



# The state of play on business and human rights

**Trends and insights from five iterations of the Corporate Human Rights Benchmark (2018–2023)**

November 2024

# Table of contents

Table of contents	2
The state of play on business and human rights	3
<b>Benchmarking for a better world</b>	<b>3</b>
<b>Methodology</b>	<b>4</b>
Data and analysis	5
Key trends	6
<b>Key trend one: 64% of companies have progressed in five years, but concrete actions to address impacts on workers and communities are lacking</b>	<b>6</b>
<b>Key trend two: Embedding human rights in operations accelerates progress</b>	<b>10</b>
<b>Key trend three: Progress, stagnation and the power of legislation to advance human rights due diligence</b>	<b>11</b>
<b>Key trend four: Grievance mechanisms have become more accessible, but their effectiveness trails behind</b>	<b>14</b>
<b>Key trend five: Minimal progress on responsible purchasing puts millions of supply chain workers at risk</b>	<b>16</b>
<b>Five iterations of serious allegations</b>	<b>19</b>
The way forward	21
<b>How we work with stakeholders</b>	<b>21</b>
<b>What's next</b>	<b>23</b>
Acknowledgements	24
References	25
Endnotes	27



# The state of play on business and human rights

Since its inception in 2017, the Corporate Human Rights Benchmark (CHRB) has been a pivotal tool for tracking the implementation of the United Nations Guiding Principles on Business and Human Rights (UNGPs) by some of the world's largest companies. Over the past five iterations, the CHRB has assessed 244 companies across five high-risk sectors, offering a comprehensive evaluation of corporate human rights performance and transparency.

The five iterations of the CHRB to date have yielded extensive, in-depth data on the implementation of the UNGPs by companies operating in high-risk sectors. This report analyses five iterations of the CHRB and offers a unique lens through which to understand not only individual company performance but also broader trends and gaps. Going beyond comparing the performance of individual companies, this report provides a holistic view of the state of play of business and human rights, identifying where progress has been made and where persistent challenges remain. By doing so, it highlights critical action points for companies to meet their responsibility to respect the rights of the individuals and communities they impact.

## Sectors and number of companies assessed by the CHRB 2017–2023

- Food and agricultural products (59 companies)
- Apparel (55 companies)
- Extractives (63 companies)
- ICT manufacturing (43 companies)
- Automotive manufacturing (33 companies)

## Benchmarking for a better world

The CHRB is one of the benchmarks produced by the World Benchmarking Alliance (WBA), 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 UN Sustainable Development Goals (SDGs). We call these companies the SDG2000. Our benchmarks are grounded in the seven systems transformations needed to put our society, planet and economy on a more sustainable and resilient path (Figure 1).

The central premise of the 2030 Agenda for Sustainable Development to 'leave no one behind' reflects the need to foster a more equal, inclusive and just world. Recognising this, WBA's seven systems transformations model has the social transformation at its heart, which aims to hold companies accountable for their role in building such a world. The commitment to eliminate the inequalities that affected stakeholders face, which is essential to achieve the SDGs, will require

FIGURE 1: SEVEN SYSTEMS TRANSFORMATIONS



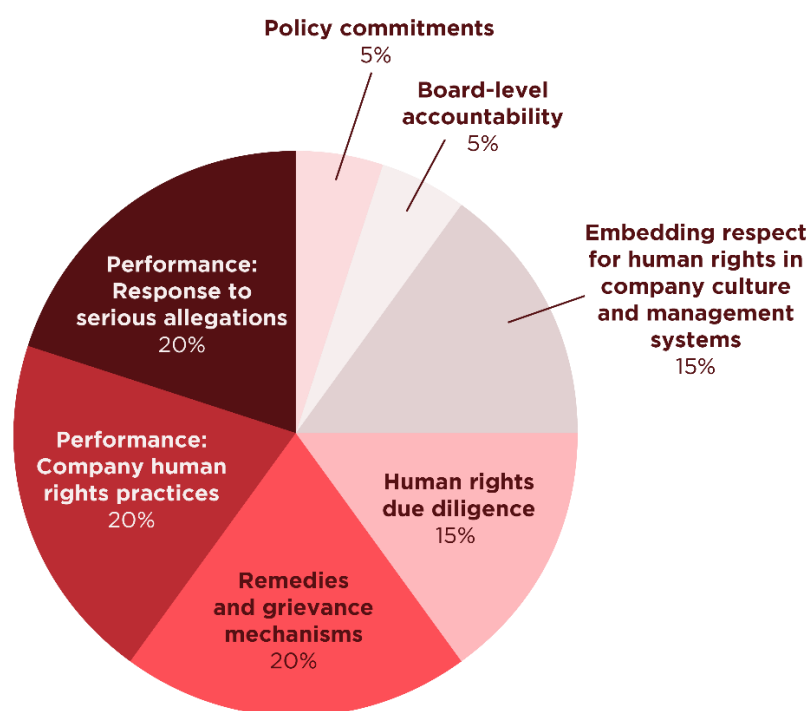
businesses to embed their values in the way they work as well as with whom they choose to work. As such, WBA assesses all SDG2000 companies on their commitments and efforts to respect human rights, provide and promote decent work, and act ethically through our [core social indicators \(CSIs\)](#). Through the [CHRB](#), WBA takes a more in-depth look at sectors identified as high risk in terms of their human rights impacts. The CHRB assesses the policies, processes and practices companies have in place to systematise their human rights approach as well as how they respond to serious allegations.

## Methodology

The [2024 CHRB methodology](#) is composed of seven measurement areas (Figure 2), 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 areas are policy commitments, board-level governance, embedding respect for human rights, conducting human rights due diligence, grievance mechanisms and access to remedy, specific practices to prevent human rights impacts in each sector, and company responses to allegations of serious negative impacts on human rights. The accompanying 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, both the updated and earlier methodologies, can be found on [WBA's website](#).

FIGURE 2: THE CHRB'S SEVEN MEASUREMENT AREAS AND INDIVIDUAL WEIGHTING



Each CHRB iteration followed a similar process, where the research team analysed publicly available corporate disclosures and produced a draft assessment. All companies then had the opportunity to review their assessment, engage with WBA via email or a one-on-one call to ask questions about their assessment, and provide feedback. Comments and supplementary evidence were reviewed and integrated into the draft assessment to produce a final scorecard. Companies received their detailed scorecard and results prior to the publication of each benchmark.



## Updated methodology

To incorporate learnings from five iterations of the CHRB and better align with other benchmarks within WBA, the CHRB published an [updated methodology](#) in October 2024. This updated methodology will be applied to the upcoming CHRB assessment. Key updates include a simplification of the scoring system to improve transparency and accessibility, harmonisation of indicators between sectors, and further alignment with other reporting requirements on key topics such as living wage and the alignment of business models with human rights.

We hope that the updated methodology will provide enhanced clarity for stakeholders regarding corporate performance on human rights, as well as a clear road map for companies to fulfil their responsibility to respect the human rights of the individuals and communities they impact.

## Data and analysis

To enable consistent analysis and comparison across the five CHRB iterations, three key steps were taken. First, due to significant differences in the research process and methodology between the 2017 iteration and all subsequent iterations, data from 2017 was excluded from the analysis. This report is based on data from the 2018, 2019, 2020, 2022 and 2023 iterations of the CHRB.

Second, since some requirements changed during methodology reviews, we assessed the comparability of all elements in the benchmark and only included those that remained highly comparable. This report draws on data from 96 highly comparable elements. These cover policy commitments, board-level accountability, embedding human rights in company culture and management systems, human rights due diligence, remedy and grievance mechanisms, and practices addressing key risks.

Third, we corrected for variations in sample sizes across the years, as companies were added gradually and the CHRB alternated between sectors. These variations were standardised by comparing each company's first assessment with its most recent one. In this report, references to a company's progress – or lack thereof – refer to changes observed between a company's initial and most recent assessments.

### Assessments by sector

Food and agricultural products:  
2018, 2019, 2020 & 2022

Apparel: 2018, 2019, 2020 & 2023

Extractives: 2018, 2019, 2020 & 2023

ICT manufacturing: 2019, 2020 &  
2022

Automotive manufacturing: 2020 &  
2022



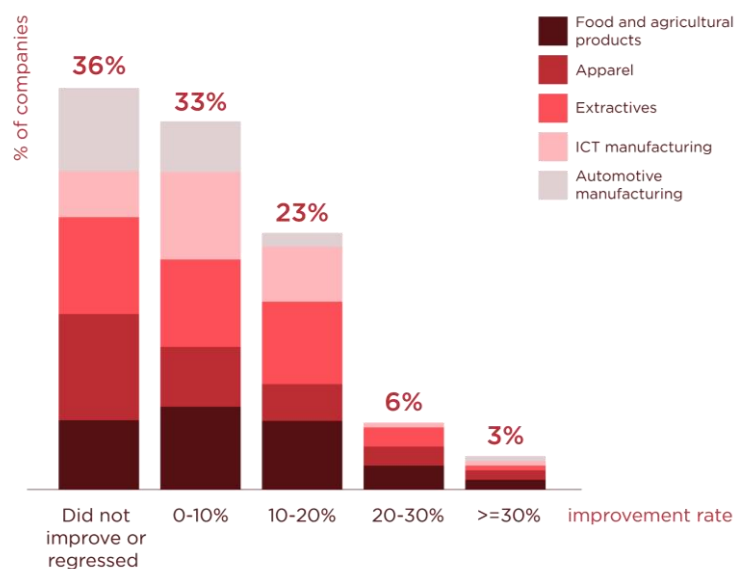
# Key trends

The Corporate Human Rights Benchmark (CHRB) has been assessing the human rights disclosures of some of the largest global companies since 2017. After five iterations of the CHRB, corporate accountability on human rights has steadily gained momentum. However, progress remains uneven and too slow to address growing human rights challenges.

