rights issues within the Company (i.e. responsibility for human rights is assigned to a senior manager(s)) and this includes responsibility for the ILO core labour standards at a minimum.

Score 2

The Company also describes how day-to-day responsibility is allocated across the range of relevant functions of the Company **AND** The Company describes how day-to-day responsibility for managing human rights issues within its supply chain is allocated.

B.1.2 Incentives and performance management

Source: UNGP 16 and 19; UNGPRF A2.3; GRI 102-35

The Company provides incentives to senior managers linked to implementation of the Company’s human rights policy commitments or targets.

Score 1

The Company indicates that it has an incentive or performance management scheme linked to aspects of its human rights policy commitment(s) for at least one senior manager **AND** it covers at least one of the key industry risks (listed in Figure 5) that the Company considers salient. **IF** that one risk is Health and Safety, then it must include the health and safety of local communities, or workers in the supply chain.

Score 2

The criteria linking the senior manager(s)’ remuneration to the Company’s human rights performance is also made public.

B.1.3 Integration with enterprise risk management

Source: UNGP 17 and 19; UNGPRF A2

The Company integrates attention to human rights risks into its broader enterprise risk management system(s).

Score 1

The Company describes how attention to human rights risks is integrated into its broader enterprise risk management system(s).

Score 2

The Company also describes how it assesses the adequacy of the enterprise risk management systems in managing human rights during the Company’s last reporting year. The assessment was either overseen by the Board Audit Committee or conducted by an independent third party.

B.1.4.a Communication/dissemination of policy commitment(s) within Company’s own operations

Source: UNGP 12 and 16(d); UNGPRF A.1.3

The Company communicates its human rights policy commitment(s) to employees and other workers as well as to external stakeholders, in particular potentially affected stakeholders.

Score 1

The Company describes how it communicates its policy commitment(s) to all its workers, including in local languages where necessary.

**Note 1:** In order to get a score of 1, the Company needs to meet the ILO requirement for own operations under indicator A.1.2 Score 1 (i.e. the Company has a publicly available statement of policy committing it to respecting the human rights that the ILO has declared to be fundamental rights at work).

**Note 2:** ‘all workers’ covers employees, directly contracted and third party contracted staff performing tasks for the Company.

Score 2

The Company also describes how it communicates its policy commitments to stakeholders, including potentially affected stakeholders among local communities and other stakeholder groups **AND** The Company provides an example of how it ensures the form and frequency of the information communicated is accessible to its intended audience.

**Note:** In order to get a score of 2, the Company needs to meet the ILO requirements for own operations under indicator A.1.2 Score 2.

B.1.4.b Communication/dissemination of policy commitment(s) to business relationships

Source: UNGP 16(d); UNGPRF A1.3 and A2.4

The Company communicates its human rights policy commitment(s) to its business relationships. In addition, it reflects its human rights commitments within the terms of its contracts (or other equivalent, binding arrangements) with business relationships. (See also Indicator B.1.7).

Score 1

The Company describes the steps it takes to communicate its human rights policy down it supply chain itself **OR** The Company demonstrates that it requires its suppliers to do so

**Note:** In order to get a score of 1, the Company needs to meet the ILO requirements for suppliers under indicator A.1.2 Score 1 (i.e., The Company’s policy commitment(s) also expects its suppliers to commit to respecting each of the ILO core labour standards and explicitly lists them in that commitment.).

Score 2

The Company also describes how its human rights policy commitments are reflected within contractual or other binding arrangements with its suppliers **AND** The Company demonstrates that it requires its suppliers to cascade the contractual or other binding requirements down their supply chain.

B.1.5 Training on Human Rights

Source: UNGP 12; UNGPRF A1.3; GRI 410-1 and 412-2

The Company trains its workers on its human rights policy commitment(s).

Score 1

The Company indicates that all its workers are trained on its human rights policy commitment(s) **OR** the Company describes how relevant managers and workers, including those working on procurement, receive specific human rights training relevant to their role.

**Note:** In order to get a score of 1, the Company needs to score at least 1 point under indicator A.1.2.

Score 2

The Company meets both of the requirements under Score 1.

**Note:** In order to get a score of 2, the Company needs to score 2 points under indicator A.1.2.

B.1.6 Monitoring and corrective actions

Source: UNGP 12 and 20; UNGRPF C4, C4.3 and C5; GRI 414-2; SASB CN0501-05, CN0501-06 and CN0103-21

The Company monitors the implementation of its human rights policy commitment(s) across its operations and business relationships and follows up on corrective actions and necessary changes to policies or processes.

**Note:** Indicators B.1.6 and B.2.3 are related but focus on different dimensions of a company’s actions: B.1.6 (which is in section B.1 on management systems) is about the company’s systemic approach to on-going monitoring and follow up on policy implementation whilst B.2.3 (which is in section B.2 on Human Rights Due Diligence) is about a specific step in the human rights due diligence process in addressing salient (or other) human rights risks and impacts.

Score 1

The Company describes how it monitors the implementation of its human rights policy commitment(s) across its global operations **AND** relevant business relationships **AND** The description includes how the Company monitors its suppliers itself or how it uses third party/external monitors or auditors.

**Note:** In order to get a score of 1, the Company needs to score at least 1 point under indicator A.1.2.

Score 2

The Company describes its corrective action process(es), including the proportion of its supply chain that is monitored and numbers of incidents **AND** The company provides an example of its corrective action process(es) in practice.

**Note:** In order to get a score of 2, the Company needs to score 2 points under indicator A.1.2.

B.1.7 Engaging business relationships

Source: UNGP 13 and 19; UNGPRF A2.4; HRIB, 8.1.1; GRI 103-2, 414-1 and 414-2

The Company takes human rights considerations into account when deciding to engage (or terminate) business relationships.

**Note:** Indicators D.1.2 and D.2.2 are related to indicator B.1.7 but focus on different aspects of human rights impacts in supply chains. D.1.2 and D.2.2 focus on how the company’s actions can impact human rights in the supply chain whilst B.1.7 is about how the suppliers’ actions (should) influence the company’s acts.

Score 1

The Company describes how human rights performance is taken into account in: the identification and selection of potential business relationships, including suppliers **OR** decisions to renew, expand or terminate business relationships, including with suppliers.

Score 2

The Company meets both of the requirements under Score 1 **AND** The Company describes how it works with business relationships, including suppliers, to improve human rights performance and provides an example of this.

B.1.8 Approach to engagement with potentially affected stakeholders

Source: UNGP 18 and 21; UNGPRF C2 and C2.1; GRI 102-42, 102-43 and 102-44

The Company has an approach to engaging with affected stakeholders on a regular basis. In doing so, it identifies affected and potentially affected stakeholders and engages in regular dialogue on human rights issues with them and organisations representing them. It also pays particular attention to those at heightened risk of vulnerability or marginalisation and prohibits bribes or other favours that may divide communities. To facilitate informed engagement, the Company provides meaningful information in accessible formats and languages.

Score 1

The Company describes how it has identified, and engaged with affected and potentially affected stakeholders, including workers or local communities in its supply chain, in the last two years **AND** The Company describes the frequency and triggers for engagement on human rights issues (for example by type or by stakeholder group).

Score 2

The Company also provides a summary analysis of the input/ views given by stakeholders on human rights issues and how the Company took those views into account.

B.2 Human Rights Due Diligence

B.2.1 Identifying: Processes and triggers for identifying human rights risks and impacts

Source: UNGP 17 and 18; UNGPRF B2 and C3; HRIB, 1.2.1; GRI 412-1 and 414-2

The Company proactively assesses its human rights risks and impacts on an on-going basis, including when these are triggered by key moments of the Company’s activities (e.g. policy change, market entry, new projects, amongst others).

**Note:** If a company describes that it has a clear global system for identifying human rights risks and impacts, then it is assumed that it operates that system in each particular location. As such, by complying with all criteria in score 2, a company is automatically assumed to have achieved a score 1.

Score 1

The Company describes the process(es) to identify its human rights risks and impacts: in specific locations or activities, covering its own operations (i.e. impacts that it may cause or contribute to) **AND** Through relevant business relationships, including its supply chain.

Score 2

The Company describes the global systems it has in place to identify its human rights risks and impacts on a regular basis across its activities, in consultation with affected or potentially affected stakeholders and internal or independent external human rights experts. This includes how the systems are triggered by new country operations, new business relationships or changes in the human rights context in particular locations. **AND** The Company’s description includes an explanation of when human rights impact assessments (HRIAs) or environmental and social impact assessments (ESIAs) covering human rights are/will be carried out.

B.2.2 Assessing: Assessment of risks and impacts identified (salient risks and key industry risks)

Source: UNGP 17, 18 and 24; UNGPRF B1, B2 and C3; HRIB, 1.2.1.; GRI 412-1 and 414-2

Having identified its human rights risks and impacts, the Company assesses them and then prioritises its salient human rights risks and impacts.

Score 1

The Company describes its process(es) for assessing its human rights risks and impacts and what it considers to be its salient human rights issues including how relevant factors are taken into account, such as geographical, economic, social and other factors **OR** The Company publicly discloses the results of the assessments, which may be aggregated across its operations and locations.

Score 2

The Company meets both of the requirements under Score 1.

B.2.3 Integrating and Acting: Integrating assessment findings internally and taking appropriate action

Source: UNGP 17, 19 and 24; UNGPRF C4; GRI 103-2

The Company integrates the findings of its assessments of human rights risks and impacts into relevant internal functions and processes by taking appropriate actions to prevent, mitigate or remediate its salient human rights issues.

**Note:** Indicators B.1.6 and B.2.3 are related but focus on different dimensions of a company’s actions: B.1.6 (which is in section B.1 on management systems) is about the company’s systemic approach to on-going monitoring and follow up on policy implementation whilst B.2.3 (which is in section B.2 on Human Rights Due Diligence) is about a specific step in the human rights due diligence process in addressing salient (or other) human rights impacts.

Score 1

The Company describes its global system to take action to prevent, mitigate or remediate its salient human rights issues, **AND** this includes a description of how its global system applies to its supply chain **OR** The Company provides an example of the specific conclusions reached and actions taken or to be taken on at least one of its salient human rights issues as a result of assessment processes in at least one of its activities/ operations.

Score 2

The Company meets both of the requirements under Score 1.

**B.2.4** Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts

**Source:** UNGP 17, 20 and 24; UNGPRF C5; GRI 103-3

The Company tracks and evaluates the effectiveness of actions taken in response to its human rights risks and impacts and describes how it uses that information to improve processes and systems on an on-going basis.

**Score 1**

The Company describes the system(s) for tracking the actions taken in response to human rights risks and impacts assessed and for evaluating whether the actions have been effective or have missed key issues or not produced the desired results. **OR** it provides an example of the lessons learned while tracking the effectiveness of its actions on at least one of its salient human rights issues as a result of the due diligence process.

**Score 2**

The Company meets both of the requirements under Score 1.

**B.2.5** Communicating: Accounting for how human rights impacts are addressed

**Source:** UNGP 20 and 21; UNGPRF C2

The Company communicates externally how it addresses its human rights impacts in a manner that is accessible to its intended audiences, especially affected stakeholders who have raised concerns, providing enough information to evaluate the adequacy of the response(s) and does not pose risks to affected stakeholders or personnel. This communication is distinct from engagement with potentially affected stakeholders for the purposes of assessing or addressing specific impacts (See also Indicators B.1.8, B.2.1 and B.2.2).

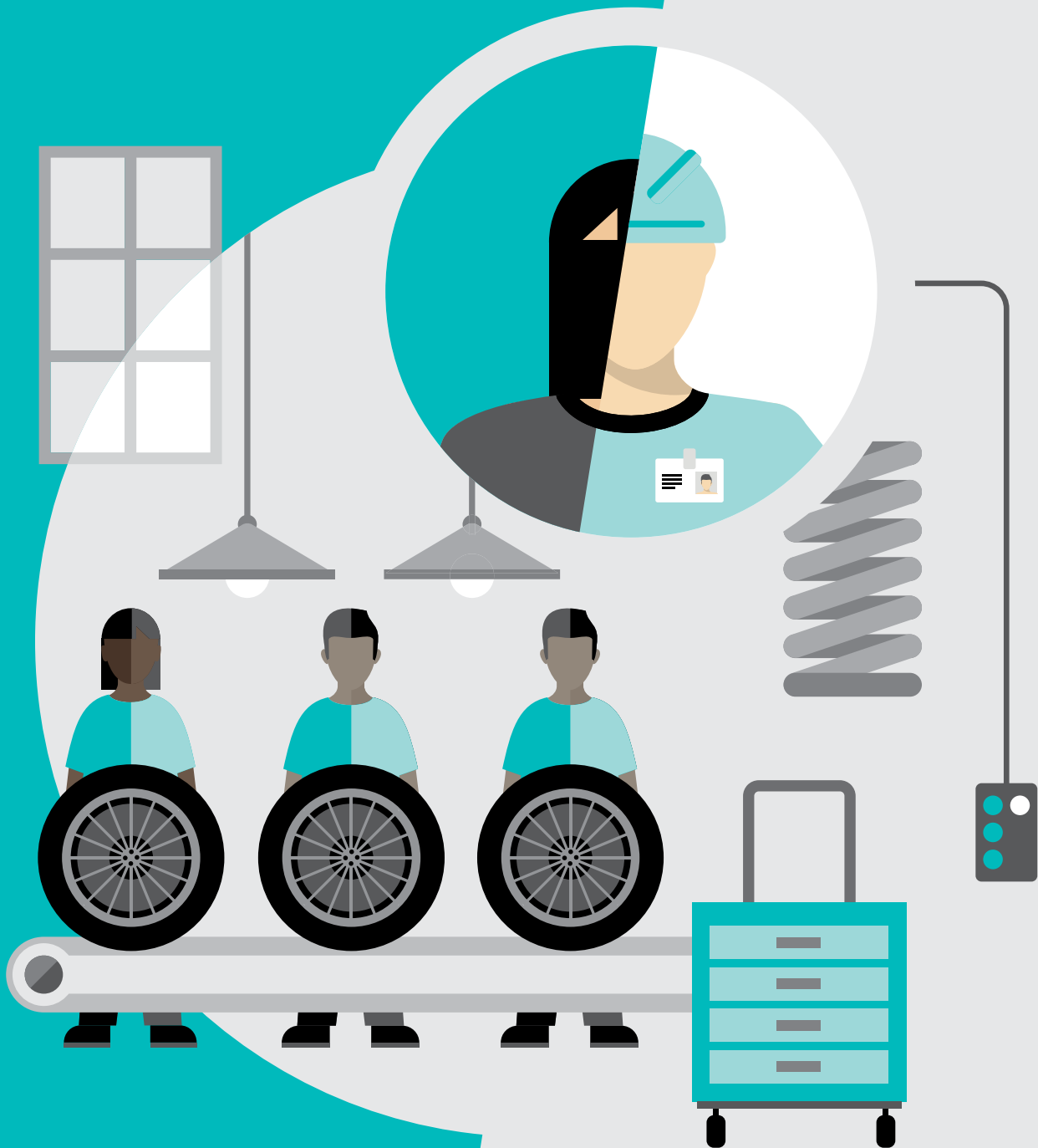
**Score 1**

The Company describes or demonstrates how it communicates externally about its human rights impacts and how effective it has been in addressing those impacts (i.e. through the steps described in B.2.1 to B.2.4) **AND** The description includes communications covering human rights impacts involving the Company’s supply chain.

**Score 2**

The Company also describes how it has responded to specific human rights concerns raised by, or on behalf of, affected stakeholders **AND** The Company also describes how it ensures that the affected or potentially affected stakeholders and their legitimate representatives are able to access these communications.





## C Remedies and Grievance Mechanisms

This Measurement Theme focuses on the extent to which a Company provides remedy in addressing actual adverse impacts on human rights. It covers a Company’s approach to providing or cooperating in remediation when human rights harms – actual human rights impacts – have occurred. The indicators aim to assess the extent to which a Company has appropriate processes in place so that grievances may be addressed early and remediated directly where appropriate. The indicators also test the Company’s willingness to participate in other remedy options and its approach to litigation concerning credible allegations of human rights impacts.

**Theme C is divided into seven indicators. C.3 and C.7 have double weighting, while the others have single weighting (representing 22.2% or 11.1% of the total available score respectively):**

- C.1** Grievance channels/mechanisms to receive complaints or concerns from workers (11 %)
- C.2** Grievance channels/mechanisms to receive complaints or concerns from external individuals and communities (11 %)
- C.3** Users are involved in the design and performance of the channel(s)/mechanism(s) (22 %)
- C.4** Procedures related to the mechanism(s)/channel(s) are publicly available and explained (11 %)
- C.5** Commitment to non-retaliation over concerns/complaints made (11 %)
- C.6** Company involvement with State-based judicial and non-judicial grievance mechanisms (11 %)
- C.7** Remedying adverse impacts and incorporating lessons learned (22 %)

C Remedies and Grievance Mechanisms (15%)

What do the UN Guiding Principles on Business and Human Rights expect?

