



Addendum to the Pilot Methodology

Corporate Human Rights Benchmark Addendum to the 2016 Pilot Methodology

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About the CHRB

Corporate Human Rights Benchmark Limited (CHRB Ltd.), is a not for profit company created to publish and promote the Corporate Human Rights Benchmark.

The Corporate Human Rights Benchmark was launched in 2013 as a multi-stakeholder initiative drawing on investor, business and human rights and benchmarking expertise from 8 organisations: APG Asset Management (APG), Aviva Investors, Business and Human Rights Resource Centre, Calvert Research and Management, The EIRIS Foundation, Institute for Human Rights and Business (IHRB), Nordea Wealth Management and VBDO.

The newly formed CHRB Ltd. is governed by a board of directors and chaired by Steve Waygood, Chief Responsible Investment Officer at Aviva Investors.

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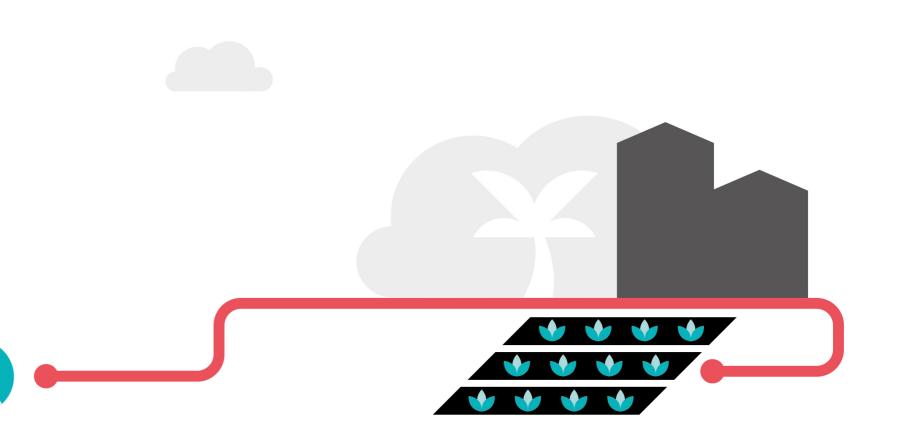
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Introduction

Note: This Addendum is a reference document that must be read in conjunction with the CHRB Pilot Methodology in order to understand the full set of requirements for any individual indicator. The Addendum reproduces indicators from the CHRB Pilot Methodology only in so far as to illustrate adjustments or interpretations to specific components of individual indicators; where part of an indicator or industry lock is unchanged, it has not been reproduced.

In March 2016, following two years of global multistakeholder consultation with over 400 organisations, the CHRB published its Pilot Methodology. After another year of company research, application, and engagement, the inaugural results of the CHRB were published in March 2017. The results present the first-ever comparative snapshot of the human rights performance of the largest 98 companies in the world from the agricultural products, apparel, and extractives industries.

As a first of its kind methodology, the CHRB anticipated that changes to certain indicators or their interpretation would likely be required to ensure the learnings of the research and application phase were incorporated. As anticipated, this was confirmed during the initial research phase of applying the Pilot Methodology (May – October 2016), with several indicators requiring adjustment to ensure fairness and rigour in the results. Similarly, during the subsequent engagement phase with companies on their draft scores (November – December 2016), a further number of indicators were identified as requiring adjustments in their interpretation and application.

This "in-flight" review has provided the CHRB the valuable opportunity of learning from the research, engagement, and application of the Pilot Methodology to real-time contexts and scenarios. These in-flight changes were presented to the companies being benchmarked and representatives of civil society in December 2016. Receiving no objections, these changes were adopted and implemented

during the review phase of the Pilot findings (December – February 2017). These changes are presented to below, which should be read in conjunction with the full CHRB Pilot Methodology.

Further areas for strengthening the Pilot Methodology and its application have been identified throughout this process. However, more overarching or structural changes have not been adopted in the research for the 2017 results in order to ensure robust and inclusive multistakeholder consultation. The areas identified will be explored further by the CHRB following the March 2017 results launch.

In the table below, the original indicator from the March 2016 CHRB Pilot Methodology is presented alongside the revised indicator, highlighting the adjustments or changes to interpretation made. These tend to include:

- Omitting a specific requirement in a score
 1 and shifting this requirement to score 2.
- Altering where an indicator contains multiple requirements to score 1: The indicator is adjusted to award a score 1 if one or more of the requirements listed are met, and awarding a score 2 where all the requirements are met.
- Clarifying the interpretation of the indicator to ensure fairness and logic in its application

Interpretation Clarifications

Double- and Half-Weighted Indicators

The CHRB Pilot Methodology indicated tentative plans to double or half weight certain indicators. Following the Methodology's publication, these double and half weightings were confirmed, due to their particular imprtance within the Measurement Theme in question.

