



# Corporate Human Rights Benchmark Methodology

Extractives sector

September 2021

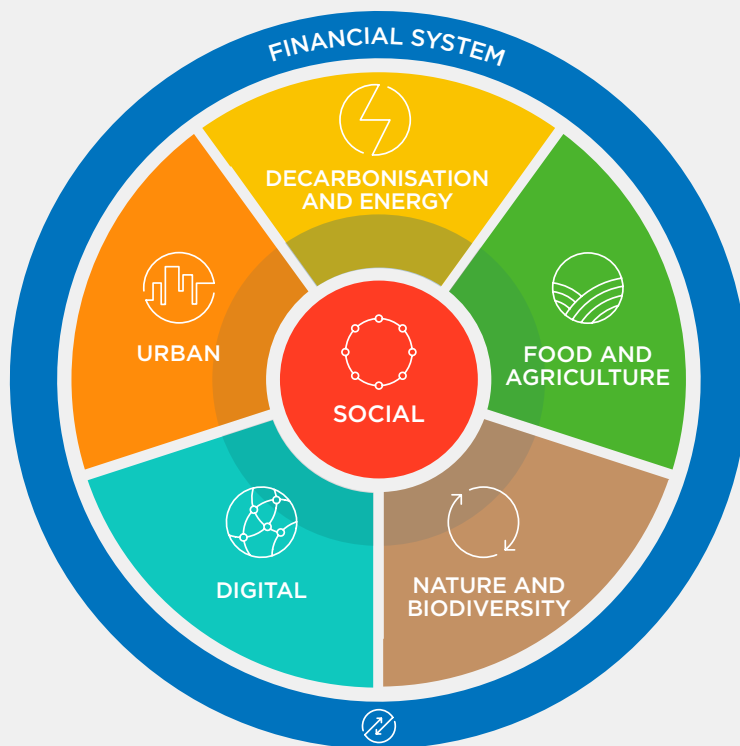
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The Corporate Human Rights Benchmark (CHRB), part of the World Benchmarking Alliance (WBA), has been assessing the human rights disclosures of some of the largest global companies since 2017. By ranking these companies on their policies, processes and practices, as well as how they respond to serious allegations, the CHRB aims to create a race to the top through which companies strive to fulfil their responsibility to respect the human rights of the individuals and communities that they impact.

**FIGURE 1: RESPECT FOR HUMAN RIGHTS WITHIN WBA'S SEVEN SYSTEMS TRANSFORMATIONS MODEL**

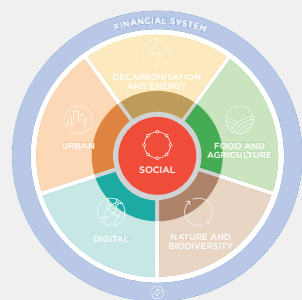


The CHRB became part of WBA in 2019. WBA develops free and public benchmarks that measure and rank 2,000 of the most influential companies on how they contribute to the United Nations' Sustainable Development Goals (SDGs). To do this, WBA assesses companies across seven critical systems transformations, namely: decarbonisation and energy, food and agriculture, nature and biodiversity, digital, urban, financial and social. Following the SDG's 'leave no one behind' principle, the social transformation, which focuses on human rights, decent work and ethical business conduct, sits at the heart of WBA's model.

The CHRB is part of the social transformation and functions as a spotlight benchmark to shine a light on sectors considered to be high risk for human rights impacts. Whereas our core social indicators focus on scale, assessing 2,000 companies on whether they are taking the first steps towards respect for human rights, the CHRB as a spotlight benchmark aims to catalyse change by going beyond policy commitments to hold companies accountable for their performance and progress on the path to respecting human rights. The other purpose of spotlight benchmarks is to inform methodology developments at the transformation level, as they can help WBA learn how to scale up elements of the spotlights across the seven systems transformations.

The social transformation's core social indicators and the CHRB are complementary, as they allow for the production of evidence at two levels: an assessment of a large number of companies on a set of core metrics (core social indicators); and a deeper evaluation of a smaller number of companies in high-risk sectors (CHRB). This dual approach will allow us to achieve both breadth and depth in our efforts to assess and incentivise companies to [respect the rights of all people](#).

**FIGURE 2: WBA'S DUAL APPROACH TO ASSESS CORPORATE RESPECT FOR HUMAN RIGHTS**



## Core social indicators

### Scale

Embedding human rights indicators  
in all transformations  
Looking at 2,000 companies



## Corporate Human Rights Benchmark

### Depth

Deep dive into high-risk sectors  
Getting closer to performance

Over the past four years of producing the CHRB, we have seen that human rights benchmarking works, but we have also learned how it could work even better. There are certain limitations that unavoidably come with a benchmarking approach. **Notably, benchmarks will only ever provide a proxy rather than an absolute measure of human rights performance.** However, based on lessons from the CHRB, we have been able to refine our approach to benchmarking human rights, in order to accelerate change.

Furthermore, in 2020-2021, the CHRB conducted a year-long review of its methodology. During the review, the CHRB team consulted a diverse range of stakeholders, including companies, investors, civil society organisations and individual experts. This revised methodology is the result of this consultation process.

## High risk sectors

The CHRB focuses on sectors considered to be high risk for negative human rights impacts.

The sectors identified so far are food & agricultural products, apparel, extractives, ICT manufacturing and automotive manufacturing. These sectors were selected following multi-stakeholder consultations and consider:

- The severity of the sectors' human rights impacts
- The extent of previous work on human rights in the sectors, including through industry-specific initiatives
- The existence of other human rights-related benchmarks covering the sectors
- The sectors' contribution to each of the WBA's [seven systems transformations](#)

## Companies assessed

The companies assessed in the CHRB are [keystone companies](#) included in WBA's [SDG2000](#) list, with consideration given to ensuring geographical and sector balance. The SDG2000 companies consist of publicly listed, privately held and state-owned enterprises. They have positive and negative impacts [across seven systems](#) that WBA measures and ranks their performance on.

# Introduction

Companies currently assessed in the CHRB benchmark as part of the extractives sector were selected on the basis that they derived at least 20% of their revenue from activities in this sector at the time of selection. Some companies are also assessed against more than one CHRB sector. For example, some retailers fall into both the food and agricultural products and apparel sectors. In this case retailers are assessed both in terms of how they manage their food and agricultural products and apparel business.

## Scope of business relationships

Each company will have a wide range of risks and impacts at every step of its value chain. The CHRB therefore focuses on particular activities and relationships that if not managed correctly, or at all, entail particularly severe risks to human rights. This approach is complementary to other benchmarks produced by the WBA, which measure important systems contributions to other areas of the value chain (e.g. digital inclusion, de-carbonisation, access to nutrition and environmental management).

## Scope of industry activities for the extractives sector

Within the extractives sector, the CHRB methodology focuses on what are referred to as 'extractives business partner:

**Extractives business partner:** Defined as operational level contractors(including 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.

**Workers:** Refers to employees, directly contracted and third party contracted staff performing tasks for the company.

### 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 subsidiaries 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 derived** (but subject to one year review)

## Scope of the benchmark

For the extractives sector, the CHRB focuses on exploration, development, production, decommissioning and closure, but not processing, refining, marketing or end-use of extractive resources.

## Out of scope for the benchmark

There are some aspects that contribute to the human rights performance of companies but will not be covered in the CHRB 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 CHRB 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 sector scope above). These are covered by other benchmarks within the WBA (for example, food safety issues and nutrition are assessed by the Food and Agriculture benchmark, or the consumption of gasoline in consumer vehicles which is considered by the Climate and Energy 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 CHRB 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. 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.

## Challenges and opportunities in the extractives sector

Workers and local communities can be negatively impacted by extractive companies through abuses by unaccountable security forces, a reduction in access to water and other natural resources, lapses in health and safety, or a failure to adequately engage with appropriate stakeholders. All of these situations can potentially risk a businesses' social license to operate.

Providing access to clean energy and sustainable industrialisation are two key areas through which extractives companies can contribute to achieving the SDGs.

## Measurement themes and approach to scoring

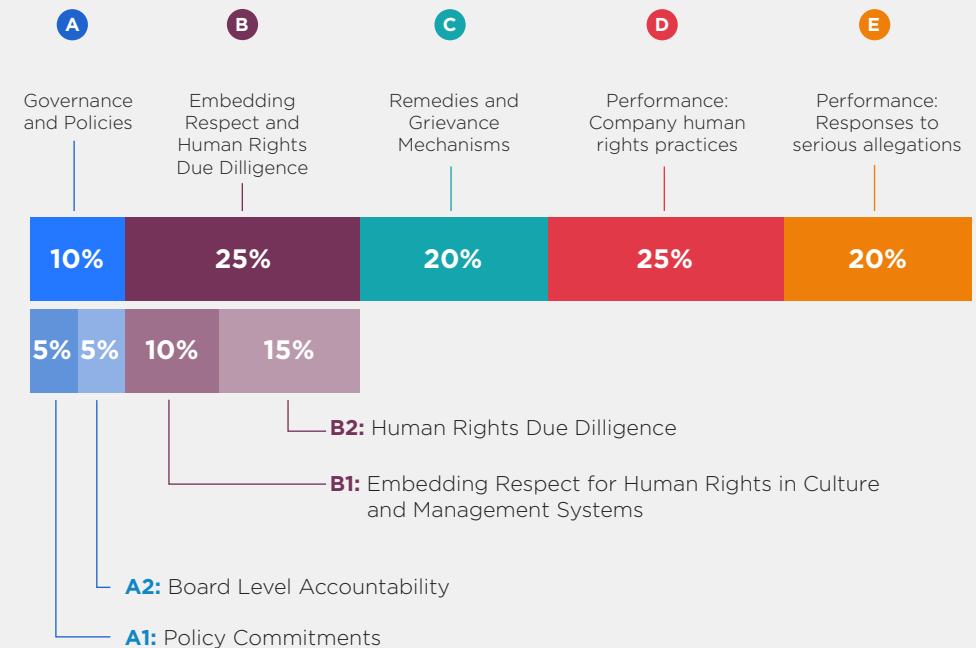
### The CHRB measurement themes and indicators

The CHRB methodology is composed of five measurement themes, each containing a series of indicators focusing on different aspects of how a business seeks to respect human rights across its own operations and supply chain.

- **Measurement theme A** focuses on governance and policy commitments.
- **Measurement theme B** focuses on embedding respect for human rights and conducting human rights due diligence.
- **Measurement theme C** focuses on grievance mechanisms and access to remedy.
- **Measurement theme D** focuses on specific practices to prevent human rights impacts in each industry.
- **Measurement theme E** focuses on responses to allegations of serious negative impacts on human rights.

These indicators are grounded in the UN Guiding Principles on Business and Human Rights and other international human rights standards, with additional sector-specific requirements applied to some indicators. Each measurement theme has a specific weighting, as shown in Figure 3.

**FIGURE 3: THE CHRB'S FIVE MEASUREMENT AREAS AND INDIVIDUAL WEIGHTING**



## Indicator scoring

Each theme is broken down into multiple indicators. For each indicator, the company may score zero, one or two points as well as 0.5 and 1.5 for certain multi-criteria indicators (see Annex 1 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 introduces an additional idea within the same requirement (and does not therefore create a possibility to score half a point).

The CHRB operates according to a gated scoring system. Where there are more than two requirements for score 1 or 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. In some cases, the company can receive 0.5 points on an indicator when it meets some or all of the requirements of score 2 but only some/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 leading practice 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 necessary score 1 requirements.

Indicators can receive a single, double, half, quarter or sixth weighting. This is highlighted and explained in Annex 1, which contains all the scoring rules, including for measurement themes.

## 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 2. Individual indicators also cross-reference specific sources to highlight the alignment of each indicator with existing standards and practices. Figure 5 below also lists the acronyms of sources specifically referenced in individual indicators.

## Types of evidence

The benchmark will use publicly available information from the company's website(s), its 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, corporate social responsibility and sustainability reports, or human rights reports if these are available, or other reports written for other purposes if these contain information applicable to the 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, the Business & Human Rights Resource Centre (BHRRC) and RepRisk will be considered, and each source used in the assessment will be shared with the companies assessed. Sources mainly include multilateral organisations, trade unions and relevant non-governmental organisations (NGOs). Analysts working for the BHRRC, RepRisk and Vigeo Eiris regularly monitor email listings and search global press and NGO websites for information relating to



# Introduction

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 it is necessary to protect victims, or in case of confidentiality issues related to an ongoing court case, the CHRB will consider non-publicly available information on a case-by-case basis. Where it does so, the CHRB will indicate that this is the case.

## Timeframe for requirements

Many CHRB indicators require information about the specific issue in question to be made public. In these instances, information provided by the company must be less than three years old at the start of the CHRB research cycle, except for policies or as otherwise specified in the indicator.