- Where a company identifies that it has caused or contributed to negative human rights impacts, it should provide for or cooperate in their remediation through legitimate processes.
- Companies should establish or participate in effective operational-level grievance mechanisms for stakeholders who may be negatively impacted by their activities.
- Remediation processes provided by the state or third-party institutions can provide alternative channels for affected stakeholders to raise complaints or concerns. Complainants should be free to choose which available channels they wish to use.

**Note:** See also Indicator A.1.5. on policy commitments concerning remedy and Indicator A.1.6 on policy commitments concerning human rights defenders.

Why is this important?

- Access to effective remedy is a human right in itself and therefore a core part of respecting human rights.
- Unless a company actively engages in the remediation of impacts it has caused or contributed to, it cannot fully meet its responsibility to respect human rights.
- Negative impacts may occur despite a company’s best efforts, given the complexity of activities and business relationships involved. Companies need to be prepared for this situation they can respond quickly and effectively.
- Strong remediation processes can help prevent impacts or conflicts from increasing or escalating.

Key Concepts

**Remediation/remedy** refers to both the process of providing remedy for a negative human rights impact and the substantive outcomes that can counteract, or make good, the negative impact. These outcomes may take a range of forms such as apologies, restitution, rehabilitation, financial or non-financial compensation, and punitive sanctions (whether criminal or administrative, such as fines), as well as the prevention of harm through, for example, injunctions or guarantees of non-repetition.

C.1 Grievance channel(s)/mechanism(s) to receive complaints or concerns from workers

Source: UNGP 22, 29 and 30; UNGPRF C6.1 and C6.3; GRI 103-2

The Company has one or more channel(s)/mechanism(s) (its own, third party or shared) through which workers can raise complaints or concerns, including in relation to human rights issues. The channel(s)/mechanism(s) is available to all workers and takes into account accessibility by marginalised groups. The channel(s)/mechanism(s) is not used to undermine the role of legitimate trade unions (or equivalent worker bodies where the right to freedom of association and collective bargaining is restricted under law) in addressing labour-related disputes, nor to preclude access to judicial or other non-judicial grievance mechanisms.

Score 1

The Company indicates that it has one or more channel(s)/mechanism(s), or participates in a shared mechanism, accessible to all workers to raise complaints or concerns related to the Company.

**Note:** An explicit reference to human rights is not required, but a channel/mechanism that is specifically designed to cover other topics (e.g. a corruption hotline) will need to make clear to stakeholders that it can be used for human rights concerns as well.

Score 2

The Company also discloses data about the practical operation of the channel(s)/mechanism(s), including the number of grievances about human rights issues filed, addressed or resolved.

**AND** the Company indicates that the channel(s)/mechanism(s) is available in all appropriate languages.

**AND** the workers in its supply chain have access to either: the Company’s own channel(s)/ mechanism(s) to raise complaints or concerns about human rights issues at the Company’s suppliers or the Company expects its suppliers to establish a channel/mechanism for their workers to raise such complaints or concerns.

**AND** the Company expects its suppliers to convey the same expectation on access to grievance channel(s) / mechanism(s) to their own suppliers.

C.2 Grievance channel(s)/mechanism(s) to receive complaints or concerns from external individuals and communities

Source: UNGP 22, 29 and 30; UNGPRF C6.1 and C6.3; GRI 103-2

The Company has one or more channel(s)/mechanism(s) (its own, third party or shared) through which individuals and communities of users who may be adversely impacted by the Company can raise complaints or concerns, including in relation to human rights issues

Score 1

The Company indicates that it has one or more channel(s)/mechanism(s), or participates in a shared mechanism, accessible to all external individuals and communities who may be adversely impacted by the Company (or individuals or organisations acting on their behalf or who are otherwise in a position to be aware of adverse impacts) to raise complaints or concerns, including about human rights issues related to the Company, particularly in high risk locations.

Score 2

The Company also describes how it ensures the channel(s)/mechanism(s) is accessible to all potentially affected external stakeholders at all its own operations, including in local languages.

**AND** the Company describes how it ensures external individuals and communities have access to either: the Company’s own channel(s)/ mechanism(s) to raise complaints or concerns about human rights issues at the Company’s suppliers or the Company expects its suppliers to establish a channel/mechanism for them to raise such complaints or concerns, and to convey the same expectation on access to grievance channel(s) / mechanism(s) to their suppliers.

C.3 Users are involved in the design and performance of the channel(s)/mechanism(s)

Source: UNGP 31(h); UNGPRF C6.1, C6.2 and C6.3

The Company (or the initiative, in the case of a shared channel/mechanism) engages with potential or actual users on the design, implementation and performance of the channel(s)/ mechanism(s).

Score 1

The Company describes how it engages with potential or actual users on the design, implementation or performance of the channel(s)/mechanism(s)

**OR** the Company provides an example of how it engages with potential or actual users on the design, implementation or performance of the channel(s)/ mechanism(s)

Score 2

The Company also describes how it engages with potential or actual users on the performance of the channel(s)/ (mechanism(s),

**AND** it provides an example of doing so.

**AND IF** the Company expects its suppliers to set up their own channel/mechanism under C.1 or C.2, it also expects them to consult potential or actual users on the design, implementation or performance of their channel/mechanism.

**IF** the Company’s own channel(s)/mechanism(s) is available for workers, external individuals and communities in its supply chain, it also engages with those potential or actual users on the design, implementation or performance of their channel(s)/mechanism(s).

C.4 Users are involved in the design and performance of the channel(s)/mechanism(s)

Source: UNGP 19 and 31(c); UNGPRF C6.3

The Company describes how complaints or concerns are received, processed and addressed and how those making complaints are informed throughout the process as well as how complaints may be escalated.

Score 1

The Company describes the procedures for managing the complaints or concerns, including timescales for addressing the complaints or concerns and for informing the complainant.

Score 2

The Company also describes how complaints or concerns for workers and all external individuals and communities may be escalated to more senior levels or independent parties.

C.5 Commitment to non-retaliation over complaints or concerns made

Source: UNGP 22 and 31; UNGPRF C6.2 and C6.3

The Company prohibits retaliation for raising complaints or concerns, including in relation to human rights issues.

Score 1

The Company indicates that it prohibits retaliation against workers and other stakeholders (including those that represent them) for raising human rights related complaints or concerns

**AND** the Company describes the measures in place to prevent retaliation (for example, through guaranteeing anonymity when complaints or concerns are raised).

Score 2

The Company also indicates that it has not retaliated against workers and stakeholders through:

- “Bringing retaliatory suits against persons or organisations who have brought or tried to bring a case against it involving credible allegation of adverse human rights impacts, or against the lawyers representing them (including retaliatory civil litigation, including for defamation, filing criminal complaints, or any similar actions against claimants or their lawyers)
- Firing any workers who have brought or tried to bring a case against it involving an allegation of human rights abuse
- Engaging in violent acts or threats to the livelihoods, careers or reputation of claimants or their lawyers.

**AND IF** the Company expects its suppliers to set up their own channel/mechanism under C.1 or C.2, it also expects them to prohibit retaliation against workers and other stakeholders (including those that represent them) for raising human rights related concerns.

C.6 Company involvement with State-based judicial and non-judicial grievance mechanisms

Source: UNGPRF C6

The Company does not impede access to state-based judicial or non-judicial mechanisms or other mechanisms (such as international mechanisms) for persons who make allegations of adverse human rights impacts and it operates on the presumption that it will not require individuals to permanently waive their legal rights to bring a claim through a judicial process as a condition of participation in a grievance/mediation process. It also does not impede access by competent authorities investigating and adjudicating credible allegations of human rights impacts. It participates in non-judicial grievance mechanisms provided by the state where these are available to resolve grievances.

Score 1

The Company publicly commits to not impeding access to state-based judicial or non-judicial mechanisms or other available mechanisms for persons who make allegations of adverse human rights impacts

**AND** the Company indicates that it does not, and that it has not in any past case, require(d) affected individuals or communities participating in a grievance/mediation process to permanently waive their legal rights to bring a claim through a judicial process as a condition of participating in the grievance/mediation process.

Score 2

The Company also sets out the process by which it will cooperate with state-based non-judicial grievance mechanism complaints brought against it

**AND** provides an example of issues resolved (if applicable).

C.7 Remedying adverse impacts and incorporating lessons learned

**Source:** UNGP 19, 22 and 31; UNGPRF C6, C6.4 and C6.5; GRI 103-2 and 413-2

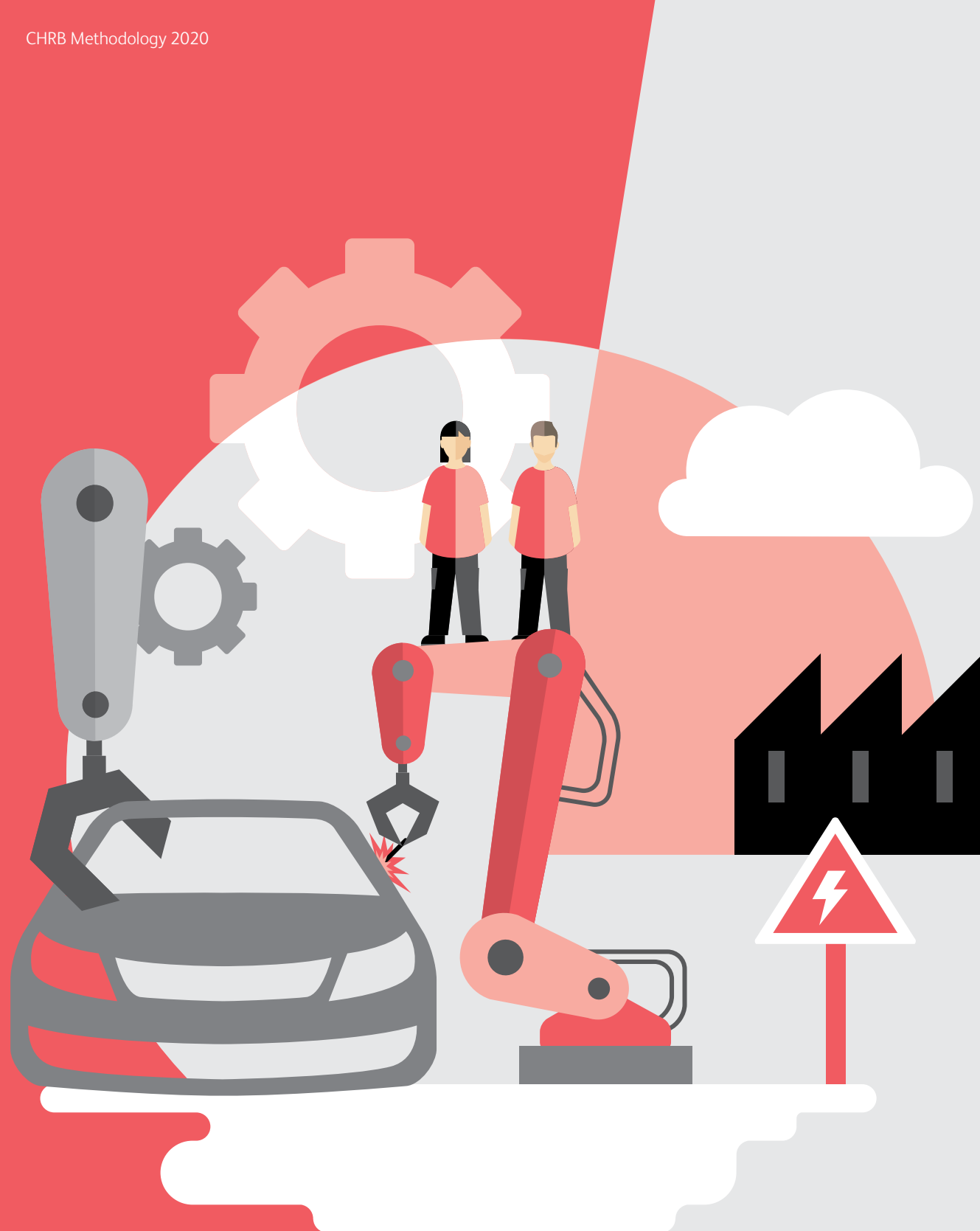
The Company provides for or cooperates in remediation to victims where it has identified that it has caused or contributed to adverse human rights impacts (or others have brought such information to the Company’s attention, such as through its grievance channel(s)/mechanism(s)). It also incorporates the lessons learned from remediation approaches into its channel(s)/mechanism(s) and processes to prevent future impacts.

Score 1

For adverse human rights impacts which it has caused or to which it has contributed, the Company describes the approach it took to provide or enable a timely remedy for victims,  
**OR** if no adverse impacts have been identified then the Company describes the approach it would take to provide or enable timely remedy for victims.

Score 2

For adverse human rights impacts which it has caused or to which it has contributed, the Company also describes changes to systems and procedures to prevent similar adverse impacts in the future  
**OR** if no adverse impacts have been identified then the Company describes the approach it would take to review and change systems and procedures to prevent similar adverse impacts in the future.  
**AND** the Company provides an evaluation of the effectiveness of the grievance channel(s)/mechanism(s).



## D Performance: Company Human Rights Practices

This Measurement Theme focuses on selected human rights related practices specific to each industry. The indicators seek to assess the actual practices occurring within companies in order to implement key enabling factors and business processes and to prevent specific impacts on human rights particularly at risk of occurring given the industry in question.

Many of these interrelate with the other CHRB Measurement Themes and company approaches to policy commitments and governance, embedding respect for human rights in culture and management systems, undertaking human rights due diligence or implementing remediation processes.

However, these indicators aid the inter- and intra-comparative benefits of the Benchmark. Complemented with the CHRB performance indicators on Responses to Serious Allegations (Measurement Theme E), these indicators seek to achieve a more comprehensive overall proxy measure for the human rights performance of a company being benchmarked.

The indicators for the different industries that the CHRB currently assesses are separated into D.1 (Agricultural Products), D.2 (Apparel), D.3 (Extractives), D.4 (ICT Manufacturing), and D.5 (Automotive Manufacturing) with differing numbers of indicators per industry. However, each the Theme weighting remains 20% of the total score.

The indicators for D.1, D.2 and D.3 are included in the 2020 Methodology document for the Agricultural Products, Apparel and Extractives industries and the indicators for D.4 are included in the 2020 Methodology document for the ICT Manufacturing industry. Since this Methodology document focuses on the Automotive Manufacturing industry, only D.5 indicators are included here. They are listed on the following page.



D

Performance: Company Human Rights Practices

(20%)

- D.5.1 Living wage
- D.5.1.a Living wage (in own production or manufacturing operations)

D.5.1.b Living wage (in the supply chain)
- D.5.2 Aligning purchasing decisions with human rights
- D.5.3 Mapping and disclosing the supply chain
- D.5.4 Prohibition on Child labour
- D.5.4.a Age verification and corrective actions (in own production or manufacturing operations)

D.5.4.b Age verification and corrective actions (in the supply chain)
- D.5.5 Prohibition on Forced labour
- D.5.5.a Debt bondage and other unacceptable financial costs (in own production or manufacturing operations)

D.5.5.b Debt bondage and other unacceptable financial costs (in the supply chain)

D.5.5.c Restrictions on workers (in own production or manufacturing operations)

D.5.5.d Restrictions on workers (in the supply chain)
- D.5.6 Freedom of association and collective bargaining
- D.5.6.a Freedom of association and collective bargaining (in own production or manufacturing operations)

D.5.6.b Freedom of association and collective bargaining (in the supply chain)
- D.5.7 Health and safety
- D.5.7.a Fatalities, lost days, injury rates (in own production or manufacturing operations)

D.5.7.b Fatalities, lost days, injury rates (in the supply chain)
- D.5.8 Women’ rights
- D.5.8.a Women’s rights (in own production or manufacturing operations)

D.5.8.b Women’s rights (in the supply chain)
- D.5.9 Working hours
- D.5.9.a Working hours (own production or manufacturing operations)

D.5.9.b Working hours (in the supply chain)
- D.5.10 Responsible Mineral Sourcing
- D.5.10.a Arrangements with Suppliers and Smelters/Refiners in the Mineral Resource Supply Chains

D.5.10.b Risk Identification & Responses in Mineral Supply Chains

D.5.10.c Reporting on Responsible Mineral Sourcing
- D.5.11 Responsible Materials Sourcing

The indicators are mapped in the below tables, split between ‘enabling factors and business processes’ and ‘key industry risks’.