## Key trend one: 64% of companies have progressed in five years, but concrete actions to address impacts on workers and communities are lacking

Over five iterations of the CHRB, 64% of the companies assessed have shown measurable progress on implementing the UNGPs. Yet while companies have progressed across all areas of respecting human rights, for many, such progress remains superficial (Figure 3). About a third of companies (33%) have only improved minimally, meeting up to 10% more of the human rights expectations set out in the CHRB compared to their first assessment. 23% of companies met 10% to 20% more expectations over five iterations. On a brighter note, 9% of companies have made significant strides, improving on more than 20% of the CHRB expectations. Still, 36% of companies have either stagnated or even regressed, highlighting the uneven pace of progress across companies.

FIGURE 3: % OF COMPANIES IMPROVING ON CHRB EXPECTATIONS



## Uneven progress across implementation of the UNGPs

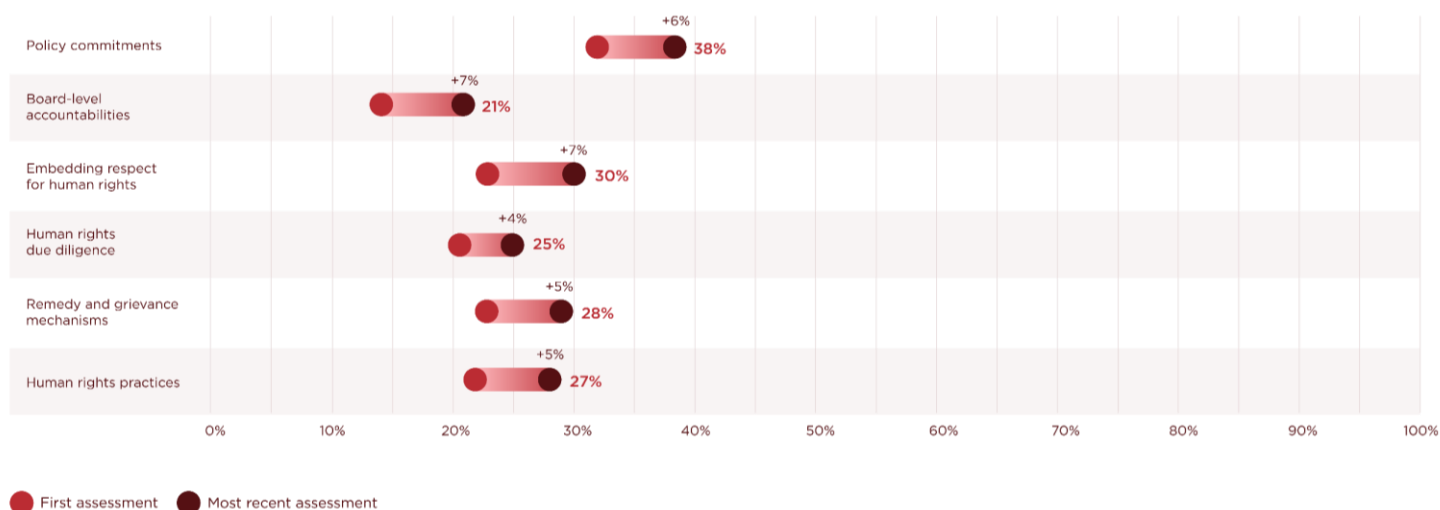
A closer look at company performance across the CHRB's measurement areas reveals that companies have progressed inconsistently across human rights commitments, practices and processes (Figure 4). The CHRB assesses companies on their human rights-related policy commitments, board-level accountability, embedding respect for human rights in company management systems, human rights due diligence processes, remedy and grievance mechanisms, and sectoral human rights practices. While companies have started implementing policy commitments regarding human rights, our





analysis shows that meaningful implementation of these commitments in company processes and concrete actions to address impacts on workers and communities are still lagging.

FIGURE 4: AVERAGE IMPROVEMENT IN CHRB EXPECTATIONS PER MEASUREMENT AREA



Overall, companies score highest on implementing policy commitments to respect various human rights, a critical first step in implementing the UNGPs. Companies meet on average 38% of the requirements in this area, which is a 6% increase since their first assessment. One standout area of growth is the rise in companies committing to key global standards, such as the UNGPs or the OECD Guidelines for Multinational Enterprises, which has risen by 18% to 44% of all companies.

Companies have also increasingly integrated oversight of human rights at the highest level of leadership. Board-level accountability for human rights is one of the areas where companies have improved most, fulfilling an additional 7% of the requirements. Despite this progress, much work remains to fully embed human rights in company leadership and decision-making. With 21% of the requirements met on average, board-level accountability still lags behind other aspects of the UNGPs.

Another area of significant progress is embedding respect for human rights in company management systems and daily operations. This measurement area assesses key systems and processes that facilitate the implementation of human rights commitments, such as the allocation of responsibility and resources, capacity building, and the monitoring and engagement of suppliers. Companies now meet on average 30% of the expectations, a 7% rise since their initial assessment (see [key trend 2](#)).

Despite some progress, companies have yet to fully implement comprehensive human rights due diligence (HRDD) processes. On average, companies improved by only 4%, now meeting just a quarter of the expectations in this critical area (see [key trend 3](#)). In terms of remedy and grievance mechanisms, companies have made notable progress on the availability of grievance mechanisms for various stakeholders, though there is still much ground to cover to ensure their effectiveness (see [key trend 4](#)). Companies meet on average 28% of the requirements in this area, an increase of 6%.

Persistent challenges also remain in the implementation of practices aimed at preventing human rights impacts, particularly in the supply chain (see [key trend 5](#)). Despite the crucial importance of these practices for companies in high-risk sectors, companies have improved by only 4% in this area, fulfilling an average of just 15% of the requirements. This is the area that has seen least improvement and continues to be the one on which companies perform most poorly. For example, only 12% of companies implement purchasing practices in line with human rights, an increase of only 1%. Additionally, only 10% of CHRB companies pay a living wage, a number which has increased by 7% since the CHRB's first assessment. This limited progress highlights the ongoing need for companies to move beyond policies and to implement practices that will create positive impact for workers and

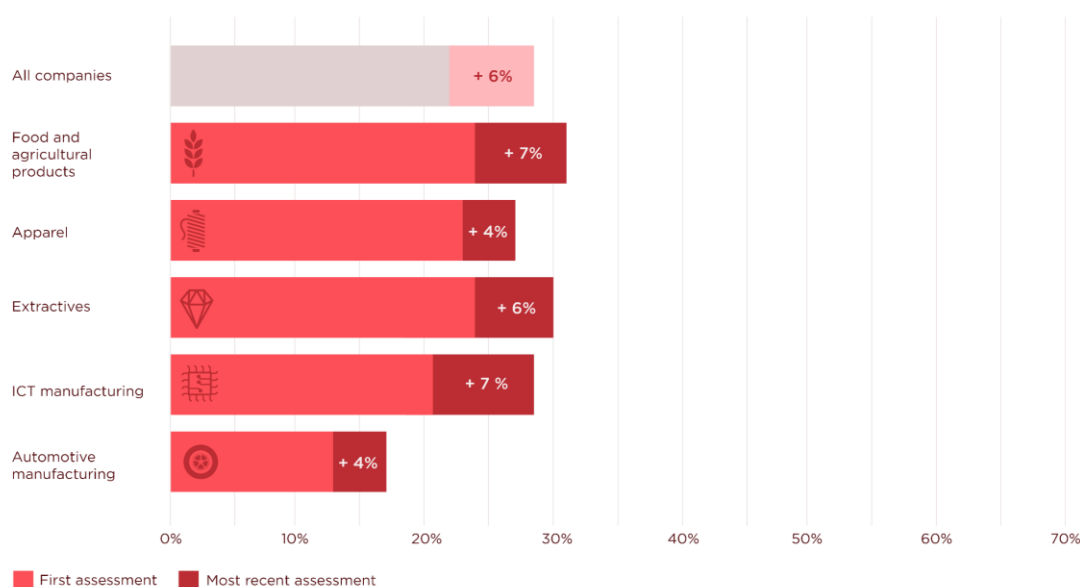


communities affected throughout a company's value chain. If human rights practices are not implemented across companies' supply chains, the advances made will continue to fall short of fully addressing the needs of the most vulnerable.