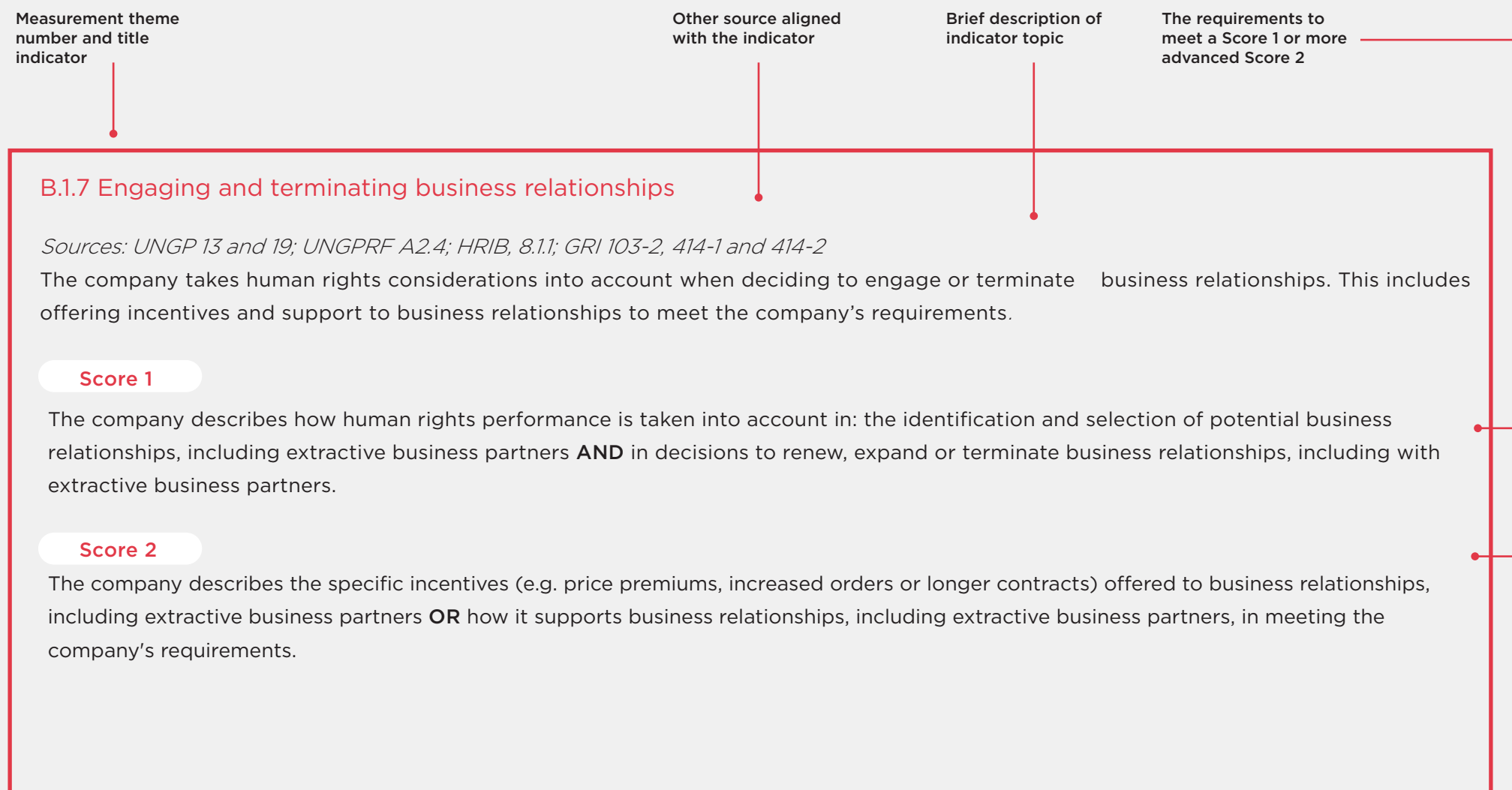
## How to read a CHRB indicator

A typical CHRB indicator follows a specific structure, illustrated in figure 4. 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 Figure 5 and the Glossary in Annex 3. In addition to the typical structure of a CHRB indicator, there are certain rules built into CHRB indicators.

### Indicator rules are specified below:

- **ANDs and ORs:** Most CHRB indicators operate using '**OR**' and '**AND**' rules. 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 they can score half points if they meet at least one of the requirements. Where two or more requirements are separated by '**OR**' in bold, companies being benchmarked are required to complete one of the options listed.
- **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 4: HOW TO READ A CHRB INDICATOR**



**FIGURE 5: REFERENCED SOURCES**

Figure below lists the acronyms for sources referenced directly within individual CHRB indicators and to which the CHRB indicators are aligned.

Sources referenced in CHRB indicators		
<b>ARP</b>	OHCHR Accountability and Remedy Project III: Enhancing effectiveness of non-State-based grievance mechanisms in cases of business-related human rights abuse (Main Report and Addendum)	<a href="https://www.ohchr.org/EN/Issues/Business/Pages/ARP_III.aspx">https://www.ohchr.org/EN/Issues/Business/Pages/ARP_III.aspx</a>
<b>B-Tech</b>	OHCHR B-Tech Foundational Paper: Addressing Business Model Related Human Rights Rights Risks	<a href="https://www.ohchr.org/Documents/Issues/Business/B-Tech/B_Tech_Foundational_Paper.pdf">https://www.ohchr.org/Documents/Issues/Business/B-Tech/B_Tech_Foundational_Paper.pdf</a>
<b>CEDAW</b>	Convention on the Elimination of all Discrimination Against Women	<a href="https://www.ohchr.org/documents/professionalinterest/cedaw.pdf">https://www.ohchr.org/documents/professionalinterest/cedaw.pdf</a>
<b>CRBP</b>	United Nations (UN) Children's Rights and Business Principles	<a href="https://sites.unicef.org/corporate_partners/index_25078.html">https://sites.unicef.org/corporate_partners/index_25078.html</a>
<b>CRC</b>	Convention on the Rights of the Child	<a href="https://www.ohchr.org/en/professionalinterest/pages/crc.aspx">https://www.ohchr.org/en/professionalinterest/pages/crc.aspx</a>
<b>EITI</b>	Extractives Industry Transparency Initiative	<a href="https://eiti.org/document/eiti-standard-2019#download">https://eiti.org/document/eiti-standard-2019#download</a>
<b>ETI</b>	Ethical Trading Initiative Base Code	<a href="https://www.ethicaltrade.org/eti-base-code">https://www.ethicaltrade.org/eti-base-code</a>

<b>FDC 2014</b>	French Development Cooperation Operational Guide to due diligence of agribusiness projects that affect land and property rights (2014)	<a href="http://www.foncier-developpement.fr/wp-content/uploads/Guide-to-due-diligence.pdf">http://www.foncier-developpement.fr/wp-content/uploads/Guide-to-due-diligence.pdf</a>
<b>FLA</b>	Fair Labor Association Code of Conduct and Compliance Benchmarks (2020)	<a href="https://www.fairlabor.org/sites/default/files/fla_workplace_compliance_benchmarks_rev_10.2020.pdf">https://www.fairlabor.org/sites/default/files/fla_workplace_compliance_benchmarks_rev_10.2020.pdf</a>
<b>FWF</b>	Fair Wear Foundation Labour Standards	<a href="https://www.fairwear.org/about-us/labour-standards/?gclid=CjwKCAjwqvyFBhB7EiwAER786cwSHV273gCDsrTTTT7X1TALnsadlclgLSV9jhNhbG04yYJSLFgsHLRoCiwkQAvD_BwE">https://www.fairwear.org/about-us/labour-standards/?gclid=CjwKCAjwqvyFBhB7EiwAER786cwSHV273gCDsrTTTT7X1TALnsadlclgLSV9jhNhbG04yYJSLFgsHLRoCiwkQAvD_BwE</a>
<b>GLWC</b>	Global Living Wage Coalition	<a href="https://www.globallivingwage.org/about/anker-methodology/">https://www.globallivingwage.org/about/anker-methodology/</a>
<b>GRI</b>	Global Reporting Initiative	<a href="https://www.globalreporting.org/">https://www.globalreporting.org/</a>
<b>HRIB</b>	Danish Institute for Human Rights, Indicators for Business	<a href="https://old.business-humanrights.org/en/platform-for-human-rights-indicators-for-business-hrib">https://old.business-humanrights.org/en/platform-for-human-rights-indicators-for-business-hrib</a>
<b>ICCPR</b>	International Covenant on Civil and Political Rights	<a href="https://www.ohchr.org/en/professionalinterest/pages/ccpr.aspx">https://www.ohchr.org/en/professionalinterest/pages/ccpr.aspx</a>
<b>ICESCR</b>	International Covenant on Economic, Social and Cultural Rights	<a href="https://www.ohchr.org/en/professionalinterest/pages/cescr.aspx">https://www.ohchr.org/en/professionalinterest/pages/cescr.aspx</a>
<b>ICMM PS 2013</b>	International Council on Mining and Metals Position Statement on Indigenous Peoples and Mining (2013)	<a href="https://www.icmm.com/en-gb/about-us/member-requirements/position-statements/indigenous-peoples">https://www.icmm.com/en-gb/about-us/member-requirements/position-statements/indigenous-peoples</a>
<b>ICoCA</b>	International Code of Conduct for Private Security Service Providers	<a href="https://icoca.ch/the-code/">https://icoca.ch/the-code/</a>



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<b>IFC PS</b>	International Finance Corporation Performance Standards	<a href="https://www.ifc.org/wps/wcm/connect/Topics_Ext_Content/IFC_External_Corporate_Site/Sustainability-At-IFC/Policies-Standards/Performance-Standards">https://www.ifc.org/wps/wcm/connect/Topics_Ext_Content/IFC_External_Corporate_Site/Sustainability-At-IFC/Policies-Standards/Performance-Standards</a>
<b>ILO</b>	International Labor Organization (ILO) Associated Conventions (No.1; 14; 29; 87; 98; 100; 105; 106; 111; 138; 169; 182; 190)	<a href="https://www.ilo.org/global/standards/introduction-to-international-labour-standards/conventions-and-recommendations/lang--en/index.htm">https://www.ilo.org/global/standards/introduction-to-international-labour-standards/conventions-and-recommendations/lang--en/index.htm</a>
<b>Interlaken Group 2015</b>	Interlaken Group, Respecting Land and Forest Rights – A Guide for Companies (2015)	<a href="https://rightsandresources.org/wp-content/uploads/InterlakenGroupGuide_web1.pdf">https://rightsandresources.org/wp-content/uploads/InterlakenGroupGuide_web1.pdf</a>
<b>IPIECA 2012</b>	IPIECA Indigenous guide on Peoples and the oil and gas industry: context, issues and emerging good practice (2012)	<a href="https://www.ipieca.org/resources/good-practice/indigenous-peoples-and-the-oil-and-gas-industry-context-issues-and-emerging-good-practice/">https://www.ipieca.org/resources/good-practice/indigenous-peoples-and-the-oil-and-gas-industry-context-issues-and-emerging-good-practice/</a>
<b>IPIECA 2020</b>	IPIECA Sustainability reporting guidance for the oil and gas industry (2020)	<a href="https://www.ipieca.org/media/5115/ipieca_sustainability-guide-2020.pdf">https://www.ipieca.org/media/5115/ipieca_sustainability-guide-2020.pdf</a>
<b>OECD</b>	OECD Guidelines for Multinational Enterprises (2011)	<a href="https://www.oecd.org/daf/inv/mne/">https://www.oecd.org/daf/inv/mne/</a>
<b>RMF 2020</b>	Responsible Mining Index: Framework 2020	<a href="https://www.responsibleminingfoundation.org/rmi-framework-2020/">https://www.responsibleminingfoundation.org/rmi-framework-2020/</a>
<b>SA8000</b>	Social Accountability 8000 International Standard	<a href="https://www.sgs.co.uk/en-gb/sustainability/social-sustainability/audit-certification-and-verification/sa-8000-certification-social-accountability">https://www.sgs.co.uk/en-gb/sustainability/social-sustainability/audit-certification-and-verification/sa-8000-certification-social-accountability</a>
<b>SASB</b>	Sustainability Accounting Standards Board	<a href="https://www.sasb.org/standards/download">https://www.sasb.org/standards/download</a>
<b>SDG</b>	UN Sustainable Development Goals	<a href="https://sdgs.un.org/goals">https://sdgs.un.org/goals</a>
<b>SHIFT</b>	Shift Leadership and Governance Indicators (2021)	<a href="https://shiftproject.org/resource/lg-indicators/foreword/">https://shiftproject.org/resource/lg-indicators/foreword/</a>

<b>SHIFT</b>	Shift Business Model Red Flags (2021)	<a href="https://shiftproject.org/resource/business-model-red-flags/red-flags-about/">https://shiftproject.org/resource/business-model-red-flags/red-flags-about/</a>
<b>UN Voluntary Guidelines</b>	UN Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security	<a href="http://www.fao.org/tenure/voluntary-guidelines/en/">http://www.fao.org/tenure/voluntary-guidelines/en/</a>
<b>UNDRIP</b>	UN Declaration on the Rights of Indigenous Peoples	<a href="https://www.un.org/development/desa/indigenouspeoples/declaration-on-the-rights-of-indigenous-peoples.html">https://www.un.org/development/desa/indigenouspeoples/declaration-on-the-rights-of-indigenous-peoples.html</a>
<b>UNGA Res 64/292</b>	UN General Resolution 64/292 The Human Right to Water and Sanitation (August 3, 2010)	<a href="https://digitallibrary.un.org/record/687002?ln=en#record-files-collapse-header">https://digitallibrary.un.org/record/687002?ln=en#record-files-collapse-header</a>
<b>UNGC CEO Water Mandate</b>	UN Global Compact CEO Water Mandate	<a href="https://ceowatermandate.org/">https://ceowatermandate.org/</a>
<b>UNGPRF</b>	UN Guiding Principles Reporting Framework	<a href="https://www.ungpreporting.org/">https://www.ungpreporting.org/</a>
<b>UNGPs</b>	UN Guiding Principles on Business and Human Rights	<a href="https://www.ohchr.org/documents/publications/guidingprinciplesbusinesshr_en.pdf">https://www.ohchr.org/documents/publications/guidingprinciplesbusinesshr_en.pdf</a>
<b>UNSR IP 2013</b>	Report of the UN Special Rapporteur on the Rights of Indigenous Peoples, James Anaya - Extractive industries and indigenous peoples (2013)	<a href="https://www.ohchr.org/EN/HRBodies/HRC/RegularSessions/Session24/Documents/A-HRC-24-41_en.pdf">https://www.ohchr.org/EN/HRBodies/HRC/RegularSessions/Session24/Documents/A-HRC-24-41_en.pdf</a>
<b>USAID 2015</b>	USAID Operational Guidelines for Responsible Landbased Investment (2015)	<a href="https://www.land-links.org/tool-resource/operational-guidelines-for-responsible-land-based-investment/">https://www.land-links.org/tool-resource/operational-guidelines-for-responsible-land-based-investment/</a>
<b>VPSHR</b>	Voluntary Principles on Security and Human Rights	<a href="https://www.voluntaryprinciples.org/the-principles/">https://www.voluntaryprinciples.org/the-principles/</a>
<b>WEP</b>	Women's Empowerment Principles	<a href="https://www.weps.org/">https://www.weps.org/</a>

# Measurement theme A: Governance and policy commitments (10%)

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.