These key industry risks have been identified taking into consideration industry research and consultation. See Figure 14 for an index of the sources referenced in each indicator.

Enabling Factors and Business Processes

These indicators relate to certain factors and business processes that can help to enable rights-respecting outcomes within company activities.

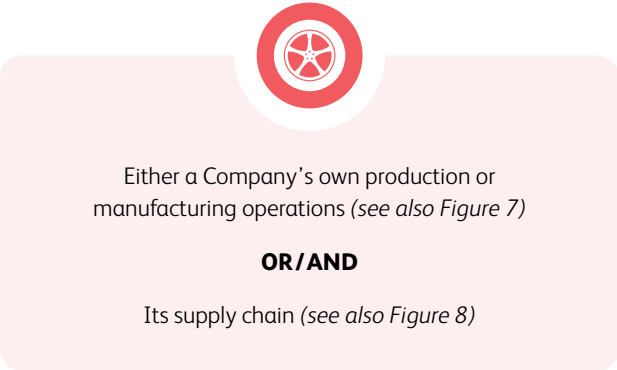
- D.5.1 Living wage
- D.5.2 Aligning purchasing decisions with human rights
- D.5.3 Mapping and disclosing the supply chain

Key Industry Risks

Key industry risks are risks commonly regarded as potentially severe or likely within the industry and that companies are expected to demonstrate, through a process of human rights due diligence, how they are preventing them or why they are not relevant.

- D.5.4 Prohibition on Child labour
- D.5.5 Prohibition on Forced labour
- D.5.6 Freedom of association and collective bargaining
- D.5.7 Health and safety
- D.5.8 Women’ rights
- D.5.9 Working hours
- D.5.10 Responsible Mineral Sourcing
- D.5.11 Responsible Materials Sourcing

These indicators are at times split up in relation to the supply chain as follows:



Relevant Definitions on Child Labour (for indicators on the prohibition on child labour)

- A “child” is anyone under the age of 18 as defined by the Convention on the Rights of the Child (CRC).
- A child can “work” at an earlier age than 18 as specified in ILO Convention 138 Minimum Age for Admission to Employment (1973) – i.e. if the age is above the age for finishing compulsory schooling, is in any case not less than 15 years of age (and at 14 years of age in specific circumstances in developing countries) and as long as it is not “hazardous work.”
- “Hazardous work” is work that “by its nature or the circumstances in which it is carried out is likely to jeopardise the health, safety or morals of young persons.” The age for hazardous work is not less than 18 years - i.e. anyone who is a child should not be in hazardous work. Both ILO Convention 138 and 182 elaborate on what is “hazardous work.”
- “Child labour” is work by people under 18 (“children”) that is not permitted (as set out above).
- “Child work” is work by people under 18 (“children”) that is permitted. Child work is carried out by “young workers.”
- According to ILO Convention 138 the working age requirements set out above must be applied at a minimum to work in the following sectors covered by CHRB: mining and quarrying; manufacturing; gas, plantations and other agricultural undertakings mainly producing for commercial purposes, but excluding family and small-scale holdings producing for local consumption and not regularly employing hired workers.

D.5.1 Living wage

D.5.1.a Living wage (in own operations)

**Source:** ICESCR, Art. 7; HRIB, 2.4.1, ETI, 5; SA8000, IV.8.1; GLWC

The Company pays all its workers a living wage, which is regularly reviewed and negotiated through collective bargaining with relevant trade unions (or equivalent worker bodies where the right to freedom of association and collective bargaining is restricted under law). There are numerous definitions of living wage but the core concept is to provide a decent living for a worker and his or her family (in line with ICESCR Article 7) based on a regular work week not including overtime hours. A living wage is sufficient to cover food, water, clothing, transport, education, health care and other essential needs for workers and their officially entitled dependents and provide some discretionary income. Workers also receive equal pay for equal work.

Score 1

The Company indicates it pays all workers a living wage or has set a target timeframe for paying all workers a living wage

**AND** the Company describes how it determines a living wage for the regions where it operates, which includes involvement of relevant trade unions (or equivalent worker bodies where the right to freedom of association and collective bargaining is restricted under law).

Score 2

The Company also describes how its human rights policy commitments are reflected within contractual or other binding arrangements with its suppliers

**AND** the Company demonstrates that it requires its suppliers to cascade the contractual or other binding requirements down their supply chain.

D.5.1.b Living wage (in the supply chain)

**Source:** ICESCR, Art. 7, HRIB, 8.2.3, ETI, 5; FWF, 5; SA8000, IV.8.1; GLWC

The Company requires that its suppliers pay their workers a living wage, which is regularly reviewed and negotiated through collective bargaining with relevant trade unions (or equivalent worker bodies where the right to freedom of association and collective bargaining is restricted under law). There are numerous definitions of living wage but the core concept is to provide a decent living for a worker and his or her family (in line with ICESCR Article 7) based on a regular work week not including overtime hours. A living wage is sufficient to cover food, water, clothing, transport, education, health care and other essential needs for workers and their officially entitled dependents and provide some discretionary income. Workers also receive equal pay for equal work.

Score 1

The Company includes living wage requirements in its contractual arrangements with its suppliers or its supplier code of conduct

**OR** the Company describes how it works with suppliers to improve their living wage practices.

Score 2

The Company meets both of the requirements under Score 1

**AND** the Company provides an analysis of trends demonstrating progress.

D.5.2 Aligning purchasing decisions with human rights

**Source:** UNGP 16; HRIB, 8.1.1; FLA, I.ER.24

The Company ensures coherence between its purchasing policies and practices and its human rights commitment(s), so that such policies and practices do not undermine its human rights commitments or hinder the ability of its business relationships to meet the Company’s expectations and their own human rights responsibilities.

Score 1

The Company describes the practices it adopts to avoid price or short notice requirements or other business considerations undermining human rights

**OR** the Company describes the specific positive incentives it puts into place via its purchasing practices to encourage its suppliers to respect human rights (e.g. price premiums, repeat business, increased orders or longer contracts with good performers).

Score 2

The Company meets both of the requirements under Score 1.

D.5.3 Mapping and disclosing the supply chain

**Source:** GRI 102-9

The Company maps its suppliers and discloses its mapping publicly.

Score 1

The Company indicates that it identifies its suppliers, including direct and indirect suppliers, and describes how it goes about this. This needs to include manufacturing sites for major components.

Score 2

The Company also discloses the names and addresses of suppliers for the most significant parts of its supply chain and explains how it has defined what are the most significant parts of its supply chain.

D.5.4 Prohibition on Child Labour

D.5.4.a Prohibition on child labour: Age verification and corrective actions (in own production or manufacturing operations)

**Source:** CRC, Art. 32; ILO, No. 138 & No. 182; CRBP; HRIB, 2.3; FLA, I.ER.4, V. and CL.3-.4; ETI, 4.2 and 4.4; FWF, 3; SA8000, IV. 1.2; GRI 408-1

The Company does not use child labour (see table below for relevant definitions). It verifies the age of job applicants and workers in its own operations to ensure they comply with the ILO requirements for minimum age for admission to employment and are therefore entitled to work. If the Company learns that it has child labour in its operations, it ensures that the child/ children are enrolled in a remediation/education programme, rather than just dismissing them from employment. The objective is to ensure that children are not pushed into more dangerous survival strategies. If young workers are found to be involved in hazardous work, they are removed immediately from the situation and provided alternative work that is not hazardous and age appropriate and therefore not child labour. The objective is to ensure that no workers under the age of 18 are required to perform hazardous work.

**Score 1**

The Company indicates that it does not use child labour

**AND** the Company indicates that it verifies the age of job applicants and workers in its own operations to ensure that they are not engaged in child labour.

**Score 2**

The Company also describes how it develops, participates in or contributes to programmes for transition from employment to education, enabling children to attend and remain in education, if and when child labour is found in its operations and how it improves working conditions for young workers where relevant.

D.5.4.b Prohibition on child labour: Age verification and corrective actions (in the supply chain)

**Source:** CRC, Art. 32; ILO, No. 138 & No. 182; CRBP; HRIB, 2.3 and 8.2.7; FLA, I.ER.4, V. and CL.3-.4; ETI, 4.2 and 4.4; FWF, 3; SA8000, IV.1.2; GRI 408-1

The Company requires that its suppliers verify the age of job applicants and workers to ensure that they comply with the ILO requirements for minimum age for admission to employment and are therefore entitled to work (see table below for relevant definitions). If the Company learns that it has child labour in its supply chain it requires that its supplier(s) enrol the child/ children in a remediation/education programme, rather than just dismissing them from employment. The objective is to ensure that children are not pushed into more dangerous survival strategies. If young workers are found to be involved in hazardous work, it requires that its supplier(s) remove the young workers immediately from the situation and provide alternative work that is not hazardous and age appropriate and therefore not child labour. The objective is to ensure that no workers under the age of 18 are required to perform hazardous work.

**Score 1**

In its contractual arrangements with its suppliers or supplier code of conduct, the Company includes child labour requirements, including a prohibition on using child labour, verifying the age of job applicants and workers and remediation programmes,

**OR** the Company describes how it works with suppliers to eliminate child labour and to improve working conditions for young workers where relevant.

**Score 2**

The Company meets both of the requirements under Score 1

**AND** the Company provides an analysis of trends demonstrating progress.

D.5.5 Prohibition on Forced Labour

D.5.5.a Prohibition on forced labour: Addressing situations leading debt bondage and other unacceptable financial burdens (in own production or manufacturing operations)

**Source:** ICCPR, Art. 8; ILO, No. 29 & No. 105; HRIB 2.2.; ETI, 1.2; FLA, I, I.ER.6, I.ER.10.2, I.ER.18, I.ER.20-21 and IV. and IV.F.1- .3; SA8000, IV.2.1-.3 and IV.8.2-.3; GRI 409-1

The Company refrains from imposing financial burdens on workers by withholding wages or expenses that should be covered by the Company, including recruitment fees and related recruitment costs and fully reimburses workers if they have been required to pay any fees or other charges during recruitment.

**Score 1**

The Company indicates that it pays workers regularly, in full and on time and that all workers receive a payslip with their wages explaining any legitimate deductions.

**AND** the Company indicates that it does not require workers to pay work related fees, and in particular, as the employer, it pays all costs and charges involved in the recruitment process.

**Score 2**

The Company also describes how it implements and monitors this practice in its own operations, particularly with employment agencies/labour brokers/recruitment intermediaries.

D.5.5.b Prohibition on forced labour: Addressing situations leading to debt bondage and other unacceptable financial burdens (in the supply chain)

**Source:** ICCPR, Art. 8; ILO, No. 29 & No. 105; HRIB Indicator 8.2.6; ETI, 1.2; FLA, I.ER.6, I.ER.10.2, I.ER.18, I.ER.20-21, IV.F.1-3; FWF, 1; SA8000, IV.2.1-.3 and IV.8.2-.3; GRI 409-1

The Company requires that its suppliers refrain from imposing financial burdens on workers by withholding wages or expenses that should be covered by the supplier, including recruitment fees and related recruitment costs, and requires that suppliers fully reimburse workers if they have been required to pay any fees or other charges during recruitment.

**Score 1**

In its contractual arrangements or within its supplier code of conduct, the Company prohibits the supplier from imposing financial burdens on workers by withholding wages or expenses and requires the supplier, as employer, to pay all costs or charges involved in the recruitment process

**OR** the Company describes how it works with suppliers to eliminate imposing financial burdens on workers.

**Score 2**

The Company meets both of the requirements under Score 1

**AND** the Company provides an analysis of trends demonstrating progress.

D.5.5.c Prohibition on forced labour: Restrictions on workers (in own manufacturing or production operations)

**Source:** CRC, Art. 32; ILO, No. 138 & No. 182; CRBP; HRIB, 2.3; FLA, I.E.R.4, V. and CL.3-.4; ETI, 4.2 and 4.4; FWF, 3; SA8000, IV. 1.2; GRI 409-1

The Company refrains from restricting workers’ mobility, including through the retention of passports, other personal identification or travel documents or bank payment cards or similar arrangements workers use for accessing wages.

Score 1

The Company indicates that it does not restrict workers’ mobility, including through the retention of passports or other personal documents against the workers will or the workers’ means of accessing wages.

Score 2

The Company also describes how it implements and checks this practice in its operations, particularly with employment agencies/labour brokers/ recruitment intermediaries.

D.5.5.d Prohibition on forced labour: Restrictions on workers (in the supply chain)

**Source:** ICCPR, Art. 12; ILO, No. 29 & No. 105; HRIB, 8.2.6; ETI, 1.2; FLA, I.E.R.5, I.E.R.10, IV.F.1-.2 and F.4-.7; FWF, 1; SA8000, IV.2.4; GRI 409-1

The Company requires that its suppliers refrain from restricting workers’ mobility, including through the retention of passports, other personal identification or travel documents or bank payment cards or similar arrangements workers use for accessing wages.

Score 1

In its contractual arrangements with its suppliers or supplier code of conduct, the Company prohibits the supplier from restricting workers’ mobility, including through the retention of passports or other personal documents against the workers will or the workers’ means of accessing wages

**OR** the Company describes how it works with suppliers to eliminate restrictions on worker’s mobility, including through the retention of worker’s documents.

Score 2

The Company meets both of the requirements under Score 1 **AND** the Company provides an analysis of trends demonstrating progress.

D.5.6 Freedom of association and collective bargaining

D.5.6.a Freedom of association and collective bargaining (in own manufacturing or production operations)

**Source:** ICESCR, Art. 7; ICCPR, Art. 22; ILO, No. 87 and No. 98; HRIB, 2.6; SA8000, IV.4; GRI 407-1

The Company respects the right of all workers to form and join a trade union of their choice (or equivalent worker bodies where the right to freedom of association and collective bargaining is restricted under law) and to bargain collectively. In addition, it provides workers’ representatives with appropriate facilities to assist in the development of effective collective bargaining agreement(s). The Company also prohibits intimidation, harassment, retaliation and violence against trade union members and trade union representatives.

Score 1

The Company commits to not interfering with the right of workers to form or join trade unions (or equivalent worker bodies where the right to freedom of association and collective bargaining is restricted under law), to bargain collectively and puts in place measures to prohibit any form of intimidation, harassment, retaliation or violence against workers seeking to exercise these rights

**OR** the Company discloses the percentage of its workforce whose terms and conditions of work are covered by collective bargaining agreements.

Score 2

The Company meets both of the requirements under Score 1. **AND** the Company provides an analysis of trends demonstrating progress.

D.5.6.b Freedom of association and collective bargaining (in the supply chain)

**Source:** ICESCR, Art. 7; ICCPR, Art. 22; ILO, No. 87 & No. 98; HRIB 2.6; ETI, 2; FLA, I.E.R.15.1, I.E.R.16, VI.FOA.1-24; FWF, 4; SA8000, IV.4; GRI 407-1

The Company requires that its suppliers respect the right of all workers to form and join a trade union of their choice (or equivalent worker bodies where the right to freedom of association and collective bargaining is restricted under law) and to bargain collectively. In addition, the Company requires that its suppliers provide workers’ representatives with appropriate facilities to assist in the development of effective collective bargaining agreement(s). The Company also requires that its suppliers prohibit intimidation, harassment, retaliation and violence against trade union members and trade union representatives.

Score 1

In its contractual arrangements with its suppliers or supplier code of conduct, the Company requires respect for the right of all workers to form and join a trade union of their choice (or equivalent worker bodies where the right to freedom of association and collective bargaining is restricted under law) and to bargain collectively and prohibiting intimidation, harassment, retaliation and violence against trade union members and trade union representatives

**OR** the Company describes how it works with suppliers to improve their practices in relation to freedom of association and collective bargaining.

Score 2

The Company meets both of the requirements under Score 1 **AND** the Company provides an analysis of trends demonstrating progress.

D.5.7 Health and safety: Fatalities, lost days, injury rates

D.5.7.a Health and safety: Fatalities, lost days, injury, occupational disease rates (in own manufacturing or production operations)

Source: ICESCR, Art. 7; HRIB, 3; FLA, VII.HSE.3; SA8000, IV.3.5 and IV.3.7 ; GRI 403 -9

The Company discloses quantitative information on health and safety related to its total workforce, namely: injury rate, fatality rate, lost days (or near miss frequency rate).

Score 1	Score 2
The Company discloses quantitative information on health and safety for its workers related to injury rates or lost days (or near miss frequency rate) and fatalities.	The Company has also set targets related to rates of injury, lost days and fatalities for the reporting period <b>AND</b> it has met those targets or provides an explanation of why these were not met.

