



# Corporate Human Rights Benchmark 2022

**Insights Report**

November 2022

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# Summary

The Corporate Human Rights Benchmark (CHRB) assessed three sectors in 2022: food and agricultural products (57 companies), ICT manufacturing (43 companies) and automotive manufacturing (29 companies).

The revised CHRB methodology devotes more attention to companies' actual performance, with an integrated focus on the types of stakeholder engagement undertaken at the various stages of a business' operations. New topics such as business model, strategy, risks and recruitment fees have also been included. The assessment resulted in five key findings (KFs).

## **Key finding one: Corporate respect for human rights has gained momentum – the stage is set for regulation to speed things up and close gaps of inaction**

Since the first iteration of the CHRB was published in 2017, we have seen clear company progress. Over the years, the share of companies scoring zero on key human rights indicators has decreased. Despite methodology changes that raised the bar in terms of requirements, 66% of food and agriculture companies, 65% of ICT companies and 57% of automotive companies have improved their scores on these indicators since their inclusion in the benchmark. There is obvious momentum around corporate respect for human rights. Regulatory action could provide the much-needed final push for companies to move more rapidly towards respecting the human rights of all affected stakeholders.

## **Key finding two: Elevating human rights responsibilities to the board and senior management level appears to be key for better action on human rights due diligence**

Across the three sectors, companies that improved their scores on human rights due diligence (HRDD) did so on the initial steps of a due diligence process and not on tracking and communicating human rights-related actions. However, almost half of all companies assessed still do not meet the requirements for the initial steps of the process, and the majority of those that improved their scores from zero have only made incremental progress. Our assessment shows a strong positive correlation between companies' scores on assigning board responsibility for human rights as well as responsibility and resources for day-to-day human rights functions, and overall HRDD scores. Out of the companies that improved the most on HRDD, the majority (75%) have senior level responsibility for human rights and allocate resources and expertise for the day-to-day management of human rights within their operations and supply chains. Conversely, most of the companies that scored zero on HRDD (70%) do not have these resources in place.

## **Key finding three: Companies need to translate their commitments to stakeholder engagement into meaningful action**

In 2020, 66% of companies assessed committed to engage with stakeholders on human rights. Looking at how this plays out in practice this year, we found that 71% of companies scored zero on



their approach to engaging with affected stakeholders on a regular basis. Regarding HRDD, almost a quarter of companies described how they engage with affected stakeholders when identifying their human rights risk and impacts. When it comes to grievance mechanisms, 91% of companies did not disclose that they engage with potential or actual users, such as workers and affected communities, on the design, implementation, performance and improvement of their mechanisms.

### **Key finding four: Companies are taking a hands-off approach to human rights in their supply chains**

While many companies place expectations on their suppliers, the vast majority still fail to follow through by supporting them and monitoring progress. When it comes to key human rights risks for the three sectors assessed, such as child and forced labour, land rights, women's rights and living wages, on average 33% of companies include such issues in supplier codes of conduct and contractual agreements, but only 11% work with suppliers on the topics. An even smaller number (2%) assess how many people are affected by these issues in their supply chains and disclose progress.

### **Key finding five: In the face of the climate crisis, companies with an effective human rights approach are better equipped to plan for a just transition**

We found no correlation between climate and human rights performance. Most companies that demonstrate they are taking action to address climate change, such as low-carbon transition plans and emissions reduction targets, disclose very little, if any, information about how they manage human rights, and vice versa. However, we did find a clear positive correlation between a company's human rights score and its performance in the 2021 Just Transition Assessment. Eight out of the ten highest-scoring companies from the automotive sector are also among the ten highest scoring on our just transition indicators. Conversely, eight out of the bottom ten companies in the CHRBR are also among the lowest scoring on a just transition.

### **Calls to action**

- Companies
  - Focus on board accountability to translate commitments into action
  - Integrate stakeholder engagement in all phases of implementation
  - Establish a process to support and monitor implementation in supply chains
- Investors
  - Build on the existing momentum
  - Mainstream shareholder advocacy
  - Engage one-on-one with investee companies
  - Use CHRBR resources
- Governments
  - Accelerate mandatory HRDD
  - Harmonise to a higher international standard
- Civil society and other stakeholders
  - Use CHRBR data to advocate stringent legislation, influence company actions, create citizen awareness, help protect people from human rights violations and hold companies accountable



# Foreword

In our [2021 COVID-10 and human rights study](#), we assessed how companies were affected by and responded to the increased human rights risks and impacts associated with the COVID-19 pandemic. We found that most companies failed to demonstrate a meaningful response to the crisis.

COVID-19 laid bare the failings of our socioeconomic system. The global health crisis was a stark reminder to 'leave no one behind', as envisioned by the Sustainable Development Goals (SDGs), and an opportunity to address systemic shortcomings. However, the wealth of the ten richest people in the world doubled and 120 million people were pushed into extreme poverty during the pandemic. It became clear that inequality and injustice are not an unintended consequence but are rather built into the current system. Before we could fully recover from this health crisis and 'build back better', we were faced with an economic crisis, soaring inflation and the Russia-Ukraine war. Uncertainty and instability have become inherent to our operating environment. In this global context, our efforts to fight inequality and injustice and to uphold human rights must be stronger than ever.

Business is [the most trusted institution globally](#), and people expect business to play a leadership role in society. The UN Guiding Principles on Business and Human Rights (UNGPs) continue to be the most comprehensive framework for recalibrating the balance between governments, business and people. The [UNGPs 10+ Roadmap](#) highlighted that in the next decade of implementing the UNGPs, it will be critical to raise the ambition and increase the pace of implementation, to improve coherence and create greater impact.

This is the fifth year that we have published the CHRB. In those five years, we have seen companies take initial steps in establishing HRDD processes and grievance mechanisms. Voluntary measures, advocacy efforts and investor pressure have got us so far, but much more is still to be achieved beyond the basics. A smart mix of voluntary and mandatory measures are needed to accelerate the pace of implementation. Mandatory legislation is particularly necessary where progress resulting from voluntary measures has been slow, especially in key areas such as HRDD. Legislative efforts such as the [EU Corporate Sustainability Due Diligence Directive](#) are crucial to create a level playing field for all companies.

This report presents the 2022 findings from the CHRB assessment of the food and agriculture, ICT and automotive sectors. In 2023, we aim to assess the apparel and extractive sectors.

In line with the UNGPs 10+ Roadmap's call to raise the ambition, we have updated the CHRB methodology this year. The new methodology, which is the result of extensive stakeholder consultation, puts more emphasis on assessing companies' performance on the implementation of their policy and commitments. We are pleased to note that the average company scores have increased compared to the last assessment, despite more stringent criteria and a higher bar.

Dialogue is a crucial part of our strategy to engage with companies before, during and after the assessments. This year, 65% of the 127 companies in scope responded to our assessments and engaged with us. Repeated assessments over the years coupled with strong support from the investor community who use the CHRB in their own engagement with their investees helped drive high company engagement rates. Engagement is important because it enables companies to understand the methodology better, improve their disclosure and, ultimately, enhance the integration of human rights considerations in their business practices.



# Introduction

## Benchmarking for a better world

The World Benchmarking Alliance (WBA) is a non-profit organisation that develops free and publicly available benchmarks to hold 2,000 of the world's most influential companies accountable for their part in achieving the Sustainable Development Goals (SDGs). Our benchmarks are grounded in the seven transformations needed to put our society, planet and economy on a more sustainable and resilient path.

FIGURE 1: WBA'S SEVEN SYSTEMS TRANSFORMATIONS



The SDG agenda aims to 'realise the human rights of all'. Human rights are inextricably linked to the SDGs, with over 90% of the SDG targets directly connected to international and regional human rights instruments and labour standards. This is reflected in the central premise of the SDG agenda to 'leave no one behind'. Recognising this, WBA's seven transformations model has the social transformation at its heart and respect for human rights as the basis for this transformation, and as a necessary condition for all system transformations.

WBA recognises the market failure around business respect for human rights and how this undermines the achievement of the SDGs. To address this market failure, WBA believes human rights benchmarking can create positive competition, drive accountability, and provide evidence for policy intervention. As such, WBA assesses all 2,000 companies on human rights through our core social indicators; and takes a more in-depth look at sectors identified as high-risk in terms of their human rights impacts through the Corporate Human Rights Benchmark (CHRB). The CHRB looks at the policies, processes, and practices companies have in place to systematise their human rights approach, as well as at how they respond to serious allegations.