The following indicators have therefore been double weighted. This means that for these indicators a company can score zero, two or four points.

- A.1.1 Commitment to respect human rights
- A.1.3 Commitment to respect human rights particularly relevant to the industry
- B.1.8 Framework for engagement with potentially affected stakeholders

- B.2.2 Assessing: Assessment of risks and impacts identified (salient risks and key industry risks)
- C.3 Users are involved in the design and performance of the channel(s)/mechanism(s)
- C.7 Remedying adverse impacts and incorporating lessons learned
- E.3 The Company has taken appropriate action

Additionally, there is one indicator that has received half weighting. This means that for this indicator a company can score zero, half or one point.

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

Definition of Business Partners

Companies do not need to explicitly use the phrase "business partners" as long as they describe who they are referring to, i.e. suppliers,

contractors or JV partners as required for the relevant industry.

Measurement Theme A: Governance and Policy Commitments

In the first phase of the research and during engagement phase there was an awareness of an over-literal interpretation giving too much emphasis to specific words rather than the company's approach in relation to policy commitments.

CHRB are looking for "commitment" or any form of promise that companies will uphold the rights described in the international instruments and standards listed.

The substantive question is whether stakeholders would understand what the company is saying to mean a clear commitment (a promise to uphold) the principles we are looking for (to the extent that those principles are applicable to corporate behaviour) rather than just name checking the principles or suggesting that there is some link.

CHRB will also not credit what appear to be commitments only to a subset of a given set of principles or rights.

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Commitments to Respect the Four ILO Core Labour Standards

A.1.2 Commitment to respect the human rights of workers

In reference to the requirement to explicitly respect each of the fundamental rights as set out in the Declaration on Fundamental Principles and Rights at Work or also referred to as the ILO core labour standards, the CHRB will accept that if a company commits to the ILO Declaration on Fundamental Principles and Rights at Work, or the UN Global Compact, that this includes all four ILO core labour standards.

- B.1.4 Communication/dissemination of policy commitment(s)
- **B.1.5** Training on human rights
- B.1.6 Monitoring and corrective actions

The adjusted interpretation of A.1.2 (above) has implications for additional indicators due to this clarifying note:

"Note: In order to get any Score under this indicator, the human rights policy communicated must include the ILO core labour standards at a minimum."

Therefore, for these additional indicators:

- If a company clearly commits to the ILO
 Declaration on Fundamental Principles and
 Rights at Work, this will be accepted as in cluding the four ILO core labour standards.
- If a company commits to the UN Global Compact alone, this will not count as including the ILO core labour standards unless the company chooses to list out each of the principles. This is because for communication, training, and monitoring purposes, clarity of message is important. If in doing so a company only explicitly states three of the principles then this will not meet the requirement to score 1 or 2 for these indicators.

Indicators Which Include a Health and Safety Aspect

- A.2.1 Commitment from the top
- A.2.2 Board discussions
- A.2.3 Incentives and performance management
- B.1.2 Incentives and performance management
- 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

During the research and engagement phase there was recurring feedback that in interpreting the methodology the issue of health and safety was not being given enough prominence as a key human rights issue.

Health and safety is a CHRB key industry risk in all three industries. It will therefore count as an example where criteria requires one unless the indicator specifies otherwise. It will not be sufficient alone when a description of a process covering human rights in general is required.

For example, in indicators A.2.1 and A.2.2 when the methodology specifies a human rights issue or an area of human rights – health and safety will satisfy as an example. This is also the case for B.2.3 and B.2.4, when an example is required. However where indicators specifically require additional examples beyond health and safety, then health and safety on its own will not suffice. This is the case in A2.3 or B.1.2.

Indicators with Requirements around Free, Prior and Informed Consent (FPIC)

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

D.3.5 Indigenous peoples rights and free prior and informed consent (FPIC)

During the company engagement phase the 2015 ICMM statement on indigenous peoples was suggested as counting as a commitment to free and prior and informed consent (FPIC).

Following a review, the CHRB will accept the ICMM statement on indigenous peoples as a commitment to FPIC for all relevant indicators.