D.5.7.b Health and safety: Fatalities, lost days, injury, occupational disease rates (in the supply chain)

Source: ICESCR, Art. 7; HRIB 8.2.1; FLA, VII.HSE.3; SA8000, IV.3.5 and IV.3.7 ; GRI 403-9

The Company discloses quantitative information on health and safety related to suppliers’ workers, namely: injury rate, fatality rate, lost days (or near miss frequency rate), and occupational disease rate.

Score 1	Score 2
In its contractual arrangements with its suppliers or supplier code of conduct, the Company sets out clear health & safety requirements  <b>AND</b> it discloses quantitative information on health and safety for workers at suppliers related to injury rates or lost days (or near miss frequency rate) and fatalities.	The Company also describes how it engages with suppliers to improve their practices in relation to health and safety  <b>AND</b> The Company provides an analysis of trends demonstrating progress.

D.5.8 Women’s rights

D.5.8.a Women’s rights (in own manufacturing or production operations)

Source: CEDAW; ILO, No. 100 & No. 111; WEP; HRIB, 2.7; ETI, 7 and 9; FLA, I.ER.3, II. and III; FWF, 2; SA8000, IV.5; GRI 405-2

The Company recognises the relevance of women’s rights for the industry, given the prevalence of women workers and the different dimensions of inequality they often face. The Company has measures in place to implement its policy commitment to eliminate discrimination against women through: providing equal pay for equal work, and measures to ensure equal opportunities throughout all levels of employment, which may include setting up women’s committees that report to management to address and resolve issues, and eliminating working or employment conditions linked to marital status or family responsibilities or the absence of pregnancy. In addition, the Company has in place measures to eliminate health & safety concerns that are particularly prevalent among women workers (e.g. sexual harassment, physical security, and protection and accommodation of pregnant and nursing workers).

Score 1	Score 2
The Company describes its processes to prohibit harassment, intimidation and violence against women.  <b>OR</b> the Company describes how it takes into account differential impacts on women and men of working conditions, including to reproductive health.  <b>OR</b> the Company describes how it provides equality of opportunity for women in the workforce that are monitored and maintained throughout all levels of employment.	The Company meets all of the requirements under Score 1

D.5.8.b Women’s rights (in the supply chain)

Source: CEDAW; ILO, No. 100 & No. 111; WEP; HRIB, 8.2.5; ETI, 7 and 9; FLA, I.ER.3, II. and III.; FWF, 2; SA8000, IV.5; GRI 405- 2

The Company recognises the relevance of women’s rights for the industry, given the prevalence of women workers and the different dimensions of inequality they often face. The Company requires that its suppliers have measures in place to implement its policy commitment to eliminate discrimination against women through: providing equal pay for equal work, and measures to ensure equal opportunities throughout all levels of employment, which may include setting up women’s committees that report to management to address and resolve issues, and eliminating working or employment conditions linked to marital status or family responsibilities or the absence of pregnancy. In addition, the Company requires that its suppliers have measures in place to eliminate health & safety concerns that are particularly prevalent among women workers (e.g. sexual harassment, physical security and protection and accommodation of pregnant and nursing workers).

Score 1	Score 2
In its contractual arrangements with its suppliers or in its supplier code of conduct, the Company requires the supplier to pay equal pay for equal work, and measures to ensure equal opportunities throughout all levels of employment and to eliminate health and safety concerns that are particularly prevalent among women workers  <b>OR</b> the Company works with suppliers to improve their practices in relation to women’s rights.	The Company meets both of the requirements under Score 1  <b>AND</b> the Company provides an analysis of trends demonstrating progress.



D.5.9 Working Hours

D.5.9.a Working hours (in own production or manufacturing operations)

**Source:** ICESCR, Art. 7; ILO, No. 1, 14 & 106; HRIB, 8.2.2; FWF, 6; SA8000, IV.7

The Company respects applicable international standards and national laws and regulations concerning maximum working hours and minimum breaks and rest periods. The Company also assesses the ability of workers within its factories to comply with its commitments to respect working hours and minimum breaks and rest period when allocating work or setting targets.

<b>Score 1</b>	<b>Score 2</b>
The Company indicates that it respects applicable international standards and national laws and regulations concerning maximum hours and minimum breaks and rest periods in its own operations.	Meets both of the requirements under Score 1
<b>AND</b> the Company also assesses the ability of workers within its factories to comply with its commitments to respect working hours and minimum breaks and rest period when allocating work or setting targets.	<b>AND</b> the Company describes how it implements and checks this practice in its operations.

D.5.9.b Working hours (in the supply chain)

**Source:** ICESCR, Art. 7; ILO, No. 1, 14 & 106; HRIB, 8.2.2; FLA, VIII. and HOW.1-19; ETI, 6; FWF, 6; SA8000, IV.7

The Company requires that its suppliers respect applicable international standards and national laws and regulations concerning maximum working hours and minimum breaks and rest periods. The Company also assesses the ability of suppliers to comply with its commitments to respect working hours and minimum breaks and rest period when allocating work or setting targets in its purchasing orders.

<b>Score 1</b>	<b>Score 2</b>
In its contractual arrangements with its suppliers or supplier code of conduct, the Company requires supplier to respect for applicable international standards and national laws and regulations concerning maximum hours and minimum breaks and rest periods	The Company meets both of the requirements under Score 1
<b>OR</b> the Company describes how it works with suppliers to improve their practices in relation to working hours.	<b>AND</b> the Company provides an analysis of trends demonstrating progress.

D.5.10 Responsible Mineral Sourcing

**Note:** It is assumed that references to the OECD Guidance commit the company to following the OECD Guidance for conflict affected and high-risk areas unless a more limited (geographic or other) scope is indicated in company documents or reporting. This assumption applies to all references to OECD Guidance. Therefore, if a more limited scope is indicated, companies will not score points in **this Section on the application** of the OECD Guidance

D.5.10.a Arrangements with Suppliers and Smelters/Refiners in the Mineral Resource Supply Chains

**Source:** OECD Guidance

The Company has a management system aligned with the OECD Due Diligence Guidance for Responsible Supply Chains from Conflict-Affected and High-Risk areas, including its current supplements on tin, tantalum, tungsten and gold (3TG) (3rd edition) (the OECD Guidance) to manage responsible sourcing of minerals from conflict-affected and high-risk areas and to support supply chain due diligence to identify and manage risks of contributing to or being directly linked to significant adverse impacts when sourcing from conflict-affected and high-risk areas. This includes requirements for suppliers.

<b>Score 1</b>	<b>Score 2</b>
The Company indicates that it incorporates into commercial contracts/written agreements with suppliers requirements to conduct due diligence in accordance with the OECD Guidance for at least 3TG	The Company also indicates that it incorporates into commercial contracts/written agreements with suppliers requirements to disclose to the Company (as necessary on a confidential basis) updated smelter/refiner information for any 3TG mineral used in the production of its parts, materials, components and products
<b>AND</b> the Company describes how it works with smelters/refiners and with suppliers to contribute to building their capacity in risk assessment and improving their due diligence performance (including through industry-wide initiatives).	<b>AND</b> the Company indicates that these requirements cover all minerals.

D.5.10.b Risk Identification in Mineral Supply Chains

**Source:** OECD Guidance

The Company actively identifies and assesses risks and impacts in its mineral supply chain, including approaches to focus its risk assessments on those minerals and suppliers that raise red flags as identified in the OECD Guidance. These processes include identifying smelters/refiners in its supply chain and assessing their due diligence practices against the OECD Guidance, including by reviewing evidence on the due diligence practices of the smelters/refiners, reviewing information generated by the smelters’/ refiners’ assessment teams and reviewing the smelters’/refiners’ publicly available due diligence reporting. It will also look at whether the smelters/refiners participate in an industry scheme, or have undergone an independent 3rd party audit assessment.

<b>Score 1</b>	<b>Score 2</b>
The Company describes its processes for identifying and prioritising risks and impacts in its supply chain as set out in the OECD Guidance and discloses the risks identified with respect to at least 3TG	The Company also publicly discloses the list of all the qualified smelters/refiners in its supply chain that it has independently judged to conform to the due diligence processes set out in the OECD Guidance with respect to at least 3TG
<b>AND</b> the Company describes its processes to identify the smelters/ refiners in its supply chain and assess whether the smelters/ refiners have carried out due diligence processes in accordance with the OECD Guidance with respect to at least 3TG.	<b>AND</b> the Company indicates that the risk identification processes and disclosures cover all minerals.

D.5.10.c Risk Management in the Mineral Supply Chain

Source: OECD Guidance

The Company evaluates and responds to identified risks in its mineral supply chain in order to prevent or mitigate adverse impacts In accordance with the OECD Guidance.

Score 1

The Company describes the steps taken to manage and respond to risks in its mineral supply chain (which could include a summary of the risk management plan) with respect to at least 3TG

**AND** the Company describes the processes to monitor/ track performance of risk prevention / mitigation measures

**AND** the company discloses whether there has been significant improvement in risk prevention / mitigation over time with respect to at least 3TG.

Score 2

The Company also describes how it engages with suppliers and affected stakeholders to agree on its strategy for risk management

**AND**the Company indicates that these risk management and response processes cover all minerals.

D.5.11 Responsible Material Sourcing

The Company has a management system for the responsible sourcing of raw materials to support supply chain due diligence to identify and manage risks of contributing to or being directly linked to significant adverse impacts when sourcing materials, including rubber, leather and minerals not covered in the responsible mineral sourcing indicator (e.g. sourcing of lithium in non-high-risk or conflict areas). This includes requirements for suppliers. Key risks are likely to include child labour, forced labour, water and land rights.

Score 1

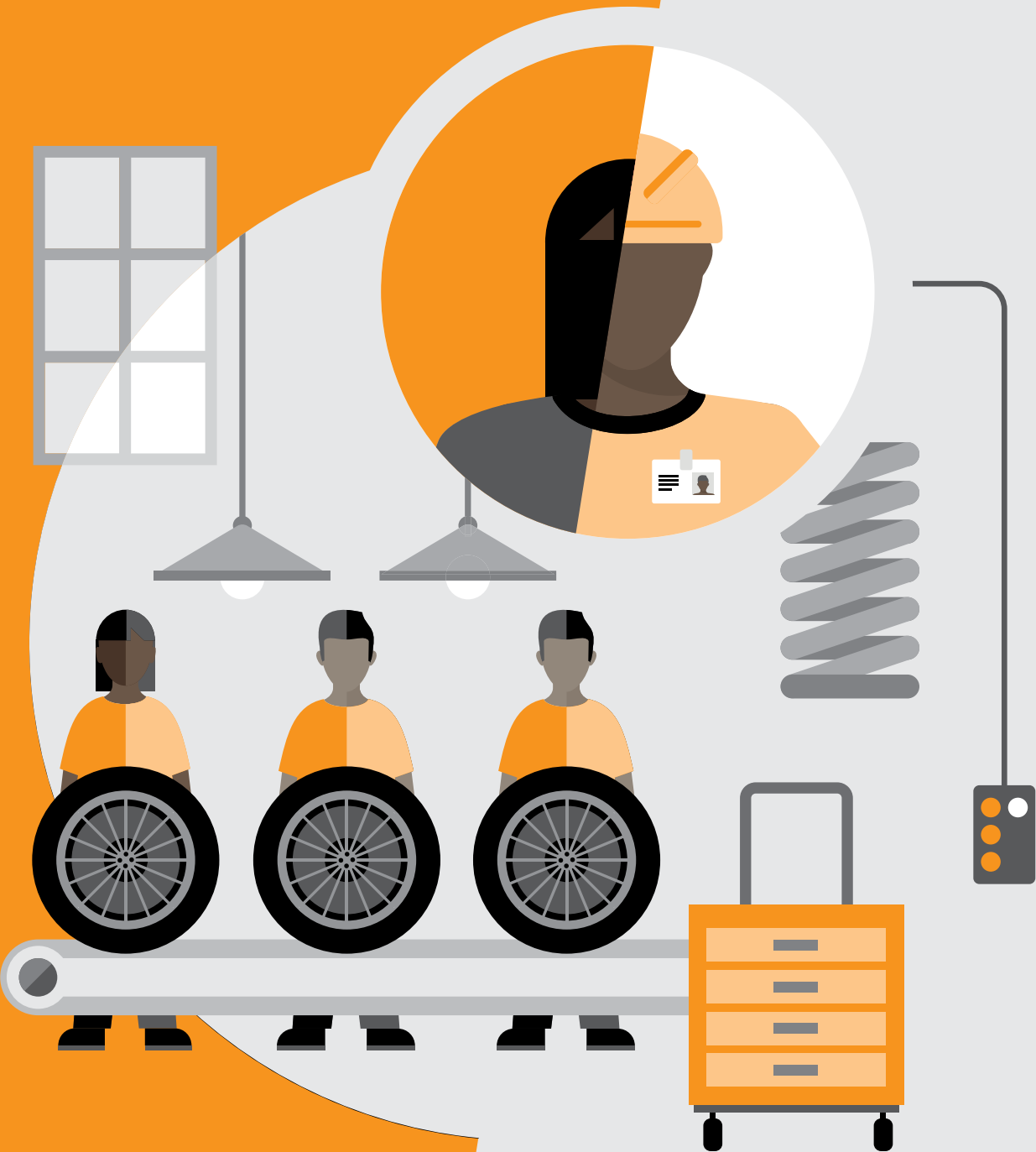
In its contractual arrangements with suppliers or within its supplier code of conduct, the Company incorporates requirements to conduct due diligence for raw materials

**OR** the Company describes how it works with suppliers to contribute to building their capacity in risk assessment and improving their due diligence performance.

Score 2

The Company meets both of the requirements under Score 1

**AND** the Company also indicates that it identifies the sources of high-risk raw materials in its supply chain (e.g. farm, ranch, mine).



## E Performance: Responses to Serious Allegations

This Measurement Theme focuses on responses to serious allegations of negative impacts a Company may be alleged or reported to be responsible for by an external source.

While previous Measurement Themes have focused on the specific policies, systems, processes, and practices the Company puts in place to proactively avoid adverse impacts, indicators in the Responses to Serious Allegations Measurement Theme seek to assess a Company’s response to an allegation that an impact has occurred. The Response to Serious Allegations Measurement Theme does not seek to assess the allegation itself.

**Theme E is split into three indicators with weightings as follows:**

- E.1** The Company has responded publicly to the allegation (5 %)
- E.2** The Company has appropriate policies in place (5 %)
- E.3** The Company has taken appropriate action (10 %)

E

Performance: Responses to Serious Allegations

(20%)

Which allegations will be included?

Recognising the need for companies to focus their resources on responding to severe and substantiated allegations, the following criteria will be applied to assess whether an allegation will be assessed under this Measurement Theme.

Severe impacts:

This Measurement Theme will cover allegations of severe human rights impacts. The commentary to UN Guiding Principle 14 states that ‘severity of impacts will be judged by their scale, scope and irremediable character’. The Interpretive Guide to the UN Guiding Principles provides additional information about severity. Severe negative impacts are defined in the Guiding Principles as those impacts that would be greatest in terms of:

- a. **Scale:** The gravity of the impact on the human right(s);  
**AND/OR**
- b. **Scope:** The number of individuals that are or could be affected;  
**AND/OR**
- c. **Remediability:** The ease with which those impacted could be restored to their prior enjoyment of the right(s).

Clear human rights link:

The types of alleged impacts covered will include but are not limited to the following (see Figure 17 on the next page):

- Child Labour
- Forced Labour
- Discrimination
- Freedom of Association and Collective Bargaining
- Working Hours
- Health and Safety
- Right to security of persons including freedom from torture, cruel inhumane or degrading treatment.
- Land rights including forced displacement
- Indigenous peoples rights
- Environmental damage leading to water, land or air harmful to human health or negative impacts on livelihoods.

Recent:

For the purpose of the 2020 assessment, allegations must have occurred between January 2017 and December 2019. Allegations of impacts that have taken place before 2017 may be included if renewed allegations arise in connection with the original allegation (for example, about a failure to provide an effective remedy).

External source:

The indicators in this Measurement Theme are based on allegations from external sources such as print media, NGOs, news sites, governmental agencies, commentaries and social media. Only sources covered by Vigeo Eiris, BHRRC and RepRisk will be considered and each source will be shared with the Companies assessed. Sources mainly include multilateral organisations, trade unions and relevant NGOs. Analysts working for BHRRC, RepRisk and Vigeo Eiris regularly monitor email listings and search global press and NGO websites for information relating to alleged breaches and the Dow Jones/ Reuters Factiva service is used to source news articles. The allegations will be reviewed by these organisations and any duplicate allegations across the databases will be removed. Note that these will not consider companies’ self-reported impacts, which are dealt with in indicators under the other CHRB Measurement Themes.