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.1.2.a ILO Declaration on Fundamental Principles and Rights at Work

A.1.2.b Health and safety and working hours

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

A.1.3.a Land, natural resources and indigenous peoples' rights

A.1.3.b Security

A.1.4 Commitment to remedy

A.1.5 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 responsibility

A.2.3 Incentives and performance management

A.2.4 Business model strategy and risks

## Policy commitments

### What do the UN Guiding Principles on Business and Human Rights (UNGPs) 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

## Measurement theme A: Governance and policy commitments (10%)

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's policy complies with X
- The company's policy is drafted in accordance with X

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

- The company's commitments are consistent 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.

# Measurement theme A: Governance and policy commitments (10%)

## A.1 Policy commitments (5%)

### A.1.1 Commitment to respect human rights

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

The company publicly commits to respecting all internationally recognised 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 sector-specific commitments are considered in A.1.3.*

#### Score 1

The company has a publicly available policy statement committing it to respect human rights **OR** the rights under the Universal Declaration of Human Rights **OR** the International Bill of Human Rights.

#### Score 2

The company's publicly available policy statement also commits it to respecting 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

#### A.1.2.a Commitment to respect the human rights of workers: ILO Declaration on Fundamental Principles and Rights at Work

*Sources: UNGP 12 and 16(c), UNGPRF, A1; FLA Code of Conduct; 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. It also has a publicly available statement of policy committing it to respect the human rights of workers in its business relationships.

#### Score 1

The company has a publicly available policy statement committing it to respect the human rights that the ILO has declared to be fundamental rights at work **AND** the company's policy statement 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.

#### Score 2

The company's publicly available policy statement also expects its extractive business partners to commit to respecting the human rights that the ILO has declared to be fundamental rights at work **AND** explicitly lists them in that commitment.



### 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 and No. 98)
- Elimination of all forms of forced or compulsory labour (Convention No. 29 and No. 105)
- Effective abolition of child labour (Convention No. 138 and No. 182)
- Elimination of discrimination in respect of employment and occupation (Convention No. 100 and No. 111)

### Additional ILO labour standard:

- Working hours (Convention No. 1, No. 14 & No. 106)

### A.1.2.b Commitment to respect the human rights of workers:

#### Health and safety and working hours

*Sources: GRI 403-9; ICESCR Art. 7; HRIB 3 and 8.2.1; FLA VII, VII. HSE.3; SA8000 IV.3.5 and IV.3.7; ETI 6; ILO No. 1, 14 and 106*

The company publicly commits to respecting the health and safety of workers, and states that workers shall not be required to work more than 48 hours in a regular work week or 60 hours including overtime. The company also states that overtime work must be consensual and be paid at a premium rate. It also places equivalent expectations on its business relationships.

#### Score 1

The company has a publicly available policy statement committing it to respect the health and safety of workers **AND** the company commits to respecting the ILO conventions on labour standards on working hours or the company publicly states that workers shall not be required to work more than 48 hours in a regular work week or 60 hours including overtime and that all overtime work must be consensual and paid at a premium rate.

#### Score 2

The company's publicly available policy statement also expects its extractive business partners to commit to respecting the health and safety of their workers **AND** the ILO conventions on labour standards on working hours or the company has a public expectation that its extractive business partners shall not require workers to work more than 48 hours in a regular work week or 60 hours including overtime and that all overtime work must be consensual and be paid at a premium rate.

## Measurement theme A: Governance and policy commitments (10%)

### A.1.3 Commitment to respect human rights particularly relevant to the sector

#### A.1.3.a Commitment to respect human rights particularly relevant to the sector: Land, natural resources and indigenous peoples' rights

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

The company publicly commits to respecting, and ensures its business relationships respect, the human rights of particular relevance to communities' livelihoods and health, including the right to water and the ownership or use of land and natural resources.

#### Score 1

The company has a publicly available policy statement committing it to respect ownership/use of land and natural resources and respect legitimate tenure rights related to the ownership and use of land and natural resources as set out in the relevant part(s) of the Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security (VGGT) **OR** the IFC Performance Standards **AND** to respecting indigenous peoples' rights or references the relevant part(s) of the ILO Convention on Indigenous and Tribal Peoples No.169 or of the UN Declaration on the Rights of Indigenous Peoples **AND** the company's policy statement(s) also expect(s) its extractive business partners to make these commitments.

#### Score 2

The company's publicly available policy statement committing it to respect ownership/use of land and natural resources also includes a commitment to obtain free, prior and informed consent (FPIC) from indigenous peoples

and local communities for transaction(s) involving land and natural resources or to a zero tolerance for land grabbing **AND** the company commits to respecting the right to water **AND** the company's policy statement(s) also expect(s) its extractive business partners to make these commitments.

#### A.1.3.b Commitment to respect human rights particularly relevant to the sector: Security

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

The company publicly commits to respecting, and ensures that its business relationships respect, the human rights of particular relevance to communities' livelihoods, security and health, including fundamental humanitarian norms such as protections for civilians and other protected persons when operating in conflict-affected areas.

*Note: General commitments to human rights 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 when operating in conflict-affected areas.*

#### Score 1

The company has a publicly available policy statement committing it to respect the Voluntary Principles on Security and Human Rights (VPs) **OR** only uses security providers who are members of the International Code of Conduct of Private Security Providers Association (ICoCA) **AND** the company commits to respect international humanitarian law (IHL).

## Measurement theme A: Governance and policy commitments (10%)

### Score 2

The company meets the requirements under Score 1 **AND** expects its extractive business partners to make these commitments.

#### Key international humanitarian instruments protecting the rights of individuals/groups during armed conflict.

The Geneva Conventions and their Additional Protocols cover the following areas of international humanitarian law, laid out in four conventions and three additional protocols:

- Geneva Convention (I) for the Amelioration of the Condition of the Wounded and Sick in Armed Forces in the Field, 1949
- Geneva Convention (II) for the Amelioration of the Condition of Wounded, Sick and Shipwrecked Members of Armed Forces at Sea, 1949
- Geneva Convention (III) relative to the Treatment of Prisoners of War, 1949
- Geneva Convention (IV) relative to the Protection of Civilian Persons in Time of War, 1949
- Additional Protocol (I) relating to the Protection of Victims of International Armed Conflicts, 1977
- Additional Protocol (II) relating to the Protection of Victims of Non-International Armed Conflicts, 1977
- Additional Protocol (III) relating to the Adoption of an Additional Distinctive Emblem, 2005

(Source: [International Committee of the Red Cross](#))

### A.1.4 Commitment to remedy

Sources: 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 policy statement committing it to remedy the adverse impacts on individuals and workers and communities that it has caused or contributed to **AND** the company expects its extractive business partners to make this commitment.

### Score 2

The company's publicly available policy statement also commits it to collaborating with judicial or non-judicial mechanisms to provide access to remedy **AND** the policy statement includes a commitment to work with extractive business partners to remedy adverse impacts which are directly linked to the company's operations, products or services.

### A.1.5 Commitment to respect the rights of human rights defenders

Sources: UNGP 12; UNGPRF A1.2

The company publicly commits to not tolerating threats, intimidation, violence, punitive action, surveillance or physical or legal attacks against human rights defenders, including those exercising their rights to freedom of expression, association, peaceful assembly

## Measurement theme A: Governance and policy commitments (10%)

and protest against the business or its operations. It also places equivalent expectations on its business relationships. The company also commits to engaging with human rights defenders as part of operational processes of risk assessment and due diligence or supporting the work of human rights defenders to create a safe and enabling environment for the work of civil society in locations where it operates, at both local and national levels. (see also indicator C.5)

*Note: The term 'human rights defender' is a broad and inclusive definition that refers to individuals or groups that, in their personal or professional capacity and in a peaceful manner, strive to protect and promote human rights. This includes affected communities, non-governmental organisations and individuals, members of the media, lawyers, judges, academics, government officials and civil servants or members of the private sector (including company employees such as trade unionists and whistle-blowers).*

### Score 1

The company has a publicly available policy statement committing it to neither tolerate nor contribute to threats, intimidation and attacks (both physical and legal) against human rights defenders **AND** the company expects its extractive business partners to make this commitment.

### Score 2

The company also commits to working with human rights defenders to create safe and enabling environments for civic engagement and human rights at local, national or international levels.

## A.2 Board level accountability (5%)

### A.2.1 Commitment from the top

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

The company's human rights policy commitments are communicated at board level and a board member or board committee oversees the company's strategy, policies and processes for respecting human rights. The board member or board committee possesses relevant knowledge, skills and competence in the area of human rights. Board members or the chief executive officer (CEO) talk publicly about the company's approach to addressing risks to people and the importance of human rights to the business.

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

### Score 1

The company indicates that a board member or board committee is tasked with specific governance oversight of respect for human rights **AND** the company describes the human rights expertise of the board member or board committee tasked with that governance oversight.

### Score 2

Board members or the CEO clearly signal the company's commitment to human rights (e.g., speeches, presentations or other communications) discussing why human rights matter to the business or any challenges to respecting human rights encountered by the business.



## Measurement theme A: Governance and policy commitments (10%)

### A.2.2 Board responsibility

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

The company has processes in place at board level to discuss and address human rights issues and how they fit within the company's overall purpose and strategy, or a board committee regularly reviews the company's strategy, policy and management processes, as well as challenges and progress in managing human rights issues and provides examples of what was discussed. These discussions are informed by the experiences of affected stakeholders or external human rights experts.

#### Score 1

The company describes the processes it has in place to discuss and regularly review its human rights strategy or policy or management processes at board level or a board committee **OR** the company provides an example of 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 **AND** describes how the experiences of affected stakeholders or external human rights experts informed these discussions.

### A.2.3 Incentives and performance management

*Sources: 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.

The company also reviews other board incentives to ensure coherence with its human rights policy commitments.

#### Score 1

The company indicates that at least one board member has an incentive or performance management scheme linked to the company's human rights policy commitment(s) or strategy.

**IF** the company has linked its scheme to only one aspect of its human rights policy commitment(s) then this aspect must be one of the key sector risks 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 of extractive business partners

#### Score 2

The criteria linking board remuneration to human rights performance is also made public **AND** the company indicates that it has reviewed other board performance incentives to ensure coherence with its human rights policy commitment(s).

### A.2.4 Business model strategy and risks

*Sources: Shift G.1; B-Tech*

The company considers and addresses the impacts of its strategy and business model on the human rights of affected stakeholders at board level. The term business model refers to the value a company seeks to deliver, and to whom and how it delivers that value in pursuit of commercial success. Where certain business models (e.g., fast fashion, gig-economy, depletion of natural resources) establish

## Measurement theme A: Governance and policy commitments (10%)

processes, incentives and practices that increase risks to workers, communities or consumers, this can conflict with, or undermine, a company's ability to respect human rights. Business model choices are linked to strategy and are governed by the board and shaped by senior management.

### Score 1

The company describes the process(es) it has in place to discuss and review its business model and strategy for inherent risks to human rights at board level or a board committee **OR** the company describes the frequency of and triggers for reviewing its business model or strategy and potential impacts on human rights.

### Score 2

The company meets both requirements under Score 1 **AND** provides an example of action(s) decided as a result of these discussions.

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## Measurement theme B: Embedding respect and human rights due diligence (25%)

This measurement theme assesses the extent of systems and processes established to implement the company's policy commitments in practice. It includes two related sub-themes:

**Embedding respect for human rights in company culture and management systems:** 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 with the human rights due diligence steps in the UN Guiding Principles on Business and Human Rights.

*Note: The 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.*

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

### B.1 Embedding respect for human rights in company culture and management systems (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 Workers and external stakeholders
  - B.1.4.b Business relationships
- B.1.5 Training on human rights
- B.1.6 Monitoring and corrective actions
- B.1.7 Engaging and terminating business relationships
- B.1.8 Approach to engaging with affected stakeholders

### B.2 Human rights due diligence (15%)

- B.2.1 Identifying human rights risks and impacts
- B.2.2 Assessing human rights risks and impacts
- B.2.3 Integrating and acting on human rights risks and impact assessments
- B.2.4 Tracking the effectiveness of actions to respond to human rights risks and impacts
- B.2.5 Communicating on human rights impacts

### 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 commitments into company culture.

The company should align the policies and procedures that govern its wider business activities and relationships with its 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 four steps:

### 1. Identifying and Assessing

#### **What do the UN Guiding Principles on Business and Human Rights 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 and acting

#### **What do the UN Guiding Principles on Business and Human Rights 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 on Business and Human Rights 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 on Business and Human Rights 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 6: HUMAN RIGHTS DUE DILIGENCE PROCESS**



## Measurement theme B: Embedding respect and human rights due diligence (25%)

### B.1 Embedding Respect for Human Rights in Company Culture and Management Systems (10%)

#### Key concepts

- **Key sector risks:** The risks commonly regarded as potentially severe and/or likely within the sector 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 sector, 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. Therefore they vary from company to company, and over time.
- **Materiality:** Refers to what is really important or has great consequences. 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

*Sources: 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. This includes responsibility for the ILO core labour standards at a minimum.

The company also allocates resources and expertise for the day-to-day management of human rights within its operations and business relationships.

*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) accountable for implementation and decision making on human rights issues within the company.

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

## Measurement theme B: Embedding respect and human rights due diligence (25%)

### Score 2

The company describes how it assigns responsibility for implementing its human rights policy commitment(s) for day-to-day management across relevant departments **AND** how it allocates resources and expertise for the day-to-day management of relevant human rights issues within its own operations **AND** with its extractive business partners.

#### B.1.2 Incentives and performance management

*Sources: 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. The company also reviews other senior managers incentives to ensure coherence with its human rights policy commitments.

### Score 1

The company indicates that it has an incentive or performance management scheme linked to its human rights policy commitment(s) for at least one senior manager **AND** it covers at least one of the key sector risks 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, it includes the health and safety of local communities and workers of extractive business partners.

### Score 2

The criteria linking the senior manager(s)' remuneration to the company's human rights performance is also made public **AND** the company indicates

that it has reviewed other senior management performance incentives to ensure coherence with its human rights policy commitment(s).

#### B.1.3 Integration with enterprise risk management

*Sources: 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) **AND** the company provides an example of this.

### Score 2

The company also describes how it assesses the adequacy of the enterprise risk management system(s) 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):

##### Workers and external stakeholders

*Sources: 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 affected stakeholders. This includes the ILO core labour standards at a minimum.