However, for indicator D.3.5, when an example is requested, commitments to the ICMM statement on indigenous peoples would not be sufficient. An example which demonstrates that an agreement with indigenous communities was reached would be required.

Statements of Policy Committing to Engagement with Potentially Affected Stakeholders

A.1.4 Commitment to engage with stakeholders

During the company research period, it was found that companies do not commonly make a public commitment to engagement with potentially affected stakeholders. Rather, it is a feature of their everyday practices, often exemplified through case studies, examples, and other illustrations in public company documents. Taking this on board the CHRB wanted to find a way of awarding a score 1 for such "commitment in practice".

To score 1 for such commitment in practice, there needs to be indication of widespread engagement with potentially affected stakeholders in all relevant circumstances, rather than a one-off example in a limited context.

This principle of "commitment in practice" can also be extended to score 2 if it is clear that stakeholders have been significantly involved in a company's approach to human rights – for example: statements of policy, the design of grievance systems, or the review of the human rights due diligence system.

Measurement Theme D: Performance – Company Human Rights Practices

Threshold for own determining whether a company is assessed on own operations

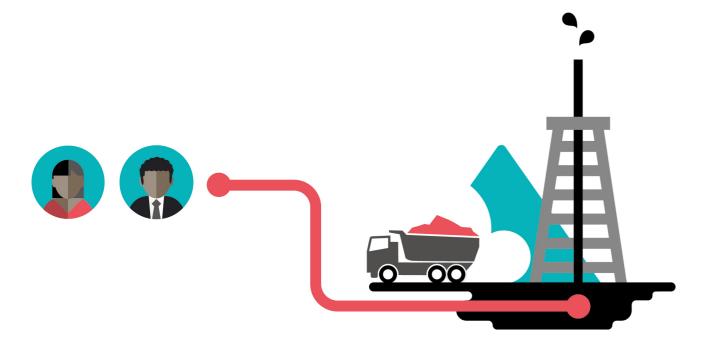
Specifically regarding the Agricultural Products and Apparel industries, the CHRB Pilot Methodology does not state a threshold by which a company will be assessed on indicators focused on a company's own operations within

the industry.

In order to concentrate the assessment at the end of the value chain with greater human rights risks, certain thresholds have therefore been applied.

For the Agricultural Products industry, assess-

ments in relation to own operations indicators do not consider food processing activities. The focus is on fields and/or farms owned by Agricultural Products companies (if they own any). For the **Apparel** industry, own manufacturing operations must amount to 25% or more of total production in order for a company to be assessed against the own operations indicators.



Amendments to Specific Indicators

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



A.1.3 Agricultural Products Industry

Original Indicator with Markup

Score 1

The Company has a publicly available statement of policy committing it to respecting ownership/ use of land and natural resources. This includes a commitment to recognise and respect legitimate tenure rights related to the ownership and use of land as set out in the Voluntary Guidelines on Responsible Governance of Tenure or the IFC Performance Standards or to obtain the free prior and informed consent (FPIC) from indigenous peoples and local communities for transaction involving land and natural resources or to a zero tolerance for land grabbing **OR** the Company commits to respecting the right to water and sanitation.

The Company also makes a commitment to respecting women's rights or refers to the Convention on the Elimination of Discrimination Against Women or the Women's Empowerment Principles **OR** to respecting children's rights or refers to the Convention on the Rights of the Child or the Children's Rights and Business Principles **OR** to respecting the rights of migrant workers or refers to the International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families.

In addition, the Company's policy commitment(s) also expects its suppliers make these commitments and to convey the same expectations to their suppliers.

Score 2

The Company also has a publicly available statement of policy committing it to respecting ownership/use of land and natural resources **AND** to respecting the right to water and sanitation **AND** to respecting at least one of: women's rights, children's rights or migrant workers' rights. In

Revised Indicator

Score 1

The Company has a publicly available statement of policy committing it to respecting ownership/ use of land and natural resources. This includes a commitment to recognise and respect legitimate tenure rights related to the ownership and use of land as set out in the Voluntary Guidelines on Responsible Governance of Tenure or the IFC Performance Standards or to obtain the free prior and informed consent (FPIC) from indigenous peoples and local communities for transaction involving land and natural resources or to a zero tolerance for land grabbing **OR** the Company commits to respecting the right to water.

The Company also makes a commitment to respecting women's rights or refers to the Convention on the Elimination of Discrimination Against Women or the Women's Empowerment Principles **OR** to respecting children's rights or refers to the Convention on the Rights of the Child or the Children's Rights and Business Principles **OR** to respecting the rights of migrant workers or refers to the International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families.