### Uneven progress across sectors

The sectoral performance further underscores the uneven nature of progress across companies (Figure 5). Companies in the food and agricultural products and ICT manufacturing sectors have improved most over the five iterations of the CHRB. Despite different starting points, companies in both sectors are now meeting an additional 7% of the requirements on average, compared to their first assessment. These sectors both go beyond merely improving on policy commitments, demonstrating above-average improvement in other areas. For example, food and agriculture companies improved by 11% in embedding human rights commitments in their management systems, on average meeting 35% of the requirements. Meanwhile, ICT manufacturers improved by 6% in practices addressing sector-specific human rights risks, on average meeting 22% of the requirements.

FIGURE 5: AVERAGE IMPROVEMENT IN REQUIREMENTS MET PER SECTOR



In contrast, companies in the apparel and automotive manufacturing sectors are lagging. Despite having a relatively strong starting point, apparel companies improved slowly, only meeting an additional 4% of all requirements on average. The automotive manufacturing sector improved at a similar rate but within a much shorter timeframe, as the sector was only added in 2020. As stakeholder expectations, legal requirements and sectoral guidelines have increased over the past five years, these sectors will have to switch gears to ensure they keep up.

The extractives sector improved by 6% on average, which puts it in the middle of the pack. The sector has demonstrated significant improvement in board-level accountability, now meeting 9% more requirements in this area. Despite these advances, the sector lags in remedy and grievance mechanisms, where it improved by only 2%. Considering the severity and scale of actual and potential human rights impacts in the sector, this is a key area for further scrutiny to ensure fair remedies for those affected.

### Meaningful engagement helps companies turn commitments into real progress

No single company trait appears to be directly related to rate of improvement. Neither the size of the company, either by revenue or employment, nor its organisational structure was meaningfully correlated with pace of improvement. This implies that no company is inherently better positioned to





fulfil its responsibility to respect human rights. Nevertheless, we do see that specific internal and environmental factors can accelerate progress (see [key trend 2](#) and [key trend 3](#)).

What does appear to significantly influence a company's progress, however, is the way it is engaged by its stakeholders. Companies that were engaged on human rights by their investors, through the Investor Alliance for Human Rights (IAHR), have improved 15% faster than companies that were not. Moreover, companies that engaged with the CHRB on their assessment also saw accelerated improvement: 90% of the fastest improving companies responded to CHRB research queries at least twice.

The uneven progress over five iterations of the CHRB reveals a persistent challenge: the gap between human rights commitments and companies putting them into action. The slow progress, especially in key areas like board-level accountability, human rights due diligence and sector-specific human rights practices, points to the disconnect between policy and practice. This highlights the [urgent need for businesses to go beyond symbolic commitments and prioritise embedding these principles in their daily operations in a meaningful and impactful way](#), ensuring that commitments translate into tangible benefits for all workers and the communities impacted through globalised value chains.

### Leading practices

**Hershey**, a snacks company headquartered in the United States, has been assessed in the CHRB since 2018. *"Adopting guidance in the UNGPs, we regularly conduct saliency assessments and reviews to update our human rights agenda. In 2022, this assessment reaffirmed our key focus areas including child labour, forced labour, living wage and income. We also used the process to refine our understanding of how Hershey might cause, contribute or be linked to other root causes of poverty. As part of our saliency gap assessment, we identified areas to incorporate in these new policies and programs. In 2023, we created an impact framework to inform strategic programming that supports our human rights agenda, examining interlinkage between our salient issues, strategic gaps (including those identified by raters and rankers) and existing best practice research. As a result, several policies, standards and expectations were refined internally. Our Human Rights Policy, which was updated in 2023, outlines our commitment to respect human rights throughout our value chain, including preventing and addressing modern slavery and forced labour."*

**Coles Group**, an Australian retailer, has been assessed in the CHRB since 2019. *"We continue to make progress in our ethical sourcing and human rights program, focusing on cross-functional engagement and embedding human rights considerations into our business. Working with a range of external stakeholders, we've accelerated our ethical sourcing efforts by collaborating closely with suppliers, providing on-the-ground support in high-risk countries, and co-hosting educational events to promote workplace rights for horticulture workers in our Australian supply chain. We also built external assurance capability by pioneering and funding an auditing program for high-risk suppliers. We further expanded our Ethical Sourcing team, invested in technology and extended our program to include high-risk goods not for resale and services supply chains. The Board and Executive Leadership team maintain oversight as our Ethical Sourcing Program is a standing item at Board meetings. We also undertook a review of our grievance mechanisms and further enhanced our grievance management process. We strive to improve human rights outcomes in our supply chain by evolving our ethical sourcing program, responding to stakeholder feedback, aligning with regulations, and using external benchmarks like the CHRB to enhance our impact."*



## Key trend two: Embedding human rights in operations accelerates progress

Since the CHRB began assessing corporate respect for human rights in 2017, companies have shown most significant progress on embedding respect for human rights in their management systems and culture. These indicators evaluate how companies integrate human rights considerations into their operations through allocating internal resources and responsibilities, communicating and disseminating their policies, setting up processes to oversee and support the human rights performance of business relationships, and integrating human rights into enterprise risk management.

Notably, **half of the 25 requirements on which companies have demonstrated substantial improvement – defined by at least a 10% increase in adoption – are related to embedding human rights in company culture and management systems** (Figure 6). Key areas of improvement include senior-level responsibility for human rights (up by 22% to a total of 59% of companies), assigning day-to-day responsibility for the implementation of human rights commitments (+20% to a total of 49%), training workers on human rights (+23% to a total of 48%), integrating human rights into contractual arrangements with business relationships (+22% to a total of 61%), and working with business partners to meet these requirements (+20%).

The significant leaps forward in embedding practices highlight the growing recognition of human rights as an integral part of corporate governance. However, as emphasised in the UNGPs, embedding these values and processes is just the starting point – it is the foundation for turning commitments into meaningful action. This raises a critical question: Has the progress on embedding respect for human rights actually led to improvements in other areas?

FIGURE 6: RELATIONSHIP BETWEEN PROGRESS ON EMBEDDING AND OTHER AREAS OF RESPECT



Our analysis shows that **progress on embedding human rights in management systems and culture is a strong predictor of improvements across other aspects of corporate respect for human rights**. In fact, nearly half (47%) of the variance in improvements in areas such as human rights due diligence, access to and provision of remedy, and the mitigation of human rights risks can be linked to companies improving how they embed human rights in their operations.<sup>1</sup> For every additional improvement in embedding, there is an associated improvement in any of the other areas. These findings suggest that progress on embedding respect for human rights is not only foundational but also catalytic, driving broader advancements across the spectrum of activities needed to effectively respect human rights.



While it is important to note that the embedding of human rights within company management systems is not the sole predictor of broader improvement, as over half of the variance remains unexplained and linked to other factors, it should be a key point of attention. To accelerate progress on human rights, both companies themselves and their investors should dedicate resources to ensure the comprehensive embedding of human rights within company culture and management systems. Key levers to pull include assigning senior-level and day-to-day responsibility for human rights, building knowledge and capacity by training relevant functions, and incorporating attention to human rights into the selection and evaluation of business relationships.

### Leading practices

In 2018, the UK-based extractives company **BP** met only 17% of the requirements for embedding respect for human rights. By its most recent assessment in 2023, this had increased to 58%. Key areas of progress include assigning both senior and operational responsibility for human rights and embedding human rights into processes for initiating and terminating business relationships. Notably, BP is among just 8 companies to incorporate human rights into its broader risk management framework and subject this to third-party auditing.