## Measurement theme B: Embedding respect and human rights due diligence (25%)

### Score 1

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

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

### Score 2

The company also describes how it communicates its policy commitments to affected stakeholders, including local communities and other 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.a Score 1.*

#### **B.1.4.b Communication/dissemination of policy commitment(s): Business relationships**

*Sources: 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). This includes the ILO core labour standards at a minimum.

### Score 1

The company describes the steps it takes to communicate its human rights policy to its extractive business partners itself **OR** the company demonstrates that it requires its extractive business partners to do so.

*Note: In order to get a score of 1, the company needs to meet the ILO requirements for extractive business partners under indicator A.1.2a Score 2 (i.e., the company's publicly available policy statement also expects its extractive business partners to commit to respecting the human rights that the ILO has declared to be fundamental rights at work 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 extractive business partners **AND** the company demonstrates that it requires its extractive business partners to cascade the contractual or other binding requirements with their business relationships.

#### **B.1.5 Training on human rights**

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

The company trains its workers and business relationships on its human rights policy commitment(s). This includes the ILO core labour standards at a minimum.



## Measurement theme B: Embedding respect and human rights due diligence (25%)

### Score 1

The company describes how its workers are trained on its human rights policy commitment(s) **OR** the company describes how relevant managers and workers, including those working on security, 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.a.*

### Score 2

The company meets both of the requirements under Score 1 **AND** the company describes the training it provides to extractive business partners to help them meet its human rights policy commitment(s) **AND** discloses the percentage of extractive business partners trained.

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

### B.1.6 Monitoring and corrective actions

*Sources: UNGP 12 and 20; UNGRPF C4, C4.3 and C5; GRI 414-2*

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 and discloses its findings. The company involves workers in this process. This includes the ILO core labour standards at a minimum.

*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 while 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 with extractive business partners (e.g., including external/independent third parties) **AND** this includes the proportion of its extractive business partners that are monitored **AND** the company describes how workers are involved in the monitoring process.

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

### Score 2

The company describes its corrective action process(es) **AND** publicly discloses the findings and number of corrective action process(es) as a result of the monitoring.

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

## Measurement theme B: Embedding respect and human rights due diligence (25%)

### B.1.7 Engaging and terminating business relationships

Sources: 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. This includes offering incentives and support to business relationships to meet the company's requirements.

#### Score 1

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

#### Score 2

The company describes the specific incentives (e.g. price premiums, increased orders or longer contracts) offered to business relationships, including extractive business partners **OR** how it supports business relationships, including extractive business partners, in meeting the company's requirements.

### B.1.8 Approach to engaging with affected stakeholders

Sources: 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 stakeholders on a regular basis. In doing so, it identifies affected stakeholders and engages in regular dialogue on human rights issues with them and their legitimate

representatives. 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.

*Note: Engagement with 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, consumers, and any other person or group of people whose life and environment might be impacted. Legitimate representatives are those that the 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.*

#### Score 1

The company describes how it has identified, and engaged with affected stakeholders, including workers amongst its extractive business partners or local communities, in the last two years **OR** discloses the categories of stakeholders whose human rights have been or may be affected by its activities **AND** the company provides at least two examples of its engagement with stakeholders whose human rights have been or may be affected by its activities (or their legitimate representatives or multi-stakeholder initiatives) in the last two years.

## Measurement theme B: Embedding respect and human rights due diligence (25%)

### Score 2

The company also provides a summary analysis of the input/views given by stakeholders on human rights issues **AND** describes how these views have influenced the development or monitoring of its human rights approach.

### B.2 Human rights due diligence (15%)

#### B.2.1 Identifying human rights risks and impacts

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

The company proactively identifies its human rights risks and impacts on an on-going basis, including when these are triggered by key moments in the company's activities (e.g. policy change, market entry, new projects). This includes engaging with stakeholders and vulnerable groups as part of the identification process.

*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 has this system in each particular location where it operates. As such, by complying with all criteria in Score 2, a company is automatically assumed to have achieved Score 1.*

### Score 1

The company describes the process(es) it uses to identify its human rights risks and impacts in specific locations or activities, covering its own operations **AND** through relevant business relationships, including its extractive business partners.

### 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 involving consultation with affected stakeholders and internal or independent external human rights experts **AND** describes how these systems are triggered by new country operations, new business relationships, new human rights challenges or conflict affecting particular locations **AND** describes the risks identified in relation to such events, including through heightened due diligence in any conflict-affected areas.

#### B.2.2 Assessing human rights risks and impacts

*Sources: 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. This includes engaging with stakeholders and vulnerable groups as part of the assessment process.

### Score 1

The company describes its process(es) for assessing its human rights risks and discloses 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 **AND** this includes a description of how these processes apply to its extractive business partners **OR** the company publicly discloses the results of its assessments, which may be aggregated across its operations and locations.

## Measurement theme B: Embedding respect and human rights due diligence (25%)

### Score 2

The company meets all of the requirements under Score 1 **AND** describes how it involves affected stakeholders in the assessment process(es).

#### B.2.3 Integrating and acting on human rights risks and impact assessments

*Sources: 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 in order to take appropriate actions to prevent, mitigate or remediate its salient human rights risks and impacts. This includes engaging with stakeholders and vulnerable groups on any action taken or to be taken.

*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 while 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 prevent, mitigate or remediate its salient human rights issues **AND** this includes a description of how its global system applies to its extractive business

partners **OR** the company provides an example of the specific 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 in the last three years.

Note: Where the company has a clear global system, it can be assumed that this system or approach is used in each particular location the company operates in.

### Score 2

The company meets all of the requirements under Score 1 **AND** describes how it involves affected stakeholders in decisions about the actions to take in response to its salient human rights issues.

#### B.2.4 Tracking the effectiveness of actions to respond to human rights risks and impacts

*Sources: 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. This includes engaging with stakeholders and vulnerable groups when evaluating the effectiveness of any action taken.

### Score 1

The company describes its system(s) for tracking or monitoring the actions taken in response to human rights risks and impacts and for evaluating whether the actions have been effective or have missed key

## Measurement theme B: Embedding respect and human rights due diligence (25%)

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 its due diligence process(es).

### Score 2

The company meets both of the requirements under Score 1 **AND** describes how it involves affected stakeholders in evaluation(s) of whether the actions taken have been effective.

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### B.2.5 Communicating on human rights impacts

*Sources: UNGP 20 and 21; UNGPRF C2*

The company communicates externally how it addresses its human rights impacts (i.e., throughout its due diligence process(es)) in a manner that is accessible to its intended audiences, especially affected stakeholders who have raised concerns, provides enough information to evaluate the adequacy of the response(s) and does not pose risks to affected stakeholders or personnel. Such communications should provide accurate, balanced and complete information. This type of communication is distinct from engagement with 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 provides at least two examples demonstrating how it communicates with affected stakeholders regarding specific human rights impacts raised by them or on their behalf.

### Score 2

The company meets the requirements under Score 1 **AND** describes any challenge(s) to effective communication it has identified and how it is working to address them.

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## Measurement theme C: Remedies and grievance mechanisms (20%)

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. This measurement theme also aims 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. It also tests the company's willingness to participate in other remedy options and its approach to litigation concerning credible allegations of human rights impacts.

This measurement theme is broken down into the following indicators:

- C.1 Grievance mechanism(s) for workers
- C.2 Grievance mechanism(s) for external individuals and communities
- C.3 Users are involved in the design and performance of the mechanism(s)
- C.4 Procedures related to the grievance mechanism(s) are equitable, publicly available and explained
- C.5 Prohibition of retaliation for raising complaints or concerns
- C.6 Company involvement with state-based judicial and non-judicial grievance mechanisms
- C.7 Remedying adverse impacts

C.8 Communication on the effectiveness of grievance mechanism(s) and incorporating lessons learned

### Remedies and grievance mechanisms

#### **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.

#### **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.

## Measurement theme C: Remedies and grievance mechanisms (20%)

- 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 so they can respond quickly and effectively.
- Strong remediation processes can help prevent impacts or conflicts from increasing or escalating.

*Note: See also indicator A.1.4. on policy commitments concerning remedy and indicator A.1.5 on policy commitments concerning human rights defenders.*

### Effectiveness criteria for non-judicial grievance mechanisms

- The UNGPs identify a set of eight criteria for designing, revising or assessing a non-judicial grievance mechanism to help ensure that it is effective in practice.
- These criteria have been further elaborated on by the Office of the High Commissioner for Human Rights' (OHCHR) Accountability and Remedy Project (ARP), the third phase of which has focused on non-state-based grievance mechanisms.
- Figure 7 is a (non-exhaustive) mapping of where the effectiveness criteria, as defined by the UNGPs and elaborated on in the ARP III, is assessed within the CHRB indicators.

FIGURE 7: EFFECTIVENESS CRITERIA MAPPING

	C.1	C.2	C.3	C.4	C.5	C.6	C.7	C.8
Legitimate	✓	✓	✓					
Accessible	✓	✓			✓	✓		
Predictable				✓	✓			
Equitable				✓				
Transparent								✓
Rights-compatible							✓	✓
Continuous learning							✓	✓
Based on engagement			✓					

## Measurement theme C: Remedies and grievance mechanisms (20%)

### C.1 Grievance mechanism(s) for workers

*Sources: UNGP 22, 29 and 30; UNGPRF C6.1 and C6.3; GRI 103-2: ARP 7.1, 8.1 and 8.8*

The company has one or more mechanisms (its own, third party or shared) through which workers can raise complaints or concerns, including in relation to human rights issues. The mechanism(s) is available to all workers and takes into account accessibility by marginalised groups. The 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 precludes access to judicial or other non-judicial grievance mechanisms. UN Guiding Principle 31 provides relevant criteria for the design and operation of such mechanisms.

#### Score 1

The company indicates that it has one or more mechanism(s), or participates in a third-party or 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 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 describes how it ensures the mechanism(s) is available in all appropriate languages and that workers are aware of it (e.g., specific

communication(s)/training) **AND** the company describes how it ensures workers in its extractive business partners' operations have access to either: the company's own mechanism(s) to raise complaints or concerns about human rights issues at the company's extractive business partners or the company expects its extractive business partners to establish a mechanism(s) for their workers to raise such complaints or concerns **AND** the company expects its extractive business partners to convey the same expectation on access to grievance mechanism(s) to their own extractive business partners.

### C.2 Grievance mechanism(s) for external individuals and communities

*Sources: UNGP 22, 29 and 30; UNGPRF C6.1 and C6.3; GRI 103-2: ARP 7.1, 8.1 and 8.8*

The company has one or more mechanisms (its own, third party or shared) through which individuals and communities who may be adversely impacted by the company can raise complaints or concerns, including in relation to human rights issues. The mechanism(s) is available to all external individuals and communities and takes into account accessibility by marginalised groups. The mechanism(s) does not preclude access to judicial or other non-judicial grievance mechanisms. UN Guiding Principle 31 provides relevant criteria for the design and operation of such mechanisms.

#### Score 1

The company indicates that it has one or more mechanism(s), or participates in a shared mechanism, accessible to all external individuals and communities who may be adversely impacted by the company, or those acting on their behalf, to raise complaints or concerns.

## Measurement theme C: Remedies and grievance mechanisms (20%)

*Note: An explicit reference to human rights is not required, but a 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 describes how it ensures the mechanism(s) is available in local languages and that all affected external stakeholders at its own operations are aware of it (e.g., specific communication(s)/training) **AND** the company describes how it ensures external individuals and communities have access to either: the company's own mechanism(s) to raise complaints or concerns about human rights issues at the company's extractive business partners or the company expects its extractive business partners to establish a mechanism for them to raise such complaints or concerns **AND** the company expects its extractive business partners to convey the same expectation on access to grievance mechanism(s) to their extractive business partners.

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

*Sources: UNGP 31(h); UNGPRF C6.1, C6.2 and C6.3; ARP 7.3 and 14.1*

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

### Score 1

The company describes how it engages with potential or actual users on the design and performance of the mechanism(s) (such as on scope, methods of raising grievances, etc) **OR** the company provides at least two examples of how it engages with potential or actual users on the design, implementation or performance of the mechanism(s).

### Score 2

The company also describes how it engages with potential or actual users (or individuals or organisations acting on their behalf) on the improvement of the mechanism(s) **AND** it provides at least two examples of doing so.

**IF** the company expects its extractive business partners to set up their own mechanism(s) under C.1 or C.2, it also expects them to consult potential or actual users on the design, implementation or performance of their mechanism(s).

### C.4 Procedures related to the grievance mechanism(s) are equitable, publicly available and explained

*Sources: UNGP 19 and 31(c); UNGPRF C6.3; ARP 9.1, 9.2, 10.1, 10.5 and 10.6*

The company describes how complaints or concerns are received, processed and addressed. It also describes how those making complaints are informed throughout the process as well as how complaints may be escalated or withdrawn. In addition the company takes steps to ensure equitable access to and participation in grievance process(es) through the provision of technical, financial or advisory

## Measurement theme C: Remedies and grievance mechanisms (20%)

support, as may be appropriate in light of the mandate, objectives and operations of the grievance mechanism(s). This includes an explanation of what outcomes the grievance mechanism(s) can and cannot offer to users in the form of remedy(ies) (including financial and non-financial).

### 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 **AND** the company describes the technical, financial or advisory support available to complainants to enable equal access to and participation in the grievance process.

### Score 2

The company explains the type(s) of outcome(s) to the complainant through use of the grievance mechanism(s) **AND** 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 third party adjudicators or mediators to challenge the process or outcome.

### C.5 Prohibition of retaliation for raising complaints or concerns

*Sources: UNGP 22 and 31; UNGPRF C6.2 and C6.3; ARP 8.9 and 9.4*

The company prohibits retaliation for raising complaints or concerns, including in relation to human rights issues. Retaliation can take many forms including physical, psychological, economic or legal harm. In addition, retaliation may take place against many different

people depending on the context, not only the person raising the complaint or concern, but also involving family, representatives, colleagues, trade union representatives, human rights defenders, witnesses, interpreters, friends, and others. Economic forms of retaliation can include negative actions connected with a person's employment including demotion, disciplinary action, firing, salary reduction, job or shift reassignment, anti-union discrimination and blacklisting. Legal forms of retaliation can include vexatious litigation and strategic lawsuits against public participation (SLAPPs). These are civil, criminal or administrative lawsuits without merit, but with the intent of preventing individuals or groups (including persons and organisations acting on their behalf) from engaging in criticism, opposition, public participation or similar activities in relation to a business' operations. (see also indicator A.1.6).