In addition, the Company's policy commitment(s) also expects its suppliers make these commitments and to convey the same expectations to their suppliers.

Score 2

The Company also has a publicly available statement of policy committing it to respecting ownership/use of land and natural resources **AND** to respecting the right to water **AND** to respecting at least one of: women's rights, children's rights or migrant workers' rights. In addition, Company's

addition, Company's policy commitment(s) also expects its suppliers make these commitments and to convey the same expectations to their suppliers.

policy commitment(s) also expects its suppliers make these commitments and to convey the same expectations to their suppliers.



Original Indicator with Markup

Score 2

The Company also has a publicly available statement of policy committing it to respecting the right to water and sanitation AND the Company's policy commitment(s) also expects its suppliers make these commitments and to convey the same expectations to their suppliers.

Revised Indicator

The Company also has a publicly available statement of policy committing it to respecting the right to water **AND** the Company's policy commitment(s) also expects its suppliers make these commitments and to convey the same expectations to their suppliers.

A.1.3 Extractives Industry

Original Indicator with Markup

Score 2

The Company also has a publicly available statement of policy committing it to applying free, prior and informed consent (FPIC) in line with international law and standards on indigenous peoples **AND** to recognising and respecting legitimate tenure rights related to the ownership and use of land and natural resources as set out in the Voluntary Guidelines on Responsible Governance of Tenure or the IFC Performance Standards or to a zero tolerance for land grabbing **AND** to respecting the right to water and sanitation.

In addition, the Company's policy commitment(s) also expects its extractive business partners make these commitments.

Revised Indicator

Score 2

Score 2

The Company also has a publicly available statement of policy committing it to applying free, prior and informed consent (FPIC) in line with international law and standards on indigenous peoples **AND** to recognising and respecting legitimate tenure rights related to the ownership and use of land and natural resources as set out in the Voluntary Guidelines on Responsible Governance of Tenure or the IFC Performance Standards or to a zero tolerance for land grabbing **AND** to respecting the right to water.

In addition, the Company's policy commitment(s) also expects its extractive business partners make these commitments.

A.1.5 Commitment to remedy

Original Indicator with Markup

Score 1

The Company has a publicly available statement of policy committing it to remedy the adverse impacts on individuals, workers and communities

Revised Indicator

Score 1

The Company has a publicly available statement of policy committing it to remedy the adverse impacts on individuals, workers and communities

that it has caused or contributed to. The commitment recognises this should not obstruct access to other remedies **OR** includes collaborating in initiatives that provide access to remedy.

Score 2

The commitment also recognises this should not obstruct access to other remedies **OR** includes collaborating in initiatives that provide access to remedy-**AND** includes working with business relationships to remedy adverse impacts that are directly linked to the Company's operations, products or services through the business relationship's own mechanisms or through collaborating on the development of third party non-judicial remedies.

that it has caused or contributed to.

Score 2

The commitment also recognises this should not obstruct access to other remedies **OR** includes collaborating in initiatives that provide access to remedy **AND** includes working with business relationships to remedy adverse impacts that are directly linked to the Company's operations, products or services through the business relationship's own mechanisms or through collaborating on the development of third party non-judicial remedies.

B.1.2 Incentives and performance management

Original Indicator with Markup

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Score 21 - this includes senior managers and / or senior procurement managers and covers at least one of the key industry risks in Table 5 considered salient. If health and safety is the only issue for which there is a performance incentive, it includes the health and safety of local communities and/ or workers in the supply chain.

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Score 1 - this includes senior managers and / or senior procurement managers and covers at least one of the key industry risks in Table 5 considered salient. If health and safety is the only issue for which there is a performance incentive, it includes the health and safety of local communities and/ or workers in the supply chain.

Revised Indicator

B.1.4 Communication/dissemination of policy commitment(s)

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

Original Indicator with Markup

Score 1

The Company describes how it communicates its policy commitment(s) to all workers, which languages the commitment(s) have been translated into, and whether the commitment(s) have not been translated into any local languages where the Company has operations or workers or the reason for not doing this.

Revised Indicator

Score 1

The Company describes how it communicates its policy commitment(s) to all workers, which languages the commitment(s) have been translated into.

B.1.5 Training on human rights

Original Indicator with Markup

Score 1

The Company describes how it trains all relevant managers and workers on the Company's human rights policy commitment(s) **OR** indicates that all its workers are trained on its human rights policy commitment(s).