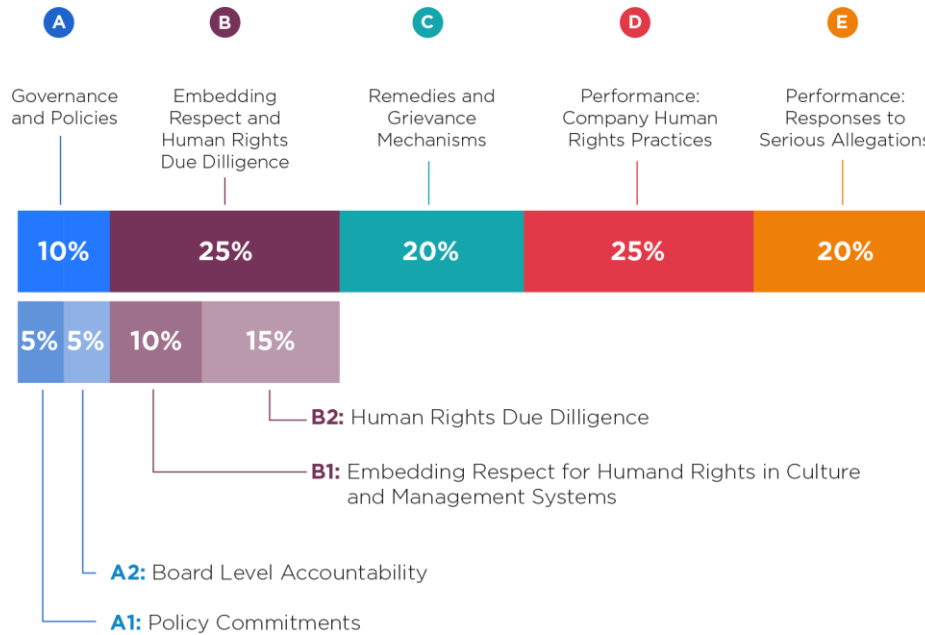


## Methodology summary

The CHRB methodology is composed of five measurement themes, each containing a series of indicators focusing on different aspects of how a company seeks to respect human rights across its own operations and supply chain. The measurement themes are governance and policy commitments, embedding respect for human rights and conducting human rights due diligence, grievance mechanisms and access to remedy, specific practices to prevent human rights impacts in each industry, and company responses to allegations of serious negative impacts on human rights. These indicators are grounded in the UNGPs and other international human rights standards, with additional sector-specific requirements applied to some indicators.

A detailed description of the CHRB methodology and indicators can be found on [WBA's website](#).

FIGURE 2: CHRB MEASUREMENT THEMES AND THEIR WEIGHTING



The CHRB covers three sectors in 2022: food and agricultural products (57 companies), ICT manufacturing (43 companies) and automotive manufacturing (29 companies). In the spirit of continuous improvement, the CHRB always seeks to ensure that its approach remains up-to-date and relevant, based on learnings, stakeholder input as well as evolving international and industry-specific standards on human rights and responsible business conduct. The CHRB published a revised methodology in 2021. The methodology is the result of a two-phase consultation process, including a literature review, feedback sought through regional and multi-stakeholder consultations, and a public questionnaire.

In the revised methodology, more emphasis is given to companies' actual performance, with an integrated focus on the types of stakeholder engagement undertaken at the various stages of a business' operations. New topics such as business model, strategy, risks and recruitment fees have also been [included](#).

We hope that the changes will help to reinforce these new standards and raise the bar, as well as provide a road map for companies to fulfil their responsibility to respect the human rights of the individuals and communities that they impact.

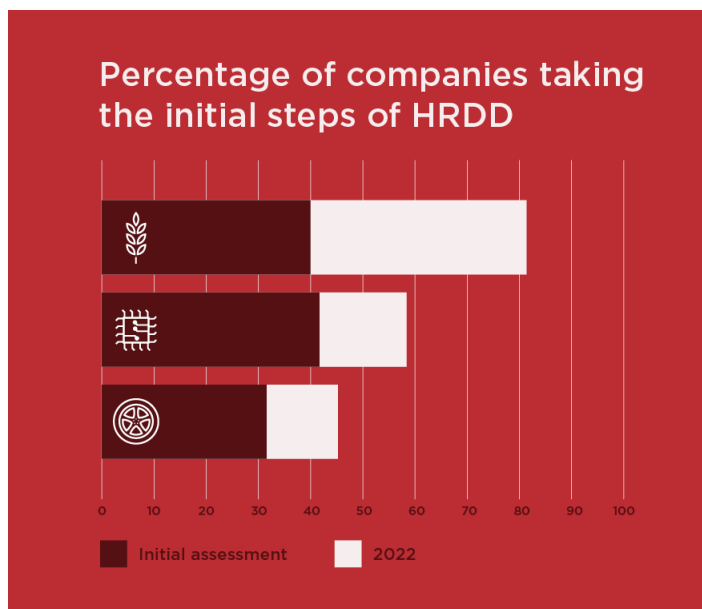


# Key findings

Following five iterations of the CHRB, as well as our [recent methodology review](#), this year's key findings provide a unique insight into the five-year trends in companies' human rights journey. The findings also offer a first look at aspects of companies' processes and their implementation that were previously unknown. This is thanks to the incorporation of new indicators and requirements that allow us to hone in on company performance.

## Key finding one: Corporate respect for human rights has gained momentum – the stage is set for regulation to speed things up and close gaps of inaction

FIGURE 3: PERCENTAGE OF COMPANIES TAKING ACTION ON HRDD



In 2011, the UNGPs established the responsibility of businesses to respect human rights. Since then, organisations and individuals from all stakeholder groups – civil society organisations, human rights defenders, workers, financial institutions, academics, business platforms, multilateral organisations and, of course, many companies themselves – have worked tirelessly to ensure this responsibility is enshrined in companies' operations. Eleven years and five iterations of the CHRB later, our data shows that momentum is building.

Since the first iteration of the CHRB was published in 2017, we have seen clear company progress. Over the years, the share of companies scoring zero on key human rights indicators, such as commitments to human rights (A.1.1), the first steps of an HRDD process (B.2.1-B.2.3) and establishing grievance mechanisms for workers and external individuals (C.1, C.2), has decreased. In other words, companies are taking more action on human rights.

Food and agriculture companies were assessed for the fifth time this year, ICT companies for the third time and automotive companies for the second time. Despite methodology changes that raised the bar in terms of requirements, 66% of food and agriculture companies, 65% of ICT companies and 57% of automotive companies have improved their scores on key human rights indicators since their inclusion in the benchmark.

We have seen companies like Corning and General Motors stepping up their human rights efforts, consequently moving up the rankings and significantly increasing their scores, particularly on due





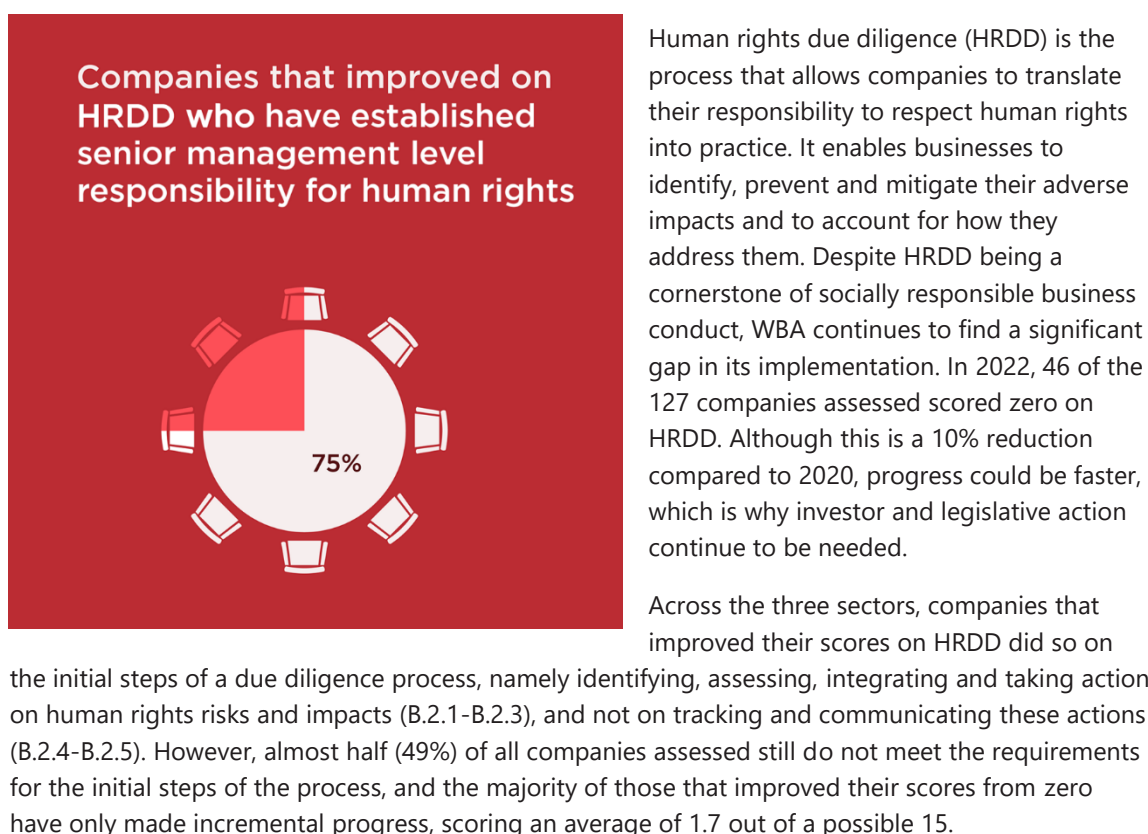
diligence. At the same time, on average, company score improvements are low, reflected in the fact that 82% of companies still score in the lowest three score bands (below 30%) in the benchmark. In the decade since the UNGPs were endorsed, the pace at which companies are improving on these key aspects of respecting human rights is simply too slow, and it is clear that embedding human rights within companies remains a major challenge.

However, the fact that most companies have improved their scores between the 2017 and 2022 CHRB iterations, indicates that there is clear momentum for corporate respect for human rights.

Regulatory action could provide the much-needed final push for companies to move more rapidly towards respecting the human rights of all affected stakeholders. Through regulatory initiatives – such as the EU Corporate Sustainability Due Diligence Directive (CS3D) and the Corporate Sustainability Reporting Directive (CSRD) as well as the Japanese government’s recent commitment to develop legislation on HRDD – governments have the opportunity to raise the bar, create a level playing field and mandate effective corporate respect for human rights to ensure that it is not a nice-to-have but a must-have for all companies.

