



**Corporate Human Rights Benchmark:**

**Making Better Judgments About Human  
Rights Performance**

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*UNEP FI Regional Roundtable Latin America*  
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# Corporate Human Rights Benchmark



The Corporate Human Rights Benchmark is a unique collaboration led by investors & civil society organisations dedicated to creating and publishing a public benchmark on corporate human rights performance



# What are the Drivers Behind the Corporate Human Rights Benchmark?

Make corporate human rights performance **easier to see and simpler to understand** for a wide range of audiences - inside and outside companies.

**Acknowledge** companies putting human rights at the core of their business, while also pointing the way toward improved performance on key human rights issues.

Introduce a **positive competitive environment** for companies to race to the top of the annual ranking.

## CHRB OBJECTIVES

Enable investors to **incorporate social 'costs' into capital allocation decisions** to better reflect the true cost of doing business.

Equip civil society, workers, regulators and consumers with information to take an evidence-based approach to **challenge poorly performing companies.**



# Benchmarking Features



## Transparency

The Benchmark uses information in the public domain to assess companies. This aims to encourage greater disclosure of information by companies and supports greater corporate transparency.

## Policies, Processes, Practices and Responses

The Benchmark assesses corporate human rights performance by focusing on companies' policies, processes, practices and responses to manage their human rights risks and impacts.

## BENCHMARKING FEATURES

## Comparability

The Benchmark will focus on core aspects integral to respecting human rights and to sector specific issues where applicable. The Benchmark will ensure that companies from different sectors can be benchmarked against each other, as well as benchmarking companies from within a sector.

## International and Industry-Specific standards

The Benchmark is grounded in the UN Guiding Principles on Business and Human Rights, as well as additional standards and guidance focused on specific industries and specific issues.

## Key Industry Risks

The Benchmark focuses on key industry risks as the main means to assess industry-specific challenges and approaches to managing human rights risks and impacts.

# CHRB Assessment Framework: Built on International Standards

- Just under 100 **of the largest publicly traded companies** in the world
- On **100 human rights indicators** across **6 Measurement Themes**
- Using **international standards** – the UN Guiding Principles on Business and Human Rights +



# 2017 Iteration: Three Sectors

- The 2017 Benchmark assessed companies from 3 sectors:
  - Agricultural Products
  - Apparel
  - Extractives
- The measurement of companies under the “performance” theme is assessed according to the following “Key Industry Risks”:



## Agricultural Products

Child labour  
Forced labour  
Freedom of association and collective bargaining  
Health and safety  
Land rights  
Water and sanitation  
Women's rights



## Apparel

Child labour  
Forced labour  
Freedom of association and collective bargaining  
Health and safety  
Women's rights  
Working hours



## Extractives

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



# 2017 Pilot Results: Key Findings Report

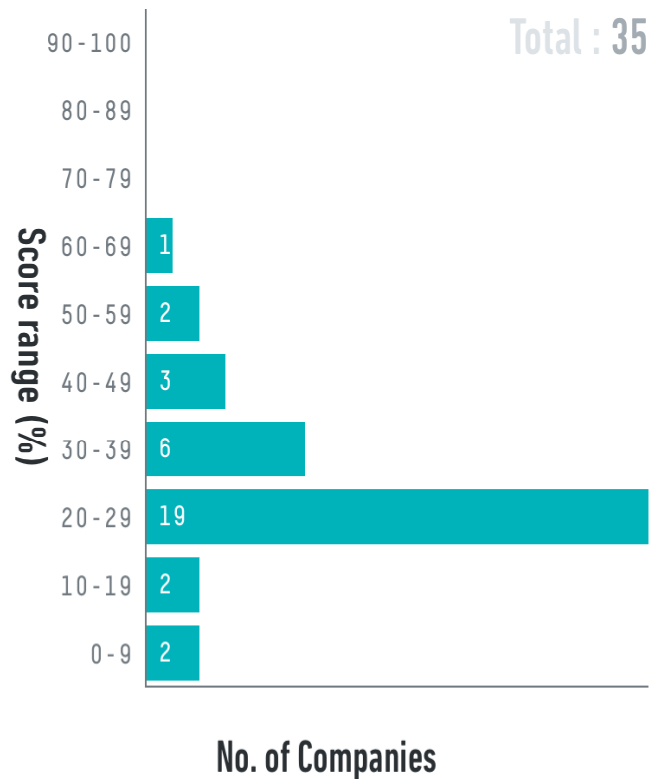


- The **2017 Key Findings Report**, available on the CHRB website, contains the full 2017 results.
- It offers a breakdown of the results by **industry** and by **measurement theme**.
- It identifies **key trends and messages**.
- It also highlights **emerging practices**.