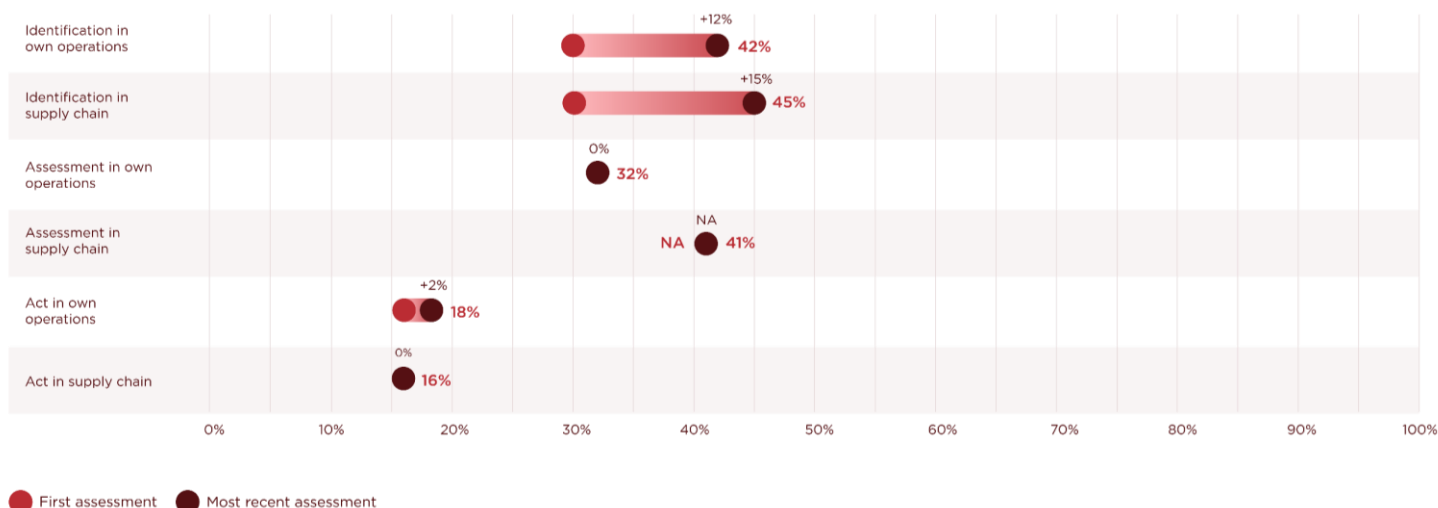
Kmart and Target Australia, merged as a single retailer under the **Wesfarmers** conglomerate, has significantly improved its performance in embedding respect for human rights. It advanced from meeting 42% of the requirements in 2018 to 83% in 2023. Key improvements include linking incentives to human rights outcomes and integrating human rights in broader risk management systems. Wesfarmers has also strengthened its approach to supplier relationships by incorporating human rights considerations into decisions around supplier selection, continuation and termination. To support these efforts, the company trained over 8,000 suppliers on ethical sourcing and modern slavery in 2022.

### Key trend three: Progress, stagnation and the power of legislation to advance human rights due diligence

Even for businesses that are committed to respecting human rights and that are building internal capacity to embed these practices, meeting the full expectations set out in the UNGPs is a complex and ongoing task. Conducting human rights due diligence (HRDD) is a key responsibility under the UNGPs. It allows companies to identify, understand and address their actual and potential impacts on workers, individuals and communities, with the goal to prevent harms occurring. However, more than 13 years after the UNGPs were introduced, HRDD remains insufficiently integrated into corporate operations, internal governance and business models. The CHRB finds that **while companies have begun to identify human rights risks and impacts, they still struggle to effectively assess and act on them** (Figure 7).



FIGURE 7: % OF COMPANIES MEETING HRDD STEPS IN THEIR FIRST AND MOST RECENT ASSESSMENT



Throughout five iterations of the CHRB, there has been **clear progress on risk and impact identification**. Initially, only 30% of companies identified risks and impacts within their operations. This figure has now increased to 42% for operational risks and 45% for supply chain risks. However, there has been **no improvement in assessing the saliency of these risks**, which has stalled at 32% of companies doing so. Identifying the most salient risks is critical for companies to prioritise action based on severity and likelihood of harmful impacts. Furthermore, only 18% of companies now demonstrate how they act to prevent and mitigate their most significant human right risks in their own operations, up slightly from 16% five years ago. The proportion of companies doing this in their supply chains has not increased at all, remaining at 16%. In summary, while **more companies recognise risks and impacts in their supply chains and operations, the proportion taking meaningful action has plateaued and remains virtually stagnant**.

### The impact of mandatory human rights due diligence legislation: Driving progress and accountability in global supply chains

The UNGPs expect states to consider ‘a smart mix’ of regulatory frameworks, voluntary guidance and collective stakeholder efforts to drive corporate respect for human rights. The UN Working Group on Business and Human Rights underscores the importance of mandatory human rights due diligence (mHRDD) legislation to integrate respect for human rights into standard business practice. WBA’s Social Benchmark recently found that companies headquartered in countries with corporate human rights legislation score nearly 60% higher on average on HRDD than those in countries without such legislation (Figure 8 and 9).

Data from five iterations of the CHRB, which provides a detailed HRDD assessment of companies in high-risk sectors, reveals that **companies based in countries with mHRDD legislation in force consistently outperform and improve faster across all HRDD steps**. This effect is particularly pronounced in actions to prevent and mitigate risks in the supply chain. Companies based in countries with mHRDD saw an 11% increase in addressing human rights risks and impacts identified in their supply chains, with 29% now taking meaningful action. In contrast, companies in countries without mHRDD have regressed, with only 14% of companies acting on supply chain risks in their most recent assessment. This demonstrates the broader impact of mHRDD legislation, which extends beyond local regulatory environments to influence local supply chain practices and those connected to them.



FIGURE 8: % OF COMPANIES MEETING HRDD STEPS IN COUNTRIES WITH MHRDD LAWS IN FORCE

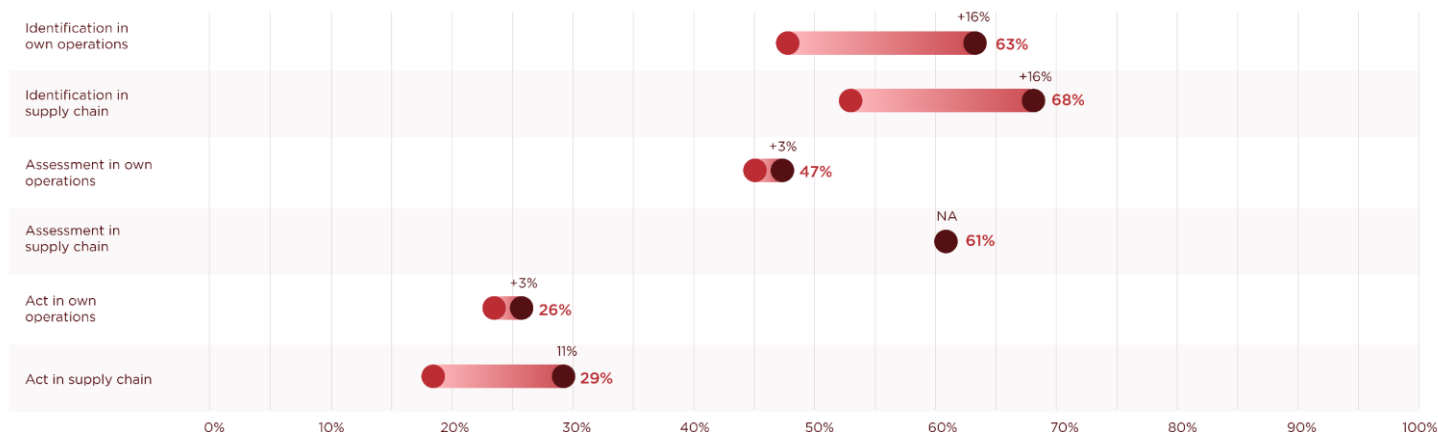
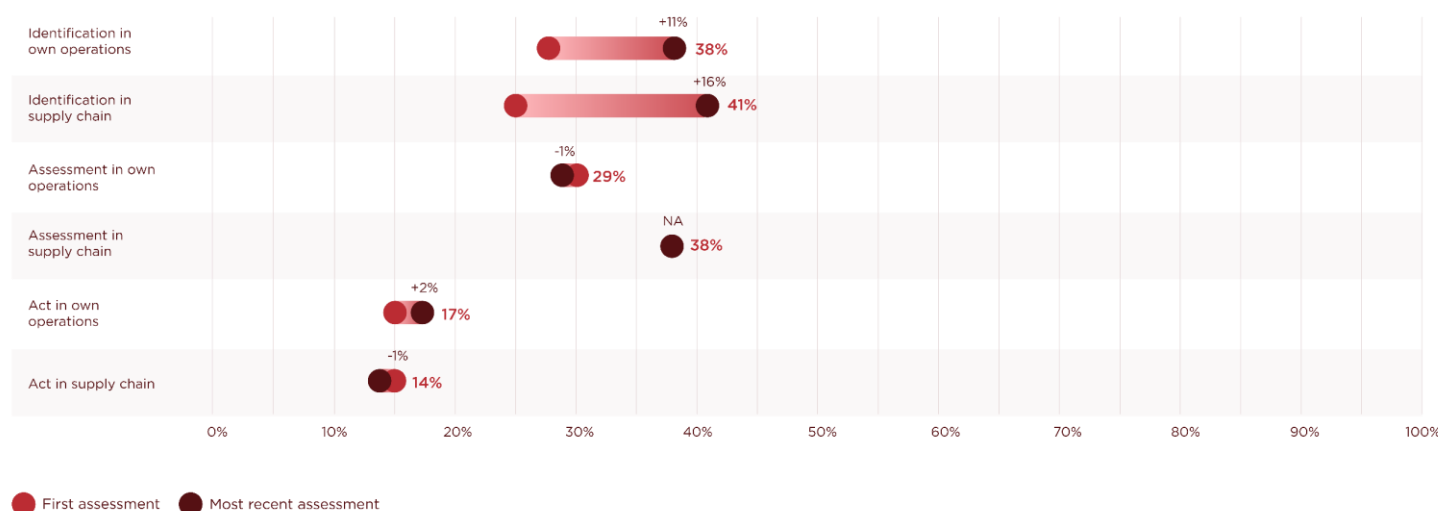