The Company also indicates that all its workers are trained on its human rights policy commitment(s) meets both of the requirements under Score 1.

Revised Indicator

Score 1

The Company describes how it trains all relevant managers and workers on the Company's human rights policy commitment(s) **OR** indicates that all its workers are trained on its human rights policy commitment(s)

Score 2

The Company meets both of the requirements under Score 1.

B.1.6 Monitoring and corrective actions

Original Indicator with Markup

Score 1

The Company describes how it monitors its implementation of its human rights policy commitment(s), which include the ILO core labour standards at a minimum, and covers the Company globally and relevant business relationships.

Score 2

The Company also describes its corrective action process(es) and numbers of incidences **AND** provides an example of its corrective action process(es) in practice and any necessary changes to policies or processes in the Company's last reporting year.

The Company describes how it monitors its implementation of its human rights policy commitment(s), which include the ILO core labour standards at a minimum, and covers the Company

globally and relevant business relationships.

Revised Indicator

Score 2

Score 1

The Company also describes its corrective action process(es) and numbers of incidences AND provides an example of its corrective action process(es) in practice.



Score 1 - the description includes how it monitors its suppliers and the proportion of its curps tors its suppliers and the proportion of its supply chain monitored OR how it uses third party/external monitors or auditors.

Score 2 - the Company also describes how it uses third party/external monitors or auditors or community monitors The description meets both of the requirements under Score 1 AND includes a description of the proportion of the supply chain monitored.



Score 1 - the description includes how it monitors its suppliers CD. tors its suppliers **OR** how it uses third party/external monitors or auditors...

Score 2 - The description meets both of the requirements under Score 1 AND includes a description of the proportion of the supply chain monitored.



Score 1 - the description includes how it monitors its suppliers and the proportion of its supply chain monitored OR how it uses third party/external monitors or auditors.

Score 2 - the Company also describes how it also uses third party/external monitors or auditors the description meets both of the requirements under Score 1 AND includes a description of the proportion of the supply chain monitored.



Score 1 - the description includes how it monitors its suppliers **OR** how it uses third party/ external monitors or auditors.

Score 2 - the description meets both of the requirements under Score 1 AND includes a description of the proportion of the supply chain monitored.



Score 1 - the description includes how it monitors its extractive business partners and the proportion of those extractive business partners monitored OR how it uses third party/external monitors or auditors.

Score 2 - the Company also describes how it uses third party/external monitors or auditors or community monitors the description meets both of the requirements under Score 1 AND includes a description of the proportion of those extractive business partners monitored..



Score 1 - the description includes how it monitors its extractive business partners **OR** how it uses third party/external monitors or auditors.

Score 2 - the description meets both of the requirements under Score 1 AND includes a description of the proportion of those extractive business partners monitored.

B.1.7 Engaging business relationships

Original Indicator with Markup

Score 1

The Company describes how human rights performance is taken into account in the identification and selection of potential business relationships and how it can affect decisions to enter into orselect business relationships **OR** describes how the human rights performance of business relationships interacts with decisions to renew, expand or terminate business relationships.

Score 2

The Company also describes how the human rights performance of business relationships interacts with decisions to renew, expand or terminate business relationships meets both the requirements under Score 1.

Revised Indicator

Score 1

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

Score 2

The Company meets both the requirements under Score 1.



Score 1 - the description includes how this applies to the identification and selection of suppliers and the human rights issues considered **OR** the Company also describes how it works with suppliers to improve human rights performance and provides an example.



Score 1 - the description includes how this applies to the identification. to the identification and selection of suppliers and the human rights issues considered **OR** the Company describes how it works with suppliers to improve human rights performance and provides an example.

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Score 2 - the Company also describes how it works with suppliers to improve human rights performance and provides an example the Company also meets both the requirements under the Score 1 industry lock.



Score 2 - the Company also meets both the requirements under the Score 1 in June 2015 ments under the Score 1 industry lock.



Score 1 - the description includes how this applies to the identification and selection of suppliers and the human rights issues considered **OR** the Company also describes how it works with suppliers to improve human rights performance and provides an example.

Score 2 - the Company also describes how it works with suppliers to improve human rights performance and provides an example also meets both the requirements under the Score 1 industry lock.



Score 1 - the description includes how this applies to the identification and selection of suppliers and the human rights issues considered OR the Company describes how it works with suppliers to improve human rights performance and provides an example.

Score 2 - the Company also meets both the requirements under the Score 1 industry lock.