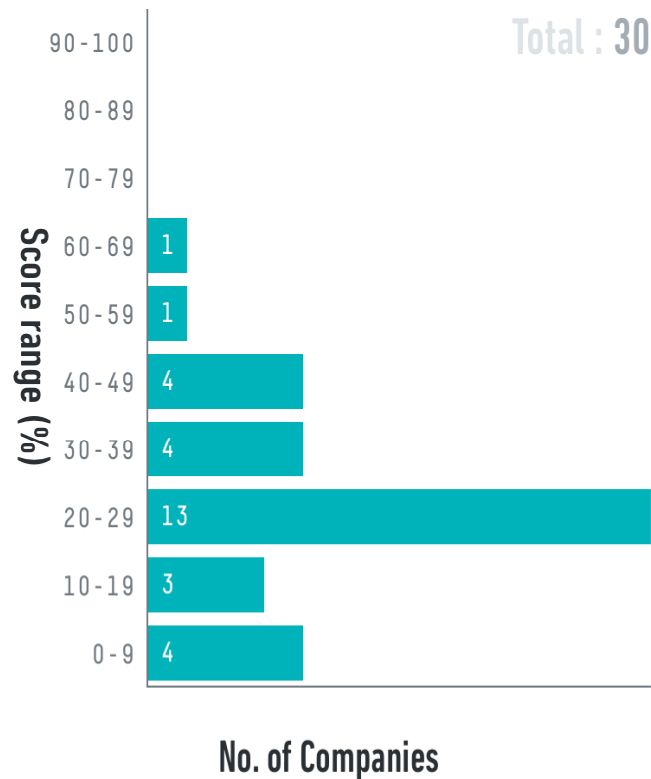
# The 2017 Overall Results by Sector



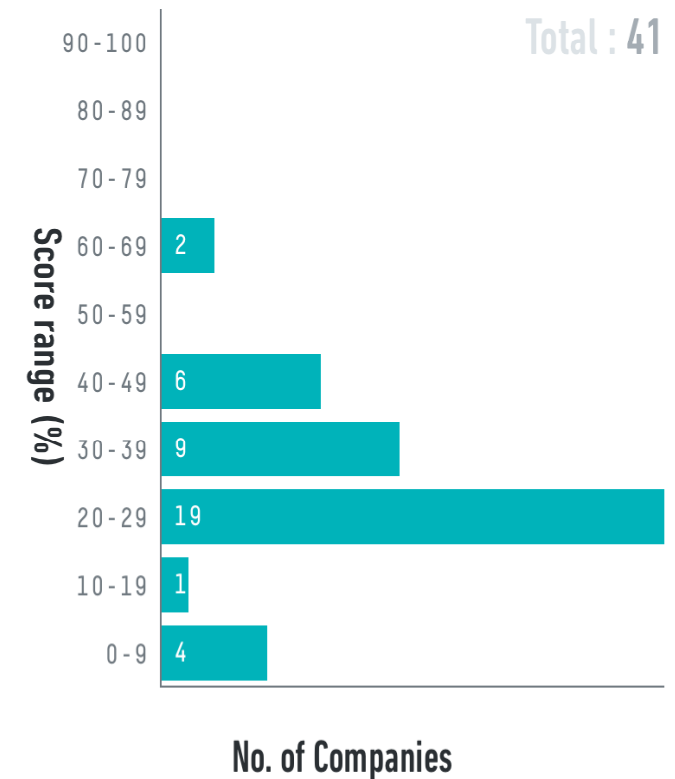
## AGRICULTURAL PRODUCTS



## APPAREL



## EXTRACTIVES





# The 2017 Overall Results by Company

## Top 3 & Bottom 3 Companies – Overall Ranking:

Top 3

BAND RANGE	COMPANY	INDUSTRY
60-69%	BHP Billiton	EX
	Marks & Spencer Group	AG / AP
	Rio Tinto	EX