FIGURE 9: % OF COMPANIES MEETING HRDD STEPS IN COUNTRIES WITH NO MHRDD LAWS IN FORCE



Policy interventions are showing to have been a key reason for accelerating HRDD implementation. Companies in East Asia and the Pacific have shown the most significant improvements across nearly all HRDD steps, driven largely by the 28 Japanese companies in the CHR. Over the five CHR iterations, **Japanese companies more than doubled their implementation of all HRDD steps**, spurred by the government’s [2022 Guidelines on Respecting Human Rights in Responsible Supply Chains](#). In contrast, Chinese companies showed no implementation of HRDD steps. **Companies operating in the European Union (EU) are also outpacing those in the wider European region, despite starting at nearly the same baseline.** 76% of EU companies identify risks in their operations and nearly 80% identify risks in supply chains, compared to 66% and 70%, respectively, for companies in the wider European region. This progress suggests a positive impact through the introduction of national legislation in for example France ([Loi au devoir de vigilance](#)) and Germany ([Supply Chain Act](#)) and could also hint at company action being taken to prepare for the impending implementation of the [Corporate Sustainability Due Diligence Directive](#).

### Human rights due diligence performance by sector

There are stark sectoral differences in HRDD practices. As a whole, the extractives sector stands out as the only sector to improve across all HRDD steps, with a notable 10% increase in companies assessing human rights risks and impacts. In contrast, the ICT manufacturing sector has shown only moderate



progress, with no change in the number of companies assessing risks in their own operations. Despite facing growing consumer pressure, both the food and agricultural products and apparel sectors have seen declines in assessing and acting on human rights risks within their own operations and supply chains. For instance, the food and agricultural products sector has seen a 10% decline in companies taking action on supply chain risks, falling short of rising expectations to manage the complexities of their global supply chains. The automotive manufacturing sector, while one of the lowest performers in the CHRB overall, has shown promising improvement, with a 24% increase in companies identifying risks in their own operations. Although the sector still lags in other HRDD steps, this increase in risk identification is a crucial first step towards broader progress.

### Leading practices

**Fast Retailing**, a Japan-based apparel company, has been assessed by the CHRB since 2017. Initially lacking a HRDD process, the company began taking foundational steps by its second assessment by identifying and assessing human rights risks. By its third assessment, the CHRB found that Fast Retailing had implemented nearly all HRDD steps, including acting on human rights risks across its operations and supply chain, tracking the effectiveness of actions, and communicating with affected stakeholders on its efforts. Fast retailing told the CHRB that *"Since the establishment of the Fast Retailing Human Rights Policy and Human Rights Committee in 2018, we have strengthened partnerships with production partners that share our values and standards, enhanced our efforts to safeguard human rights, and improved working environments across our value chain. Engagement with organizations like WBA, as well as benchmarks such as the CHRB, has helped deepen our understanding of global human rights issues and society's expectations of private companies. This contributed to improvements in our human rights due diligence and governance programs."*

**Unilever**, a consumer goods company headquartered in the United Kingdom, has been assessed by the CHRB since 2017. Unilever has consistently outperformed other companies on HRDD. What distinguishes Unilever's approach is its comprehensive implementation of all HRDD steps, including tracking the effectiveness of its actions and actively communicating with stakeholders about specific concerns. Most importantly, Unilever consults with affected stakeholders as part of its process of identifying, assessing and addressing human rights risks and impacts both within its own operations and across its supply chain.

### Key trend four: Grievance mechanisms have become more accessible, but their effectiveness trails behind

Over five iterations of the CHRB, there has been notable progress regarding companies committing to provide remedies for stakeholders harmed by human rights impacts they have caused or contributed to. The **number of companies committing to provide remedy has almost doubled, rising from 16% to 30% of companies**. This growing commitment to remedy is also reflected in the increasing availability of grievance mechanisms. Such mechanisms are essential to understand human rights impact where a company has caused or contributed to it; they not only support the provision of direct and timely remedy but also inform existing processes such as human rights due diligence.

While grievance mechanisms have already been more generally available to internal stakeholders such as workers, the CHRB finds that they are now increasingly available to external individuals, communities and supply chain workers. Over five iterations of the CHRB, **the number of companies that ensure supply chain workers can access mechanisms to report human rights grievances has risen by 20%, from 48% to 68%**. Furthermore, **the proportion of companies that have grievance mechanisms in place for external individuals and communities affected by their operations has**

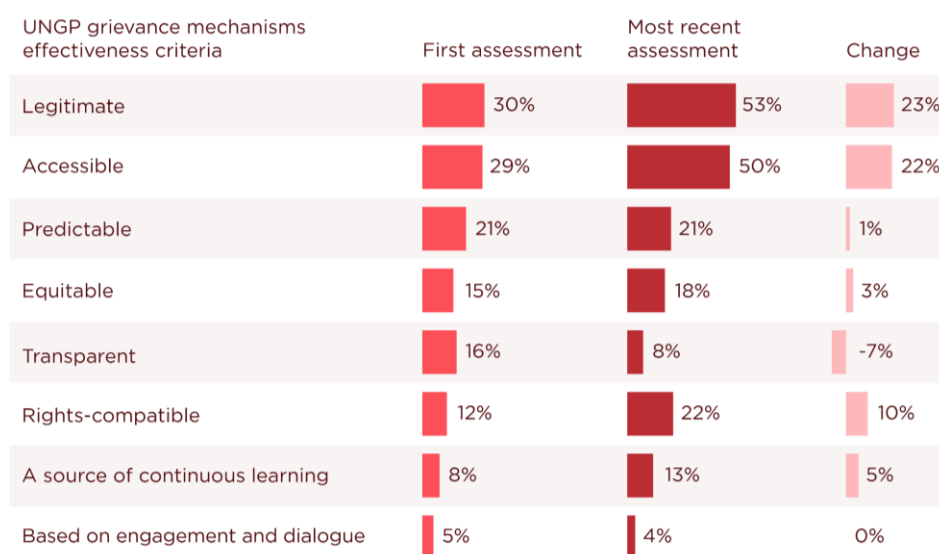




**grown by 25%, increasing from 41% to 66%.** This trend represents one of the fastest-growing practices in corporate responsibility on human rights, playing a crucial role in enhancing accountability and fostering dialogue between companies and the communities they impact.

However, just ensuring accessibility of grievance mechanisms is not enough. According to the eight effectiveness criteria outlined in [Principle 31 of the UNGPs](#), grievance mechanisms should also be legitimate, predictable, equitable, transparent, rights-compatible, a source of continuous learning and based on engagement and dialogue. **While the CHRB finds that grievance mechanisms are becoming more legitimate, accessible and rights-compatible, they are lacking in transparency, equitability and are not based on engagement with stakeholders** (Figure 10).<sup>2</sup> Ensuring the effectiveness of grievance mechanisms is critical for building a relationship of trust and resilience between communities and companies. It is essential that communities can easily access these mechanisms to raise concerns and that the remedies offered are meaningful for those affected.

FIGURE 10: % OF COMPANIES MEETING UNGP GRIEVANCE MECHANISMS' EFFECTIVENESS CRITERIA



Grievance mechanisms have become more accessible as companies ensure they are available to relevant stakeholders. They have also become more legitimate by fostering trust with those stakeholders. The improvement we have identified is partly due to the increased availability of grievance mechanisms for workers (risen by 9% to 90% of companies), supply chain workers and external individuals and communities. Trust and accessibility have also been enabled by companies offering mechanisms in all local languages (risen by 13% to 48%) and by a **notable rise in companies prohibiting retaliation** for raising complaints (risen by 20% to nearly 60%) as well as those implementing practical measures against retaliation (risen by 12% to 60%). Beyond committing to remedy, the number of companies describing how they would provide remedy, or have done so in response to complaints, has nearly doubled to 27%, making grievance mechanisms more rights-compatible.

While this progress is encouraging, the **CHRB finds that grievance mechanisms have become less transparent and predictable in their procedures.** The percentage of companies sharing details such as response timescales declined by 6% to only 14%. Additionally, the proportion of companies that ensure community access to grievance mechanisms, either directly or through suppliers, has only increased marginally, from 21% to 22%, making these mechanisms less equitable. Many companies also **fail to base their grievance mechanisms on stakeholder engagement or use them as a source of continuous learning.** There has been a 2% decline (from 8% to 6%) in the number of companies explaining how users were involved in the design and performance of these mechanisms.