Score 1 - the description includes how this applies to the identification and selection of extractive business partners and the human rights issues considered **OR** describes how it works with extractive business partners to improve human rights performance and provides an example.

Score 2 - the Company also describes how it works with extractive business partners to improve human rights performance and provides an example also meets both the requirements under the Score 1 industry lock.



Score 1 - the description includes how this applies to the identification and selection of extractive business partners and the human rights issues considered OR describes how it works with extractive business partners to improve human rights performance and provides an example.

Score 2 - the Company also meets both the requirements under the Score 1 industry lock.

B.1.8 Framework for engagement with potentially affected stakeholders

Original Indicator with Markup

Revised Indicator

Score 1

The Company describes its systems and/or processes to identify affected and potentially affected stakeholders, including those at heightened risk of vulnerability or marginalisation (where applicable) **OR** it describes the frequency and triggers for engagement on human rights issues by type or by stakeholder group.



Score 1

Score 2

The Company meets both the requirements under Score 1 **AND** provides an analysis of the input/ views given by the stakeholders on human rights issues.

stakeholders **OR** it describes the frequency and triggers for engagement on human rights issues by type or by stakeholder group.

The Company describes its systems and/or pro-

cesses to identify affected and potentially affected

The Company meets both the requirements under Score 1 **AND** provides an analysis of the input/ views given by the stakeholders on human rights issues.



Score 1 - the Company also engages with workers or their legitimate representatives in its supply chain on human rights issues **OR** engages with local communities in its supply chain on human rights issues.

Score 2 - The Company engages with local communities in its supply chain on human rights issues also meets both the requirements under Score 1 industry lock.



Score 1 - the Company also engages with workers or their legitimate representatives in its supply chain on human rights issues OR engages with local communities in its supply chain on human rights issues.

Score 2 - The Company also meets both the requirements under Score 1 industry lock.



Score 1 - the Company also engages with workers or their legitimate representatives amongst its extractive business partners on human rights issues **OR** engages with local communities on human rights issues.

Score 2 - the Company engages with local communities on human rights issues also meets both the requirements under Score 1 industry lock.



Score 1 - the Company also engages with workers or their legitimate representatives amongst its extractive business partners on human rights issues OR engages with local communities on human rights issues.

Score 2 - the Company also meets both the requirements under Score 1 industry lock.

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

Original Indicator with Markup

Score 2

The Company also describes the global systems 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 also includes risks and impacts to which the Company may be directly linked.

Revised Indicator

Score 2

The Company also describes the global systems 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.

Note: If a company has a clear global system of the type described in the criteria, then it can be assumed that it operates in each particular location. As such, by complying with all criteria in score 2, a company is automatically assumed to achieved a score 1.

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

Original Indicator with Markup

Score 1

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

Score 2

The Company publicly discloses the results of the assessments, which may be aggregated across its operations and locations. If the Company's salient human rights issues do not include any of the key industry risks (see Table 5), it describes why none of these were not considered salient for its activities meets both the requirements under Score 1.

Revised Indicator

Score 1

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

Score 2

The Company meets both the requirements under Score 1.

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

Original Indicator with Markup

Score 1

The Company describes the processes to integrate and act on the findings of its assessments of human rights risks and impacts **OR** 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 also 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 meets both of the requirements under Score 1.

Revised Indicator

Score 1

The Company describes the processes to integrate and act on the findings of its assessments of human rights risks and impacts **OR** 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

Original Indicator with Markup

Revised Indicator

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** also 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 also 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 meets both of the requirements under Score 1.

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** also 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

Original Indicator with Markup

Revised Indicator

Score 1

The Company describes the general criteria it uses for deciding what to communicate to whom, when, how as well as any criteria for deciding when not to communicate in response to actual impacts (i.e. self reported impacts) or an allegation of a human rights impact (i.e. third party/externally reported impacts) OR describes how it ensures on an ongoing basis that potentially affected stakeholders or their legitimate representatives are able to access and use the information communicated, including such as how it overcomes any language barriers, literacy barriers, cultural barriers or physical barriers to effectively communicating with them.

Score 1

The Company describes the general criteria it uses for deciding what to communicate to whom, when, how **OR** describes how it ensures on an ongoing basis that potentially affected stakeholders or their legitimate representatives are able to access and use the information communicated, such as how it overcomes any language barriers, literacy barriers, cultural barriers or physical barriers to effectively communicating with them.