### 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 or carrying out assessments of and addressing risks of retaliation).

### Score 2

The company also indicates that it will not retaliate against workers and stakeholders through:



## Measurement theme C: Remedies and grievance mechanisms (20%)

- legal action 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
- firing or engaging in economic forms of retaliation against any workers or their representatives 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** the company expects its extractive business partners 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

*Sources: UNGPRF C6; ARP 8.4*

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. The company operates on the assumption that it will not require individuals to permanently waive their legal rights to bring a claim through a judicial or non-judicial process as a condition of participation in a grievance/mediation process and does not require confidentiality provisions (e.g., non-disclosure agreements) with respect to human rights grievances. 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 indicates that it does not require affected individuals or communities participating in a grievance process to permanently waive their legal rights to bring a claim through a judicial or non-judicial process as a condition of participating in the grievance process (e.g. by requiring binding arbitration or mediation) **AND** the company indicates that it does not require confidentiality provisions (e.g., non-disclosure agreements) with respect to human rights grievances.

#### Score 2

The company also sets out the process by which it cooperates with state-based non-judicial grievance mechanism(s) on complaints brought against it **OR** provides an example of issues resolved (if applicable).

### C.7 Remedying adverse impacts

*Sources: UNGP 19, 22 and 31; UNGPRF C6, C6.4 and C6.5; GRI 103-2 and 413-2; ARP 12.2 and 13.1*

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 mechanism(s)). It also incorporates changes to systems, processes (e.g., human rights due diligence processes) and practices to prevent similar adverse impacts in the future.

## Measurement theme C: Remedies and grievance mechanisms (20%)

### 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, processes and practices to prevent similar adverse impacts in the future **AND** the company describes its approach to monitoring implementation of the agreed remedy **OR** if no adverse impacts have been identified then the company describes the approach it would take to review and change systems, processes or practices to prevent similar adverse impacts in the future.

#### 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.8 Communication on the effectiveness of grievance mechanism(s) and incorporating lessons learned

*Sources: ARP 11.2, 12.3 and 13.2*

The company discloses information about the practical operation of the grievance mechanism(s) for its own workers and external individuals/communities that may be adversely impacted by the company's operations. This may include the types/nature of grievances filed, the number of complaints rejected and the grounds, and the outcomes and follow-up activities for completed cases. The company also describes how lessons from the mechanism contributed to improve its human rights management system and how it reviews the effectiveness of the grievance mechanism(s) on an ongoing basis to improve its functioning and address delays or non-implementation of outcomes agreed with stakeholders.

### Score 1

The company discloses data about the practical operation of the mechanism(s), including the number of grievances about human rights issues filed, addressed or resolved and outcomes achieved for its own workers and for external individuals and communities that may be adversely impacted by the company **AND** provides an example of how lessons from the mechanism have contributed to improving the company's human rights management system(s).

### Score 2

The company describes the process(es) to review the effectiveness of the grievance mechanism(s) and any changes made to improve it based on the review **AND** the company describes the procedures it has in place to address delays or non-implementation of outcomes agreed with stakeholders.

## Measurement theme D: Performance: Company human rights practices (25%)

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

Many of these interconnect 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 by 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.

There are nine indicators for the Extractives companies in theme D, all of which are equally weighted with an equal share of the total available 25%.

- D.3.1 Living wage (in own extractive operations, which includes JVs)
- D.3.2 Transparency and accountability (in own extractive operations, which includes JVs)
- D.3.3 Freedom of association and collective bargaining (in own extractive operations, which includes JVs)
- D.3.4 Health and safety: Fatalities, lost days, injury, occupational disease rates (in own extractive operations, which includes JVs)
- D.3.5 Indigenous peoples' rights and free prior and informed consent (FPIC) (in own extractive operations, which includes JVs)
- D.3.6 Land rights: Land acquisition (in own extractive operations, which includes JVs)
- D.3.7 Security (in own extractive operations, which includes JVs)
- D.3.8 Water and sanitation (in own extractive operations, which includes JVs)
- D.3.9 Women's rights (in own extractive operations, which includes JVs)

## Performance: Company human rights practices

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

- Guiding Principle 14 asserts that businesses should have policies and processes in place that are proportionate to factors including size, sector, operational context, business structure, and the severity of the business' adverse human rights impacts.
- The commentary to Guiding Principle 14 states 'severity of impacts will be judged by their scale, scope and irremediable character'.
- The Interpretive Guide to the UN Guiding Principles elaborates further on 'severity', noting that the gravity of the impact (its scale) and the number of individuals that are or will be affected (its scope) and irremediability meaning any limits on the ability to restore those affected to a situation at least the same as, or equivalent to, their situation before the adverse impact are relevant factors in determining severity.

### Why is this important?

- Key sector risks are risks commonly regarded as potentially severe or likely within the sector 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.

- For businesses to effectively manage these key sector risks, identified by the gravity of their impact (scale) and irremediability, its important they first understand and can articulate the scope of the problem(s) being faced.
- As such, several indicators in Measurement Theme D require companies to demonstrate their understanding of key risks by providing an assessment of the number of individuals that are or will be affected (scope) within their sector.

The indicators applied to each sector are mapped in the below table, split between 'enabling factors and business processes' and 'key sector risks'. These key sector risks were identified taking into consideration sector research and consultation.

#### Key sector risks:

- Freedom of association and collective bargaining
- Health and safety
- Indigenous peoples rights and FPIC
- Land rights
- Security
- Water and sanitation

## Enabling factors and business processes

### D.3.1 Living wage (in own extractive operations, which includes JVs)

*Sources: IICESCR, Art. 7; HRIB, 2.4.1, ETI, 5; SA8000; GLWC; SA8000, IV.8.1*

The company pays all its workers a living wage or discloses a time bound target to do so. The company regularly reviews its definition of the living wage and negotiates through collective bargaining with relevant trade unions (or equivalent worker bodies where the rights to freedom of association and collective bargaining are 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 Article 7 of the International Covenant on Economic, Social and Cultural Rights) 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 discloses a time bound target for paying all workers a living wage or the company indicates that pays 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 rights to freedom of association and collective bargaining are restricted under law).

#### Score 2

The company indicates that it pays a living wage **AND** that it regularly reviews its definition of a living wage including with relevant trade unions (or equivalent worker bodies where the rights to freedom of association and collective bargaining are restricted under law).

### D.3.2 Transparency and accountability (in own extractive operations, which includes JVs)

*Sources: IEITI; RMF B.04.1*

The company understands the importance of more openness around how countries and businesses manage natural resource wealth to ensure that these resources can benefit all citizens and demonstrates this by participating in initiatives on transparency, in particular on revenue transparency or disclosing payments and contracts.

#### Score 1

The company is a member of the Extractive Industries Transparency Initiative (EITI) **OR** the company publicly reports, by country, the taxes and revenue payments to some countries beyond legal requirements for disclosure.

#### Score 2

The company also publicly reports, by country, taxes and revenue payments to ALL countries where it operates **OR** if the company operates in a non-EITI member country, it describes the steps taken to be active participants in the process to promote transparency around revenue and tax payments and licensing/contracting/agreements or to becoming



## Measurement theme D: Performance: Company human rights practices (25%)

a member of EITI **OR** it provides an example of public disclosure of contracts/ agreements/ licenses that provide the terms attached to the exploitation of oil, gas or minerals, in countries for which there are no such disclosure requirements.

### Key sector risks

#### D.3.3 Freedom of association and collective bargaining (in own extractive operations, which includes JVs)

*Sources: ICESCR, Art. 7; ICCPR, Art. 22; ILO, No. 87 and No. 98; HRIB 2.6; FLA VI.FOA.1, VI.FOA.3 and VI.FOA.4; SA8000; GRI 407-1; SA8000 IV.4*

The company respects the right of all workers to form and join a trade union of their choice (or equivalent worker bodies where the rights to freedom of association and collective bargaining are 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 puts in place measures to prohibit any form of intimidation, harassment, retaliation or violence against workers seeking to exercise the right to form and join a trade union of their choice (or equivalent worker bodies where the rights to freedom of association and collective

bargaining are restricted under law) **OR** the company discloses the proportion of its total direct operations workforce covered by collective bargaining agreements.

#### Score 2

The company meets both of the requirements under Score 1.

#### D.3.4 Health and safety: Fatalities, lost days, injury, occupational disease rates (in own extractive operations, which includes JVs)

*Sources: ICESCR, Art. 7; HRIB 3.3; FLA VII.HSE.30; SA8000; GRI 403-9; SA8000 IV.3.5*

The company describes the process(es) it has in place to identify its health and safety risks and impacts and it discloses quantitative information on health and safety related to its total workforce, namely: injury rate, fatality rate, lost days (or near- miss frequency rate), and occupational disease rates.

#### Score 1

The company describes the process(es) it has in place to identify its health and safety risks and impacts **AND** discloses quantitative information on health and safety for its workers related to injury rates or lost days (or near miss frequency rate) for the last reporting period **AND** fatalities **AND** occupational disease rates for the last reporting period.

## Measurement theme D: Performance: Company human rights practices (25%)

### Score 2

The company has also set targets related to injury rates or lost days (or near miss frequency rate) and fatalities and occupational disease rates for the last reporting period **AND** it has met those targets or provides an explanation of why these were not met or how it works to improve its health and safety management systems.

#### **D.3.5 Indigenous peoples' rights and free prior and informed consent (FPIC) (in own extractive operations, which includes JVs)**

*Sources: UNDRIP; ILO, No. 169; UNSR IP 2013; HRIB, 5.5 and 5.2.1; IFC PS, 7; ICMM PS 2013; IPIECA SOC-10.C1 and SOC-10.A1; GRI 411-1; RMF D.08.1*

The company respects indigenous peoples' rights in line with international law and standards on indigenous peoples in its processes to decide whether and how to carry out projects (or changes to existing projects) that are located in or impact on lands or territories or resources traditionally owned or occupied or traditionally or customarily used by indigenous peoples (legitimate tenure rights holders as set out in the Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security) or on their cultural heritage. These processes assess and address impacts of the company's activities and those of their business relationships and any related actions of the government.

### Score 1

Where operations or proposed operations may impact on indigenous peoples, the company describes its process to identify and recognise

affected indigenous peoples **AND** it describes how it engages directly with indigenous community(ies) in carrying out the assessment.

### Score 2

The company also indicates it is committed to free prior and informed consent (FPIC) **AND** provides the most recent example where it has obtained FPIC or where it decided not to pursue the land or resources impacting on indigenous peoples.

#### **D.3.6 Land rights: Land acquisition (in own extractive operations, which includes JVs)**

*Sources: IUN Voluntary Guidelines; HRIB 5.2; IFC PS 5; Interlaken Group 2015; USAID 2015; FDC 2014*

When acquiring, leasing or making other arrangements to use, or restrict the use of, land, the company recognises legitimate tenure rights, (as set out in the relevant part(s) of the Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security (VGGT), with particular attention to vulnerable or marginalised tenure rights holders, recognising that claims to tenure rights may be legitimate under the VGGT even when they are not recognised or registered by the government.

### Score 1

When acquiring, leasing or making other arrangements to use or restrict the use of or access to land or natural resources, the company describes how it identifies legitimate tenure rights holders, including through engagement with the affected communities in the process,

## Measurement theme D: Performance: Company human rights practices (25%)

with particular attention to vulnerable or marginalised tenure rights holders and negotiates with them to provide adequate compensation or requested alternatives to financial compensation

**IF** the company has not engaged in any land transactions in the past two years, it describes its approach to identifying legitimate tenure rights holders generally.

### Score 2

For any new or on-going land resettlements, the company also describes how it provides financial compensation or other compensation alternatives, including its valuation methods and how legitimate tenure rights holders were involved in determining the valuation **AND** if a state has been involved in the transaction, the company follows IFC Performance Standard 5 on Land Acquisition and Involuntary Resettlement and describes the steps it has taken to meet the standards with respect to legitimate tenure rights holders.

**IF** the company has not engaged in any land transactions in the past two years, it describes its approach in relation to all elements above.

### D.3.7 Security (in own extractive operations, which includes JVs)

*Sources: ICCPR, Art. 6 and 9; VPSHR; ICoCA; HRIB, 6; IFC PS, 4; GRI 410-1; IPIECA SHS-7.C1, SHS-7.A1, SOC-3.C2, SOC-3.C3 and SOC-3.A4*

The company maintains the safety and security of operations within an operating framework that ensures respect for human rights and international humanitarian law and acts in a manner consistent with

applicable international standards, particularly with regard to the use of force.

### Score 1

The company describes how it implements its security approach (including implementing its commitment to the Voluntary Principles on Security and Human Rights or the International Code of Conduct for Private Security Service Providers) and provides an example of how it ensures respect for human rights (including the human rights of people in local communities) in the course of maintaining the security of company managed operations, including when working with contracted private or public security providers, if applicable **AND** the company describes how it ensures its business partners, including joint ventures, implement an equivalent approach to security management that ensures respect for human rights.

### Score 2

The company also provides evidence that its security and human rights assessments include inputs from the local community, including about their security concerns **AND** provides at least two examples of working with community members to improve security or prevent or address tensions related to its operations.

### D.3.8 Water and sanitation

#### (in own extractive operations, which includes JVs)

*Sources: ICESCR, Art. 11 and 12; SDG, 6, HRIB 5.1, UNGC CEO Water Mandate, UN GA Res 64/292; IPIECA ENV-1.C4 IPIECA ENV-2.A2; RMF F.03.1*

## Measurement theme D: Performance: Company human rights practices (25%)

The company does not negatively affect access to safe water, in line with the UN Sustainable Development Goals and the UN Global Compact's CEO Water Mandate.

### Score 1

The company describes how it implements preventive and corrective action plans for identified specific risks to the right to water and sanitation in its own operations.

### Score 2

The company has also set specific targets on water stewardship that take into consideration water use by local communities and other users in the vicinity of its operations **AND** reports on its progress in meeting targets, including an analysis of trends demonstrating progress.