## Key finding two: Elevating human rights responsibilities to the board and senior management level appears to be key for better action on human rights due diligence

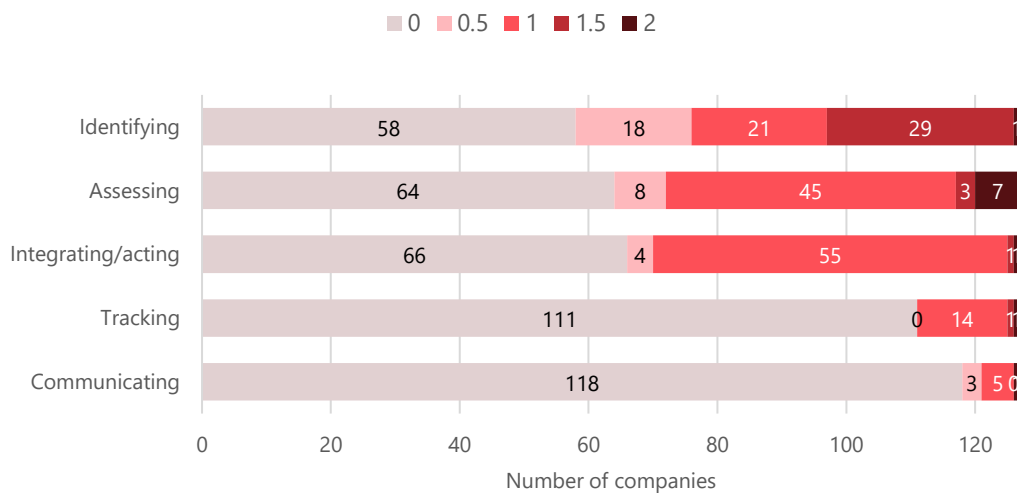
FIGURE 4: HRDD AND SENIOR MANAGEMENT CORRELATION



### **Investor Alliance for Human Rights' statement**

In May 2021, 208 global investors representing USD 5.8 trillion in assets under management sent letters to the 58 companies in the food and agricultural products, ICT and automotive manufacturing companies that scored zero on the HRDD indicators in the 2020 CHRB, calling for urgent improvement. Of these 58 companies, only 12 have improved on HRDD this year, with 46 still failing to score any points on the related indicators.

FIGURE 5: BREAKDOWN OF SCORES PER HRDD INDICATOR



Our assessment shows a strong positive correlation between companies' scores on assigning board responsibility for human rights (A.2.2) and responsibility and resources for day-to-day human rights functions (B.1.1), and overall HRDD scores. Out of the companies that improved the most on HRDD, the majority (75%) have senior level responsibility for human rights and allocate resources and expertise for the day-to-day management of human rights within their operations and supply chains. Conversely, most of the companies that scored zero on HRDD (70%) do not have these resources in place.

This is a clear indication that making human rights a strategic concern at the highest levels of the company is necessary to prevent and address negative impacts on people. For those companies lagging behind, elevating these responsibilities to board and senior management level could facilitate more effective implementation of HRDD and create a virtuous circle between company and board actions.

Moreover, companies are under growing pressure from institutional investors, civil society and governments to improve performance on HRDD. However, the pace and scale of companies' actions are underwhelming. The limits of market-based and non-legislative approaches to improve corporate respect for human rights are obvious. Therefore, the increasing trend of mandatory HRDD legislation is encouraging. A smart mix of legislative, market-based and non-legislative measures is necessary to close the accountability gap, raise the bar and ensure that companies respect the rights of all affected stakeholders.



## Key finding three: Companies need to translate their commitments to stakeholder engagement into meaningful action

FIGURE 6: STAKEHOLDER ENGAGEMENT IN HRDD



Engaging with stakeholders such as communities, vulnerable and marginalised groups, human rights defenders, trade unions and grassroots organisations should be ongoing, and should inform a company's human rights approach. By engaging with workers, for example, a company could better understand factors that contribute to negative human rights impacts, such as excessive working hours, and address the issue effectively. Meaningful stakeholder engagement is also essential for companies to ensure that their actions to address negative impacts are tailored to stakeholders' needs and experiences.

The updated CHRB methodology requires companies to better integrate stakeholder engagement across several

indicators. The indicator on commitment to stakeholder engagement was replaced with an integrated focus on the types of engagement undertaken at the various stages of a business' operations.

In the 2020 CHRB, 66% of companies assessed committed to engage with affected stakeholders. Results from this year's assessment demonstrate that companies have yet to translate this commitment into action. For example, 71% of companies scored zero on their approach to engaging with affected stakeholders on a regular basis (B.1.8).

In terms of HRDD, almost a quarter of companies (23%) described how they engage with affected stakeholders when identifying their human rights risk and impacts (B.2.1). However, the majority of companies fail to include stakeholders in the subsequent steps of a due diligence process, with less than 5% describing how they involve affected stakeholders in the assessment of negative risks and impacts, decisions about actions to take in response to salient human rights issues, evaluating the effectiveness of actions over time or communicating negative impacts (B.2.2-B.2.5). Two companies that positively stood out when it comes to engaging with affected stakeholders as part of their HRDD were Unilever and The Hershey Co.

In terms of grievance mechanisms, 91% of companies did not disclose that they engage with potential or actual users, such as workers and affected communities, on the design, implementation, performance and improvement of their mechanisms (C.3). Apple positively stood out for its stakeholder engagement regarding grievance mechanisms.

While the OECD Due Diligence Guidance for Responsible Business Conduct outlines the need for companies to carry out meaningful stakeholder engagement as part of continuing due diligence, there are ongoing debates as to how this should concretely be translated into national laws. The dataset from the CHRB on stakeholder engagement and grievance mechanisms feeds into the current negotiations on the EU CS3D as to the regulatory gap concerning these elements of due diligence and whether there is a need to mandate appropriate measures. Our findings indicate that stakeholder engagement has yet to inform most companies' human rights approach. Forthcoming regulations and subsequent national laws should therefore include strong stakeholder engagement requirements to ensure that companies' decisions and actions are guided by the voices of those most impacted.

## Key finding four: Companies are taking a hands-off approach to human rights in their supply chains

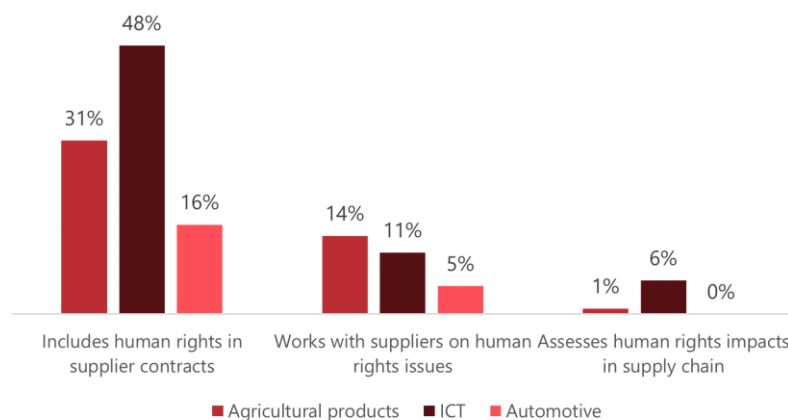
FIGURE 7: COMPANY HUMAN RIGHTS APPROACH IN SUPPLY CHAINS



Companies have a responsibility to respect human rights, not only within their four walls but also across their supply chains. Here, effective HRDD processes and requirements for business relationships are key. However, given the complex and opaque nature of global supply chains, expecting a 'trickle-down' effect to ensure the management of human rights impacts is unrealistic and overly optimistic. In recognition of this, the CHRB's updated methodology examines the expectations companies place on their suppliers through codes of conduct and contractual agreements, but also how companies work with suppliers to identify key sectoral adverse risks and impacts as well as monitor and disclose progress.

Our findings show that while many businesses do place expectations on their suppliers, the vast majority still fail to follow through by supporting them and monitoring progress. When it comes to key human rights risks for the three sectors assessed, such as child and forced labour, land rights, women's rights and living wages, on average 33% of companies include such issues in supplier codes of conduct and contractual agreements. However, only 11% work with suppliers on these topics, and an even smaller number (2%) assess how many people are affected by these issues in the supply chain and disclose progress. This varies by sector (see Figure 8).

FIGURE 8: SHARE OF COMPANIES THAT MEET SUPPLY CHAIN REQUIREMENTS



For example, on the issue of forced labour, the assessment shows that while 63% of the food and agriculture companies include a supplier requirement that prohibits restrictions to workers' freedom of movement, only 9% work with their suppliers to address the issue, and only 2% report progress on



it (D.1.5f). Similarly, while almost all ICT companies include the issue of recruitment fees (93%), only 33% support or work with their suppliers, and 9% monitor and report progress on the issue (D.4.5b).

This largely hands-off approach to human rights risks and impacts is particularly concerning since the CHRB found that more than half of allegations of serious negative human rights impacts this year occurred in companies' supply chains. This finding suggests that companies' inaction regarding human rights risks in their supply chains could, over time, result in companies being involved in human rights abuses (by contributing or being linked to negative impacts). The CHRB encourages companies to take a preventive approach and work with their suppliers to track and mitigate human rights risks before they become adverse impacts.

## Key finding five: In the face of the climate crisis, companies with an effective human rights approach are better equipped to plan for a just transition

FIGURE 9: HUMAN RIGHTS AND JUST TRANSITION



The need for business action to address climate change – one of the most serious systemic risks of our time – is irrefutable. Both the action and inaction of companies can lead to severe impacts on people. Insufficient action to halt climate change will affect the health, safety and livelihoods of millions around the globe. Meanwhile, effective action towards a low-carbon economy without a just transition strategy risks leaving millions of workers and communities stranded.