- 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

Note: For companies to be awarded a score 1 in these indicators, the methodology requires a description of the process undertaken by the company. For companies to be awarded a score 2 in these indicators, the methodology requires an example to be provided. However, it became evident during the research and engagement phase that companies have focused their communications on showing examples or outputs of these processes rather than providing a descriptive overview.

For these indicators, a score 1 is therefore awarded if a company either provides an example or a description of the process. For a score 2 to be awarded a company needs to meet both requirements: showing an example and describing the process.

C.1 Grievance channels/mechanisms to receive complaints or concerns from workers

Original Indicator with Markup

Score 1

The Company indicates that it has one or more channels/mechanisms, or participates in a shared mechanism, accessible to all workers to raise complaints/concerns, including about human rights issues related to the Company **OR** the Company describes how it ensures the channel(s)/mechanism(s) is/are accessible to all workers, including in local languages.

Score 2

The Company also discloses data about the practical operation of the channel(s)/mechanism(s), such as the number of grievances about human rights issues filed, addressed and or resolved, and AND an evaluation of the effectiveness of the channel(s)/mechanism(s).

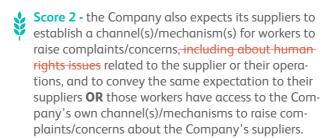
Revised Indicator

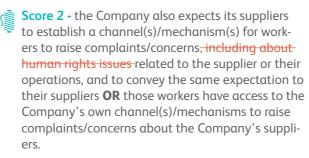
Score 1

The Company indicates that it has one or more channels/mechanisms, or participates in a shared mechanism, accessible to all workers to raise complaints/concerns related to the Company **OR** the Company describes how it ensures the channel(s)/mechanism(s) is/are accessible to all workers, including in local languages.

Score 2

The Company also discloses data about the practical operation of the channel(s)/mechanism(s), such as the number of grievances about human rights issues filed, addressed or resolved **AND** an evaluation of the effectiveness of the channel(s)/mechanism(s).





Score 2 - the Company also expects its extractive business partners to establish a channel(s)/mechanism(s) for workers to raise complaints/concerns, including about human rights issues related to the extractives business partner or their operations

OR those workers have access to the Company's own channel(s)/mechanisms to raise complaints/concerns about the Company's extractive business partners or their operations.

Score 2 - the Company also expects its suppliers to establish a channel(s)/mechanism(s) for workers to raise complaints/concerns related to the supplier or their operations, and to convey the same expectation to their suppliers OR those workers have access to the Company's own channel(s)/mechanisms to raise complaints/concerns about the Company's suppliers.

Score 2 - the Company also expects its suppliers to establish a channel(s)/mechanism(s) for workers to raise complaints/concerns related to the supplier or their operations, and to convey the same expectation to their suppliers **OR** those workers have access to the Company's own channel(s)/mechanisms to raise complaints/concerns about the Company's suppliers.

Score 2 - the Company also expects its extractive business partners to establish a channel(s)/mechanism(s) for workers to raise complaints/concerns related to the extractives business partner or their operations OR those workers have access to the Company's own channel(s)/mechanisms to raise complaints/concerns about the Company's extractive business partners or their operations.

C.2 Grievance channels/mechanisms to receive complaints or concerns from external individuals and communities

Score 1

The Company indicates that it has one or more channel/mechanisms, 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 behalf of them or who are otherwise in a position to be aware of adverse impacts) to raise complaints/concerns, including about human rights issues related to the Company, particularly in high risk locations.

Score 2

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

Note: Due to an error in the design process of the CHRB Pilot Methodology, the score 1 and score 2 criteria were inadvertently omitted. They have been reproduced above for the sake of completeness (excluding the industry locks, which were included in the original document).

D.1.1 Living wage

- D.1.1.a Living wage (in own agricultural operations)
- D.2.1.a Living wage (in own production or manufacturing operations)
- **D.3.1 Living wage** (in own extractive operations)

Original Indicator with Markup

Revised Indicator

The Company also indicates that it either has met the targets or provides an explanation of why these were not met and its progress toward meeting the targets AND the targets are regularly reviewed and negotiated with relevant trade unions **OR** the Company demonstrates progress towards determining achieving a living wage for the regions where it operates, which includes involvement of relevant trade unions.

Score 2

The Company also indicates that it either has met the targets or provides an explanation of why these were not met and its progress toward meeting the targets AND the targets are regularly reviewed and negotiated with relevant trade unions **OR** the Company demonstrates progress towards achieving a living wage for the regions where it operates, which includes involvement of relevant trade unions.