**To genuinely support affected communities, companies must ensure grievance mechanisms are not merely accessible but also predictable, equitable and transparent.** While certain effectiveness criteria, such as human rights compatibility, may be more challenging to measure, companies are expected to apply all criteria comprehensively, rather than selectively focusing on the easier ones. Establishing mechanisms based on engagement and dialogue is particularly important, as it ensures these mechanisms effectively address the needs of affected stakeholders and that they feel confident in using them. Ultimately, prioritising these principles will not only enhance the effectiveness of grievance mechanisms but also strengthen the trust and collaboration between companies and the communities they impact.

### Leading practices

**Wilmar International**, a food and agriculture company headquartered in Singapore, has been assessed in the CHRB since 2019. The company has always ensured the accessibility of grievance mechanisms for its own workers, workers in the supply chain, individuals and communities as well as communicating transparently regarding procedures and timelines. In recent assessments, Wilmar International has also ensured that grievance mechanisms are rights-compatible. The company extensively discloses its approach to remedy, including how internal systems and processes have changed to stop similar impacts, and how it monitors the provision of remedy.

**Samsung Electronics**, an ICT manufacturing company headquartered in South Korea, has been assessed in the CHRB since 2019. While the company has scored well on accessibility of grievance mechanisms throughout CHRB iterations, it has also ensured predictability and rights-compatibility through more clarity around the provision of remedy and ensuring non-retaliation by suppliers in response to complaints. In addition, the company has started engaging users on improvements, ensuring that the mechanisms in place are based on stakeholder engagement and dialogue.

### Key trend five: Minimal progress on responsible purchasing puts millions of supply chain workers at risk

For many companies, the most salient human rights risks exist within their global supply chains. **Over 60% of the allegations of severe adverse impacts the CHRB recorded between 2018 and 2023 pertained to companies' supply chains.**<sup>3</sup> Managing supply chain risks and impacts is becoming increasingly complex, with risks such as forced labour, wage violations and unsafe working conditions often hidden in lower tiers. Finally, increasing regulatory pressure, such as the EU's CSDDD, is adding to the urgency to make improvements in this area.<sup>4</sup> However, to make real progress on addressing human rights risks in the supply chain, companies must not only set expectations for suppliers but also provide the conditions and resources needed to meet them. Responsible purchasing is central to this. Poor practices like late payments, short lead times and last-minute order changes put immense pressure on suppliers, making it difficult for them to maintain safe and fair conditions for workers.

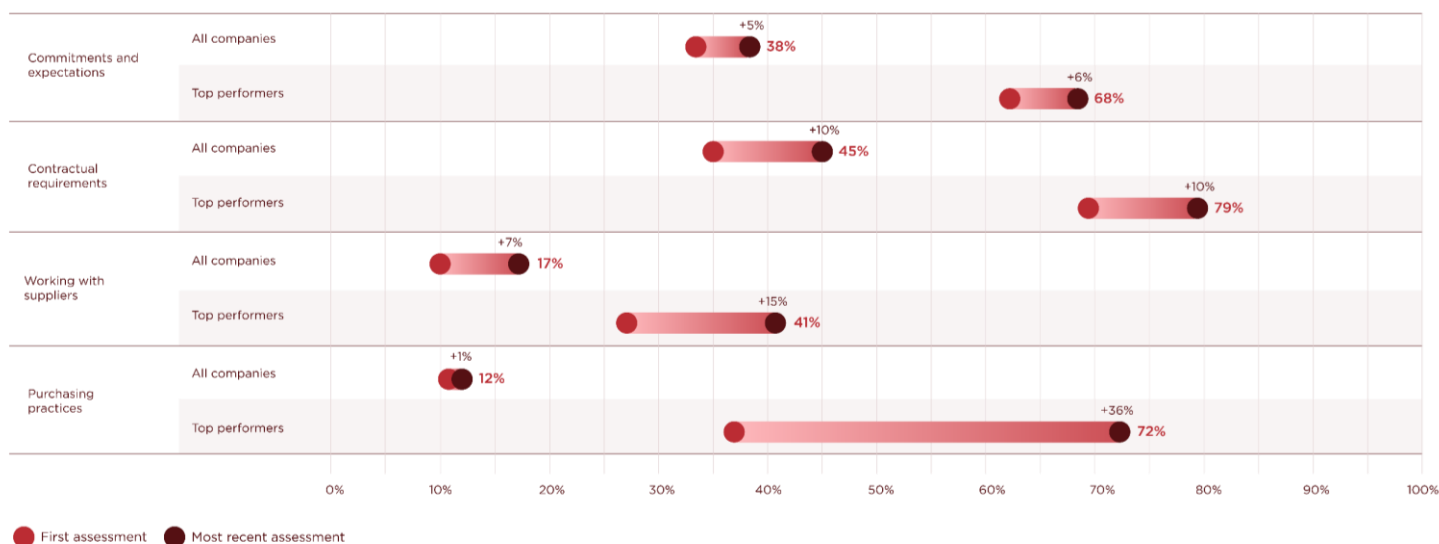
We find that **despite companies increasingly formalising human rights standards in their supply chains, the gap between setting expectations and providing sufficient support has widened over the past five years** (Figure 11). Companies have made notable progress on the inclusion of human rights in contracts with suppliers, now meeting nearly half of the requirements – a 9% improvement. However, while some progress has been made on working collaboratively with suppliers, there has been minimal progress when it comes to addressing one of the root causes of human rights risks in the supply chain: poor purchasing practices.



Over five years, companies have met an additional 7% of requirements related to working with their suppliers on key issues like preventing forced labour and ensuring living wages. However, they still meet only 17% of the requirements in this area, on average. Meanwhile, virtually no progress has been made on implementing responsible purchasing practices, such as paying suppliers on time and avoiding last-minute changes. On average, **companies have only met an additional 1% of requirements related to responsible purchasing, rising to just 12% in the most recent assessment**. Worryingly, out of 181 companies assessed on purchasing practices, 163 made no progress or even regressed over the past five years. Some 158 companies lack any evidence of responsible purchasing in their most recent assessment.

This leaves a growing imbalance between buyers' expectations of suppliers and their efforts to help realise them, leaving suppliers stuck with double demands. Not only does this undermine suppliers' ability to guarantee safe working conditions, fair wages and other human rights, but it may also compel them to underreport risks and impacts for fear of jeopardising contracts. In these scenarios, supply chain workers become particularly vulnerable. If companies fail to bridge the gap between their human rights expectations and responsible purchasing practices, they risk hindering their suppliers' success – ultimately jeopardising their own human rights objectives and putting millions of supply chain workers at risk.

FIGURE 11: % OF REQUIREMENTS MET FOR SUPPLY CHAIN PROCESSES ALL COMPANIES AND TOP-PERFORMERS



### Top performers bridge the gap between requirements and action

While overall progress across companies appears modest, a deeper analysis of 30 top-performing companies' responsible purchasing practices tells a more promising story. Like many others, these companies initially faced a wide gap between setting contractual requirements and adopting responsible purchasing practices. However, within five years, they successfully closed this gap. **These leading companies achieved an impressive 35% improvement, now meeting 72% of responsible purchasing requirements**, compared to just a 1% improvement among the broader group (Figure 11).

The top performers show that closing the gap between setting expectations and helping suppliers meet them is achievable within a relatively short time frame. Their success sets a clear path forward for others to follow: many companies have made significant progress on setting expectations and incorporating them into contracts, just as the top performers did at the start. While this is a positive development, it should not be seen as the end goal. Real impact comes from moving beyond this foundation. Actively supporting suppliers through and practicing responsible purchasing is what will



ultimately enable companies to address human rights risks effectively and build supply chains that are not only resilient but also ethical. Companies that embrace this challenge will be the ones that lead in building a more sustainable and just global economy.

### Leading practices

**Puma**, an apparel company headquartered in Germany, has been assessed in the CHRB since 2019. The company has implemented responsible purchasing practices that aim to avoid price pressures or short-notice requirements that may undermine human rights. Puma requires suppliers to declare open production capacity in accordance with local laws and aligns seasonal production plans with negotiated capacities. Additionally, subcontracting is only permitted with prior authorisation, ensuring compliance with Puma's code of conduct. The company has also centralised its procurement processes and introduced digital payment systems to improve transparency and ensure timely payments to suppliers.

**Lululemon Athletica**, an apparel company headquartered in Canada, has been assessed in the CHRB since 2019. The company mitigates risks of human rights violations by avoiding price pressures and short-term contracts, engaging in long-term planning with suppliers through multi-year planning horizons and regularly reviewing supply capacity. Lululemon tracks reasons for overtime to address order volatility and collaborates with suppliers to minimise its impact. The company ensures timely payments in line with agreed terms, offering flexibility when needed, and regularly reviews its purchasing practices through self-assessments and supplier feedback.