### D.3.9 Women's rights (in own extractive operations, which includes JVs)

*Sources: ICEDAW; ILO, No. 100 & No. 111; WEP; HRIB, 2.7; ETI, 7 and 9; FLA II.ND.8 FLA VII.HSE.11 FLA VII.HSE.12 FLA VIII.HOW.4; FWF, 2;*

The company recognises the relevance of women's rights for the sector, 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. These may include setting up women's committees that report to management to address and resolve issues, gender-equality training, 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 and 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

The company describes its process(es) to prohibit and address harassment, intimidation and violence against women **OR** the company describes how it takes into account differential impacts on women and men of working conditions, including to reproductive health **AND** the company describes how it measures and takes steps to address any gender pay gap throughout all levels of employment.

### Score 2

The company meets all of the requirements under Score 1 **AND** provides an analysis of trends demonstrating progress on closing any gender pay gap.

## Measurement theme E: Performance: Response to serious allegations (20%)

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 focused on the specific policies, systems, processes, and practices the company puts in place to proactively avoid adverse impacts, indicators in this 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.

This measurement theme is broken down into the following indicators:

- E.1 The company has responded publicly to the allegation
- E.2 The company has investigated and taken appropriate action
- E.3 The company has engaged with affected stakeholders to provide for or cooperate in remedy(ies)

### Which allegations are 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 is assessed under this measurement theme.

#### Severe impacts

This measurement theme covers 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. **irremediability:** the ease with which those impacted could be restored to their prior enjoyment of the right(s).

## Measurement theme E: Performance: Response to serious allegations (20%)

### Clear human rights link

The types of alleged impacts covered include, but are not limited to, the following (see Figure 7 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 and cruel inhuman 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

Allegations must have occurred no more than 3 years prior to the benchmarking cycle.

Allegations of impacts that took place more than 3 years prior to the benchmarking cycle 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, non-governmental organisations (NGOs), news sites, governmental agencies, commentaries and social media. Only sources covered by Vigeo Eiris, the Business & Human Rights Resource Centre (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.



## Measurement theme E: Performance: Response to serious allegations (20%)

### **Level of detail provided on the allegation**

Allegations must have enough detail to link the company to the allegation, i.e. to bring 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 8 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.

# Measurement theme E: Performance: Response to serious allegations (20%)

**FIGURE 8: 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 allegation(s) that could be included	Examples of the type of allegation(s) that could be included
<b>Forced labour</b>		
<p>Conventions prohibiting the use of forced labour, indentured labour, slave labour and prison labour:</p> <ul style="list-style-type: none"> <li>• ILO Convention No. 29</li> <li>• ILO Convention No. 105.</li> </ul>	<p><b>Allegations that involve:</b></p> <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>	<p>Sourcing from suppliers not paying their employees, or sourcing from suppliers employing young girls and women in a form of bonded labour.</p>
<b>Child labour</b>		
<p>Conventions prohibiting the employment of children below 15 years and below 18 years in most hazardous work:</p> <ul style="list-style-type: none"> <li>• ILO Convention No. 138</li> <li>• ILO Convention No. 182.</li> </ul>	<p><b>Allegations that involve:</b></p> <ul style="list-style-type: none"> <li>• hazardous work under the age of 18</li> <li>• child labour under the age of 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>	<p>Allegations that over 60% of 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).</p>
<b>Discrimination</b>		
<p>Conventions prohibiting the use of forced labour, indentured labour, slave labour and prison labour:</p> <ul style="list-style-type: none"> <li>• ILO Convention No. 100</li> <li>• ILO Convention No. 111</li> <li>• ILO Convention No. 190.</li> </ul>	<p><b>Allegations that involve:</b></p> <ul style="list-style-type: none"> <li>• repeated degrading and discriminatory treatment</li> <li>• violence against those affected or serious, substantial threats of violence such as death threats</li> <li>• cases of gender-based violence which are systematic and persistent.</li> </ul>	<p>Examples of the type of allegation(s) that could be included</p>
<b>Working hours</b>		
<p>Conventions relating to hours of work (sector), weekly rest (sector) and weekly rest (commerce and offices):</p> <ul style="list-style-type: none"> <li>• ILO Convention No. 1</li> <li>• ILO Convention No. 14</li> <li>• ILO Convention No. 106.</li> </ul>	<p><b>Allegations that involve:</b></p> <ul style="list-style-type: none"> <li>• forced overtime (the allegations must explicitly detail the forced overtime) OR overtime that results 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>	<p>Allegations that average working hours per month exceed 300 hours at factories where workers' employment depends on signing a 'voluntary application of overtime work'.</p>

## Measurement theme E: Performance: Response to serious allegations (20%)

### Freedom of association and collective bargaining

Conventions relating to freedom of association and collective bargaining:

- ILO Convention No. 87
- ILO Convention No. 98

#### **Allegations that involve:**

- active and systematic opposition to employees or other workers forming or joining unions, or threats against those who do join, or dismissal of workers who have joined, or interfering in the union's activities or administration
- 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.

Allegations that employees have been dismissed for being part of a union or being forced to leave their unions.

### Health and Safety

Conventions relating to occupational safety and health, prevention of major industrial accidents and the safety and health in mines:

- ILO Convention No. 155
- ILO Convention No. 174
- ILO Convention No. 176

#### **Isolated events that involve:**

- accidents involving five 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
- the company's supply chain, where ten 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
- 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)

#### **Ongoing issues that involve:**

- Repeated accidents, which did not reach the threshold of (1), where there have been 12 deaths or 24 serious injuries (or a combination of both) in a 12 month period
- occupational health incidents, where the company or its suppliers have been linked as the cause of chronic diseases and other serious health effects
- allegations which indicate dereliction of the company's basic duty of care towards its workers in extreme situations like wars, civil unrest or natural disasters

Allegations that involve a tunnel collapsing in a mine and killing over 28 workers or an explosion at an oil pipeline killing 62 people and injuring 136 people.

## Measurement theme E: Performance: Response to serious allegations (20%)

### Right to security of persons, including freedom from torture and cruel, inhuman 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 and 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 or rape</li> <li>death or death threats allegedly linked to the 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</li> <li>intentional killings.</li> </ul>	<p>Allegations that security guards at a mine site shot and killed artisanal miners or protesters against the mine.</p>
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### Land rights

<p>Land rights specifically related to indigenous peoples:</p> <ul style="list-style-type: none"> <li>ILO Convention 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>	<p>Allegations that land was confiscated and local communities were forcibly removed from their lands.</p>
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### The right to a safe, clean, healthy and sustainable environment

<ul style="list-style-type: none"> <li>UN Framework Principles on Human Rights and the Environment (2018)</li> </ul>	<p><b>Allegations that involve:</b></p> <ul style="list-style-type: none"> <li>environmental damage linked to the company with clear links to health, livelihood or other human rights impacts.</li> </ul>	<p>On-going allegations related to gas flaring and/or oil spills that have reportedly caused serious damage to the environment, human health and livelihoods.</p>
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*Note: Figure 7 is not an exhaustive list and will evolve as allegations are reviewed. Human rights issues key to other sectors will be added at these sectors are included in future iterations of the Benchmark.*

### Scoring

In measurement theme E, companies against which no serious allegations meeting the CHRB thresholds are identified receive a proxy score that is the average of their scores in the other measurement themes. Companies where allegation(s) are found to meet the CHRB thresholds are scored across indicators E.1, E.2 and E.3, with a maximum of two points for each indicator.

Previously, depending on the quality of its response, a company with at least one serious allegation could score the maximum 20% overall in measurement theme E. However, following the 2020-2021 methodology review, in response to stakeholder concerns that companies can be disproportionately advantaged due to this weighting, the CHRB has revised the method of calculation for measurement theme E.

## Measurement theme E: Performance: Response to serious allegations (20%)

The scoring will operate according to the following rules:

- companies against which no serious allegations meeting the CHRB thresholds are identified will receive a proxy score for measurement theme E that is the average of their scores in the other measurement themes.
- companies where allegation(s) are found to meet the CHRB thresholds, will be scored across indicators E.1, E.2 and E.3, with a maximum of two points for each indicator. Where there are multiple allegations, companies will be given an average score for all the allegations investigated.

The overall potential score for a company with at least one allegation in measurement theme E will be capped at the average of their scores in the other measurement themes.

### **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 are not 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).

### **Special process (major catastrophic events)**

The CHRB assessment provides a snapshot in time, looking at a company’s human rights performance over the course of a benchmarking cycle. However, the methodology is not well equipped to adequately address major catastrophic events with negative human rights impacts. In order to respond to exceptional circumstances connected to benchmarked companies, the CHRB reserves the right to apply the following temporary measures depending on the scope, scale and irremediability of the human rights impacts of the catastrophic event:

- I. Reduce companies’ scores in the benchmark and
- II. establish remedial steps that must be taken to restore the company’s placement and scoring in the benchmark.

These measures are meant to better reflect company performance in cases of major catastrophic events and ensure that the benchmark remains a robust and credible source of data. In addition, these measures also encourage benchmarked companies to respond to such events in a transparent manner that prioritises actions to engage with, and provide remedy to, affected stakeholders.

For further information about these measures, please see the [Corporate Human Rights Benchmark special process for major catastrophic events](#).

### Key concepts – level of involvement in an impact

The company is expected to take appropriate action to respond to impacts under the UN Guiding Principles, where the company identifies that it has 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 the 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 responded publicly to the allegation and provided further details.

#### Score 1

The company has responded publicly to the allegation (or points to a response by any directly linked business, if relevant).

*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, or on the Business & Human Rights Resource Centre website.*

#### Score 2

The response covers each aspect of the allegation in detail.

*Note: Companies are not expected to provide details that might result in adverse impacts to named or identifiable individuals, nor, in the case of legal action, details of their legal case or evidence, but instead they should provide details of their general assessment of each aspect of the allegation in order to get a Score of 2.*



## Measurement theme E: Performance: Response to serious allegations (20%)

### E.2 The company has investigated and taken appropriate action

The company has engaged with affected stakeholders to identify the causes of the impacts alleged. The company also reviewed and improved its management systems, informed by the views of affected stakeholders and/or their legitimate representatives, to prevent similar impacts from occurring in the future.

#### Score 1

The company (or the directly linked business, if relevant) has engaged with the affected stakeholders and/or their legitimate representatives as part of understanding the causes of the impacts alleged **AND** the company (or any directly linked business, if relevant) has identified what it believes to be the cause of the events concerned (whether or not it is agreed between the parties that human rights impacts arose from the alleged events).

#### Score 2

The company has implemented improvements or reinforced its management system(s) that have been identified to avoid such human rights impacts in the future **AND** the company describes how the views of affected stakeholders or their legitimate representatives have influenced the actions the company has taken to prevent similar human rights impacts in future.

### E.3 The company has engaged with affected stakeholders to provide for or cooperate in remedy(ies)

The company has provided remedy to affected stakeholders. The company also demonstrates that the remedy offered is satisfactory to affected

stakeholders and that it has been provided as agreed. If the company was not involved in the alleged impact(s), it provides evidence to demonstrate this.

*Note: In circumstances where the company 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 1

The company has provided (or used its leverage to persuade any directly linked business, if relevant, to provide) remedy to the affected stakeholders **OR** the company provides detailed evidence that the affected stakeholders did not suffer the impacts alleged or that the company was not directly linked to the business or individuals who did cause or contribute to those impacts.

#### Score 2

The company provides evidence that the remedy offered is satisfactory to the affected stakeholders **AND** the remedy has been provided as agreed **OR** the company has participated in an independent process that has concluded that the affected stakeholders did not suffer the impacts or that the company was not directly linked to the business or individuals who did cause or contribute to those impacts.

# Annex 1: Further guidance on the CHRB scoring rules

A. Governance and Policy Commitments								Maximum percentage points in theme: 10%	
Indicator	Heading	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	Yes	Yes	Yes	No	Yes	Double	<p>There are 16 points available in Theme A.1.</p> <p>The company's score is calculated as follows: Score for single weighted indicators + (Score for double weighted indicators *2)</p>	<p>The percentage score is calculated as follows: (number of points/16) *5</p>
A.1.2.a	Commitment to respect the human rights of workers: ILO Declaration on Fundamental Principles and Rights at Work	Yes	Yes	Yes	Yes	Yes	Single		
A.1.2.b	Commitment to respect the human rights of workers: Health and safety and working hours	Yes	Yes	Yes	Yes	Yes	Single		
A.1.3a	Commitment to respect human rights particularly relevant to the industry: Land, natural resources and indigenous peoples' rights	Yes	Yes	Yes	Yes	Yes	Single		
A.1.3b	Commitment to respect human rights particularly relevant to the industry: Security	Yes	Yes	Yes	Yes	Yes	Single		
A.1.4	Commitment to Remedy	Yes	Yes	Yes	Yes	Yes	Single		
A.1.5	Commitment to respect the rights of human rights defenders	Yes	Yes	Yes	No	Yes	Single		
A.2.1	Commitment from the top	Yes	Yes	Yes	No	Yes	Single	<p>There are 8 points available in Theme A.2.</p> <p>The company's score is calculated as follows: = Score for single weighting indicators</p>	<p>The percentage score is calculated as follows: (number of points/8) *5</p>
A.2.2	Board responsibility	Yes	Yes	Yes	Yes	Yes	Single		
A.2.3	Incentives and Performance Management	Yes	Yes	Yes	Yes	Yes	Single		
A.2.4	Business model strategy and risks	Yes	Yes	Yes	Yes	Yes	Single		

