



# **2017 Consultations**

## **UNEP FI Roundtable**

### **Buenos Aires – 6 September 2017**

**Discussion facilitated by  
Margaret Wachenfeld,  
CHRB Board of Directors**



# Agenda

1. Brief Presentation of CHRB & the 2017 Pilot Results
2. Focused discussion on improving the CHRB methodology and next steps in benchmarking companies:
  1. CHRB methodology – proposed changes from the CHRB and requested changes from participants
  2. Proposals for new sectors to be benchmarked
3. Next steps: how to move forward

# 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

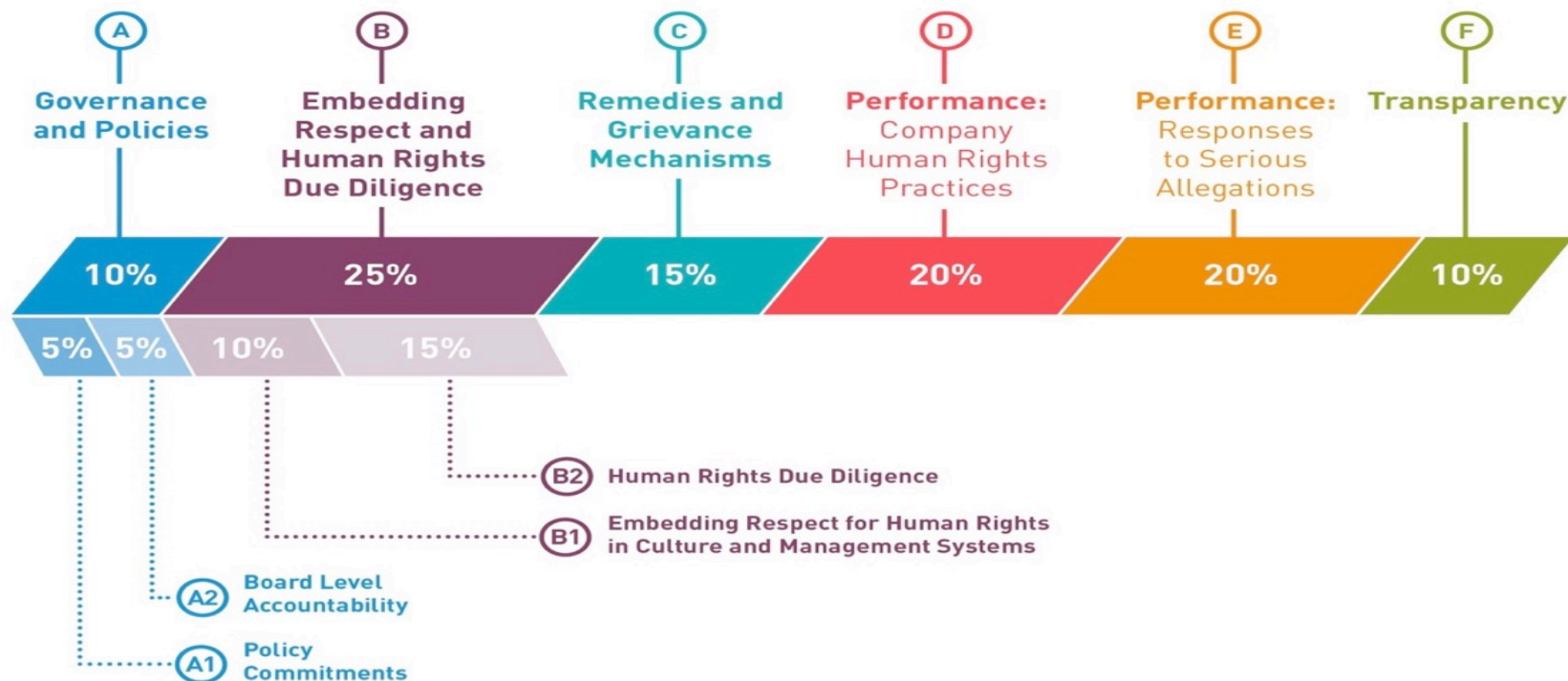
Enable investors to **incorporate social 'costs' into capital allocation decisions** to better reflect the true cost of doing business.

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



# 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

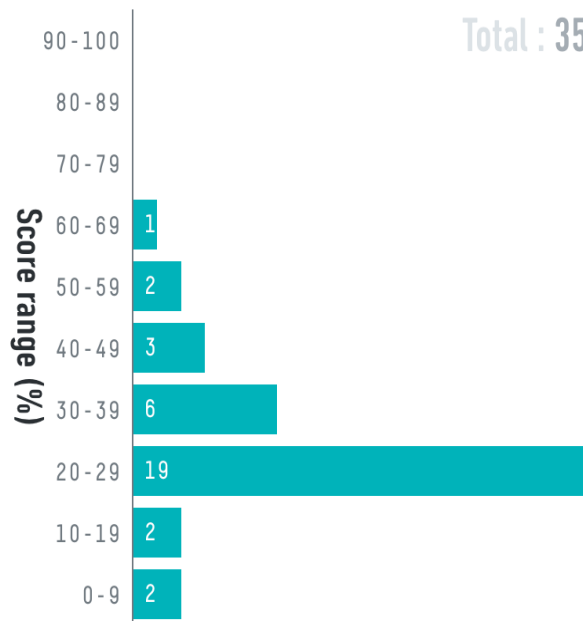
Freedom of association and collective bargaining  
Health and safety  
Indigenous peoples rights and FPIC  
Land rights  
Security  
Water and sanitation