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Bottom 3

0-9%	Grupo Mexico	EX
	Macy's	AP
	Costco Wholesale	AG / AP

## Top 3 & Bottom 3 Companies – Sector Rankings:

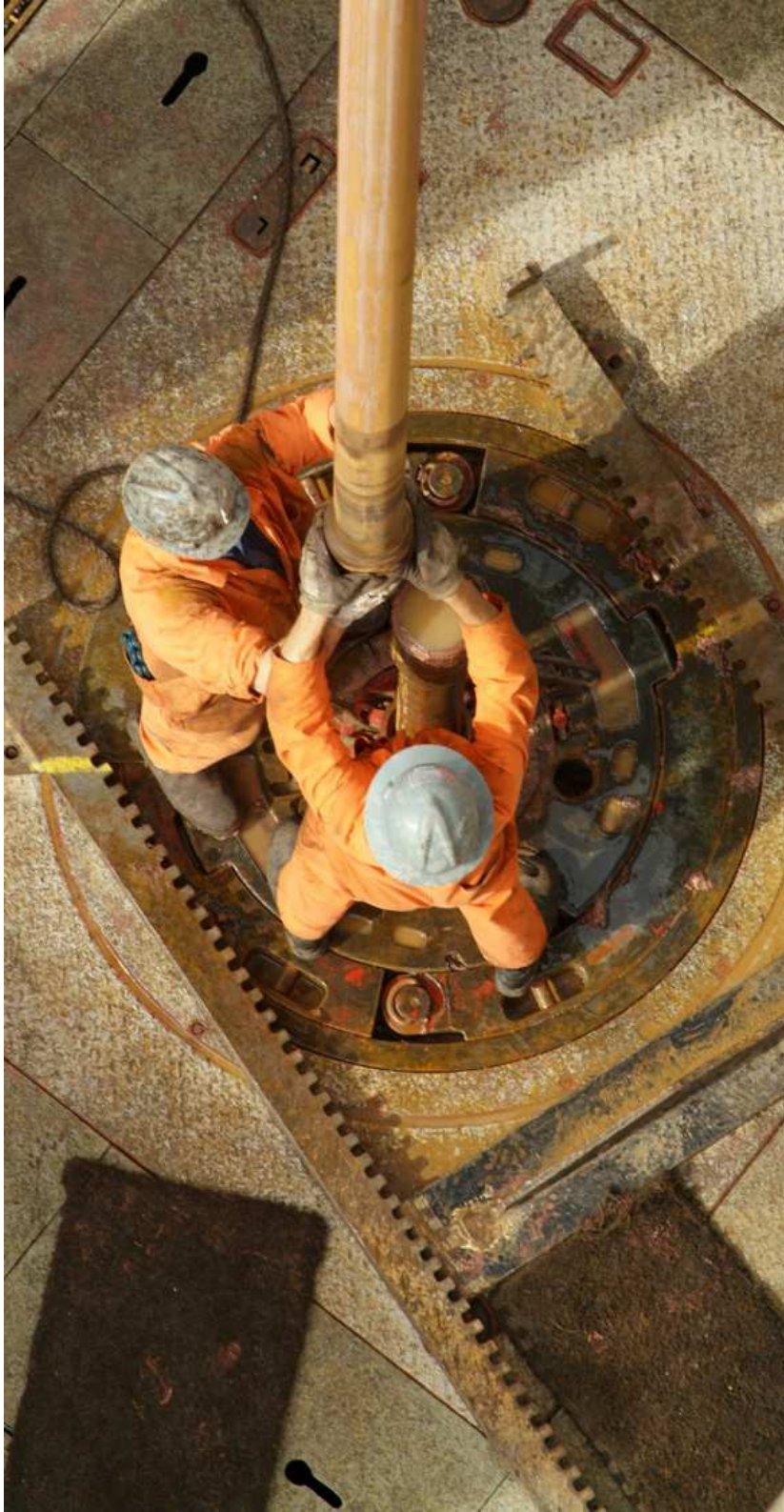
	Agricultural Products		Apparel		Extractives	
Top 3	60-69%	Marks & Spencer Group	60-69%	Marks & Spencer Group	60-69%	BHP Billiton
	50-59%	Nestle	50-59%	Adidas		Rio Tinto
		Unilever	40-49%	Hennes & Mauritz	40-49%	Total
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Bottom 3	10-19%	McDonald's	0-9%	Kohl's	0-9%	China Petroleum & Chemical
	0-9%	Yum! Brands		Macy's		Oil & Natural Gas Corporation
		Costco Wholesale		Costco Wholesale		Grupo Mexico