A human rights lens is fundamental to adequately identify and address such impacts. However, our evidence shows a

persistent and concerning disconnect between climate and human rights issues in the case of most companies. In 2020, WBA compared the scores of the automotive companies in [the Climate and Energy Benchmark](#) and the CHRB and found no correlation between a company's relative performance in each benchmark. This year, we included an additional layer to the analysis: WBA's [2021 Just Transition Assessment](#). This looks at how companies are managing the universal challenge of eliminating carbon emissions in a way that leaves no one behind.

Once again, we found no correlation between climate and human rights performance. Most companies that demonstrate they are taking action to address climate change, such as low-carbon transition plans and emissions reduction targets, disclose very little, if any, information about how they manage human rights, and vice versa.

However, we did find a clear positive correlation (0.8) between a company's human rights score and its performance in the 2021 Just Transition Assessment. Eight out of the ten highest-scoring companies from the automotive sector in the CHRB – such as Mercedes-Benz Group, General Motors and Volkswagen – were also among the ten highest scoring on our just transition indicators.



Conversely, eight out of the ten lowest-scoring companies in the CHRB were also among the lowest scoring on just transition.

**WBA just transition indicators**

1. Social dialogue and stakeholder engagement
2. Planning for a just transition
3. Green and decent job creation
4. Retaining and re- and/or upskilling
5. Social protection and social impact management
6. Advocacy for policies and regulation supporting a just transition

These findings make sense: after all, just transition plans and actions are a concrete way in which businesses operationalise their responsibility to respect human rights in the face of the climate crisis. Our evidence shows that those companies with human rights policies and processes that align with the UNGPs are also better equipped to identify, assess and address the risks and impacts on people associated with their climate measures. In 2021, we identified a similar trend in our study of companies' response to the COVID-19 pandemic: in these times of unprecedented environmental, economic and social crisis, HRDD processes make for more prepared companies, and more resilient workers and communities.



# Sectoral insights

## Food and agriculture sector findings

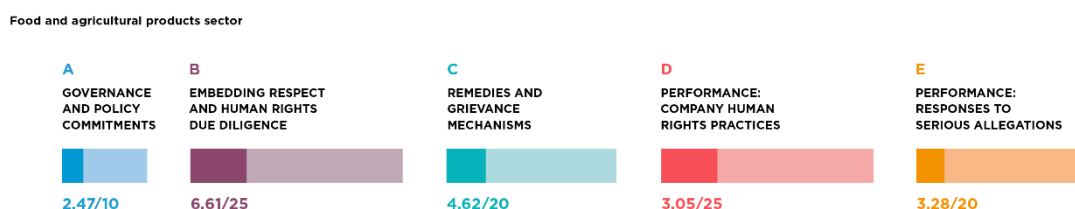
Agricultural workers often comprise groups considered to be vulnerable, including women and migrants, and forced and bonded labour are common issues of concern. In addition, land, water and natural resources are frequently used or acquired without consent, with insufficient measures taken to avoid negatively impacting the communities whose livelihoods depend on them. The food and agriculture sector employs approximately a third of the global workforce and can therefore play a key role in our goal of a more sustainable and socially inclusive world.

Fifty-seven of the largest food and agriculture companies in the world were assessed against the CHRB methodology in 2022. The top three companies sit in the 50-60% (Unilever) and the 40-50% (Wilmar International and PepsiCo) score bands. The highest number of companies (17) are in the 10-20% score band.

Of the three sectors, the food and agriculture sector performs best in this year's benchmark. It has the highest maximum score (50.3%) and average score (20.0%) overall. The sector also has the highest average score for every measurement theme and includes six of the top ten companies. This could be the result of greater scrutiny (due to movements supporting local producers and increased consumer awareness about healthy and ethical food choices), and it shows that the push for corporate accountability in this sector (of which benchmarking is an important part) has been working.

Despite relatively good performance, more than half of the companies in this sector still score below 20% overall, and average scores per measurement theme remain low (see Figure 10), especially since this is the companies' fifth assessment in the CHRB. Moreover, on 30 out of the 60 indicators on which they were assessed, no company meets the full requirements. This means there is still a way to go for food and agriculture companies to respect the rights of vulnerable workers and communities.

FIGURE 10: FOOD AND AGRICULTURE COMPANIES' SCORE BY MEASUREMENT THEME



**A.1 Commitments to respect human rights.** Five companies (9%) scored zero on all indicators across this theme.

**A.2 Board-level accountability for human rights.** Eighteen companies (32%) scored zero on all indicators across this theme.

**B.1 Embedding respect for human rights in company management systems.** Four companies (7%) scored zero on all indicators across this theme.

**B.2 Human rights due diligence.** Thirteen companies (23%) scored zero on all indicators across this theme.



**C Remedy and grievance mechanisms.** Two companies (4%) scored zero on all indicators across this theme.

**D Performance: Dealing with key risks and enabling factors for human rights.** Five companies (9%) scored zero on all indicators across this theme.

**E Performance: Responses to serious allegations.** Two companies (4%) scored zero on all indicators across this theme.

### Company engagement

Engaging in the benchmarking process can help companies to learn, for example, what meaningful stakeholder engagement is, what the steps are for building an effective due diligence or grievance process or how to better manage serious allegations. Although engagement is not the only factor leading to better scores, the link is indisputable. The food and agriculture sector had a 73% engagement rate with the CHRB this year. Nine out of the ten lowest-scoring companies overall did not engage, while all of the top 30 did engage.

### Theme A

Food and agriculture companies scored well in their general commitments to respect human rights. However, they performed less well in their commitments to respect the rights that are particularly relevant to their sector. Eighty-four per cent of companies have publicly committed to respecting the rights in the Universal Declaration of Human Rights or the International Bill of Human Rights (A.1.1), and 56% commit to the UNGPs/OECD guidelines on human rights (up from 40% in 2020). At the same time, only 37% of companies commit to respecting ownership and use of land and natural resources and the rights of indigenous peoples (A.1.3), and less than 15% expect their suppliers to respect these rights.

### Theme B

This year, 77% of food and agriculture companies scored points on HRDD (B.2), compared to 60% for the ICT sector and 45% for the automotive sector. It is the only sector where a company scored the full two points on most of the due diligence indicators (Tesco for B.2.1, Unilever for B.2.3, Heineken for B.2.4 and Wilmar International for B.2.5). This could be linked to the fact that 41% of companies indicate the senior management role(s) responsible for implementation and decision-making regarding human rights issues within the company (B.1.1), which is strongly correlated with due diligence performance, compared to 23% and 24% for the ICT and automotive sectors respectively.

### Theme C

In this theme, 95% of food and agriculture companies have grievance mechanisms that are available to workers (C.1) and 72% to external individuals and communities (C.2). In addition, 48 of the 57 companies assessed (84%) prohibit retaliation against complaints (C.5). This is important for people to feel safe raising human rights issues without fear of physical, psychological, economic or legal reprisals. However, most of these companies scored zero on the indicators around user participation in design (C.3) (89%), equal access (C.4) (70%) and remedying adverse impacts (C.7) (68%), which reduces the likelihood that these grievance mechanisms are effective.





## Theme D

The majority (95%) of food and agriculture companies did not meet any of the requirements under indicator D.1.8b, which assesses land rights and land acquisition in the supply chain. The three companies that did not score zero (Unilever, Kellogg's and Amazon), only scored 0.5, meaning they include conditions on land and tenure rights in supplier contracts but do not work with suppliers to improve land practices or monitor these issues within their supply chains. The scores on this indicator imply a huge risk of displacement and loss of livelihoods from agricultural activities. The sector performed slightly better on the indicators around health and safety and forced labour but poorly on the indicators related to living wages and gender rights.

FIGURE 11: NUMBER OF FOOD AND AGRICULTURE COMPANIES PER SCORE BAND

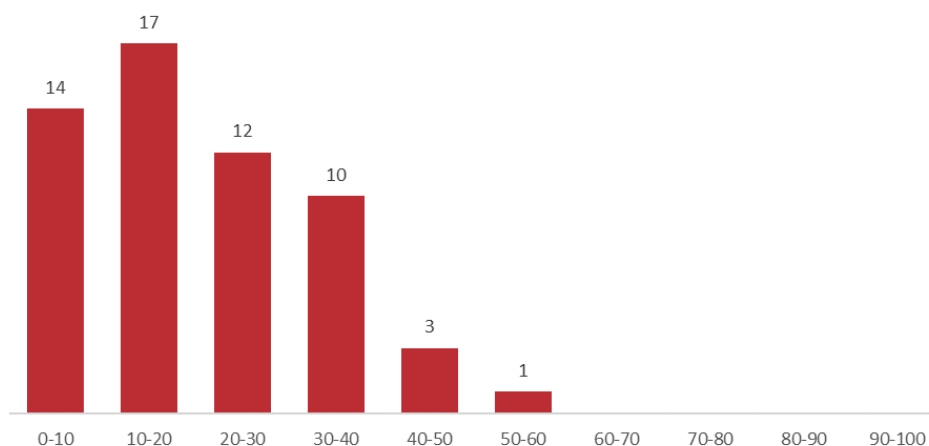


TABLE 1: FOOD AND AGRICULTURE COMPANIES' RESULTS BY SCORE BAND

| Band          | Company name         | Scored 0 on HRDD | Number of allegations | Engaged |
|---------------|----------------------|------------------|-----------------------|---------|
| <b>50-60</b>  | Unilever             |                  | 4                     | ✓       |
| <b>40-50</b>  | Wilmar International |                  | 2                     | ✓       |
|               | Woolworths Group     |                  | 1                     | ✓       |
|               | PepsiCo              |                  | 6                     | ✓       |
| <b>30-40</b>  | Coles Group          |                  | 0                     | ✓       |
|               | The Hershey Company  |                  | 2                     | ✓       |
|               | Marks & Spencer      |                  | 3                     | ✓       |
|               | Diageo               |                  | 0                     | ✓       |
|               | Tesco                |                  | 6                     | ✓       |
|               | Anheuser-Busch InBev |                  | 0                     | ✓       |
|               | Nestle               |                  | 6                     | ✓       |
|               | Glencore             |                  | 6                     | ✓       |
|               | Kellogg's            |                  | 0                     | ✓       |
|               | General Mills        |                  | 0                     | ✓       |
|               | <b>20-30</b>         | Heineken         |                       | 1       |
| Danone        |                      |                  | 2                     | ✓       |
| Suntory       |                      |                  | 0                     | ✓       |
| Kerry Group   |                      | 0                | 0                     | ✓       |
| Compass Group |                      | 0                | 1                     | ✓       |