Level of detail provided on the allegation:

Allegations must have enough detail to link the Company to the allegation, i.e. to put the Company’s responsibility into question if the facts were established. Such details can include specifications about specific operations or locations and specific details about the alleged impacts. A Company, or a joint venture or consortium (where the Company has an equity stake of 5 % or more), must be specifically named in an allegation to be included.

Practical thresholds:

Outlined in Figure 17 are the indicative thresholds for including allegations in this Measurement Theme, relevant international standards and some examples to highlight the kinds of allegations that could qualify in practice.

Figure 17 Examples of types of alleged impacts relevant to Measurement Theme E

Type of impact to which the allegation is related		
Relevant International Conventions	Threshold for the type of allegations that could be included	Examples of the allegation types that could be included
Forced Labour		
ILO Conventions 29 and 105 – prohibiting the use of forced labour, indentured labour, slave labour and prison labour	<b>Allegations that involve:</b> <ul style="list-style-type: none"><li>• coercion</li><li>• bonded labour</li><li>• workers not being paid their wages in the context of overall poor working conditions</li></ul>	Sourcing from suppliers not paying their employees, or sourcing from suppliers employing young girls and women in a form of bonded labour.
Child Labour		
ILO conventions 138 and 182 - prohibiting the employment of children below 15 years, and below 18 years in most hazardous work	<b>Allegations that involve:</b> <ul style="list-style-type: none"><li>• hazardous work under the age of 18</li><li>• child labour under the ageof 15 (or age as per national law, whichever is higher)</li><li>• children working excessive hours or that result in the death of a child</li><li>• child exploitation, including sexual exploitation</li></ul>	Allegations that over 60 % workers at supplier factories/ contractors’ workers interviewed were between 15 and 18 (the hazardous nature of the work is not appropriate for workers below the age of 18 according to the ILO).
Discrimination		
ILO conventions 100 and 111 - prohibiting discrimination at work	<b>Allegations that involve:</b> <ul style="list-style-type: none"><li>• repeated degrading discriminatory treatment (physical abuse)</li><li>• violence against those affected or serious, substantial threats of violence such as death threats</li><li>• forced pregnancy testing or discrimination against pregnant women</li></ul>	Allegations of pregnancy testing on women prior to hiring them, or of sexual assaults at supplier factories.
Working Hours		
ILO Conventions 1, 14 and 106 - Hours of Work (Industry), Weekly Rest (Industry) and Weekly Rest (Commerce and Offices)	<b>Allegations that involve:</b> <ul style="list-style-type: none"><li>• forced overtime (the allegations must explicitly detail the forced overtime) OR overtime that result in the death of a worker</li><li>• excessive overtime (employees or workers in the supply chain working more than 60 hours a week on an ongoing basis)</li></ul>	Allegations that average working hours per month exceed 300 hours at factories where workers’ employment depends on signing a ‘voluntary application of overtime work’.
Freedom of Association and Collective Bargaining		
ILO conventions 87 and 98 - Freedom of association / Collective bargaining	<b>Allegations that involve:</b> <ul style="list-style-type: none"><li>• active and systematic opposition to employees or other workers from forming or joining unions, or threatens those who do join, or dismisses workers who have joined interfering in the union’s activities or administration</li><li>• repeated refusal to recognise a union over a period of time (two years) in one location or allegations that it has refused to recognise a union in multiple locations</li></ul>	Allegations that employees have been dismissed for being part of a union or being forced to leave their unions.

Figure 17 Examples of types of alleged impacts relevant to Measurement Theme E		
Type of impact to which the allegation is related		
Relevant International Conventions	Threshold for the type of allegations that could be included	Examples of the allegation types that could be included
Health and Safety		
ILO conventions relating to this issue include: Occupational Safety and Health Convention 155, Prevention of Major Industrial Accidents Convention 174 and the Safety and Health in Mines Convention 176	<p><b>Isolated events that involve:</b></p> <ul style="list-style-type: none"><li>accidents involving 5 or more deaths or serious injuries of employees or contractors or other persons outside the workforce where there are allegations that the Company failed to apply health and safety principles</li><li>the Company’s supply chain, where 10 or more deaths or serious injuries of the suppliers’ employees or contractors or other persons outside the workforce where there are allegations that the supplier failed to apply health and safety principles</li><li>major accidents that do not result in this level of deaths or serious injuries if on the basis of the information available it seems likely that such deaths or injuries were only avoided by chance (e.g. an explosion occurring on a Sunday when no employees are on site)</li></ul> <p><b>Ongoing issues that involve:</b></p> <ul style="list-style-type: none"><li>Repeated accidents, which did not reach the threshold of (1), where there has been 12 deaths or 24 serious injuries (or a combination of both) in a 12 month period; OR</li><li>Occupational health incidents, where the company or its suppliers have been linked as the cause of chronic diseases and other serious health effects on a scale of 100 cases or more. Allegations that involve:</li></ul>	A tunnel collapse in a mine and killing over 28 workers or explosion at an oil pipeline killing 62 people and injuring 136 people.
Right to security of persons including freedom from torture, cruel inhumane or degrading treatment		
<ul style="list-style-type: none"><li>UN Code of Conduct for Law Enforcement Officials (1979)</li><li>UN Basic Principles on the Use of Force &amp; Firearms by Law Enforcement Officials (1990)</li><li>Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment (1984)</li><li>Geneva Convention relative to the Treatment of Prisoners of War (1949)</li></ul>	<p><b>Allegations that involve:</b></p> <ul style="list-style-type: none"><li>violations by security forces linked to the Company or company personnel that have resulted in at least one fatality or torture</li><li>death or death threats allegedly linked to Company made against human rights defenders</li><li>death or death threats allegedly linked to the Company made against leaders protesting against a Company project intentional killings</li></ul>	Allegations that security guards at a mine site shot and killed artisanal miners or protesters against the mine.
Land rights		
<ul style="list-style-type: none"><li>Land rights specifically related to indigenous peoples:</li><li>ILO Indigenous and Tribal Peoples Convention, 1989 (No. 169)</li><li>UN Declaration on the Rights of Indigenous Peoples, 2007</li></ul>	<p><b>Allegations that involve:</b></p> <ul style="list-style-type: none"><li>forced evictions of local communities to clear land for the Company’s use</li><li>companies using indigenous lands without indigenous peoples’ free, prior and informed consent</li></ul>	Allegations that land was confiscated and local communities were forcibly removed from their lands.
Right to livelihood and / or right to health		
No specific standard is used in this impact	<p><b>Allegations that involve:</b></p> <ul style="list-style-type: none"><li>environmental damage linked to Company with clear links to health or other human rights impacts</li></ul>	On-going allegations related to gas flaring and/or oil spills that have reportedly caused serious damage to the environment, human health and livelihoods.

**Note:** Figure 17 is not an exhaustive list and will evolve as allegations are reviewed. Human rights issues key to other industries will be added as these industries are included in future iterations of the Benchmark.

Scoring

CHRB has recognised that the Pilot Methodology rule of awarding an automatic 20 points to companies where no serious allegations that met the CHRB threshold were identified did not account for the different socio-political contexts in which companies operate and the impact this can have on the number of allegations made against them. For example, companies that operate in countries where freedom of speech is limited and civil society less active are less likely to be called out for alleged human rights impacts than public-facing companies that operate in contexts where making human rights allegations is more common and safer. For this reason, companies against which no serious allegations meeting the CHRB threshold are identified will no longer receive 20 points automatically.

The scoring will operate according to the following rules:

- Companies against which no serious allegations meeting the CHRB thresholds are identified will receive a score that is the average of their scores in other measurement themes.
- Where allegations are found that meet the threshold each allegation is scored across indicators E.1, E.2 and E.3, with a max of two points for each indicator. E.3 is double weighted. Therefore, the max score per allegation is 8 points. Where there are multiple allegations companies will be given an average score for all the allegations investigated.

Actual versus potential impacts

This Measurement Theme covers allegations of actual impacts; allegations regarding potential impacts that have a likelihood of occurring in the future will not be addressed in this Measurement Theme, but in other Measurement Themes of the Benchmark. Therefore, in the context of this Measurement Theme, ‘alleged’ refers to impacts that the company may or may not have acknowledged (i.e. denied that it occurred, or that it has caused or contributed to the impact).

Key concepts - Level of involvement in an impact

A Company is expected to take appropriate action to respond to impacts under the UN Guiding Principles where a Company identifies that they have caused or contributed to adverse human rights impacts. This varies according to the ‘level of involvement’ in an impact:

- where the Company identifies it has **caused** or may cause an adverse human rights impact, it should take the necessary steps to cease or prevent the impact and provide for or cooperate in remediation through legitimate processes.
- where the Company identifies that it has **contributed** or may contribute to an adverse human rights impact, it should take the necessary steps to cease or prevent its contribution, use its leverage to mitigate any remaining impact to the greatest extent possible, and provide for or cooperate in remediation through legitimate processes.
- where a Company identifies that it has not caused or contributed to an adverse human rights impact, but that impact is nevertheless **directly linked** to its operations, products or services by its business relationship with another entity, the Company should seek to prevent and mitigate the impact and may take a role in remediation.

If the Company has leverage to prevent or mitigate an adverse impact, it should exercise it. Leverage is considered to exist where the Company has the ability to effect change in the wrongful practices of an entity that causes a harm.

(Sources: Guiding Principles 13, 19 and 22)



E.1 The Company has responded publicly to the allegation

The Company has publicly responded to the allegation and provided further details.

Score 1

The Company has responded publicly to the allegation.

**Note:** This may be a response the Company has made public through a statement in a publicly accessible document on its website, in the press, through BHRRRC, or through the CHRB Disclosure Platform.

Score 2

The Company response covers each aspect of the allegation in detail.

**Note:** In case of on-going judicial process or if disclosing full details could have adverse impact on affected people, such details are not required to be disclosed publicly and will not affect obtaining a Score 2.

E.2 The Company has appropriate policies in place

The Company has policies in place related to the allegation to prevent the type of alleged impact from re-occurring.

Score 1

The Company has a publicly available statement of policy committing it to respecting the general human rights principle in question relevant to the impacts covered by the allegation

**AND** the commitment is applicable to business relationships which may have contributed to or been linked to the alleged impact.

Score 2

The Company also has a policy that refers to the specific type of human rights issue in question.

**Note:** The policy can be part of a broader human rights policy as long as it provides details on the specific human rights issue in question.

E.3 The Company has taken appropriate action

The Company has taken appropriate action to address the alleged impacts.

Score 1

The Company engages in a dialogue with the stakeholders reportedly affected in the allegation(s) (or if the Company is alleged to be directly linked, it encourages its business relationship to do so) **AND** the Company takes appropriate action depending on its ‘level of involvement’ (whether causing, contributing or directly linked - see ‘key concepts’ box on the previous page) to address the identified impacts, including through providing remedy(ies) to the affected people **OR** through demonstrating an improvement in related management systems to prevent such impacts in the future.

If the Company denies the allegation(s), it still engages in a dialogue with the stakeholders reportedly affected in the allegation(s) (or if the Company is alleged to be directly linked, it encourages its business relationship to do so) **AND** it provides evidence of having reviewed its management systems to prevent such impacts from occurring in the future.

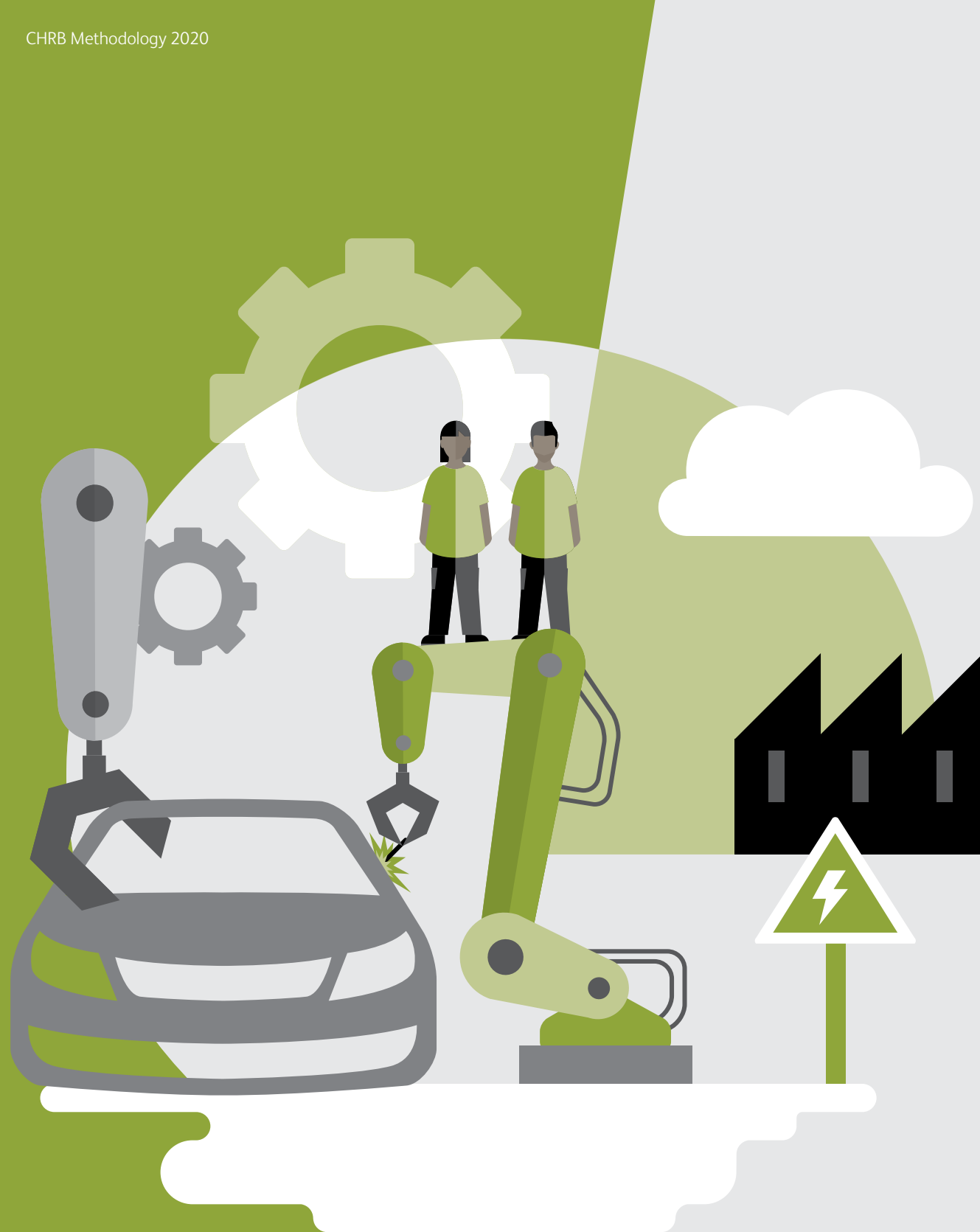
**Note:** In circumstances where a company does not deny the allegation but is unable to locate the relevant stakeholder(s) to have a dialogue or provide remedy for reasons of anonymity, the CHRB still expects the company to review its management systems and to engage in a dialogue with stakeholders, interpreted as the stakeholder type, not the specific alleged victims (e.g. individuals in similar working and living conditions in the same region, depending on the allegation).

Score 2

The Company meets all of the requirements of score 1

**AND** provides evidence that the remedy(ies) provided are satisfactory to the victims.

If the Company denies the allegation(s), it provides evidence of having reviewed its management systems to prevent such impacts from occurring in the future and has implemented any recommended improvements, or describes how it ensures the implementation of the relevant management systems.



## F Transparency

Theme F is designed to achieve the following aims:

- Reward companies that demonstrate a willingness to disclose information (F.1)
- Give credit to companies that use existing good practice reporting frameworks (F.2)
- Give credit to companies that meet criteria in specific indicators that represent high quality of disclosures (F.3)

**The 2019 Methodology will continue to use these three indicators:**

**F.1** Company willingness to publish information (4 %)

**F.2** Recognised Reporting Initiatives (2 %)

**F.3** Key, high-quality disclosure (4 %)

**F.3.a** Specificity and use of concrete examples

**F.3.b** Discussing challenges openly

**F.3.c** Demonstrating a forward focus

F

Transparency

(20%)

**F.1** assesses the company’s willingness to publish information and gives credit to companies that disclose information regardless of whether that information meets all the CHRB requirements to achieve a point score.

