



Corporate Human  
Rights Benchmark

## 2018 Key Findings

Apparel, Agricultural Products  
and Extractives Companies

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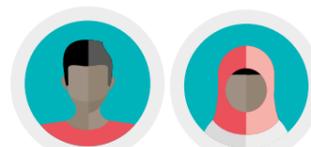
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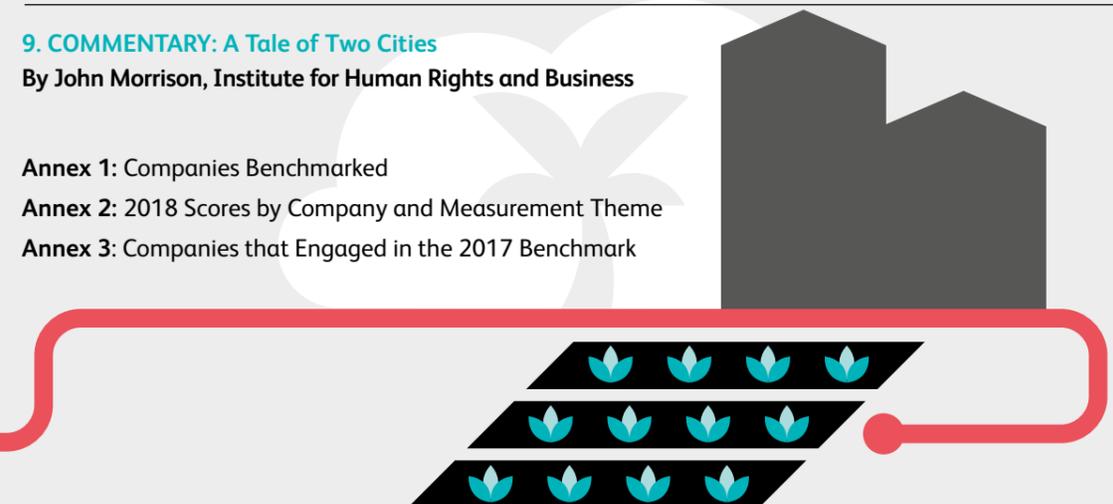


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# Introduction



I am delighted, in my role as Chair of the Corporate Human Rights Benchmark (CHRB), to introduce this 2018 Key Findings Report. Since its inception, the CHRB has been aiming to answer a deceptively simple question; which companies perform best on human rights issues? Following the launch of our pilot results in 2017 and an extensive review of the methodology, this document now brings together nine months of research and analysis to rank 101 of the world's largest companies in high human-rights-risk sectors and provides a snapshot of their human rights performance.

The overall picture is deeply concerning; most companies score poorly on the Benchmark, indicating weak implementation of the UN Guiding Principles on Business and Human Rights. This raises questions for investors and consumers as to whether these companies are serious about avoiding harm to people in their pursuit of profits. A quarter of companies score less than 10% on the assessment and an alarming amount of companies score no points for human rights due diligence. This should provide food for thought for governments considering the role of legislation in business and human rights and should also serve as a wake-up call for businesses and investors everywhere.

But there are positive signs as well. Better scoring companies are a minority, but they do exist. They demonstrate that integrating respect for human rights is neither impossible, nor detrimental, to the business model. They also show more willingness to discuss policies-in-action and the challenges they face. The top

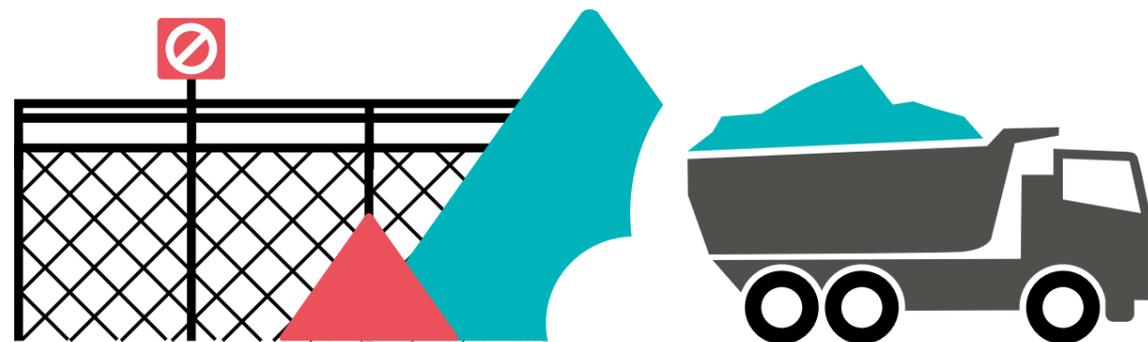
five scoring companies are the same as in 2017; Adidas, BHP Billiton, Marks and Spencer, Rio Tinto and Unilever, but they are leaving the 'average' company further behind. All companies can improve and there is much more to be done to ensure policy commitments are realised across operations and supply chains, but we believe that recognising leading companies and scrutinising the poorer performers can help drive greater long-term positive change across industries as a whole.