|              |                                       |   |   |   |
|--------------|---------------------------------------|---|---|---|
|              | Kirin Holdings                        |   | 0 | ✓ |
|              | Ahold Delhaize                        |   | 1 | ✓ |
|              | Walmart                               |   | 7 | ✓ |
|              | Mondelez International                |   | 2 | ✓ |
|              | Pernod Ricard                         |   | 0 | ✓ |
|              | Coca-Cola Company                     |   | 3 | ✓ |
|              | Lindt & Sprüngli                      |   | 0 | ✓ |
| <b>10-20</b> | Asahi Group                           |   | 0 | ✓ |
|              | Aeon                                  |   | 0 | ✓ |
|              | Archer Daniels Midland (ADM)          |   | 1 | ✓ |
|              | Target Corporation                    |   | 0 | ✓ |
|              | McDonald's                            | 0 | 2 |   |
|              | Carlsberg                             |   | 0 | ✓ |
|              | Associated British Foods              | 0 | 1 | ✓ |
|              | Starbucks                             |   | 4 | ✓ |
|              | Amazon                                |   | 9 | ✓ |
|              | BRF                                   |   | 0 | ✓ |
|              | Kraft Heinz                           |   | 2 | ✓ |
|              | Hormel Foods                          |   | 0 | ✓ |
|              | Carrefour                             |   | 3 |   |
|              | Itochu                                |   | 0 |   |
|              | Kroger                                | 0 | 2 | ✓ |
|              | George Weston (Weston Foods & Loblaw) |   | 0 |   |
|              | Monster Beverage                      |   | 0 | ✓ |
| <b>0-10</b>  | Yum! Brands                           | 0 | 0 | ✓ |
|              | Sysco                                 |   | 0 | ✓ |
|              | McCormick                             | 0 | 0 |   |
|              | Costco                                | 0 | 3 |   |
|              | SACI Falabella                        | 0 | 0 |   |
|              | Conagra Brands                        | 0 | 0 |   |
|              | Seven & I Holdings                    |   | 0 |   |
|              | Tyson Foods                           | 0 | 1 |   |
|              | Shoprite Holdings                     |   | 0 |   |
|              | Brown-Forman Corporation              | 0 | 0 |   |
|              | Alimentation Couche-Tard              | 0 | 0 |   |
|              | Constellation Brands                  |   | 0 |   |
|              | Yili Group                            |   | 0 | ✓ |
|              | Kweichow Moutai                       |   | 0 |   |



## Automotive sector findings

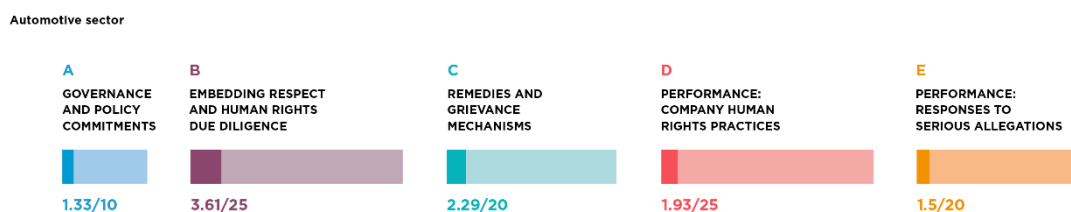
Forced labour, a lack of living wages and restrictions on freedom of association are just some of the issues that persist within the automotive industry and its supply chain. The use of natural resources in the manufacturing process can also give rise to a range of potential human rights impacts beyond company walls, such as illegal land grabbing or depletion of natural resources. As one of the world's largest industries by revenue and employing over 8 million people, automotive companies can play a substantial role in achieving a more sustainable and socially inclusive world.

Twenty-nine of the largest automotive companies in the world were assessed against the CHRB methodology for the second time this year. The top five automotive companies sit in the 30-40% (Ford and General Motors) and 20-30% (Mercedes-Benz Group, BMW and Volkswagen) score bands. The other 24 companies (83%) scored below 20%, with more than two-thirds of those (17) scoring below 10%.

The automotive sector has the poorest performance of the three sectors in this year's benchmark. It has the lowest maximum score (39.0%) and average score (10.7%) overall as well as the lowest average score for every measurement theme. Five automotive companies (all headquartered in China) scored zero across the entire benchmark, compared to one food and agriculture company and zero ICT companies. There are 16 indicators on which over 90% of automotive companies scored zero, compared to two indicators for food and agriculture and seven for ICT. This could be due to the complexity of automotive supply chains (in terms of raw materials and multiple intermediaries) and the subsequent difficulty with monitoring human rights and holding companies accountable, in addition to the fact that human rights benchmarking in this sector is relatively new.

The automotive sector has two of the top ten companies overall (Ford and General Motors) as well as two of the top five (General Motors and Mercedes-Benz Group) for theme B, which includes due diligence, showing that best practices and opportunities for peer learning do exist within the sector. For the majority, however, significant effort is needed to bring respect for human rights up to standard, both in their own operations and their supply chains.

FIGURE 12: AUTOMOTIVE COMPANIES' AVERAGE SCORE BY MEASUREMENT THEME



**A.1 Commitments to respect human rights.** Nine companies (31%) scored zero on all indicators across this theme.

**A.2 Board-level accountability for human rights.** Twenty companies (69%) scored zero on all indicators across this theme.

**B.1 Embedding respect for human rights in company management systems.** Eleven companies (38%) scored zero on all indicators across this theme.

**B.2 Human rights due diligence.** Sixteen companies (55%) scored zero on all indicators across this theme.



**C Remedy and grievance mechanisms.** Seven companies (24%) scored zero on all indicators across this theme.

**D Performance: Dealing with key risks and enabling factors for human rights.** Five companies (17%) scored zero on all indicators across this theme.

**E Performance: Responses to serious allegations.** Eight companies (28%) scored zero on all indicators across this theme.

### Company engagement

There is a clear overlap between companies that chose not to engage in the benchmarking process and those that scored low overall and, more specifically, on HRDD. The automotive sector had a 45% engagement rate this year, an improvement from 27% in 2020. Only one of the 16 companies that scored zero on HRDD engaged with the CHRB, while nine of the top ten companies did engage.

### Theme A

More than two-thirds (69%) of automotive companies scored zero across measurement theme A.2 (board-level accountability for human rights), compared to 40% of ICT companies and 32% of food and agriculture companies, which could partially explain their poor overall performance. There is also a noticeable lack of standards set for suppliers. Only 34% of companies expect suppliers to commit to responsible mineral sourcing, compared to 79% of ICT companies (A.1.3a). In addition, only 14% of automotive companies have a statement expecting suppliers to respect women's rights, children's rights or migrant workers' rights, compared to 72% of ICT companies (A.1.3b).

### Theme B

More than half of the automotive companies assessed scored zero in measurement theme B.2 on due diligence. This is an improvement since 2020, when two-thirds of automotive companies scored zero, but the rate of improvement is far too slow.

### Theme C

No automotive companies are in the top ten when it comes to grievance mechanisms, and only three companies (Ford, General Motors and Mercedes) scored above five out of 20 (25%) in this theme. Some 72% of automotive companies do not have grievance mechanisms available for external individuals (C.2), which prevents people who are negatively impacted by these companies from seeking remedy and compensation. In terms of inclusion, only Mazda Motor Company and Mercedes-Benz Group involve users in designing and improving grievance mechanisms (C.3), and only Geely and General Motors ensure that users have equal access to and are well informed about their grievance process (C.4).

### Theme D

Human rights practices are severely lacking in the automotive sector, particularly in the supply chain. Only two companies (Ford and General Motors) scored above five points out of 25 (20%) in this theme, and 19 out of the 29 companies scored two points or less. Six companies fail to include any clauses related to human rights in their supplier contracts (D.5.1-D.5.11). Moreover, not a single automotive company assesses and discloses how many people in its supply chain are impacted by forced labour, gender discrimination, poor working conditions and wages, and other salient human rights issues.