**F.2** assesses whether companies report against existing internationally recognised good-practice reporting frameworks and gives credit where companies report against either the UNGP Reporting Framework (UNGPRF), the Global Reporting Initiative (GRI) or the Sustainability Accounting Standards Board (SASB).

**F.3** looks at and rewards high-quality disclosures. CHRB has selected several key indicators within the Methodology that show companies are willing to be transparent in certain areas that indicate high quality reporting on human rights performance. F.3 draws on the Shift Project’s publication *Human Rights Reporting: Are Companies Telling Investors What They Need to Know?* to identify criteria for the three F.3 sub-indicators.

F.1 Company willingness to publish information

Because of the half marks (0.5, 1.5) available in most indicators of the CHRB Methodology (see Annex 2 for more information on scoring) CHRB is able to identify where companies are not meeting all the requirements to reach a score of 1, but are disclosing relevant information on a topic. In the case of a half mark, a company is demonstrating a level of transparency, but is not necessarily reaching the required level of performance on that human rights topic to score a 1 on CHRB’s methodology.

F.1 looks at all of the company disclosures in Themes A-E and identifies where there is sufficient disclosure to warrant a score of a half-mark and above. The score for F.1 is based on the proportion of indicators in Themes A-E which score 0.5 and above.

There are 4 points available for F.1 representing 4% of the total CHRB score. E.g. A company is assessed on a total of 60 indicators across themes A-E. The Company scores a zero in 12 indicators (all other scores are ½, 1, 1 ½ or 2). In other words, it is disclosing on 48 out of 60 indicators, showing a relatively high level of transparency. As Indicator Scoring more than 0 = 48 and Total Indicators scored = 60. Therefore F.1 score = 4 \*(48/60) = 3.2 % out of a maximum of 4 %.

F.2 Recognised Reporting Initiatives

The CHRB Methodology rewards companies that are reporting against existing, internationally recognised good-practice reporting frameworks:

Where a company is reporting against either the Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB) or the UN Guiding Principle Reporting Framework (UNGPRF), they will achieve an automatic score of 2 points within the Transparency Theme, representing 2% of the total CHRB score.

In order to identify whether a company reports against one or more of these frameworks, the CHRB will look for a clear statement that the company does so on its website or in relevant report(s).

F.3 Key, high-quality disclosure

Whereas F.1 looks at total overall disclosure to demonstrate transparency, F.3 looks at ‘high-quality’ disclosures and CHRB has selected several key indicators within the Methodology that show companies are willing to be transparent in certain areas that indicate high quality reporting on human rights performance.

In order to assess the quality of reporting, the CHRB Methodology draws from the Shift Project’s publication ‘Human Rights Reporting: Are Companies Telling Investors What They Need to Know?’ according to which good human rights reporting:

- Is specific and supported by concrete examples
- Discusses challenges openly
- Demonstrates a forward focus

Therefore, CHRB has selected 10 indicators which indicate specificity of the information disclosed and use of concrete examples (F.3.a), an openness to discussing challenges (F.3.b) or a forward focus (F.3.c) - note that some may cut across several of these areas. These 10 indicators are listed below and include at least one indicator in each Theme (A-E).

Points in section F.3 will be awarded to companies as described in F.3.a, F.3.b and F.3.c in the table on the next page’. Each ‘high performance’ indicator that is met results in a score of 1. The sum of the relevant indicators, divided by the total number, is used to assign a proportion of the maximum 4 %.

E.g. A company is assessed on 10 ‘high-performance’ indicators. The company meets the criteria for 5 of those indicators, giving a score of 5 out of 10. The max score for F.3 is 4 %, so the Company achieves 2 % in this section. This is shown in more detail in an example table on the following page.

The table below demonstrates how the scoring will work for section F.3 using a hypothetical example. For more detail on scoring rules, see Annex 2.

F.3 Example Table				
F.3 Indicator	Threshold to achieve points in F.3	Example Company Score in that Indicator	Company meets threshold to score under F.3?	Points awarded in F.3
A.2.2	2	2	Yes	1
B.1.6	2	1.5	No	0
C.1	2	1	No	0
C.3	2	2	Yes	1
B.2.4	2	2	Yes	1
C.7	2	2	Yes	1
A.2.3	2	0.5	No	0
B.1.2	2	1	No	0
D.5.1.a	1	2	Yes	1
D.5.7.a	2	1	No	0
			Total	5
			Max	10 (= 4%)
			F.3 Score	5/10 = 50% 50% * 4 = 2%



Annexes

# Annex 1 Index of Indicators

## A. Governance and Policy Commitments

### A.1. Policy commitments

- A.1.1 Commitment to respect human rights
- A.1.2 Commitment to respect the human rights of workers
- A.1.3 Commitment to respect human rights particularly relevant to the industry
  - A.1.3.a Commitment to responsible sourcing of minerals
  - A.1.3.b Commitment to respect human rights particularly relevant to the Automotive manufacturing industry
- A.1.4 Commitment to engage with stakeholders
- A.1.5 Commitment to remedy
- A.1.6 Commitment to respect the rights of human rights defenders

### A.2 Board level accountability

- A.2.1 Commitment from the top
- A.2.2 Board discussions
- A.2.3 Incentives and performance management

## B. Embedding respect and Human Rights Due Diligence

### B.1 Embedding respect for human rights in company culture and management systems

- B.1.1 Responsibility and resources for day-to-day human rights functions
- B.1.2 Incentives and performance management
- B.1.3 Integration with enterprise risk management
- B.1.4 Communication/dissemination of policy commitment(s)
  - B.1.4.a Communication/dissemination of policy commitment(s) within Company’s own operations
  - B.1.4.b Communication/dissemination of policy commitment(s) to business relationships
- B.1.5 Training on human rights
- B.1.6 Monitoring and corrective actions
- B.1.7 Engaging business relationships
- B.1.8 Approach to engagement with potentially affected stakeholders

### B.2 Human rights due diligence

- B.2.1 Identifying: Processes and triggers for identifying human rights risks and impacts
- B.2.2 Assessing: Assessment of risks and impacts identified (salient risks and key industry risks)
- B.2.3 Integrating and Acting: Integrating assessment findings internally and taking appropriate action
- B.2.4 Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts
- B.2.5 Communicating: Accounting for how human rights impacts are addressed

## C. Remedies and Grievance Mechanisms

- C.1 Grievance channels/mechanisms to receive complaints or concerns from workers
- C.2 Grievance channels/mechanisms to receive complaints or concerns from external individuals and communities
- C.3 Users are involved in the design and performance of the channel(s)/mechanism(s)
- C.4 Procedures related to the mechanism(s)/channel(s) are publicly available and explained
- C.5 Commitment to non-retaliation over concerns/complaints made
- C.6 Company involvement with State-based judicial and non-judicial grievance mechanisms
- C.7 Remedying adverse impacts and incorporating lessons learned

## D. Performance: Company Human Rights Practices

### D.5 Automotive Manufacturing

- D.5.1 Living wage
  - D.5.1.a Living wage (in own production or manufacturing operations)
  - D.5.1.b Living wage (in the supply chain)
- D.5.2 Aligning purchasing decisions with human rights
- D.5.3 Mapping and disclosing the supply chain
- D.5.4 Prohibition on Child labour
  - D.5.4.a Age verification and corrective actions (in own production or manufacturing operations)
  - D.5.4.b Age verification and corrective actions (in the supply chain)
- D.5.5 Prohibition on Forced labour
  - D.5.5.a Debt bondage and other unacceptable financial costs (in own production or manufacturing operations)
  - D.5.5.b Debt bondage and other unacceptable financial costs (in the supply chain)
  - D.5.5.c Restrictions on workers (in own production or manufacturing operations)
  - D.5.5.d Restrictions on workers (in the supply chain)
- D.5.6 Freedom of association and collective bargaining
  - D.5.6.a Freedom of association and collective bargaining (in own production or manufacturing operations)
  - D.5.6.b Freedom of association and collective bargaining (in the supply chain)
- D.5.7 Health and safety
  - D.5.7.a Fatalities, lost days, injury rates (in own production or manufacturing operations)
  - D.5.7.b Fatalities, lost days, injury rates (in the supply chain)
- D.5.8 Women’ rights
  - D.5.8.a Women’s rights (in own production or manufacturing operations)
  - D.5.8.b Women’s rights (in the supply chain)
- D.5.9 Working hours
  - D.5.9.a Working hours (own production or manufacturing operations)
  - D.5.9.b Working hours (in the supply chain)
- D.5.10 Responsible Mineral Sourcing
  - D.5.10.a Arrangements with Suppliers and Smelters/Refiners in the Mineral Resource Supply Chains
  - D.5.10.b Risk Identification & Responses in Mineral Supply Chains
  - D.5.10.c Reporting on Responsible Mineral Sourcing
- D.5.11 Responsible Materials Sourcing

## E. Responses to Serious Allegations

- E.1 The Company has responded publicly to the allegation
- E.2 The Company has appropriate policies in place

### E.3 The Company has taken appropriate action

## F. Transparency

- F.1 Company willingness to publish information
- F.2 Recognised Reporting Initiatives
- F.3 Key, high-quality disclosure

- F.3.a Specificity and use of concrete examples
- F.3.b Discussing challenges openly
- F.3.c Demonstrating a forward focus



Annex 2 Further Guidance on the CHRB Scoring Rules

The tables below provide guidance on the CHRB scoring rules.

For every indicator, there is information on the possible scores available for that indicator and on the relative weight of that indicator within its measurement theme.

Half points are available in cases of multi-criteria indicators; where the company is asked to fulfil more than one requirement to get a full score of 1 or 2. Where this is the case, the indicator description will include an ‘AND’ in capital letters to separate those requirements. They must be distinguished from a lower case ‘and’ which merely introduce an additional idea within the same requirement (and do not therefore create a possibility to score a half-point). Where there are more than two requirements, the company can score half a point for any of those requirements but will need to fulfil all of them to obtain a full point.

Double-weighted indicators are highlighted in the weighting column.

For every measurement theme, there is information on the way point scores and percentage scores are calculated, and on the relative weight of that measurement theme in the total score.

A Governance and Policy Commitments							Maximum percentage points in Theme: 10%	
Indicator	Possible scores					Weighting	Points Score in Theme	% Score in Theme
	0	0.5	1	1.5	2			
A.1.1 Commitment to respect human rights	✓	✗	✓	✗	✓	●● Double	There are <b>16 points</b> available in Theme A.1.  The company's score is calculated as follows:  Score for single weighted indicators + (Score for double weighted indicators* 2) + (Score for half weighted indicator* 0.5)  <i>*The weighting for indicator A.1.6 is increased from half to full weight to reflect the importance of this topic</i>	The percentage score is calculated as follows:  (number of points / 16) * 5
A.1.2 Commitment to respect the human rights of workers	✓	✓	✓	✓	✓	● Single		
A.1.3.a Commitment to responsible sourcing of minerals								
A.1.3.b Commitment to respect human rights particularly relevant to the ICT products industry								
A.1.4 Commitment to engage with stakeholders	✓	✗	✓	✗	✓	● Single		
A.1.5 Commitment to remedy	✓	✗	✓	✓	✓	● Single		
A.1.6 Commitment to respect the rights of human rights defenders	✓	✗	✓	✗	✓	● Single*		
A.2.1 Commitment from the top	✓	✗	✓	✗	✓	● Single	There are <b>6 points</b> available in Theme A.2.  The company's score is calculated as follows:  Score for single weighting indicators	The percentage score is calculated as follows:  (number of points / 6) * 5
A.2.2 Board discussions	✓	✗	✓	✗	✓	● Single		
A.2.3 Incentives and performance management	✓	✗	✓	✗	✓	● Single		

B Governance and Policy Commitments							Maximum percentage points in Theme: 25%	
Indicator	Possible scores					Weighting	Points Score in Theme	% Score in Theme
	0	0.5	1	1.5	2			
B.1.1 Responsibility and resources for day-to-day human rights functions	✓	✗	✓	✓	✓	● Single	There are <b>22 points</b> available in Theme B.1.  The company's score is calculated as follows:  Score for single weighting indicators + (Score for double weighted indicators * 2)	The percentage score is calculated as follows:  (number of points / 22) * 10
B.1.2 Incentives and performance management	✓	✓	✓	✗	✓	● Single		
B.1.3.a Integration with enterprise risk management	✓	✗	✓	✗	✓	● Single		
B.1.4.a Communication/ dissemination of policy commitment(s) within Company's own operations	✓	✗	✓	✓	✓	● Single		
B.1.4b Communication/ dissemination of policy commitment(s) to business relationships	✓	✓	✓	✓	✓	● Single		
B.1.5 Training on Human Rights	✓	✗	✓	✗	✓	● Single		
B.1.6 Monitoring and corrective actions	✓	✓	✓	✓	✓	● Single		
B.1.7 Engaging business relationships	✓	✗	✓	✓	✓	●● Double		
B.1.8 Approach to engagement with potentially affected stakeholders	✓	✓	✓	✗	✓	●● Double		
B.2.1 Identifying: Processes and triggers for identifying	✓	✓	✓	✓	✓	● Single	There are 12 points available in Theme B.2.  The company's score is calculated as follows:  Score for single weighting indicators + (Score for double weighted indicators * 2)	The percentage score is calculated as follows:  (number of points / 12) * 15
B.2.2 Assessing: Assessment of risks and impacts identified (salient risks and key industry risks)	✓	✗	✓	✗	✓	●● Double		
B.2.3 Integrating and Acting: Integrating assessment findings internally and taking appropriate action	✓	✓	✓	✗	✓	● Single		
B.2.4 Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts	✓	✗	✓	✗	✓	● Single		
B.2.5 Communicating: Accounting for how human rights impacts are addressed	✓	✓	✓	✓	✓	● Single		

C Remedies and Grievance Mechanisms							Maximum percentage points in Theme: 15%	
Indicator	Possible scores					Weighting	Points Score in Theme	% Score in Theme
	0	0.5	1	1.5	2			
C.1 Grievance channels/ mechanisms to receive complaints or concerns from workers	✓	✗	✓	✓	✓	●	There are <b>18 points</b> available in Theme C.  The company's score is calculated as follows:  Score for single weighting indicators + (Score for double weighted indicators * 2)	The percentage score is calculated as follows:  (number of points / 18) * 15
C.2 Grievance channels/ mechanisms to receive complaints or concerns from external individuals and communities	✓	✗	✓	✓	✓	●		
C.3 Users are involved in the design and performance of the channel(s)/mechanism(s)	✓	✗	✓	✓	✓	●●		
C.4 Procedures related to the mechanism(s)/channel(s) are publicly available and explained	✓	✗	✓	✗	✓	●		
C.5 Commitment to non-retaliation over concerns/ complaints made	✓	✓	✓	✓	✓	●		
C.6 Company involvement with State-based judicial and non-judicial grievance mechanisms	✓	✓	✓	✓	✓	●		
C.7 Remedying adverse impacts and incorporating lessons learned	✓	✗	✓	✓	✓	●		

D Performance: Company Human Rights Practices (Automotive Manufacturing only)							Maximum percentage points in Theme: 20%	
Indicator	Possible scores					Weighting	Points Score in Theme	% Score in Theme
	0	0.5	1	1.5	2			
D.5.1.a Living wage (in own production or manufacturing operations)	✓	✓	✓	✓	✓	●	There are <b>22 points</b> available in Theme D.  The company's score is calculated as follows:  Score for single weighting indicators + (Score for half weighted indicators * 0.5) + (Score for third weighted indicators * 0.33) + (Score for quarter weighted indicators * 0.25)	The percentage score is calculated as follows:  (number of points / 22) * 20
D.5.1.b Living wage (in the supply chain)	✓	✗	✓	✓	✓	●		
D.5.2 Aligning purchasing decisions with human rights	✓	✗	✓	✗	✓	●		
D.5.3 Mapping and disclosing the supply chain	✓	✗	✓	✗	✓	●		
D.5.4.a Child labour: Age verification and corrective actions (in own production or manufacturing operations)	✓	✓	✓	✗	✓	●		
D.5.4.b Child labour: Age verification and corrective actions (in the supply chain)	✓	✗	✓	✓	✓	●		