## Five iterations of serious allegations

Since 2018, the CHRB has assessed company responses to 870 allegations of severe negative human rights impacts across sectors. This aggregated information can help in understanding what are the main issues raised by workers, communities and civil society when it comes to companies' human rights impacts on these sectors. The majority of allegations occurred in companies' supply chains (57%). This share is even larger in sectors characterised by complex supply chains, such as apparel (91%) and food and agriculture (71%).

Since 2018, nearly all serious allegations involving apparel companies were recorded in supply chains. In 2018 and 2019, most allegations were related to working hours. In later assessments, this shifted and we saw a higher share of allegations linked to forced labour. The high prevalence of forced labour in apparel supply chains suggested by our data is in line with Walk Free's [estimations that USD 161 billion worth of apparel and textile goods](#) are at risk of being produced with forced labour. Another prevalent issue common for allegations in this sector has to do with discrimination and gender-based violence. The apparel sector employs a large share of women in its supply chains, particularly in the ready garment manufacturing sector, where about [80% of workers](#) are women. As such, the prevalence of gender-based violence, harassment and discrimination is very concerning.

For the food and agricultural products sector, allegations related to forced labour are by far the most frequently identified across all assessments, and they primarily occur in the supply chain. In 2024, the International Labour Organization (ILO) reported that forced labour exploitation in the agriculture sector generates approximately [USD 5 billion in illegal profits annually](#). While child labour and land rights previously represented a significant share of reported allegations, their share has decreased in more recent assessments. However, according to UNICEF, the [agriculture sector still accounts for 70% of children in child labour – an estimated 112 million](#). Many of these issues occur in supply chains, as children often work on family or other small-scale farms across the Global South, making these issues difficult to accurately track.

For the extractives sector, the assessments show that nearly all allegations of severe negative human rights impact occur within companies' own operations or joint ventures. While the majority of serious allegations related to health and safety (34%) in the sector's first assessment, this issue share has more than halved (16%) in the latest assessment. Another right particularly at risk in extractives' operations is the [recently UN-recognised](#) right to a safe, clean, healthy and sustainable environment. In the sector's latest assessment, 27% of allegations related to this right (although this is a decline from 35% in the previous assessment). Since these allegations arise most often at extraction sites, the [resulting social and environmental harms](#) can lead to further unrest. Global Witness reported that between 2021 and 2023, [90% of the protests and violent events related to transition minerals mining](#) occurred in emerging and developing economies and the industry is widely [linked to attacks on land and environmental defenders](#).

Both the automotive and ICT manufacturing sectors face similar issues. For both sectors, about two-thirds of serious allegations occurred in companies' supply chains and one-third in their own operations. The main areas of concern are forced labour, child labour, freedom of association and collective bargaining. In 2022, the ILO and International Organization of Migration estimated that the [manufacturing sector accounts for almost one-fifth of all forced labour exploitation of adults](#), around 3 million people globally. For the automotive manufacturing sector, the right to a safe, clean, healthy and sustainable environment is also a prevalent issue due to their [rising demand in minerals needed for a sustainable transition](#).

While the majority of allegations are recorded in the supply chain, the absence of allegations recorded on certain issues does not reflect an absence of risks and violations, but rather a failure to accurately



record them. As found in key trends 3 and 5, less than half of the companies identify human rights risks in their supply chain, and even fewer companies actively collaborate with their suppliers to address these risks. Beyond responding to allegations that are recorded by civil society, companies need to take more responsibility in preventing and addressing human rights violations within their supply chains and linked directly and indirectly to their operations. In assessing companies responses to serious allegations, the CHRB has found that too many receive no response at all. For those cases where companies do respond, most only acknowledge the issue without engaging with stakeholders or providing any meaningful remediation.<sup>5</sup>





# The way forward

Our analysis shows the urgent need for companies to scale up integration and implementation of the UNGPs and transform policies into meaningful actions. These insights inform our engagements with various stakeholders and prompted reflections on the CHRB's role in creating a pathway for improved corporate human rights practices.

## How we work with stakeholders

After five iterations of the CHRB, our analysis shows that a major factor of influence on companies' progress is the way they are engaged by their stakeholders. Collaborating with our Allies and partners has proven instrumental in moving the needle. While the changes in company disclosure highlighted in this report are promising, there is still a considerable distance to cover before the impact of these changes is tangibly experienced by rightsholders themselves.

WBA remains committed to working with various stakeholders towards corporate respect for human rights. This includes:

### Investor engagement

- We collaborate with the [Investor Alliance for Human Rights](#) to convene their global investor members to engage companies that scored zero on the CHRB human rights due diligence indicators. Going forward, we will explore additional areas of engagement based on CHRB results and the gaps and opportunities highlighted in this report.
- We work with the Principles for Responsible Investment's initiative [Advance](#), a stewardship initiative that focuses on human rights and social issues in the renewable energy and mining sectors. Advance uses WBA's Social Benchmark data to inform company engagement and track progress over time, as part of its Assessment Framework, convening 265 financial institutions with USD 35 trillion in assets under management.
- WBA offers a range of resources to support informed investor engagement, including individual company scorecards, insights reports, and the recently published [CHRB Investor Guidance](#), which suggests questions to guide investor stewardship activities. Investor pressure has proven instrumental in driving improvements in corporate human rights practices. The five trends highlighted in this report underscore the urgent need for investors to leverage their influence by engaging companies on critical human rights issues such as HRDD, embedding human rights in operations, effective grievance mechanisms and responsible supply chain management. We encourage investors to use these resources and participate in platforms and collective actions that support human rights advancements.

### Company engagement

- In addition to engaging with companies through the assessment process, we do so through WBA's Communities of Practice (CoP). Our CoP are peer-to-peer learning platforms for companies assessed in WBA benchmarks. In 2023, we initiated the Social CoP as an opportunity for companies that engaged in the 2022 CHRB to learn from and connect with each other, using the benchmark findings as a starting point. To date, our



sessions focused on stakeholder engagement in HRDD and addressing violence and harassment in the supply chain. We encourage companies to use our benchmark results, both individual company scorecards and key trends, and leading practices as a roadmap for better human rights performance.

### Policy advocacy

- WBA has worked with key Allies to advance the development of mandatory human rights and environmental due diligence legislation and guidance for businesses, using evidence from the CHRB and Social Benchmark. This includes working alongside Accountancy Europe, BHRRC, PRI, UNEP FI, ShareAction, ECCJ and WWF on the EU Corporate Sustainability Due Diligence Directive. We have also partnered with CSOs to provide evidence-based input to policymakers on draft HRDD guidelines and legislations in several countries, including Japan, South Korea and the United States.
- Our benchmarks' insights and data can be a valuable resource for policymakers, as it helps identify gaps, provides evidence for informed decision-making, and creates a dynamic feedback loop that enhances the effectiveness and impact of public policy. As our findings show in this report, companies based in countries with mHRDD legislation in force consistently outperform and improve faster across all HRDD steps. We encourage governments to enforce legal standards which clarify the responsibility of companies to carry out effective HRDD in line with the UNGPs and OECD guidelines, as well as monitoring and assessment mechanisms to ensure that businesses adhere to these standards.
- The CHRB methodology is being [used by governments, civil society organisations and academics worldwide](#) to assess companies beyond WBA's scope and get a snapshot of their human rights performance. We invite you to use [our open-source methodologies](#) to assess companies within your country/region and drive impactful change. By applying these insights, you can help shape policies, influence legislation and promote corporate accountability.

### Collective Impact Coalitions (CIC)

- Collective Impact Coalitions (CICs) provide a space for WBA Allies and stakeholders to take forward cross-sector, collaborative action based on data and evidence provided by WBA benchmarks. These CICs are multistakeholder and time-bound, bringing together diverse actors ranging from large institutional investors to civil society, academia and business platforms to coordinate and collaborate on actions to drive positive change on systemically important topics.
- In 2022 and 2023, the Social Transformation CIC focused on human rights due diligence (HRDD). The aim was to incentivise company action on HRDD and support an enabling environment for the mainstreaming of HRDD, so that it becomes a norm in business. Working with our Allies and CIC members, the CIC has provided a platform to bolster investor engagement initiatives and policy advocacy efforts and contributed to business platforms' work in supporting companies.
- This year, the CIC is focusing on [addressing violence and harassment in global supply chains](#). WBA works with CIC members to incentivise companies to take action on and accelerate the implementation of the ILO Violence and Harassment Convention (C)190 in global apparel and agricultural supply chains, contributing to a vision of a world in which every person is protected from violence and harassment at work.



## What's next

WBA is evolving how it assesses SDG2000 companies, drawing on valuable stakeholder feedback and insights gathered over the years. A key shift is that we will now assess all SDG2000 companies on a rolling basis across all relevant WBA benchmarks. This shift enables us to leverage synergies between our Social Benchmark and the CHRB. The Social Benchmark and the CHRB are complementary, as they allow for the production and analysis of evidence at two levels: an assessment of 2000 companies on a set of core metrics in the Social Benchmark; and a deeper evaluation of a smaller number of companies in high-risk sectors in the CHRB. This dual approach allows WBA's social transformation to achieve both breadth and depth in holding companies accountable for their impacts on people.