FIGURE 13: NUMBER OF AUTOMOTIVE COMPANIES PER SCORE BAND

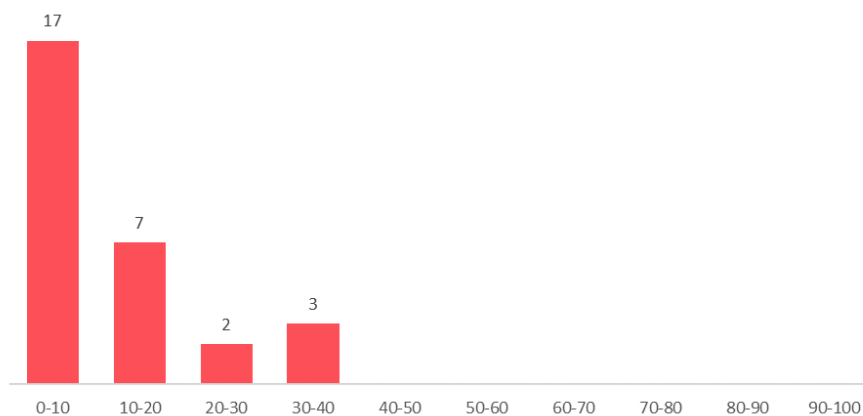


TABLE 2: AUTOMOTIVE COMPANIES' RESULTS BY SCORE BAND

| Band                     | Company name                     | Scored 0 on HRDD | Number of allegations | Engaged |
|--------------------------|----------------------------------|------------------|-----------------------|---------|
| 30-40                    | Ford                             |                  | 5                     | ✓       |
|                          | General Motors Company (GM)      |                  | 2                     | ✓       |
|                          | Mercedes-Benz Group              |                  | 3                     | ✓       |
| 20-30                    | BMW                              |                  | 4                     |         |
|                          | Volkswagen                       |                  | 6                     | ✓       |
| 10-20                    | Renault                          |                  | 3                     | ✓       |
|                          | Stellantis                       |                  | 1                     | ✓       |
|                          | Toyota Motor Corporation         |                  | 2                     | ✓       |
|                          | Subaru                           |                  | 0                     | ✓       |
|                          | Mahindra and Mahindra            |                  | 0                     | ✓       |
|                          | Honda Motor Company              |                  | 2                     | ✓       |
|                          | Nissan Motor Company             |                  | 2                     | ✓       |
| 0-10                     | Hyundai Motor Company            | 0                | 2                     |         |
|                          | Kia Motor Corporation            |                  | 0                     |         |
|                          | Tesla                            | 0                | 6                     |         |
|                          | Mazda Motor Corporation          | 0                | 0                     | ✓       |
|                          | Geely                            | 0                | 1                     |         |
|                          | Mitsubishi Motors Corporation    | 0                | 1                     |         |
|                          | Tata Motors                      | 0                | 1                     |         |
|                          | Guangzhou Automobile Group       | 0                | 0                     |         |
|                          | Suzuki Motor Corporation         | 0                | 1                     |         |
|                          | Beijing Automotive Group (BAIC)  | 0                | 1                     |         |
|                          | BYD                              | 0                | 1                     |         |
|                          | SAIC Motor                       | 0                | 0                     |         |
|                          | Anhui Jianghuai Automobile Group | 0                | 0                     |         |
|                          | Changan Automobile               | 0                | 1                     |         |
|                          | China FAW Group                  | 0                | 0                     |         |
| Dongfeng Motor Group     | 0                                | 0                |                       |         |
| Great Wall Motor Company | 0                                | 0                |                       |         |



## ICT sector findings

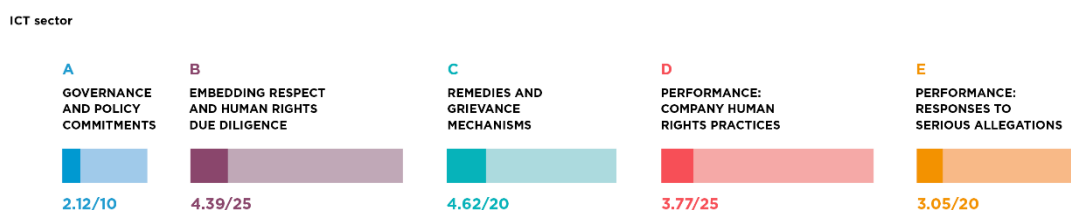
Exploitative conditions persist within the ICT industry, with instances of forced labour and long overtime hours occurring in many factories. Furthermore, workers often face chronically unsafe conditions, including prolonged exposure to toxic substances, which can have severe negative impacts on their health. Companies must address these issues to mitigate harm and ensure technology contributes positively to a more sustainable and socially inclusive world.

Forty-three of the largest ICT companies in the world were assessed against the CHRB methodology for the third time. The top three ICT companies, Hewlett Packard Enterprise, Corning and Samsung Electronics, are in the 30-40% score band. Nearly two-thirds of companies (63%) scored below 20% overall.

The ICT sector had mixed performance in this year's benchmark. With an average score of 18.3% and a maximum score of 39.1%, it performed only marginally better than the lowest-scoring sector (automotive, with 39%). At the same time, no ICT company scored zero across the benchmark, and ICT companies performed notably better on the supply chain requirements than companies in the other two sectors. This shows that pressure on this sector for greater accountability is starting to work, partially due to the exposure and engagement that comes with assessing companies, but that more work is needed to demonstrate best practices.

Compared to the other two sectors, the ICT sector performed particularly well in measurement theme D, which looks at sector-specific human rights-related practices. This includes key human rights issues, such as prohibition of child and forced labour, and good practices on living wages and working hours in companies' own operations and supply chains.

FIGURE 14: ICT COMPANIES' AVERAGE SCORE BY MEASUREMENT THEME



**A.1 Commitments to respect human rights.** One company (2%) scored zero on all indicators across this theme.

**A.2 Board-level accountability for human rights.** Seventeen companies (40%) scored zero on all indicators across this theme.

**B.1 Embedding respect for human rights in company management systems.** Two companies (5%) scored zero on all indicators across this theme.

**B.2 Human rights due diligence.** Seventeen companies (40%) scored zero on all indicators across this theme.

**C Remedy and grievance mechanisms.** One company (2%) scored zero on all indicators across this theme.

**D Performance: Dealing with key risks and enabling factors for human rights.** No companies (0%) scored zero on all indicators across this theme.



**E Performance: Responses to serious allegations.** Four companies (9%) scored zero on all indicators across this theme.

### Company engagement

Feedback suggests that engagement can help companies to improve by allowing them to ask questions about their assessment and the methodology, and to see where their peers are doing well and adopt some of those best practices. The ICT sector had a 70% engagement rate this year. Four out of the top five performers engaged with WBA during the benchmarking process, while none of the bottom five did.

### Theme A

Among ICT companies, performance on governance and policy commitments is low, with an average score of 21%. In line with the other sectors, most companies have a written human rights commitment (98% scored points in measurement theme A.1), but most have unsatisfactory board-level accountability (60%). Also in line with the other sectors, commitments to protect human rights defenders' rights (A.1.5) and systems to link board members' incentives to the company's human rights policy (A.2.3) are poorly implemented by 81% and 98% of companies respectively.

### Theme B

The ICT sector scored an average of 19% on embedding human rights in companies' culture and management systems and having a sound HRDD process in place (theme B overall). Almost 40% of companies scored zero in measurement theme B.2 on HRDD. Similar to what is highlighted above regarding board members' performance, companies scored particularly low on linking senior management incentives to the implementation of their human rights policy, with 86% of companies obtaining zero points on this (B.1.2).

### Theme C

Remediation and grievance mechanisms, the focus of this theme, are not adequately provided by ICT companies, which scored an average of 23%. This reflects what was observed in the food and agriculture sector but is higher than the automotive sector. Similar to the other sectors, the majority of companies, 68%, have grievance mechanisms accessible to all external individuals and communities who may be adversely impacted by the company (C.2). However, key aspects of an adequately functioning grievance mechanism, such as having equitable, publicly available and clearly explained procedures (C.4), are not met by the vast majority of companies, as 88% scored zero on this.

### Theme D

All ICT companies scored some points on sector-specific human rights-related practices, and this sector has the highest score in this measurement theme. For example, 61% of companies have commitments not to restrict workers' mobility, for example through retaining their passports or personal identity documents; in their operations and manufacturing sites (D.4.5.e), and 42% respect the right of all workers to form and join a trade union of their choice and to bargain collectively (D.4.6.a). However, the ICT sector still performs poorly on important human rights practices. For example, over 81% of companies scored zero on having plans to pay a living wage to their own employees (D.4.1a), and over 95% scored zero on requiring the same in their supply chains (D.4.1b).



FIGURE 15: NUMBER OF ICT COMPANIES PER SCORE BAND

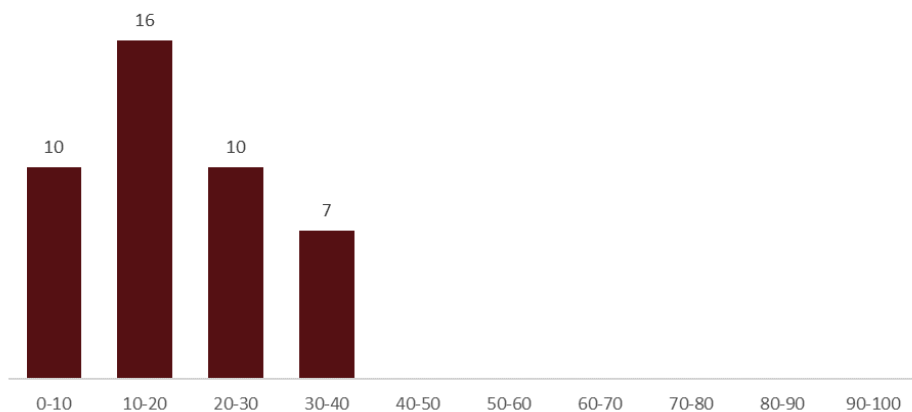


TABLE 3: ICT COMPANIES' RESULTS BY SCORE BAND

| Band                 | Company name               | Scored 0 on HRDD | Number of allegations | Engaged |
|----------------------|----------------------------|------------------|-----------------------|---------|
| <b>30-40</b>         | Hewlett Packard Enterprise |                  | 0                     | ✓       |
|                      | Samsung Electronics        |                  | 3                     | ✓       |
|                      | Corning                    |                  | 0                     | ✓       |
|                      | HP                         |                  | 3                     | ✓       |
|                      | Ericsson                   |                  | 0                     |         |
|                      | Apple                      |                  | 6                     | ✓       |
|                      | NXP Semiconductors         |                  | 1                     | ✓       |
| <b>20-30</b>         | Cisco                      |                  | 3                     | ✓       |
|                      | Microsoft                  |                  | 5                     | ✓       |
|                      | Dell                       |                  | 2                     | ✓       |
|                      | Western Digital            |                  | 1                     | ✓       |
|                      | Canon                      |                  | 1                     | ✓       |
|                      | TSMC                       |                  | 0                     | ✓       |
|                      | SK Hynix                   |                  | 0                     | ✓       |
|                      | Intel                      |                  | 1                     | ✓       |
|                      | Walmart                    |                  | 7                     | ✓       |
|                      | Nokia                      |                  | 2                     | ✓       |
|                      | <b>10-20</b>               | Qualcomm         |                       | 0       |
| Murata Manufacturing |                            |                  | 1                     | ✓       |
| Sony                 |                            |                  | 4                     |         |
| ASML                 |                            |                  | 0                     |         |
| Hitachi              |                            |                  | 2                     | ✓       |
| Lam Research         |                            |                  | 0                     |         |
| Amazon               |                            |                  | 9                     | ✓       |