# Annex 1: Further guidance on the CHRB scoring rules

B. Embedding Respect and Human Rights Due Diligence								Maximum percentage points in theme: 25%	
Indicator	Heading	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	Yes	Yes	Yes	Yes	Yes	Single	<p>There are 22 points available in Theme B.1.</p> <p>The company's score is calculated as follows:                      = Score for single weighting indicators + (Score for double weighted indicators * 2)</p>	<p>The percentage score is calculated as follows:                      (number of points/22) *10</p>
B.1.2	Incentives and performance management	Yes	Yes	Yes	Yes	Yes	Single		
B.1.3	Integration with enterprise risk management	Yes	Yes	Yes	No	Yes	Single		
B.1.4.a	Communication/dissemination of policy commitment(s): Workers and external stakeholders	Yes	Yes	Yes	Yes	Yes	Single		
B.1.4.b	Communication/dissemination of policy commitment(s): Business relationships	Yes	Yes	Yes	Yes	Yes	Single		
B.1.5	Training on Human Rights	Yes	Yes	Yes	Yes	Yes	Single		
B.1.6	Monitoring and corrective actions	Yes	Yes	Yes	Yes	Yes	Single		
B.1.7	Engaging business relationships	Yes	Yes	Yes	No	Yes	Double		
B.1.8	Approach to engaging with affected and potentially affected stakeholders	Yes	Yes	Yes	Yes	Yes	Double		
B.2.1	Identifying human rights risks and impacts	Yes	Yes	Yes	Yes	Yes	Single	<p>There are 12 points available in Theme B.2.</p> <p>The company's score is calculated as follows:                      = Score for single weighting indicators + (Score for double weighted indicators * 2)</p>	<p>The percentage score is calculated as follows:                      (number of points/12) *15</p>
B.2.2	Assessing human rights risks and impacts	Yes	Yes	Yes	Yes	Yes	Double		
B.2.3	Integrating and acting on human rights risks and impact assessments	Yes	Yes	Yes	Yes	Yes	Single		
B.2.4	Tracking the effectiveness of actions to respond to human rights risks and impacts	Yes	Yes	Yes	Yes	Yes	Single		
B.2.5	Communicating on human rights impacts	Yes	Yes	Yes	Yes	Yes	Single		

# Annex 1: Further guidance on the CHRB scoring rules

C. Remedies and Grievance Mechanisms								Maximum percentage points in theme: 20%	
Indicator	Heading	Possible Scores					Weighting	Points score in Theme	% Score in Theme
		0	0.5	1	1.5	2			
C.1	Grievance mechanism(s) for workers	Yes	Yes	Yes	Yes	Yes	Single	<p>There are 20 points available in Theme C.</p> <p>The company's score is calculated as follows:</p> <p>= Score for single weighting indicators + (Score for double weighted indicators * 2)</p>	<p>The percentage score is calculated as follows:</p> <p>(number of points/20) *20</p>
C.2	Grievance mechanism(s) for external individuals and communities	Yes	Yes	Yes	Yes	Yes	Single		
C.3	Users are involved in the design and performance of the mechanism(s)	Yes	Yes	Yes	Yes	Yes	Double		
C.4	Procedures related to the grievance mechanism(s) are publicly available and explained	Yes	Yes	Yes	Yes	Yes	Single		
C.5	Prohibition of retaliation over complaints or concerns made	Yes	Yes	Yes	Yes	Yes	Single		
C.6	Company involvement with State-based judicial and non-judicial grievance mechanisms	Yes	Yes	Yes	Yes	Yes	Single		
C.7	Remedying adverse impacts	Yes	Yes	Yes	Yes	Yes	Double		
C.8	Communication on the effectiveness of grievance mechanism(s) and incorporating lessons learned	Yes	Yes	Yes	Yes	Yes	Single		

# Annex 1: Further guidance on the CHRB scoring rules

D. Remedies and Grievance Mechanisms								Maximum percentage points in theme: 25%	
Indicator	Heading	Possible Scores					Weighting	Points score in Theme	% Score in Theme
		0	0.5	1	1.5	2			
D.3.1	Living wage (in own extractive operations, which includes JVs)	Yes	Yes	Yes	Yes	Yes	Single	<p>There are 18 points available in this Theme.</p> <p>The company's score is calculated as follows: = Sum of scores for single weighting indicators</p>	<p>The percentage score is calculated as follows: (number of points/18) *25</p>
D.3.2	Transparency and accountability (in own extractive operations, which includes JVs)	Yes	Yes	Yes	Yes	Yes	Single		
D.3.3	Freedom of association and collective bargaining (in own extractive operations, which includes JVs)	Yes	No	Yes	No	Yes	Single		
D.3.4	Health and safety: Fatalities, lost days, injury, occupational disease rates (in own extractive operations, which includes JVs)	Yes	Yes	Yes	Yes	Yes	Single		
D.3.5	Indigenous peoples' rights and free prior and informed consent (FPIC) (in own extractive operations, which includes JVs)	Yes	Yes	Yes	Yes	Yes	Single		
D.3.6	Land rights: Land acquisition (in own extractive operations, which includes JVs)	Yes	Yes	Yes	Yes	Yes	Single		
D.3.7	Security (in own extractive operations, which includes JVs)	Yes	Yes	Yes	Yes	Yes	Single		
D.3.8	Water and sanitation (in own extractive operations, which includes JVs)	Yes	Yes	Yes	Yes	Yes	Single		
D.3.9	Women's rights (in own extractive operations, which includes JVs)	Yes	Yes	Yes	Yes	Yes	Single		

# Annex 1: Further guidance on the CHRB scoring rules

E. Performance: Responses to Serious Allegations							Maximum percentage points in theme: 20%		
Indicator	Heading	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	Yes	No	Yes	No	Yes	Single	There are max 8 points available in Theme E.	The percentage score is calculated as follows: (number of points/8) *20
E.2	The company has investigated and taken steps to prevent re-occurrence	Yes	Yes	Yes	Yes	Yes	Single	The company's score is calculated as the average of their scores across the allegations investigated as follows: (Sum of E.1 scores) + (Sum of E.2 scores) + (Sum of E.3 scores * 2) / number of allegations	
E.3	The company has engaged with affected stakeholders and taken appropriate action to provide for or cooperate in remedy(ies)	Yes	Yes	Yes	Yes	Yes	Double		

## Special process: Major catastrophic events

The CHRB assessment provides a snapshot in time, looking at a company's human rights performance over the course of a benchmarking cycle. However, the methodology is not well equipped to adequately address major catastrophic events with negative human rights impacts. In order to respond to exceptional circumstances connected to benchmarked companies, the CHRB reserves the right to apply the following temporary measures depending on the scope, scale and remediability of the human rights impacts of the catastrophic event:

- (i) Reduce companies' scores in the benchmark and
- (ii) establish remedial steps that must be taken to restore the company's placement and scoring in the benchmark.

These measures are meant to better reflect company performance in cases of major catastrophic events and ensure that the benchmark remains a robust and credible source of data. In addition, these measures also encourage benchmarked companies to respond to such events in a transparent manner that prioritises actions to engage with, and provide remedy to, affected stakeholders.

For further information about these measures, please see the [Corporate Human Rights Benchmark special process for major catastrophic events](#).



## Annex 2: Cross-reference table: CHRB and other reporting frameworks

CHRB indicator	Equivalent indicator in other reporting standard	Reporting standard requirements
A.1.1	<b>GRI 103-2</b>	For each material topic, the reporting organization shall report the following information: a. An explanation of how the organization manages the topic. b. A statement of the purpose of the management approach. c. 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
	<b>UNGPRF A1</b>	What does the company say publicly about its commitment to respect human rights? A1.1 How has the public commitment been developed? A1.2 Whose human rights does the public commitment address? A1.3 How is the public commitment disseminated?
A.1.2.a	<b>GRI 103-2</b>	For each material topic, the reporting organization shall report the following information: a. An explanation of how the organization manages the topic. b. A statement of the purpose of the management approach. c. 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
	<b>UNGPRF A1</b>	What does the company say publicly about its commitment to respect human rights? A1.1 How has the public commitment been developed? A1.2 Whose human rights does the public commitment address? A1.3 How is the public commitment disseminated?

## Annex 2: Cross-reference table: CHRB and other reporting frameworks

CHRB indicator	Equivalent indicator in other reporting standard	Reporting standard requirements
A.1.3.a	<b>GRI 103-2</b>	For each material topic, the reporting organization shall report the following information: a. An explanation of how the organization manages the topic. b. A statement of the purpose of the management approach. c. 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
	<b>UNGPRF A1.2</b>	What does the company say publicly about its commitment to respect human rights? A1.2 Whose human rights does the public commitment address?
A.1.3.b	<b>GRI 103-2</b>	For each material topic, the reporting organization shall report the following information: a. An explanation of how the organization manages the topic. b. A statement of the purpose of the management approach. c. 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
	<b>UNGPRF A1.2</b>	What does the company say publicly about its commitment to respect human rights? A1.2 Whose human rights does the public commitment address?
A.1.4	<b>UNGPRF C6</b>	How does the company enable effective remedy if people are harmed by its actions or decisions in relation to a salient human rights issue? C6.1 Through what means can the company receive complaints or concerns related to each salient issue? C6.2 How does the company know if people feel able and empowered to raise complaints or concerns? C6.3 How does the company process complaints and assess the effectiveness of outcomes? C6.4 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? C6.5 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?

## Annex 2: Cross-reference table: CHRB and other reporting frameworks

CHRB indicator	Equivalent indicator in other reporting standard	Reporting standard requirements
A.1.5	<b>UNGPRF A1.2</b>	What does the company say publicly about its commitment to respect human rights? A1.2 Whose human rights does the public commitment address? "
A.2.1	<b>GRI 102-26</b> (limited to social impacts and to highest governance body/board level) <b>UNGPRF A1.1</b>  <b>UNGPRF A2</b>	Highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission state- ments, strategies, policies, and goals related to economic, environmental, and social topics. [UNGPRF A1.1] What does the company say publicly about its commitment to respect human rights? A1.1 How has the public commitment been developed?  How does the company demonstrate the importance it attaches to the implementation of its human rights commitment? A2.1 How is day-to-day responsibility for human rights performance organized within the company, and why? A2.2 What kinds of human rights issues are discussed by senior management and by the Board, and why? A2.3 How are employees and contract workers made aware of the ways in which respect for human rights should inform their decisions and actions? A2.4 How does the company make clear in its business relationships the importance it places on respect for human rights? A2.5 What lessons has the company learned during the reporting period about achieving respect for human rights, and what has changed as a result?
A.2.2	<b>GRI 102-18</b> (limited to social impacts)  <b>GRI 102-31</b> (limited to social impacts)  <b>UNGPRF A2.2</b>	Governance structure of the organization, including committees of the highest governance body. Committees responsible for decision-making on economic, environmental, and social topics.  Frequency of the highest governance body's review of economic, environmental, and social topics and their impacts, risks, and opportunities.  How does the company demonstrate the importance it attaches to the implementation of its human rights commitment? A.2.2 What kinds of human rights issues are discussed by senior management and by the Board, and why?

## Annex 2: Cross-reference table: CHRB and other reporting frameworks

CHRB indicator	Equivalent indicator in other reporting standard	Reporting standard requirements
A.2.3	<p><b>GRI 102-35</b> (limited to highest governance body/board level)</p> <p><b>UNGPRF A2.3</b></p>	<p>Remuneration policies for the highest governance body and senior executives for the following types of remuneration:</p> <ul style="list-style-type: none"> <li>i. Fixed pay and variable pay, including performance-based pay, equity-based pay, bonuses, and deferred or vested shares;</li> <li>ii. Sign-on bonuses or recruitment incentive payments;</li> <li>iii. Termination payments;</li> <li>iv. Clawbacks;</li> <li>v. Retirement benefits, including the difference between benefit schemes and contribution rates for the highest governance body, senior executives, and all other employees.</li> </ul> <p>How performance criteria in the remuneration policies relate to the highest governance body's and senior executives' objectives for economic, environmental, and social topics.</p> <p>How does the company demonstrate the importance it attaches to the implementation of its human rights commitment?</p> <p>A2.3 How are employees and contract workers made aware of the ways in which respect for human rights should inform their decisions and actions?</p>
B.1.1	<p><b>GRI 102-19</b> (limited to social topics)</p> <p><b>GRI 102-20</b> (limited to social topics)</p> <p><b>UNGPRF A2</b></p>	<p>Process for delegating authority for economic, environmental, and social topics from the highest governance body to senior executives and other employees.</p> <p>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.</p> <p>How does the company demonstrate the importance it attaches to the implementation of its human rights commitment?</p> <p>A2.1 How is day-to-day responsibility for human rights performance organized within the company, and why?</p> <p>A2.2 What kinds of human rights issues are discussed by senior management and by the Board, and why?</p> <p>A2.3 How are employees and contract workers made aware of the ways in which respect for human rights should inform their decisions and actions?</p> <p>A2.4 How does the company make clear in its business relationships the importance it places on respect for human rights?</p> <p>A2.5 What lessons has the company learned during the reporting period about achieving respect for human rights, and what has changed as a result?</p>

## Annex 2: Cross-reference table: CHRB and other reporting frameworks

CHRB indicator	Equivalent indicator in other reporting standard	Reporting standard requirements
	<b>UNGPRF A2.1</b>	How does the company demonstrate the importance it attaches to the implementation of its human rights commitment? A2.1 How is day-to-day responsibility for human rights performance organized within the company, and why?
B.1.2	<b>GRI 102-35</b> (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>UNGPRF A2.3</b>	How does the company demonstrate the importance it attaches to the implementation of its human rights commitment? A2.3 How are employees and contract workers made aware of the ways in which respect for human rights should inform their decisions and actions?
B.1.3	<b>UNGPRF A2</b>	How does the company demonstrate the importance it attaches to the implementation of its human rights commitment? A2.1 How is day-to-day responsibility for human rights performance organized within the company, and why? A2.2 What kinds of human rights issues are discussed by senior management and by the Board, and why? A2.3 How are employees and contract workers made aware of the ways in which respect for human rights should inform their decisions and actions? A2.4 How does the company make clear in its business relationships the importance it places on respect for human rights? A2.5 What lessons has the company learned during the reporting period about achieving respect for human rights, and what has changed as a result?

## Annex 2: Cross-reference table: CHRB and other reporting frameworks

CHRB indicator	Equivalent indicator in other reporting standard	Reporting standard requirements
B.1.4.a	<b>UNGPRF A1.3</b>	What does the company say publicly about its commitment to respect human rights? A1.3 How is the public commitment disseminated?
B.1.4.b	<b>UNGPRF A1.3</b>	What does the company say publicly about its commitment to respect human rights? A1.3 How is the public commitment disseminated?
	<b>UNGPRF A2.4</b>	How does the company demonstrate the importance it attaches to the implementation of its human rights commitment? A2.4 How does the company make clear in its business relationships the importance it places on respect for human rights?
B.1.5	<b>GRI 410-1</b>	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.
	<b>GRI 412-2</b>	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>UNGPRF A1.3</b>	What does the company say publicly about its commitment to respect human rights? A1.3 How is the public commitment disseminated?
B.1.6	<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>SASB CN0501-05 (AP)</b>	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.