We are scaling up some particularly impactful CHRB requirements by including them in the Social Benchmark. This allows us to expand the scope of the CHRB to a wider set of companies and provide more human rights data at scale. Building on the Social Benchmark, the CHRB will continue to provide more in-depth scrutiny on respect for human rights in sectors with particularly high risks and drive progress beyond the fundamentals, focusing on ~100 companies that outperform their sectoral peers. By focusing on companies that are already on a path to better human rights practices, we aim to create a roadmap for better corporate human rights practices. For more information, see the CHRB methodology and Social Benchmark methodology.

### Get involved

To learn more about the CHRB and the Social Benchmark or to express your interest in collaborating, please reach out via [info.social@worldbenchmarkinalliance.org](mailto:info.social@worldbenchmarkinalliance.org)



# Acknowledgements

This report was written by the CHRB team consisting of Annabel Mulder, Jill van de Walle and Cassidy Huang, with contributions from Talya Swissa, Namit Agarwal, Sofía del Valle, Viviana Conti and Richard Gardiner.

WBA would like to acknowledge the EIRIS Foundation and its partners for so competently managing the desk-based research of the five CHRB iterations included in this report. In addition, our thanks go to the Business and Human Rights Resource Centre, Vigeo Eiris and RepRisk for providing environmental, social and governance (ESG) risk metrics and analytics for the CHRB serious allegations assessments.

WBA would also like to recognise the crucial support and expertise provided by our [Social Transformation Expert Review Committee \(ERC\)](#) as well as our Allies and other stakeholders including BSR, the Church Commissioners for England, CRT Japan, the Institute for Human Rights and Business (IHRB), the Investor Alliance for Human Rights (IAHR), Pillar Two and Principles for Responsible Investment (PRI).

All of our work is made possible with the vital support of our strategic funding partners. Finally, WBA would like to thank the many supporters and Allies who have helped to improve our methodology and champion our work, along with the large number of individuals in the benchmarked companies who devoted significant time and effort to engaging with the CHRB and ensuring the correct information was available for analysis.



# References

- Global Witness. (2021). *Last line of defence*. Retrieved October 2024 from <https://www.globalwitness.org/en/campaigns/environmental-activists/last-line-defence/>.
- Global Witness. (2024). *Critical mineral mines tied to 111 violent incidents and protests on average a year*. Retrieved October 2024 from <https://www.globalwitness.org/en/campaigns/natural-resource-governance/critical-mineral-mines-tied-111-violent-incident-and-protests-average-year/>.
- European Parliament and the Council of the European Union. (2024). *Directive (EU) 2024/1760 of the European Parliament and of the Council of 13 June 2024 on corporate sustainability due diligence and amending Directive (EU) 2019/1937 and Regulation (EU) 2023/2859*. Retrieved August 2024 from <https://eur-lex.europa.eu/eli/dir/2024/1760/oj>
- Inter-Ministerial Committee on Policy Promotion for the Implementation of Japan's National Action Plan on Business and Human Rights. (2022). *Guidelines on Respecting Human Rights in Responsible Supply Chains*. Retrieved September 2024 from [https://www.meti.go.jp/english/press/2022/pdf/0913\\_001a.pdf](https://www.meti.go.jp/english/press/2022/pdf/0913_001a.pdf)
- International Energy Agency. (2022). *The Role of Critical Minerals in Clean Energy Transitions*. Retrieved October 2024 from <https://www.iea.org/reports/the-role-of-critical-minerals-in-clean-energy-transitions>.
- International Labour Organization. (2022). Background Paper: *The state of the apparel and footwear industry: Employment, automation and their gender dimensions*. Retrieved October 2024 from [https://www.ilo.org/sites/default/files/wcmsp5/groups/public/%40ed\\_emp/documents/publication/wcms\\_835423.pdf](https://www.ilo.org/sites/default/files/wcmsp5/groups/public/%40ed_emp/documents/publication/wcms_835423.pdf).
- International Labour Organization. (2024). *Profits and poverty: the economics of forced labour*. Retrieved October 2024 from [https://www.ilo.org/sites/default/files/2024-10/Profits%20and%20poverty%20-%20The%20economics%20of%20forced%20labour\\_WEB\\_20241017.pdf](https://www.ilo.org/sites/default/files/2024-10/Profits%20and%20poverty%20-%20The%20economics%20of%20forced%20labour_WEB_20241017.pdf).
- International Labour Organization, Walk Free and International Organization for Migration. (2022). *Global Estimates of Modern Slavery: Forced Labour and Forced Marriage*. Retrieved October 2024 from <https://publications.iom.int/books/global-estimates-modern-slavery-forced-labour-and-forced-marriage>.
- UNICEF. (2021). *Child Labour: Global estimates 2020, trends and the road forward*. Retrieved October 2024 from <https://data.unicef.org/resources/child-labour-2020-global-estimates-trends-and-the-road-forward/>.
- United Nations Environment Programme. (2022). *In historic move, UN declares healthy environment a human right*. Retrieved October 2024 from <https://www.unep.org/news-and-stories/story/historic-move-un-declares-healthy-environment-human-right>.
- United Nations Environment Programme. (2023). *Why does extractives matter?* Retrieved October 2024 from <https://www.unep.org/explore-topics/extractives/why-does-extractives-matter>.
- United Nations Office of the High Commissioner for Human Rights. (2021). *UNGPs 10+ A Roadmap for the Next Decade of Business and Human Rights*. Retrieved September 2024 from <https://www.ohchr.org/sites/default/files/2021-12/ungps10plusroadmap.pdf>



- United Nations Office of the High Commissioner for Human Rights. (2021). *OHCHR Accountability and Remedy Project: Meeting the UNGPs' Effectiveness Criteria*. Retrieved August 2024 from <https://www.ohchr.org/sites/default/files/2022-01/arp-note-meeting-effectiveness-criteria.pdf>
- United Nations Working Group on Business and Human Rights. (2018). *The report of the Working Group on the issue of human rights and transnational corporations and other business enterprises A/73/163*. Retrieved September 2024 from <https://documents.un.org/doc/undoc/gen/n18/224/87/pdf/n1822487.pdf>
- Walk Free. (2023). *Global Slavery Index Spotlight: Stitched with Slavery in the Seams*. Retrieved October 2024 from <https://www.walkfree.org/global-slavery-index/findings/spotlights/stitched-with-slavery-in-the-seams/>.
- World Benchmarking Alliance. (2024). *Social Benchmark 2024 Insights Report*. Retrieved September 2024 from <https://assets.worldbenchmarkingalliance.org/app/uploads/2024/08/SB-2024-Insights-Report-7-August-2024.pdf>.





# Endnotes

---

<sup>1</sup> The robustness of this relationship is supported by a standard error rate of 3.43 and a large F-statistic (211.88), with a small significance F-value (6.67E-35), indicating that the model is highly significant and that the relationship between improvements on embedding respect for human rights in company culture and management and other areas is not due to chance.

<sup>2</sup> Although the CHRB analysis offers insights into company progress towards the UNGP effectiveness criteria, limitations in the comparability of indicators over time and the measurability of some criteria mean that it should not be viewed as a fully comprehensive assessment.

<sup>3</sup> This figure pertains to the food and agricultural products, apparel, automotive manufacturing and ICT manufacturing sectors. Extractives companies are excluded from this figure due to their vastly different business model. Virtually all serious allegations recorded for extractives companies are related to their own operations or joint ventures.

<sup>4</sup> Article 10 of the EU's CSDDD on the prevention of adverse impacts states that 'companies shall be required to (...) make necessary modification of, or improvements to, the company's business plan, overall strategies and operations, including purchasing practices'.

<sup>5</sup> Due to changes to the CHRB methodology, data on company responses is not comparable over the years. Nevertheless, trends are similar. In 2022 and 2023, we found that while 76% of allegations were acknowledged by companies, in only 5% of the allegations, companies 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 and in only 16% of the allegations, companies provided remedy to the affected stakeholders.





#### **COPYRIGHT**

This work is the product of the World Benchmarking Alliance. Our work is licensed under the Creative Commons Attribution 4.0 International License. To view a copy of this license, visit:

[www.creativecommons.org/licenses/by/4.0/](http://www.creativecommons.org/licenses/by/4.0/)

#### **DISCLAIMER**

Information available on our website, visit: [www.worldbenchmarkingalliance.org/disclaimer](http://www.worldbenchmarkingalliance.org/disclaimer)

#### **WORLD BENCHMARKING ALLIANCE**

Prins Hendrikkade 25, 1021 TM Amsterdam, The Netherlands. [www.worldbenchmarkingalliance.org](http://www.worldbenchmarkingalliance.org)