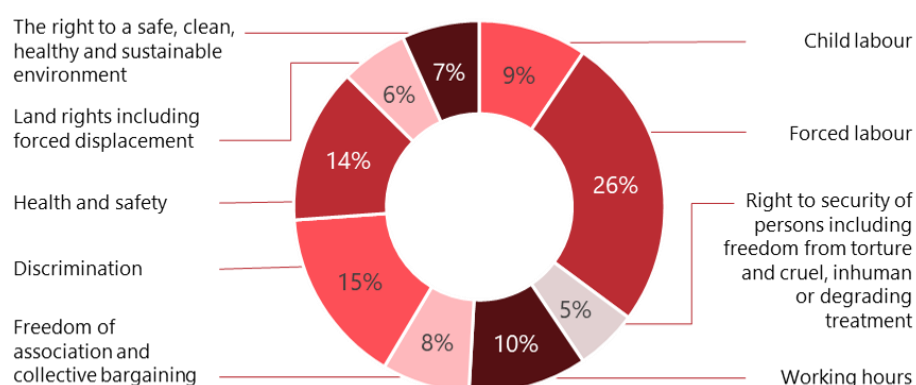
|             |   |   |   |   |
|-------------|---|---|---|---|
|             | Tokyo Electron                                    | 0 | 0 | ✓ |
|             | Nvidia  | 0 | 0 | ✓ |
|             | Micron Technology                                 |   | 0 | ✓ |
|             | Infineon Technologies AG                          | 0 | 1 | ✓ |
|             | Broadcom  | 0 | 0 | ✓ |
|             | Panasonic Corporation                             | 0 | 5 | ✓ |
|             | Applied Materials                                 | 0 | 0 |   |
|             | Skyworks Solutions                                | 0 | 0 |   |
|             | Nintendo  |   | 1 | ✓ |
| <b>0-10</b> | TE Connectivity                                   | 0 | 0 | ✓ |
|             | Amphenol  | 0 | 1 | ✓ |
|             | Kyocera Corporation                               | 0 | 1 | ✓ |
|             | Texas Instruments                                 | 0 | 1 |   |
|             | Keyence Corporation                               | 0 | 0 | ✓ |
|             | Hon Hai Precision Industry Co., Ltd.<br>(Foxconn) | 0 | 3 |   |
|             | Microchip Technology                              | 0 | 0 |   |
|             | BOE Technology Group                              | 0 | 0 |   |
|             | Largan Precision                                  | 0 | 0 |   |
|             | Analog Devices                                    | 0 | 0 |   |



# Serious allegations

The 2022 benchmark considered 174 serious allegations of human rights abuse that met the CHRB severity threshold. Out of 127 companies, more than half (52%) had at least one serious allegation connected to them (see the CHRB methodology for more information about thresholds and scoring). For all companies that were assessed, serious human rights abuse allegations impacted overall final scores, unless no allegations were found.

FIGURE 16: TYPES OF ALLEGATIONS



The CHRB assesses a company’s response to an allegation that a human rights impact has occurred. The response to serious allegations measurement theme does not seek to assess the allegation itself.

Serious allegations are assessed on the basis of three indicators. These look at whether the company responds publicly and in detail to the allegation (E.1), has investigated the alleged impact and taken appropriate action to address it (E.2), and engaged with the affected stakeholders to provide effective remedy, or cooperated for that to happen (E.3).

Companies with serious allegations tend to do much better on indicator E.1 than on indicators E.2 and E.3.

- In 72% of the cases assessed, the company scored at least one point under E.1, which means that the company responded publicly to the allegation.
- In 5% of the cases assessed, the company scored at least one point under E.2, which means that the company engaged with the affected stakeholders to understand the causes of the alleged impact and identified what it believes to be the causes of the events concerned.
- In 14% of the cases assessed, the company scored at least one point under E.3, which means that the company provided remedy to the affected stakeholders, or the company proved that the affected stakeholders did not suffer the alleged impact, or that the company was not directly linked to that impact.

There is a clear gap between companies publicly acknowledging serious allegations and actually responding to them by providing remedy and engaging with affected parties. Of the 174 allegations reviewed, only in 5% of cases did the companies show that they provided remedy that was



satisfactory to the victims (scored two points on E3; included cases in which the company participated in an independent process that concluded that the affected stakeholders did not suffer the alleged impact or that the company was not directly linked to that impact).

We have observed over the years that companies that score well in the CHRB (including on HRDD) are not exempt from serious allegations. In addition, there is no correlation between low scores and a higher number of allegations. There is no simple explanation for this paradox. However, we can formulate some hypotheses. One of them is that the companies scoring higher in the CHRB are better known and therefore the target of more news articles/reports highlighting serious allegations. Another is that companies facing serious allegations in their own operations or supply chains are more likely to establish processes to prevent and address these allegations after the fact. This would explain both the higher CHRB scores and the presence of serious allegations against them.

As shown in Figure 16, the most common types of allegations relate to forced labour, discrimination, and health and safety. While the majority of allegations were against companies headquartered in OECD member countries (82%), the opposite is true when it comes to the location of impact, with 82% of alleged impacts occurring in non-OECD countries. Figure 17 shows the percentage of allegations occurring in each region and the most common types of allegations per region.

Less than half of the allegations (45%) concern companies' own operations. The most common type of allegations in companies' own operations relate to health and safety, often linked to COVID-19 safety measures, discrimination, freedom of association and collective bargaining.

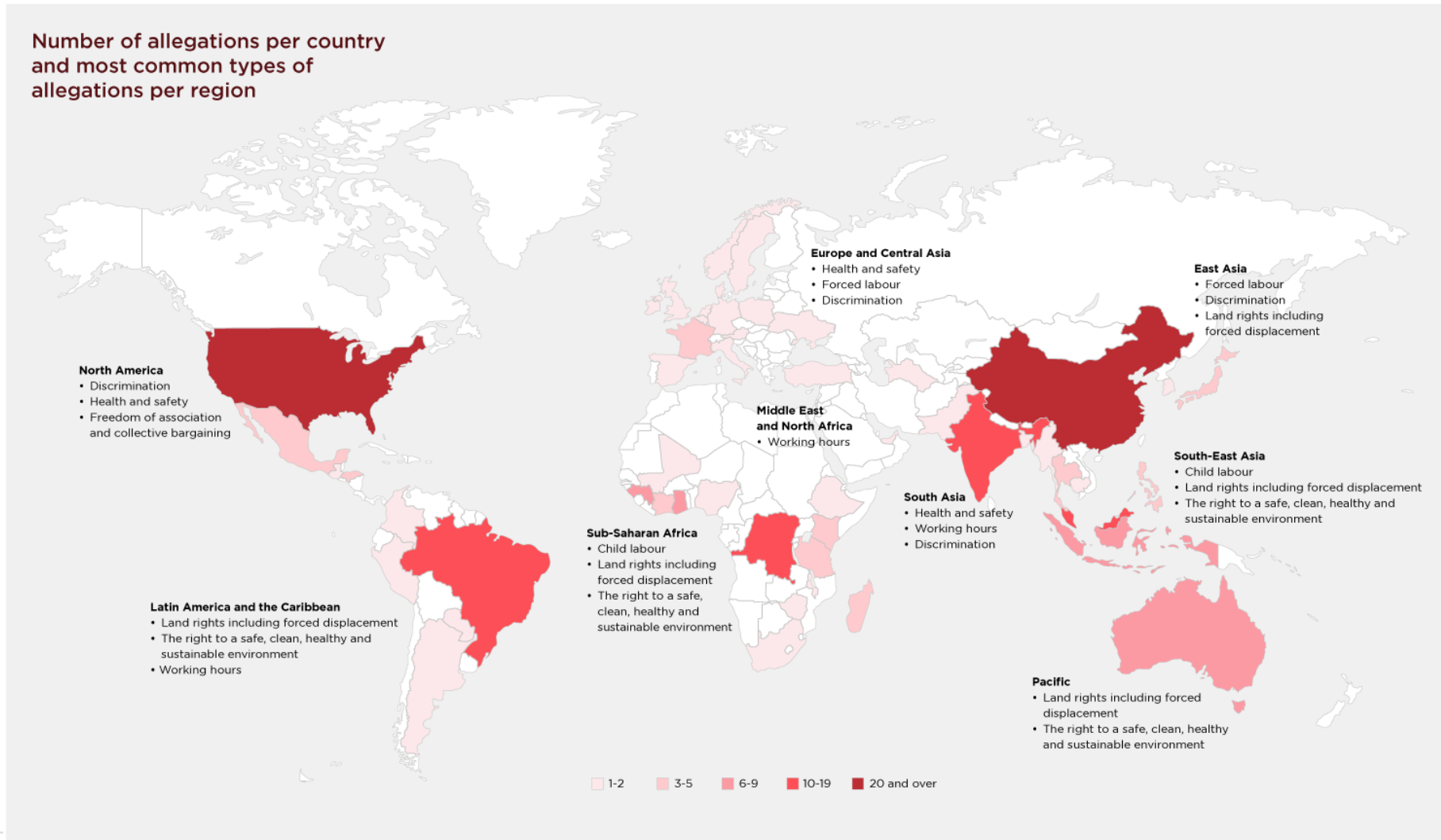
The remaining 55% relates to the supply chain. The most common types of allegations in supply chains are forced labour, discrimination and child labour.