D Performance: Company Human Rights Practices (Automotive Manufacturing only)							Maximum percentage points in Theme: 20%	
Indicator	Possible scores					Weighting	Points Score in Theme	% Score in Theme
	0	0.5	1	1.5	2			
D.5.5.a Forced labour: Debt bondage and other unacceptable financial costs (in own production/ manufacturing)	✓	✓	✓	✗	✓	●	There are <b>22 points</b> available in Theme D.  The company's score is calculated as follows:  Score for single weighting indicators + (Score for half weighted indicators * 0.5) + (Score for third weighted indicators * 0.33) + (Score for quarter weighted indicators * 0.25)  *Some indicators are split into 2 (own operation and supply chain are assessed separately) or into 3 in the case of D.5.10 or into 4 in the case of D.5.5 (different manifestations of forced labour are distinguished) and weighted accordingly (see "weighting" column). For companies assessed only on their own operations or only on their supply chain, the relevant indicators will be single-weighted.	The percentage score is calculated as follows:  (number of points / 22) * 20
D.5.5.b Forced labour: Debt bondage and other unacceptable financial costs (in the supply chain)	✓	✗	✓	✓	✓	●		
D.5.5.c Forced labour: Restrictions on workers (in own production/ manufacturing)	✓	✗	✓	✗	✓	●		
D.5.5.d Forced labour: Restrictions on workers (in the supply chain)	✓	✗	✓	✓	✓	●		
D.5.6.a Freedom of association and collective bargaining (in own production/manufacturing)	✓	✗	✓	✗	✓	●		
D.5.6.b Freedom of association and collective bargaining (in the supply chain)	✓	✗	✓	✓	✓	●		
D.5.7.a Health and safety: Fatalities, lost days, injury rates (in own production/manufacturing)	✓	✗	✓	✓	✓	●		
D.5.7.b Health and safety: Fatalities, lost days, injury rates (in the supply chain)	✓	✓	✓	✓	✓	●		
D.5.8.a Women's rights (in own production/manufacturing)	✓	✗	✓	✗	✓	●		
D.5.8.b Women's rights (in the supply chain)	✓	✗	✓	✓	✓	●		
D.5.9.a Working Hours (in own production/manufacturing)	✓	✗	✓	✗	✓	●		
D.5.9.b Working Hours (in the supply chain)	✓	✗	✓	✓	✓	●		
D.5.10.a Arrangements with Suppliers and Smelters/Refiners in the Mineral Resource Supply Chains (in own production/ manufacturing)	✓	✓	✓	✓	✓	●		
D.5.10.b Risk Identification & Responses in Mineral Supply Chains	✓	✓	✓	✓	✓	●		
D.5.10.c Reporting on Responsible Mineral Sourcing	✓	✓	✓	✓	✓	●		
D.5.11 Responsible Material Sourcing	✓	✗	✓	✓	✓	●		

E Serious Allegations						Maximum percentage points in Theme: 20%		
Indicator	Possible scores					Weighting	Points Score in Theme	% Score in Theme
	0	0.5	1	1.5	2			
E.1 The Company has responded publicly to the allegation	✓	✗	✓	✗	✓	● Single	There are <b>8 points</b> available in Theme E.	The percentage score is calculated as follows:  (number of points / 8) * 20
E.2 The Company has appropriate policies in place	✓	✓	✓	✗	✓	● Single	The company's score is calculated as follows:  Score for single weighting indicators + (Score for double weighted indicators * 2)	
E.3 The Company has taken appropriate action	✓	✓	✓	✓	✓	●● Double		

F Transparency						Maximum percentage points in Theme: 10%		
Indicator	Possible scores					Weighting	Points Score in Theme	% Score in Theme
F.1 Company willingness to publish information	0 to 56 (the company gets 1 point for any indicator where it scores 0.5 or above – there are 56 indicators for Automotive Manufacturing companies)					Makes up 40% of theme score.	There are 4 points in F.1 The company's score is calculated as follows:  ((Sum of all indicators A-E where the company scored more than zero) / 56) * 4	The percentage score is calculated as follows:  (Sum of points in F.1, F.2 and F.3) * 10
F.2 Recognised Reporting Initiatives	0		2		Makes up 20% of theme score.	There are 2 points in F.2 The company's score is calculated as follows: 0 or 2		
F.3a Specificity and use of concrete examples	0	1	2	3	4	Makes up 40% of theme score.	There are 4 points in F.3 The company's score is calculated as follows:  ((Sum of individual scores for F3a, F3b, F3c) / 10) * 4	
F.3b Discussing challenges openly	0	1	2	3	4			
F.3c Including information about the company's plans to advance its efforts	0	1	2	3	4			

Annex 3 Cross-reference table:  
CHRB and other reporting frameworks








CHRB Indicator	Equivalent indicator in other reporting standard	Reporting standard requirements
A.2.1 Commitment from the top	GRI 102-26 (limited to social impacts and to highest governance body/ board level)	Highest governance body’s and senior executives’ roles in the development, approval, and updating of the organization’s purpose, value or mission statements, strategies, policies, and goals related to economic, environmental, and social topics.
A.2.2 Board discussions	GRI 102-18 (limited to social impacts)	Governance structure of the organization, including committees of the highest governance body. Committees responsible for decision-making on economic, environmental, and social topics.
	GRI 102-31 (limited to social impacts)	Frequency of the highest governance body’s review of economic, environmental, and social topics and their impacts, risks, and opportunities.
	UNGPRF A2.2 (limited to highest governance body/board level)	What kinds of human rights issues are discussed[by senior management and] by the board, and why?
A.2.3 Incentives and performance management	GRI 102-35 (limited to highest governance body/board level)	Remuneration policies for the highest governance body and senior executives for the following types of remuneration:  i. Fixed pay and variable pay, including performance-based pay, equity-based pay, bonuses, and deferred or vested shares; ii. Sign-on bonuses or recruitment incentive payments; iii. Termination payments; iv. Clawbacks; v. Retirement benefits, including the difference between benefit schemes and contribution rates for the highest governance body, senior executives, and all other employees.  How performance criteria in the remuneration policies relate to the highest governance body’s and senior executives’ objectives for economic, environmental, and social topics.
B.1.1 Responsibility and resources for day-to-day human rights functions	GRI 102-19 (limited to social topics)	Process for delegating authority for economic, environmental, and social topics from the highest governance body to senior executives and other employees.
	GRI 102-20 (limited to social topics)	Whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental, and social topics. Whether post holders report directly to the highest governance body.
	UNGPRF A2.1	How is day-to-day responsibility for human rights performance organised within the company, and why?
B.1.2 Incentives and performance management	GRI 102-35 (limited to senior executives)	Remuneration policies for the highest governance body and senior executives for the following types of remuneration:  i. Fixed pay and variable pay, including performance-based pay, equity-based pay, bonuses, and deferred or vested shares; ii. Sign-on bonuses or recruitment incentive payments; iii. Termination payments; iv. Clawbacks; v. Retirement benefits, including the difference between benefit schemes and contribution rates for the highest governance body, senior executives, and all other employees.  How performance criteria in the remuneration policies relate to the highest governance body’s and senior executives’ objectives for economic, environmental, and social topics.
B.1.4.b Communication/dissemination of policy commitment(s) to business relationships	UNGPRF A1.3	How is the public commitment disseminated?

CHRB Indicator	Equivalent indicator in other reporting standard	Reporting standard requirements
B.1.5 Training on human rights	GRI 410-1	Percentage of security personnel who have received formal training in the organization’s human rights policies or specific procedures and their application to security.  Whether training requirements also apply to third-party organizations providing security personnel.
	GRI 412-2	Total number of hours in the reporting period devoted to training on human rights policies or procedures concerning aspects of human rights that are relevant to operations.  Percentage of employees trained during the reporting period in human rights policies or procedures concerning aspects of human rights that are relevant to operations.
B.1.6 Monitoring and corrective actions	GRI 414-2	Number of suppliers assessed for social impacts.  Number of suppliers identified as having significant actual and potential negative social impacts.  Significant actual and potential negative social impacts identified in the supply chain.  Percentage of suppliers identified as having significant actual and potential negative social impacts with which improvements were agreed upon as a result of assessment.  Percentage of suppliers identified as having significant actual and potential negative social impacts with which relationships were terminated as a result of assessment, and why.
	SASB CN0501-05	Percentage of (1) tier 1 suppliers and (2) suppliers beyond tier 1 that have been audited to a labor code of conduct, percentage conducted by a third-party auditor.
	SASB CN0501-06:	Priority non-conformance rate and associated corrective action rate for suppliers’ labor code of conduct audits.
	SASB CN0103-21	Suppliers’ social and environmental responsibility audit conformance: (1) major non-conformance rate and associated corrective action rate and (2) minor non-conformance rate and associated corrective action rate.
B.1.7 Engaging business relationships	GRI 103-2	For each material topic:  An explanation of how the organization manages the topic.  A statement of the purpose of the management approach.  A description of the following, if the management approach includes that component:  i. Policies ii. Commitments iii. Goals and targets iv. Responsibilities v. Resources vi. Grievance mechanisms vii. Specific actions, such as processes, projects, programs and initiatives
	GRI 414-1	Percentage of new suppliers that were screened using social criteria
	GRI 414-2	Number of suppliers assessed for social impacts.  Number of suppliers identified as having significant actual and potential negative social impacts.  Significant actual and potential negative social impacts identified in the supply chain.  Percentage of suppliers identified as having significant actual and potential negative social impacts with which improvements were agreed upon as a result of assessment.  Percentage of suppliers identified as having significant actual and potential negative social impacts with which relationships were terminated as a result of assessment, and why.

CHRB Indicator	Equivalent indicator in other reporting standard	Reporting standard requirements
<b>B.1.8</b> Framework for engagement with potentially affected stakeholders	<b>GRI 102-42</b> (limited to social topics)	The basis for identifying and selecting stakeholders with whom to engage.
	<b>GRI 102-43</b> (limited to social topics)	The organization’s approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.
	<b>GRI 102-44</b> (limited to social topics)	Key topics and concerns that have been raised through stakeholder engagement, including: i. how the organization has responded to those key topics and concerns, including through its reporting; ii. the stakeholder groups that raised each of the key topics and concerns.
	<b>UNGPRF C2</b>	What is the company’s approach to engagement with stakeholders in relation to each salient human rights issue?
<b>B.2.1</b> Identifying: Processes and triggers for identifying human rights risks and impacts	<b>UNGPRF B2</b>	Describe how the salient human rights issues were determined, including any input from stakeholders.
	<b>GRI 412-1</b>	Total number and percentage of operations that have been subject to human rights reviews or human rights impact assessments, by country.
	<b>GRI 414-2</b>	Number of suppliers assessed for social impacts. Number of suppliers identified as having significant actual and potential negative social impacts. Significant actual and potential negative social impacts identified in the supply chain. Percentage of suppliers identified as having significant actual and potential negative social impacts with which improvements were agreed upon as a result of assessment. Percentage of suppliers identified as having significant actual and potential negative social impacts with which relationships were terminated as a result of assessment, and why.
<b>B.2.2</b> Assessing: Assessment of risks and impacts identified (salient risks and key industry risks)	<b>UNGPRF B1</b>	State the salient human rights issues associated with the company’s activities and business relationships during the reporting period.
	<b>GRI 412-1</b>	Total number and percentage of operations that have been subject to human rights reviews or human rights impact assessments, by country.
	<b>GRI 414-2</b>	Number of suppliers assessed for social impacts. Number of suppliers identified as having significant actual and potential negative social impacts. Significant actual and potential negative social impacts identified in the supply chain. Percentage of suppliers identified as having significant actual and potential negative social impacts with which improvements were agreed upon as a result of assessment. Percentage of suppliers identified as having significant actual and potential negative social impacts with which relationships were terminated as a result of assessment, and why.
<b>B.2.3</b> Integrating and Acting: Integrating assessment findings internally and taking appropriate action	<b>UNGPRF C4.3</b>	During the reporting period, what action has the company taken to prevent or mitigate potential impacts related to each salient issue?
	<b>GRI 103-2</b>	For each material topic: An explanation of how the organization manages the topic. A statement of the purpose of the management approach. A description of the following, if the management approach includes that component: (i) Policies, (ii) Commitments, (iii) Goals and targets, (iv) Responsibilities, (v) Resources, (vi) Grievance mechanisms

CHRB Indicator	Equivalent indicator in other reporting standard	Reporting standard requirements
<b>B.2.4</b> Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts	<b>UNGPRF C5</b>	How does the company know if its efforts to address each salient human rights issue are effective in practice?
	<b>GRI 103-3</b>	For each material topic: An explanation of how the organization evaluates the management approach, including: i. the mechanisms for evaluating the effectiveness of the management approach; ii. the results of the evaluation of the management approach; iii. any related adjustments to the management approach.
<b>C.1</b> Grievance channels / mechanisms to receive complaints or concerns from workers	<b>GRI 103-2</b>	For each material topic: An explanation of how the organization manages the topic. A statement of the purpose of the management approach. A description of the following, if the management approach includes that component: (i) Policies, (ii) Commitments, (iii) Goals and targets, (iv) Responsibilities, (v) Resources, (vi) Grievance mechanisms
	<b>UNGPRF C6.1</b>	Through what means can the company receive complaints or concerns related to each salient issue?
<b>C.2</b> Grievance channels/ mechanisms to receive complaints or concerns from external individuals and communities	<b>GRI 103-2</b>	For each material topic: An explanation of how the organization manages the topic. A statement of the purpose of the management approach. A description of the following, if the management approach includes that component: (i) Policies, (ii) Commitments, (iii) Goals and targets, (iv) Responsibilities, (v) Resources, (vi) Grievance mechanisms
	<b>UNGPRF C6.1</b>	Through what means can the company receive complaints or concerns related to each salient issue?
<b>C.3.</b> Users are involved in the design and performance of the channel(s)/mechanism(s)	<b>UNGPRF C6.2</b>	How does the company know if people feel able and empowered to raise complaints or concerns?
<b>C.4</b> Procedures related to the mechanism(s)/channel(s) are publicly available and explained	<b>UNGPRF C6.3</b>	How does the company process complaints and assess the effectiveness of outcomes?
<b>C.7</b> Remedying adverse impacts and incorporating lessons learned	<b>UNGPRF C6</b>	How does the company enable effective remedy if people are harmed by its actions or decisions in relation to the salient human rights issues?
	<b>UNGPRF C6.4</b>	During the reporting period, what were the trends and patterns in complaints or concerns and their outcomes regarding each salient issue, and what lessons has the company learned?
	<b>UNGPRF C6.5</b>	During the reporting period, did the company provide or enable remedy for any actual impacts related to a salient issue and, if so, what are typical or significant examples?
	<b>GRI 103-2</b>	For each material topic: An explanation of how the organization manages the topic. A statement of the purpose of the management approach. A description of the following, if the management approach includes that component: (i) Policies, (ii) Commitments, (iii) Goals and targets, (iv) Responsibilities, (v) Resources, (vi) Grievance mechanisms
	<b>GRI 413-2</b>	Operations with significant actual and potential negative impacts on local communities, including: i. the location of the operations; ii. the significant actual and potential negative impacts of operations.



CHRB Indicator	Equivalent indicator in other reporting standard	Reporting standard requirements
 <b>D.5.1.a</b> Living wage (in own production or manufacturing operations)	<b>GRI 202-1</b>	<p>When a significant proportion of employees are compensated based on wages subject to minimum wage rules, report the relevant ratio of the entry level wage by gender at significant locations of operation to the minimum wage.</p> <p>When a significant proportion of other workers (excluding employees) performing the organization’s activities are compensated based on wages subject to minimum wage rules, describe the actions taken to determine whether these workers are paid above the minimum wage.</p> <p>Whether a local minimum wage is absent or variable at significant locations of operation, by gender. In circumstances in which different minimums can be used as a reference, report which minimum wage is being used.</p>
 <b>D.5.2</b> Aligning purchasing decisions with human rights	<b>UNGPRF C4.2</b>	<p>When tensions arise between the prevention or mitigation of impacts related to a salient issue and other business objectives, how are these tensions addressed.</p>
 <b>D.5.4</b> Prohibition on child labour	<b>GRI 408-1</b>	<p>Operations and suppliers considered to have significant risk for incidents of: (i) child labor; (ii) young workers exposed to hazardous work.</p> <p>Operations and suppliers considered to have significant risk for incidents of child labor either in terms of:</p> <p>i. type of operation (such as manufacturing plant) and supplier; ii. countries / geographic areas with operations and suppliers considered at risk.</p> <p>Measures taken by the organization in the reporting period intended to contribute to the effective abolition of child labor.</p>
 <b>D.5.5</b> Prohibition on forced labour	<b>GRI 409-1</b>	<p>Operations and suppliers considered to have significant risk for incidents of forced or compulsory labor either in terms of:</p> <p>i. type of operation (such as manufacturing plant) and supplier; ii. countries / geographic areas with operations and suppliers considered at risk.</p> <p>Measures taken by the organization in the reporting period intended to contribute to the elimination of all forms of forced or compulsory labor.</p>
 <b>D.5.6</b> Freedom of association and collective bargaining	<b>GRI 407-1</b>	<p>Operations and suppliers in which workers’ rights to exercise freedom of association or collective bargaining may be violated or at significant risk either in terms of:</p> <p>i. type of operation (such as manufacturing plant) and supplier; ii. countries / geographic areas with operations and suppliers considered at risk.</p> <p>Measures taken by the organization in the reporting period intended to support rights to exercise freedom of association and collective bargaining.</p>
 <b>D.5.7.a</b> Fatalities, lost days, injury rates (in own production)	<b>GRI 403-9</b>	<p>For all employees and for all workers who are not employees but whose work and/or workplace is controlled by the organization:</p> <p>i. The number and rate of fatalities as a result of work-related injury; ii. The number and rate of high-consequence work-related injuries (excluding fatalities); iii. The number and rate of recordable work-related injuries; iv. The main types of work-related injury; v. The number of hours worked.</p> <p>The work-related hazards that pose a risk of high-consequence injury, including:</p> <p>i. how these hazards have been determined; ii. which of these hazards have caused or contributed to high-consequence injuries during the reporting period; iii. actions taken or underway to eliminate these hazards and minimize risks using the hierarchy of controls.</p> <p>Any actions taken or underway to eliminate other work-related hazards and minimize risks using the hierarchy of controls. Whether the rates have been calculated based on 200,000 or 1,000,000 hours worked. Whether and, if so, why any workers have been excluded from this disclosure, including the types of worker excluded. Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used.</p>
 <b>D.5.8.a</b> Women’s rights (in own production or manufacturing)	<b>GRI 405-2</b>	<p>Ratio of the basic salary and remuneration of women to men for each employee category, by significant locations of operation.</p>

# Annex 4 Glossary

**Affected stakeholder** – An individual whose human rights have been or may be affected by a company’s operations, products or services.