## Analysis: Key Findings and Messages



- There are some clear leaders, but improvements can still be made even among leaders
- The results skew significantly to the lower bands
- Lowest performing companies must improve urgently
- Commitments may be there, but they must be followed through
- Engagement with those potentially affected is lacking
- There is a gap between responding publicly to serious allegations and taking appropriate action





# Analysis: What The Leaders Can Teach, And Still Have To Learn

## What the leaders tend to do:

- ✓ A **consistent approach**: scoring across all measurement themes
- ✓ **Leading the way**: scoring in areas of emerging practice (e.g.: board involvement and board incentives)
- ✓ **Dealing with serious allegations**: adequate responses when allegation is made

## What the leaders still need to do:

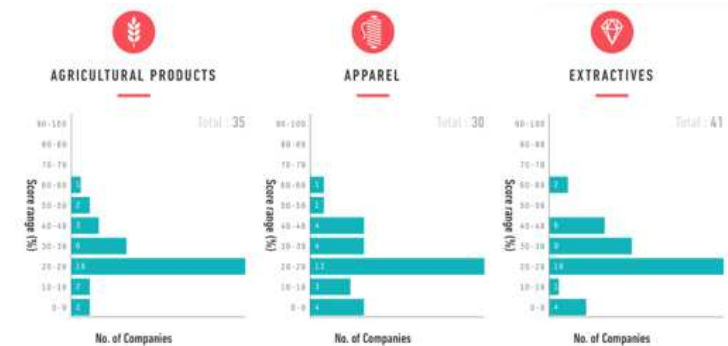
- **Protecting human rights defenders**
- Covering **all aspects of human rights due diligence**
- Providing **effective remedies and grievance mechanisms & involving users** in the design of complaint and grievance mechanisms

# How to Use the Results: Different Layers of Data

General cross-industry results



Industry-specific results



Measurement theme results



Individual company results

	A	B	C	D	E	F
	Corporate Human Rights Benchmark 2017 Company Scoresheet					CHRB Corporate Human Rights Benchmark
Detailed assessments						
Measurement theme	Indicator	Indicator name	Score	Explanation	Sources	
A.1 POLICY COMMITMENTS	A.1.1	Commitment to respect human rights		2 The Company has indicated that it supports the Universal Declaration on Human Rights in its Labour Rights Charter. It has also indicated that it adheres to the principles of the OECD MNEs and supports the 'UN Framework' in its FAQ on human rights (a document which is part of its policies documents).	Human Rights FAQ, Labour Rights Charter	
A.1 POLICY COMMITMENTS	A.1.2	Commitment to respect the human rights of workers		2. Added: Labour Rights Charter indicates that its 'policies and procedures adhere to all applicable domestic laws and are consistent with core labour principles of the International Labour Organization (ILO) concerning freedom of association and collective bargaining, non-discrimination, forced labour, and underage workers in the workplace'. It is also committed to the health and safety of its workers. In the Workplace Policy, the Company states its commitment to the health and safety of its workers.	Labour Rights Charter, Workplace standards	

# Which Latin American Companies are Included?

Country	Company
BRF	Brazil
Petrobras	Brazil
Vale	Brazil
Falabella	Chile
Ecopetrol	Colombia
Grupo Mexico	Mexico