D.1.3 Mapping and disclosing the supply chain

Note: The CHRB indicators are intended to focus on supply chain levels beyond the importer level. However, during the company research and engagement phase it became evident that there is not a universal definition of what constitutes 'tier one'.

As such, for the **Apparel** industry, the mapping would need to include manufacturing factories. For the Agricultural Products industry, the mapping would need to include land holdings.

D.1.6 Freedom of association and collective bargaining

- D.1.6.a Freedom of association and collective bargaining (in own agricultural operations)
- P.2.6.a Freedom of association and collective bargaining (in own production or manufacturing operations)
- P.3.3 Freedom of association and collective bargaining (in own extractive operations)

Original Indicator with Markup

Revised Indicator

Score 1

Score 1

The Company commits to not interfering with the

The Company commits to not interfering with the

right of workers to form or join trade unions and to bargain collectively and puts in place measures to prohibit any form of intimidation or retaliation against workers seeking to exercise these rights **OR** discloses the percentage of its workforce whose terms and conditions of work are covered by collective bargaining agreements.

tive bargaining agreements.

Score 2

The Company also discloses the percentage of its workforce whose terms and conditions of work are covered by collective bargaining agreements meets both the requirements under Score 1.

The Company meets both of the requirements under Score 1.

right of workers to form or join trade unions and

to bargain collectively and puts in place measures

to prohibit any form of intimidation or retaliation

discloses the percentage of its workforce whose terms and conditions of work are covered by collec-

against workers seeking to exercise these rights **OR**

E.3 The Company has taken appropriate action.

Original Indicator with Markup

Revised Indicator

The Company takes appropriate action to address the alleged impact including through providing remedy(ies) to the affected people **OR** by having and putting in place related management systems to prevent such impacts depending on its 'level of involvement' (whether causing, contributing or directly linked - see next page) AND engages in a dialogue with the stakeholders reportedly affected in the allegation (or, if the Company is alleged to be directly linked, it encourages its business relationship to do so).

If the Company denies the allegation, it fulfils requirements under Score 1 AND is able to describe what actions it would take to prevent and remediate such alleged impacts, including by improvingits management systems it engages in a dialogue with the stakeholders reportedly affected in the allegation (or, if the Company is alleged to be directly linked, it encourages its business relationship to do so).

Score 1

The Company takes appropriate action to address the alleged impact including through providing remedy(ies) to the affected people **OR** by having in place related management systems to prevent such impacts depending on its 'level of involvement' (whether causing, contributing or directly linked - see next page) AND engages in a dialogue with the stakeholders reportedly affected in the allegation (or, if the Company is alleged to be directly linked, it encourages its business relationship to do so).

If the Company denies the allegation, it engages in a dialogue with the stakeholders reportedly affected in the allegation (or, if the Company is alleged to be directly linked, it encourages its business relationship to do so).

Score 2

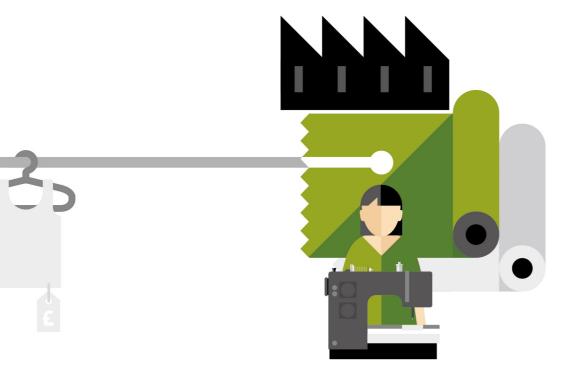
The Company fulfills all the requirements under Score 1 AND also provides evidence that it provides remedy(ies) that are satisfactory to the victims **AND** provides evidence of having improved its management systems to prevent such impacts its management systems to prevent such impacts

The Company also provides evidence that it provides remedy(ies) that are satisfactory to the victims **AND** provides evidence of having improved from occurring again in future **AND** engages in dialogue.

If the Company denies the allegation, it fulfills the requirements under Score 1 AND engages in a dialogue with the stakeholders reportedly affected in the allegation (or, if the Company is alleged to be directly linked, it encourages its business relationship to do so) it also provides evidence of having improved its management systems to prevent such impacts from occurring in future (the measures depending upon the potential level of involvement, whether causing, contributing or directly linked).

from occurring in future AND engages in dialogue.

If the Company denies the allegation, it also provides evidence of having improved its management systems to prevent such impacts from occurring in future (the measures depending upon the potential level of involvement, whether causing, contributing or directly linked).



















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