## Annex 2: Cross-reference table: CHRB and other reporting frameworks

CHRB indicator	Equivalent indicator in other reporting standard	Reporting standard requirements
	<b>SASB CN0501-06 (AP)</b>	Priority non-conformance rate and associated corrective action rate for suppliers' labor code of conduct audits.
	<b>SASB CN0103-21 (AG)</b>	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	<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 vii. Specific actions, such as processes, projects, programs and initiatives
	<b>GRI 414-1</b>	Percentage of new suppliers that were screened using social criteria.
	<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>UNGPRF A2.4</b>	How does the company demonstrate the importance it attaches to the implementation of its human rights commitment? A2.4 How does the company make clear in its business relationships the importance it places on respect for human rights?

## Annex 2: Cross-reference table: CHRB and other reporting frameworks

CHRB indicator	Equivalent indicator in other reporting standard	Reporting standard requirements
B.1.8	<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? C2.1 How does the company identify which stakeholders to engage with in relation to each salient issue, and when and how to do so? C2.2 During the reporting period, which stakeholders has the company engaged with regarding each salient issue, and why? C2.3 During the reporting period, how have the views of stakeholders influenced the company's understanding of each salient issue and/or its approach to addressing it?
	<b>UNGPRF C2.1</b>	What is the company's approach to engagement with stakeholders in relation to each salient human rights issue? C2.1 How does the company identify which stakeholders to engage with in relation to each salient issue, and when and how to do so?
B.2.1	<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.

## Annex 2: Cross-reference table: CHRB and other reporting frameworks

CHRB indicator	Equivalent indicator in other reporting standard	Reporting standard requirements
	<b>UNGPRF B2</b>	Determination of salient issues: Describe how the salient human rights issues were determined, including any input from stakeholders.
	<b>UNGPRF C3</b>	How does the company identify any changes in the nature of each salient human rights issue over time? C3.1 During the reporting period, were there any notable trends or patterns in impacts related to a salient issue and, if so, what were they? C3.2 During the reporting period, did any severe impacts occur that were related to a salient issue and, if so, what were they?
B.2.2	<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>UNGPRF B1</b>	Statement of salient issues: State the salient human rights issues associated with the company's activities and business relationships during the reporting period.
	<b>UNGPRF B2</b>	Determination of salient issues: Describe how the salient human rights issues were determined, including any input from stakeholders.
	<b>UNGPRF C3</b>	How does the company identify any changes in the nature of each salient human rights issue over time? C3.1 During the reporting period, were there any notable trends or patterns in impacts related to a salient issue and, if so, what were they? C3.2 During the reporting period, did any severe impacts occur that were related to a salient issue and, if so, what were they?

## Annex 2: Cross-reference table: CHRB and other reporting frameworks

CHRB indicator	Equivalent indicator in other reporting standard	Reporting standard requirements
B.2.3	<b>GRI 103-2</b>	<p>For each material topic:</p> <p>An explanation of how the organization manages the topic.</p> <p>A statement of the purpose of the management approach.</p> <p>A description of the following, if the management approach includes that component:</p> <ul style="list-style-type: none"> <li>i. Policies</li> <li>ii. Commitments</li> <li>iii. Goals and targets</li> <li>iv. Responsibilities</li> <li>v. Resources</li> <li>vi. Grievance mechanisms</li> </ul> <p>Specific actions, such as processes, projects, programs and initiatives.</p>
	<b>UNGPRF C4</b>	<p>How does the company integrate its findings about each salient human rights issue into its decision-making processes and actions?</p> <p>C4.1 How are those parts of the company whose decisions and actions can affect the management of salient issues, involved in finding and implementing solutions?</p> <p>C4.2 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> <p>C4.3 During the reporting period, what action has the company taken to prevent or mitigate potential impacts related to each salient issue?</p>
B.2.4	<b>GRI 103-3</b>	<p>For each material topic:</p> <p>An explanation of how the organization evaluates the management approach, including:</p> <ul style="list-style-type: none"> <li>i. the mechanisms for evaluating the effectiveness of the management approach;</li> <li>ii. the results of the evaluation of the management approach;</li> <li>iii. any related adjustments to the management approach.</li> </ul>
	<b>UNGPRF C5</b>	<p>How does the company know if its efforts to address each salient human rights issue are effective in practice?</p> <p>C5.1 What specific examples from the reporting period illustrate whether each salient issue is being managed effectively?</p>

## Annex 2: Cross-reference table: CHRB and other reporting frameworks

CHRB indicator	Equivalent indicator in other reporting standard	Reporting standard requirements
B.2.5	<b>UNGPRF C2</b>	<p>What is the company's approach to engagement with stakeholders in relation to each salient human rights issue?</p> <p>C2.1 How does the company identify which stakeholders to engage with in relation to each salient issue, and when and how to do so?</p> <p>C2.2 During the reporting period, which stakeholders has the company engaged with regarding each salient issue, and why?</p> <p>C2.3 During the reporting period, how have the views of stakeholders influenced the company's understanding of each salient issue and/or its approach to addressing it?</p>
C.1	<b>GRI 103-2</b>  <b>UNGPRF C6.1</b>  <b>UNGPRF C6.3</b>	<p>For each material topic:</p> <p>An explanation of how the organization manages the topic.</p> <p>A statement of the purpose of the management approach.</p> <p>A description of the following, if the management approach includes that component:</p> <ul style="list-style-type: none"> <li>i. Policies</li> <li>ii. Commitments</li> <li>iii. Goals and targets</li> <li>iv. Responsibilities</li> <li>v. Resources</li> <li>vi. Grievance mechanisms</li> </ul> <p>Specific actions, such as processes, projects, programs and initiatives.</p> <p>How does the company enable effective remedy if people are harmed by its actions or decisions in relation to a salient human rights issue?</p> <p>C6.1 Through what means can the company receive complaints or concerns related to each salient issue?</p> <p>How does the company enable effective remedy if people are harmed by its actions or decisions in relation to a salient human rights issue?</p> <p>C6.3 How does the company process complaints and assess the effectiveness of outcomes?</p>

## Annex 2: Cross-reference table: CHRB and other reporting frameworks

CHRB indicator	Equivalent indicator in other reporting standard	Reporting standard requirements
C.2	<b>GRI 103-2</b>	<p>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:</p> <ul style="list-style-type: none"> <li>i. Policies</li> <li>ii. Commitments</li> <li>iii. Goals and targets</li> <li>iv. Responsibilities</li> <li>v. Resources</li> <li>vi. Grievance mechanisms</li> </ul> <p>Specific actions, such as processes, projects, programs and initiatives</p>
	<b>UNGPRF C6.1</b>	<p>How does the company enable effective remedy if people are harmed by its actions or decisions in relation to a salient human rights issue?            C6.1 Through what means can the company receive complaints or concerns related to each salient issue?</p>
	<b>UNGPRF C6.3</b>	<p>How does the company enable effective remedy if people are harmed by its actions or decisions in relation to a salient human rights issue?            C6.3 How does the company process complaints and assess the effectiveness of outcomes?</p>
C.3	<b>UNGPRF C6.1</b>	<p>How does the company enable effective remedy if people are harmed by its actions or decisions in relation to a salient human rights issue?            C6.1 Through what means can the company receive complaints or concerns related to each salient issue?</p>
	<b>UNGPRF C6.2</b>	<p>How does the company enable effective remedy if people are harmed by its actions or decisions in relation to a salient human rights issue?            C6.2 How does the company know if people feel able and empowered to raise complaints or concerns?</p>
	<b>UNGPRF C6.3</b>	<p>How does the company enable effective remedy if people are harmed by its actions or decisions in relation to a salient human rights issue?            C6.3 How does the company process complaints and assess the effectiveness of outcomes?</p>



## Annex 2: Cross-reference table: CHRB and other reporting frameworks

CHRB indicator	Equivalent indicator in other reporting standard	Reporting standard requirements
C.4	<b>UNGPRF C6.3</b>	How does the company enable effective remedy if people are harmed by its actions or decisions in relation to a salient human rights issue? C6.3 How does the company process complaints and assess the effectiveness of outcomes?
C.5	<b>NGPRF C6.2</b>	How does the company enable effective remedy if people are harmed by its actions or decisions in relation to a salient human rights issue? C6.2 How does the company know if people feel able and empowered to raise complaints or concerns?
	<b>UNGPRF C6.3</b>	How does the company enable effective remedy if people are harmed by its actions or decisions in relation to a salient human rights issue? C6.3 How does the company process complaints and assess the effectiveness of outcomes?
C.6	<b>UNGPRF C6</b>	How does the company enable effective remedy if people are harmed by its actions or decisions in relation to a salient human rights issue? C6.1 Through what means can the company receive complaints or concerns related to each salient issue? C6.2 How does the company know if people feel able and empowered to raise complaints or concerns? C6.3 How does the company process complaints and assess the effectiveness of outcomes? C6.4 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? C6.5 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?
C.7	<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 Specific actions, such as processes, projects, programs and initiatives
	<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.

## Annex 2: Cross-reference table: CHRB and other reporting frameworks

CHRB indicator	Equivalent indicator in other reporting standard	Reporting standard requirements
	<b>UNGPRF C6</b>	<p>How does the company enable effective remedy if people are harmed by its actions or decisions in relation to a salient human rights issue?</p> <p>C6.1 Through what means can the company receive complaints or concerns related to each salient issue?</p> <p>C6.2 How does the company know if people feel able and empowered to raise complaints or concerns?</p> <p>C6.3 How does the company process complaints and assess the effectiveness of outcomes?</p> <p>C6.4 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?</p> <p>C6.5 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?</p>
	<b>UNGPRF C6.4</b>	<p>How does the company enable effective remedy if people are harmed by its actions or decisions in relation to a salient human rights issue?</p> <p>C6.4 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?</p>
	<b>UNGPRF C6.5</b>	<p>How does the company enable effective remedy if people are harmed by its actions or decisions in relation to a salient human rights issue?</p> <p>C6.5 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?</p>
D.3.1	<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> <p>The definition used for 'significant locations of operation'.</p>
D.3.3	<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> <ul style="list-style-type: none"> <li>i. type of operation (such as manufacturing plant) and supplier;</li> <li>ii. countries or geographic areas with operations and suppliers considered at risk.</li> </ul> <p>Measures taken by the organization in the reporting period intended to support rights to exercise freedom of association and collective bargaining.</p>

## Annex 2: Cross-reference table: CHRB and other reporting frameworks

CHRB indicator	Equivalent indicator in other reporting standard	Reporting standard requirements
D.3.4	<p><b>GRI 403-9</b></p> <p><b>SASB NR0101-17</b></p>	<p>For all employees:</p> <ul style="list-style-type: none"> <li>i. The number and rate of fatalities as a result of work-related injury;</li> <li>ii. The number and rate of high-consequence work-related injuries (ex- cluding fatalities);</li> <li>iii. The number and rate of recordable work-related injuries;</li> <li>iv. The main types of work-related injury;</li> <li>v. The number of hours worked.</li> </ul> <p>For all workers who are not employees but whose work and/or workplace is controlled by the organization:</p> <ul style="list-style-type: none"> <li>i. The number and rate of fatalities as a result of work-related injury;</li> <li>ii. The number and rate of high-consequence work-related injuries (ex- cluding fatalities);</li> <li>iii. The number and rate of recordable work-related injuries;</li> <li>iv. The main types of work-related injury;</li> <li>v. The number of hours worked.</li> </ul> <p>The work-related hazards that pose a risk of high-consequence injury, including:</p> <ul style="list-style-type: none"> <li>i. how these hazards have been determined;</li> <li>ii. which of these hazards have caused or contributed to high-conse- quence injuries during the reporting period;</li> <li>iii. actions taken or underway to eliminate these hazards and minimize risks using the hierarchy of controls.</li> </ul> <p>Any actions taken or underway to eliminate other work-related hazards and minimize risks using the hierarchy of controls.</p> <p>Whether the rates have been calculated based on 200,000 or 1,000,000 hours worked.</p> <p>Whether and, if so, why any workers have been excluded from this disclo- sure, including the types of worker excluded.</p> <p>Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used.</p> <p>(1) Total Recordable Injury Rate (TRIR), (2) Fatality Rate, and (3) Near Miss Frequency Rate for</p> <ul style="list-style-type: none"> <li>(a) full-time employees,</li> <li>(b) contract employees, and (c) short-service employees.</li> </ul>
D.3.5	<b>GRI 411-1</b>	<p>Total number of identified incidents of violations involving the rights of indigenous peoples during the reporting period.</p> <p>Status of the incidents and actions taken with reference to the following:</p> <ul style="list-style-type: none"> <li>i. Incident reviewed by the organization;</li> <li>ii. Remediation plans being implemented;</li> <li>iii. Remediation plans that have been implemented, with results reviewed through routine internal management review processes;</li> <li>iv. Incident no longer subject to action.</li> </ul>

## Annex 2: Cross-reference table: CHRB and other reporting frameworks

CHRB indicator	Equivalent indicator in other reporting standard	Reporting standard requirements
D.3.7	<b>GRI 410-1</b>	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.
D.3.8	<b>SASB NR0101-05</b>	Total fresh water withdrawn, percentage recycled, percentage in regions with High or Extremely High Baseline Water Stress.

**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 of child labour on p. 49 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 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).



## Annex 3: Glossary

**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 the box Key international human rights instruments protecting the rights of individuals/groups that may require particular attention on p. 20 for more detail. ).

**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.

**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.

**CIF** CHILDREN'S  
INVESTMENT FUND  
FOUNDATION

**giz** Deutsche Gesellschaft  
für Internationale  
Zusammenarbeit (GIZ) GmbH



 Federal Ministry  
for Economic Cooperation  
and Development



**IKEA Foundation**  




MINISTRY OF FOREIGN AFFAIRS OF DENMARK  
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## **World Benchmarking Alliance**

Rhijnspoorplein 10-38, 1018 TX Amsterdam The Netherlands  
[www.worldbenchmarkingalliance.org](http://www.worldbenchmarkingalliance.org)