# How Do Latin American Companies Rank Against Their Peers?

## Extractives

BAND RANGE	COMPANY
60-69%	BHP Billiton Rio Tinto
50-59%	
40-49%	Total Anglo American Freeport-McMoRan BP ConocoPhillips Chevron Corporation
30-39%	Statoil Royal Dutch Shell Sasol Vale Ecopetrol
20-29%	Exxon Mobil Suncor Energy Occidental Petroleum PTT Devon Energy Goldcorp Canadian Natural Resources PetroChina Norilsk Nickel Marathon Petroleum Anadarko Petroleum Phillips 66 Lukoil Surgutneftegas Gazprom EOG Resources Valero Energy Repsol CNOOC Eni Rosneft Oil China Shenhua Energy Petrobras Coal India China Petroleum & Chemical Petrobras
10-19%	
0-9%	

## Apparel

BAND RANGE	COMPANY
60-69%	Marks & Spencer Group*
50-59%	Adidas
40-49%	Hennes & Mauritz Gap Tesco* Nike
30-39%	VF Inditex Hanesbrands Target*
20-29%	Kering Associated British Foods* TJX Companies L Brands Christian Dior Nordstrom Coach Next Aeon Company* Prada Falabella*
10-19%	Hermes International Hellan Home Under Armour Fast Retailing Wal-mart Stores*
0-9%	Ross Stores Kohl's Macy's Costco Wholesale*

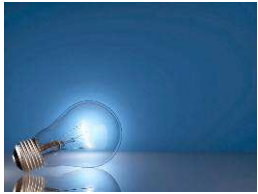
\*These companies were assessed under Agricultural Products and Apparel.

## Agriculture

BAND	COMPANY
60-69%	Marks & Spencer Group*
50-59%	Nestle Unilever
40-49%	Kellogg Tesco* The Coca-Cola Company
30-39%	Pernod-Ricard General Mills Heineken NV Diageo The Hershey Company Target*
20-29%	Danone Archer Daniels Midland BRF Associated British Foods* Anheuser-Busch InBev Sysco Compass Group Starbucks Woolworths Mondelēz International PepsiCo Kroger Shoprite Alimentation Couche-tard Aeon Company* Carrefour Falabella Kraft Heinz Kweichow Moutai
10-19%	Wal-mart Stores* McDonald's
0-9%	Yum! Brands Costco Wholesale*

\*These companies were assessed under Agricultural Products and Apparel.

# How Can the CHRB Be Used by the Financial Sector?



- ✓ To build its own **knowledge & capacity**
  - Use the framework to improve its knowledge and understanding about human rights



- ✓ To identify and understand **risks**
  - Understand key human rights risks by sector
  - Understand key human rights risks by company
  - Understand which clients have more robust management and due diligence systems that help it manage complexity



- ✓ To make **better longer-term choices**
  - Understand how clients compare against their peers
  - Identify which clients are at the leading edge of evolving sustainability issues and which are not
  - Understand which clients have board and senior level management ready and equipped to address emerging challenges

# What Can the Financial Sector Contribute?



## FINANCIAL SECTOR Call to Action:

- ✓ Embed the UN Guiding Principles on Business & Human Rights into your own company
  - Adopt a policy, build it into your ESG due diligence on your investee companies/clients
- ✓ Engage with companies to embed the UN Guiding Principles on Business and Human Rights (UNGPs) and consider making it part of your financing requirements
  - Use the outcomes of the Benchmark as a starting point for a dialogue on human rights risks
  - Investor engagement calls, voting at AGMs, as contractual requirements, incorporating into ESAs
- ✓ Use results the results in your overall investment analysis and capital allocation decision making
- ✓ Promote the CHRB amongst your peers and networks
- ✓ Join the discussion at [UNEP FI](#), [PRI](#) & [OECD](#) on human rights to learn more

# Next Steps – CHRB is Moving On

## How to Participate in Improving CHRB?

- In-person consultations (today!) –
- Room De la Castellana (right here)
  - 12:00 – 13:00 – Please come

### Next Steps



- ✓ An [online questionnaire](#) – Open until end September
- ✓ Other consultations:
  - Amsterdam
  - Bogota
  - Cape Town
  - Copenhagen
  - Hong Kong
  - Huntington Beach
  - London
  - Nairobi
  - New York
  - Tokyo
  - Washington

Latest news and regular updates will  
appear on the CHRB website.

You can follow us on Twitter at  
**@RankBHR.**



[www.corporatebenchmark.org](http://www.corporatebenchmark.org)