**Business activities** – Everything that a company does in the course of fulfilling the strategy, purpose, objectives and decisions of the business. This may include activities such as mergers and acquisitions, research and development, design, construction, production, distribution, purchasing, sales, provision of security, contracting, human resource activities, marketing, conduct of external/government relations including lobbying, engagement with stakeholders, relocation of communities, and social investment.

**Business relationships** – The relationships a company has with business partners, entities in its value chain and any other State or non-State entity directly linked to its operations, products or services. They include indirect relationships in its value chain, beyond the first tier, and minority as well as majority shareholding positions in joint ventures.

**Child labour and child work** – A “child” is anyone under the age of 18 as defined by the Convention on the Rights of the Child (CRC). A child can “work” at an earlier age than 18 as specified in ILO Convention 138 Minimum Age for Admission to Employment (1973) – i.e. if the age is above the age for finishing compulsory schooling, is in any case not less than 15 years of age (and at 14 years of age in specific circumstances in developing countries) and as long as it is not “hazardous work.” “Child labour” is work by people under 18 (“children”) that is not permitted (as set out above). “Child work” is work by people under 18 (“children”) that is permitted. Child work is carried out by “young workers.” See the box Relevant definitions on child labour on p. 79 for more detail.

**Civil Society Organisation (CSOs)** – Non-State, not-for-profit, voluntary entities formed by people in the social sphere that are separate from the State and the market. CSOs represent a wide range of interests and ties. They can include community-based organisations as well as non-governmental organisations (NGOs). In the context of the CHRB, CSOs do not include business or for-profit associations.

**Disclosure** – All information released by a company for the purpose of informing shareholders or other stakeholders.

**Embedding** – The macro-level process of ensuring that a company’s responsibility to respect human rights is driven across the organisation, into its business values and culture. It requires that all personnel are aware of the company’s public commitment to respect human rights, understand its implications for how they conduct their work, are trained, empowered and incentivised to act in ways that support the commitment, and regard it as intrinsic to the core values of the workplace. Embedding is one continual process, generally driven from the top of the company. (See UN Guiding Principle 16)

**Effectiveness criteria** – The UN Guiding Principles set out eight “effectiveness criteria” for non-judicial grievance mechanisms. They should be: legitimate, accessible, predictable, equitable, transparent, rights-compatible, based on dialogue and engagement, and a source of continuous learning. While these criteria mostly relate to the quality of processes, they include an important requirement that outcomes should be in line with internationally-recognised human rights. (See UN Guiding Principle 31).

**Extractive business partners** – Refers to operational level contractors (includes on-site and off-site contractors involved in operations (such as those involved in resettlement operations or other similar operations off-site), contracted security providers, etc.) and joint ventures or similar contractual arrangements with multiple parties to carry out exploration and/or production.

**Extractive operations** – This term is used to cover exploration, development, production, decommissioning and closure, but not processing, refining, marketing or end-use of extractive resources. There are various terms used in each of oil & gas (upstream) and mining industries to describe these phases that involve the exploration for and extraction of resources.

**Fundamental rights at work** – are set out in and are often referred to as the ILO core labour standards and cover: (a) freedom of association and the effective recognition of the right to collective bargaining; (b) the elimination of all forms of forced or compulsory labour; (c) the effective abolition of child labour; and (d) the elimination of discrimination in respect of employment and occupation (See ILO Declaration on the Fundamental Rights and Principles At Work).

**Forced labour** – Forced labour refers to situations in which persons are coerced to work through the use of violence or intimidation, or by more subtle means such as accumulated debt, retention of identity papers or threats of denunciation to immigration authorities. Forced labour, contemporary forms of slavery, debt bondage and human trafficking are closely related terms though not identical in a legal sense. Most situations of slavery or human trafficking are however covered by ILO’s definition of forced labour. (See ILO Forced Labour Convention, 1930 (No. 29) and Abolition of Forced Labour Convention, 1957 (No. 105)).

**Free Prior and Informed Consent (FPIC)** – FPIC is instrumental to the rights of participation and self-determination of indigenous peoples, and acts as a safeguard for all those rights of indigenous peoples that may be affected by external actors. The United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) sets out circumstances when FPIC shall be sought and when exceptions are permissible.

**Human rights** – Basic international standards aimed at securing dignity and equality for all. Every human being is entitled to enjoy them without discrimination. They include the rights contained in the International Bill of Human Rights (see below). They also include the principles concerning fundamental rights at work set out in the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work.

**Human rights defender** – A term used to describe people who, individually or with others, act to promote or protect human rights.

**Human rights due diligence** – An ongoing risk management process that a reasonable and prudent company needs to follow in order to identify, prevent, mitigate and account for how it addresses its adverse human rights impacts. As set out in the UN Guiding Principles 17-21, this includes four key steps: assessing actual and potential human rights impacts; integrating and acting on the findings; tracking responses; and communicating about how impacts are addressed.

**Human rights impacts** – A “negative human rights impact” or “human rights abuse” or “human rights harms” occur when an action removes or reduces the ability of an individual to enjoy his or her human rights. Human rights impacts can either have occurred or be on-going or be potential human rights impacts in the future, which are also referred to as human right risks (see below). The term “human rights violation” is used when governments are the source or cause of the harm.

**Human rights risks** – A company’s human rights risks are any risks that its operations may lead to one or more negative human rights impacts. They therefore relate to its potential human rights impacts. Importantly, a company’s human rights risks are the risks that its operations pose to human rights. This is separate from any risks that involvement in human rights impacts may pose to the enterprise, although the two are increasingly related.

**Human rights performance** – The extent to which a company achieves the objective of effectively preventing and addressing negative human rights impacts with which it may be or has been involved.

**Indigenous peoples** – Given the diversity of indigenous peoples, an official definition of “indigenous” has not been adopted by any UN-system body. Instead the system has developed a modern understanding of this term based on a number of factors: self-identification as indigenous peoples at the individual level and accepted by the community as their member; historical continuity with pre-colonial and/or pre-settler societies; strong link to territories and surrounding natural resources; distinct social, economic or political systems; distinct language, culture and beliefs; from non-dominant groups of society; resolve to maintain and reproduce their ancestral environments and systems as distinctive peoples and communities. (See the UN Declaration on the Rights of Indigenous Peoples).

**International Bill of Human Rights** – This term covers the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights.

**Key industry risks** – The risks commonly regarded as potentially severe and/or likely within the industry and that companies are expected to demonstrate, through a process of human rights due diligence, how they are preventing them or why they are not relevant. Therefore, while these risks are anticipated to be relevant given the company’s industry, they may not necessarily be the individual company’s most salient human rights issues. See also ‘Salient human rights issues’ below.

**Legitimate tenure rights holders** – Existing tenure rights holders, whether recorded/formal/recognised or not, which can include those of customary and informal tenure, groups under customary tenure systems, those holding subsidiary tenure rights, such as gathering rights (FAO CFS Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security).

**Leverage** – The ability of a company to effect change in the wrongful practices of another party that is causing or contributing to an adverse human rights impact.

**Livelihoods** – Livelihoods allow people to secure the basic necessities of life, such as food, water, shelter and clothing.

**Living Wage** – There are numerous definitions of living wage but the core concept is to provide a decent standard of living for a worker and his or her family. A living wage is sufficient to cover food, water, clothing, transport, education, health care and other essential needs for workers and their family based on a regular work week not including overtime hours.

**Marginalised groups** – Refers to individuals belonging to specific groups or populations that require particular attention, including indigenous peoples, women; national or ethnic, religious or linguistic minorities; children; persons with disabilities; and migrant workers and their families. (UN Guiding Principle 12 and see Table 16).

**Materiality** – Materiality refers to what is really important or has great consequences, and the various definitions of materiality take differing views depending on who is asking and for what purpose. For company public reporting, materiality often refers to a threshold used to determine what information a company will disclose in its formal reporting. Definitions of what constitutes that threshold vary considerably.

**Mitigation** – The mitigation of a negative human rights impact refers to actions taken to reduce the extent of the impact. The mitigation of a human rights risk refers to actions taken to reduce the likelihood that a potential negative impact will occur.

**Negative (or adverse) impact on human rights** – A negative or adverse human rights impact occurs when an action removes or reduces the ability of an individual to enjoy his or her human rights.

**Prevention** – The prevention of a negative human rights impact refers to actions taken to ensure the impact does not occur.

**Public commitment to respect human rights** – A high-level and widely available statement by a company that sets out its intention to respect human rights with the expectation of being accountable for achieving that aim (UN Guiding Principle 16).

**Remediation/Remedy** – Refers to both the process of providing remedy for a negative human rights impact and the substantive outcomes that can counteract, or make good, the negative impact. These outcomes may take a range of forms such as apologies, restitution, rehabilitation, financial or non-financial compensation, and punitive sanctions (whether criminal or administrative, such as fines), as well as the prevention of harm through, for example, injunctions or guarantees of non-repetition.

**Responsibility to respect human rights** – The responsibility of a company to avoid infringing on the human rights of others and to address negative impacts with which it may be involved, as set out in the UN Guiding Principles.

**Salient human rights issues** – Those human rights that are at risk of the most severe negative impacts through a company’s activities or business relationships. They therefore vary from company to company. See also ‘Key Industry Risks’.

**Severe human rights impact** – A negative human rights impact is severe by virtue of one or more of the following characteristics: its scale, scope or irremediability. Scale means the gravity of the impact on the human right(s). Scope means the number of individuals that are or could be affected. Irremediability means the ease or otherwise with which those impacted could be restored to their prior enjoyment of the right(s).

**Stakeholder** – Any individual or organisation that may affect, or be affected by a company’s actions and decisions. In the UN Guiding Principles the primary focus is on affected or potentially affected stakeholders, meaning individuals whose human rights have been or may be affected by a company’s operations, products or services. Other particularly relevant stakeholders in the context of the UN Guiding Principles are the legitimate representatives of potentially affected stakeholders, including trade unions, as well as civil society organisations and others with experience and expertise related to business impacts on human rights.

**Stakeholder engagement/consultation** – An ongoing process of interaction and dialogue between a company and its stakeholders that enables the company to hear, understand and respond to their interests and concerns, including through collaborative approaches.

**Suppliers** – Defined as tier 1 and beyond, including subcontractors. For the purposes of CHRB, the scope under assessment will vary depending on the industry.

**Supply chain** – Refers to all supply chain business relationships, tier 1 and beyond, including subcontractors.

**UN Guiding Principles on Business and Human Rights** – A set of 31 principles that set out the respective roles of States and companies in ensuring that companies respect human rights in their business activities and through their business relationships. The UN Guiding Principles were endorsed by the United Nations Human Rights Council in 2011.

**Value chain** – A company’s value chain encompasses the activities that convert input into output by adding value. It includes entities with which it has a direct or indirect business relationship and which either (a) supply products or services that contribute to the company’s own products or services or (b) receive products or services from the company.

**Water stewardship** – Water stewardship is the use of water in ways that are socially equitable, environmentally sustainable, and economically beneficial. It can be adopted by businesses, through corporate water stewardship, as well as by growers, communities, and others. Ultimately, stewardship is a tool to address these critical water challenges and drive sustainable water management.

**Workers** – An individual performing work for a company, regardless of the existence or nature of any contractual relationship with that company.

## Annex 5 Sources Referenced

A wide range of global and industry-specific initiatives and standards were used to develop the CHRB Methodology to ensure that the benchmark is grounded in realistic expectations. These are listed below. See also the Measurement Themes and Indicators section where specific initiatives are cross-referenced against individual indicators.

### Global Standards

#### [United Nations Guiding Principles on Business and Human Rights](#) (UNGPs), 2011

**United Nations (UN) Conventions & Declarations:**

- [Universal Declaration of Human Rights](#) (UDHR), 1948
- [International Covenant on Civil and Political Rights](#) (ICCPR), 1966
- [International Covenant on Economic, Social and Cultural Rights](#) (ICESCR), 1966
- [The Convention on the Rights of the Child](#) (CRC), 1989
- [The Convention on the Elimination of All Forms of Racial Discrimination](#) (CERD), 1965
- [The Convention on the Elimination of All Forms of Discrimination Against Women](#) (CEDAW), 1979
- [The Convention on the Rights of Persons with Disabilities](#) (CRPD), 2006
- [The Convention on the Protection of the Rights of All Migrant Workers and Members of their Families](#) (ICMW), 1990
- [The Declaration on the Rights of Indigenous Peoples](#) (UNDRIP), 2007
- [The Declaration on the Rights of Persons Belonging to National or Ethnic, Religious and Linguistic Minorities](#), 1981

#### [OECD Guidelines for Multinational Enterprises](#), 2011

**International Labour Organization (ILO) core labour standards:**

- Freedom of association and the effective recognition of the right to collective bargaining (Convention [No. 87](#) & [No. 98](#))
- The elimination of all forms of forced and compulsory labour (Convention [No. 29](#) & [No. 105](#))
- The effective abolition of child labour (Convention [No. 138](#) & [No. 182](#))
- The elimination of discrimination in respect of employment and occupation (Convention [No. 100](#) & [No. 111](#))

#### [UN Global Compact CEO Water Mandate](#)

**Additional International Labour Organisation (ILO) Conventions:**

- Indigenous and Tribal Peoples Convention, (Convention [No. 169](#)), 1991
- Working Hours (Conventions [No. 1](#), [No. 14](#) & [No. 106](#))

#### [International Finance Corporation Performance Standards on Environmental and Social Sustainability](#), 2012

#### [UN Sustainable Development Goals](#), 2015

### Human Rights-Specific Indicators

#### [Human Rights Indicators: A Guide for Measurement and Implementation](#) (OHCHR, 2012)

#### [Key Performance Indicators for Investors to Assess Labor & Human Rights Risks Faced by Global Corporations in Supply Chains](#) (IRRC Institute, 2012)

#### [Human Rights Indicators for Business](#) (DIHR, 2015)

### Reporting Frameworks & Standards

#### [UN Guiding Principles Reporting Framework](#)

#### [Sustainability Accounting Board Accounting Standards](#)

#### [Global Reporting Initiative](#), including sector supplements for [mining and metals](#) & [oil and gas](#)

### Automotive Manufacturing:

#### [Shifting Gears Campaign](#) (Investors Associates for Social Justice, 2018)

#### [Business & human rights snapshot: Automotive sector](#) (Business & Human Rights Resource Centre, 2018)

#### [The Global Automotive Sustainability Guiding Principles to Enhance Sustainability Performance in the Supply Chain](#) (2017)

#### [The Global Automotive Sustainability Practical Guidance](#) (2017)

#### [Material Change: a Study of Risks and Opportunities for Collective Action in the Materials Supply Chains of the Automotive and Electronics Industries](#) (The Dragonfly Initiative, 2018)

#### [Human Rights Due Diligence Information Portal, Sector Focus: Automotives and Raw Materials](#) (UN Global Compact)



Harnessing the  
competitive nature  
of the markets to drive  
better human rights  
performance.