This year, the CHRB identified a growing number of supply chain allegations linked to forced labour and discrimination in locations that could be considered as high-risk and conflict-affected contexts. Companies face heightened challenges in respecting human rights when operating in or sourcing from these areas. In these contexts, negative human rights impacts are often linked to specific situations within the countries, such as armed conflicts, political instability or repression of minorities. As a result, large portions of the local population will be vulnerable to systematic human rights abuses, including those linked to working conditions (child and forced labour, excessive working hours, discrimination).

Business activities in these areas will never be 'neutral' and without impact. Therefore, companies operating in or sourcing from these areas need to adopt conflict-sensitive practices and conduct heightened HRDD to identify and address their adverse impacts on human rights as well as on conflicts.



FIGURE 17: LOCATION OF SERIOUS ALLEGATIONS AND MOST COMMON TYPES OF ALLEGATIONS PER REGION



# Calls to action

## Companies

**Focus on board accountability to translate commitments into action** – Companies need to have processes in place at board level to discuss and address human rights issues.

Company commitments on human rights are often not translated into practice, especially when it comes to HRDD, stakeholder engagement and human rights in supply chains. We encourage companies to close that gap and work on improving in these key areas.

The CHRB also encourages companies to link performance management and incentives to the implementation of human rights commitments or targets. Linking corporate performance on human rights to executive compensation, for example, could increase accountability and incentives to respect human rights at the highest levels of the company.

**Integrate stakeholder engagement in all the steps of HRDD** – While some companies have taken initial steps regarding HRDD and stakeholder engagement, many fail to engage with affected stakeholders on a regular basis. Without meaningful engagement with affected stakeholders in the assessment of negative risks and impacts, decisions about actions to take in response to salient human rights issues, evaluating the effectiveness of actions over time or communicating negative impacts, stakeholder engagement remains incomplete. Companies have also failed to describe how stakeholders' views influence development and monitoring of their human rights approach. The CHRB encourages companies to integrate stakeholder engagement in all phases of implementing their human rights commitments.

**Establish a process to support and monitor implementation in supply chains** – For many companies, much of their work in ensuring that human rights are respected takes place in the supply chain. While most companies expect their suppliers to adopt human rights policies and processes, very few companies monitor their implementation and progress. The CHRB recommends that companies have processes in place to work with their suppliers to implement and monitor progress in their supply chains.

## Investors

**Build on existing momentum** – Individual investors, investor networks and investor platforms have on several occasions in recent months demanded that companies take steps to improve their human rights disclosure, commitments and implementation. The CHRB encourages investors, financial institutions and other players in the financial ecosystem to make use of evidence from the CHRB to engage with companies at individual and collective levels. There remains scope for investors to influence company performance on human rights, particularly in North America and Asia. Investor influence on policy and regulations could also be effective in driving systemic changes.

**Mainstream shareholder advocacy** – In the last year, we have seen examples where investors have referred to CHRB data when holding companies to account by making use of their voting rights and, as appropriate, put forward shareholder resolutions at annual general meetings. By mainstreaming shareholder advocacy based on companies' human rights performance, investors can use their influence to drive respect for human rights by companies they hold shares in.



**Engage one-on-one with investee companies** – Investors could highlight the key issues identified by the CHRB in their engagement with companies, especially the positive correlation between good performance on HRDD and assigning board-level accountability as well as senior-level day-to-day responsibility for human rights. Investor recommendations on board-level accountability and management responsibility could provide practical steps on how to improve HRDD processes for companies.

**Use CHRB resources** – Investors could also use the rich dataset published by the CHRB, such as individual company scorecards, a datasheet containing all the underlying research, company rankings as well as this insights report, to support their engagement efforts with investee companies and guide their shareholder advocacy.

## Governments

**Accelerate mandatory HRDD** – A smart mix of voluntary and mandatory measures is needed to accelerate the pace of implementation. Legislative efforts on mandatory HRDD such as the EU Corporate Sustainability Due Diligence Directive are crucial for creating a level playing field for all companies. Such efforts also send a clear signal that mandatory measures are necessary. Governments have the opportunity to leverage the policy window, raise the bar, create a level playing field and mandate effective corporate respect for human rights.

**Harmonise to a higher international standard** – Policy actions on the UNGPs and mandatory HRDD are gaining momentum around the world. Different countries are adopting different approaches regarding influencing corporate respect for human rights. It is crucial that policy actions strictly align with the UNGPs and make every effort to raise the standard rather than coalescing around common minimum expectations from companies. National governments and policymakers should make use of the momentum for policy harmonisation and support each other in setting a higher standard.

## Civil society and other stakeholders

While the CHRB measures company performance and encourages companies to improve their scores, it only contributes to the efforts and tremendous work done by grassroots organisations, human rights defenders, civil society organisations, trade unions and others.

Many organisations use CHRB data in their advocacy, campaigning and influencing work. Learning from this helps improve the CHRB methodology, its application and impact. The CHRB invites international, regional and local organisations to use CHRB data to advocate stringent legislation, influence company actions, create citizen awareness, help to protect people from human rights violations and hold companies accountable.

The CHRB methodology and data are available on our website for free public use by individuals and organisations seeking to strengthen the implementation of the UNGPs.



# Acknowledgements

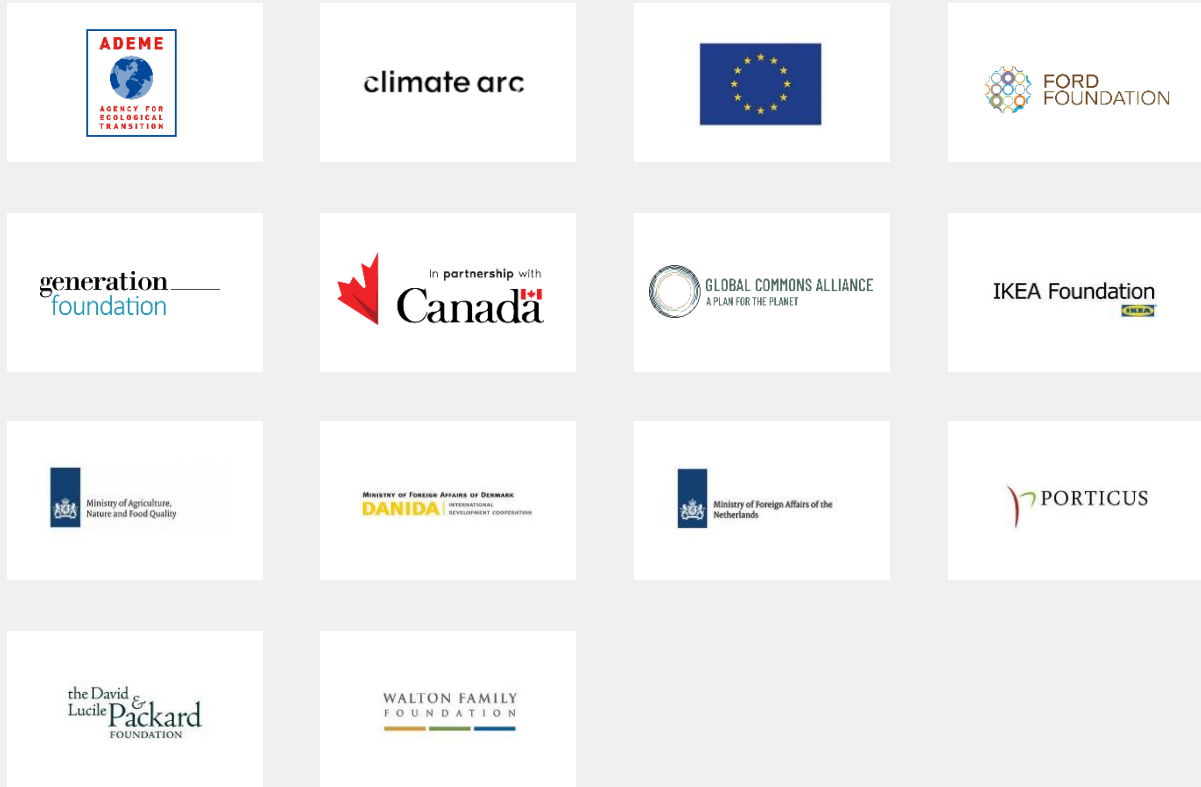
This report was written by the CHRB team consisting of Talya Swissa, Sofia del Valle, Hannah Itcovitz, Viviana Conti and Namit Agarwal, with contributions from Annabel Mulder, Giorgia Varvello, Melinda George, Richard Gardiner, Rachel Leung, Rik Beukers and Samita Thapa.

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