# The 2017 Overall Results by Sector



## AGRICULTURAL PRODUCTS

Total : 35

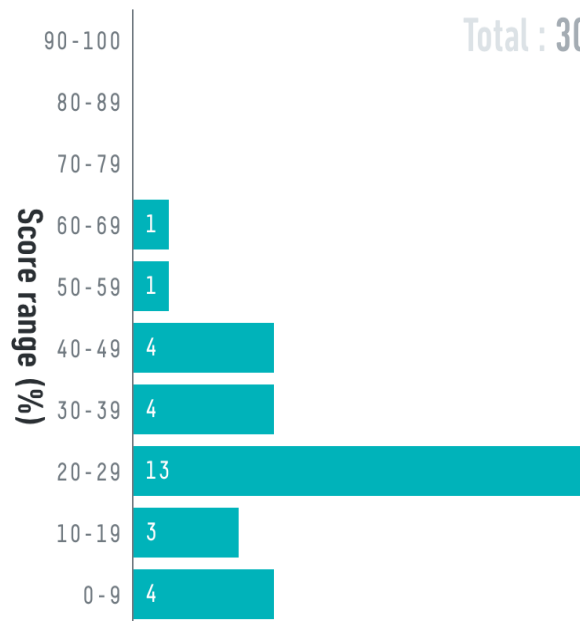


No. of Companies



## APPAREL

Total : 30

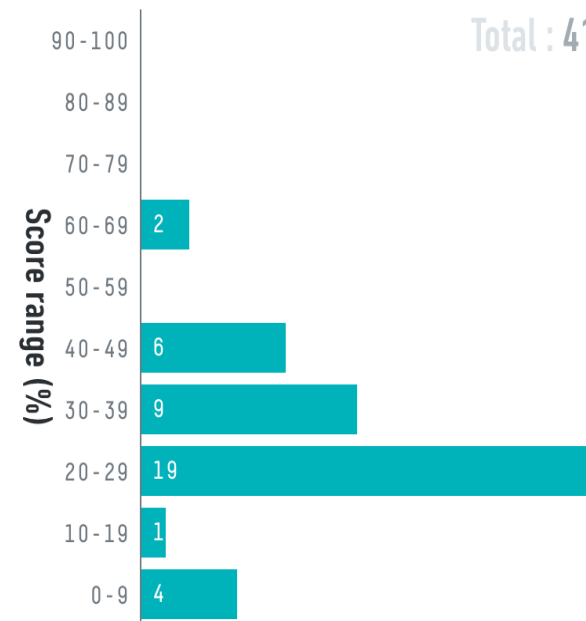


No. of Companies



## EXTRACTIVES

Total : 41



No. of Companies

# The 2017 Overall Results by Company

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

	BAND RANGE	COMPANY	INDUSTRY
Top 3	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 among leaders
- The results skew significantly to the lower bands
- Lowest performing companies must improve urgently
- Commitments 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




## Discussion 1: Is the CHRB Useful? What Could Make it More Useful?

### Is the CHRB useful for FIs?

- How would you use it (as an investor, as a bank)?
- What would make it more useful? Why?

### Is the CHRB useful for other users?


- How would you use it?
- How could it be improved?

A photograph of a garment factory. In the foreground, a worker wearing a pink long-sleeved shirt and a patterned headscarf is seen from behind, sitting at a workstation. In the background, other workers in similar attire are visible, working at sewing machines. The factory environment includes various equipment and materials.

## Discussion 2: What We Are Proposing to Change for 2018

- **Proposed changes to the CHRB methodology for 2018:**
  - Serious allegations
  - Transparency
  - Scoring
  - + Minor Indicator-specific changes & clarifications



A photograph of a textile factory. In the foreground, a worker wearing a pink long-sleeved shirt and a patterned headscarf is seen from behind, sitting at a workstation. In the background, other workers in similar attire are visible, working at sewing machines. The factory environment includes various equipment and materials.

## Discussion 3: What We Are Proposing to Change for 2019

- **What new sectors should be covered?**
  - Information and Communication Technologies (ICT)
  - What other sectors should we cover?
- **Would it make sense to have a regional-specific benchmark?**
- **Would it make sense to have other benchmarks that are linked to the SDGs?**



# Next Steps for CHRB

1. More [consultation meetings](#) around the world
2. [Online survey](#) – please participate!
3. Methodology revisions
  - Processing feedback
  - Publication of revised methodology
4. Research on companies in 2018
5. Publication of the results in Q4 - 2018



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

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