The CHRB recognises that implementing respect for human rights is a journey and we have been pleased to see significant score improvements from companies, including Danone, Diageo, ENI and Vale, demonstrating that rapid change in disclosure is possible when there is sufficient commitment. This corroborates our investigations in early 2018, where leading consultancies and law firms confirmed that Benchmarked companies were bringing in external support to improve their human rights performance. As such, we have already found some green shoots of progress; initial evidence that our goal to drive change by providing free, publicly available Benchmarks, backed up by credible research and invested stakeholders, is valid and should be continued. In future, we intend to do more to encourage Credit Rating Agencies, securities regulators, and stock exchanges themselves to also embed human rights within their business operations.

This Key Findings Report, along with the CHRB Methodology, Research Dataset and Company Scorecards, have all been made publicly available to enable investors, governments, civil society, businesses, workers and consumers to make more informed choices. They provide both a high-level assessment of the maturity of corporate respect for human rights in high-risk sectors and also dive into the detail across 101 companies, assessing their policies, processes and practices regarding human rights. We hope they will be used to drive real change and a race-to-the-top in corporate human rights performance.

**Steve Waygood**

Chief Responsible Investment Officer, Aviva Investors  
Chair, Corporate Human Rights Benchmark



# Acknowledgments

The CHRB Methodology is the result of extensive multi-stakeholder consultation around the world, involving representatives from over 400 companies, governments, civil society organisations, investors, academics and legal experts. The CHRB would like to sincerely thank all stakeholders for their insights and contributions during the CHRB consultations and the development and subsequent revision of the CHRB Methodology as well as its application.

We recognise the crucial support from the **Business and Human Rights Resource Centre (BHRRC)**, the **Institute for Human Rights and Business (IHRB)**, the **EIRIS Foundation**, the **Investors Association for Sustainable Development in the Netherlands (VBDO)** and our independent Advisory Council members (**Margaret Wachenfeld**, **Bennett Freeman** and **Gerbrand Haverkamp**) who provide the time, expertise and networks that make the CHRB possible. We are also grateful for the input and support from our investor members; **Aviva Investors**, **APG Asset Management** and **Nordea**.

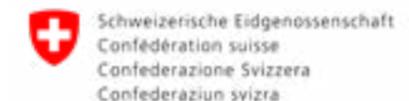


The CHRB would like to acknowledge the EIRIS Foundation and its partners for managing the assessment process according to the 2018 CHRB Methodology. The CHRB would also like to acknowledge RepRisk (RepRisk due diligence on ESG and business conduct risks, www.reprisk.com) for providing ESG risk metrics and analytics for the CHRB serious allegations assessment.

the company in question. We would particularly like to thank the companies that engaged with us during the Benchmarking process over the last 12 months (please see Annex 2 for the full list).

The CHRB would also like to thank and recognise the number of individuals within companies that contributed significant time and considerable effort to ensure the CHRB had the correct information when analysing

The CHRB would like to express sincere thanks to the Governments of the Netherlands, United Kingdom, and Switzerland for their vital financial support and to thank the UN Foundation and World Benchmarking Alliance (WBA) for their fiduciary support and fundraising efforts.



Finally, the CHRB would like to thank all its stakeholders for their support in making the concept of a corporate human rights Benchmark a reality, and we encourage

them to continue helping to strengthen the CHRB Methodology and Benchmarking process over time.

## 2018 Overview

### What the Benchmark is telling us about business approaches to respecting human rights

#### Commentary by Phil Bloomer Business & Human Rights Resource Centre

The first full version of the Corporate Human Rights Benchmark is out. The results are revealing; there is a race to the top in business and human rights performance, but this is only amongst a welcome cluster of leaders while the great majority have barely left the starting line.

The majority of companies appear to be only dimly aware of the potential threats and prizes around them, having made small or no progress in putting human rights at the heart of their business. However, members of the small leadership group from the 2017 Pilot Benchmark have continued to compete to be the 'best in class' and each has made progress to ensure they do not fall behind direct competitors. These could soon be joined by some fast improvers that have acted decisively to improve in the last year.

There were alarmingly low scores in some areas of systemic challenge which serves to highlight how far business has to go. The alignment of purchasing practices with human rights is not easy, but without this, in food and apparel, abuse in their complex global supply chains is inevitable. Very low average scores were also recorded for commitments to living wages, which are fundamental to achieving a decent life, especially for women workers; and policies to protect increasingly-threatened human rights defenders in supply chains, whose work is vital to uncover abuse and dangers for both communities and workers. In each there were only brave outliers that refuse to put systemic action to eliminate the worst human rights risks such as modern slavery, poverty wages, and violence against whistle-blowers, in the 'too-difficult-box'.

This reflects, anecdotally, what we at the Business and Human Rights Resource Centre, have seen more broadly across the high-risk sectors, and we see this pattern replicated in other robust Benchmarks, including KnowTheChain and Ranking Digital Rights: There is a refreshing but small leadership group that demonstrate that respect for human rights is a moral imperative, and commercially viable.

The most challenging news from this Benchmark is the lack of significant progress on last year by the majority. There is an unacceptably large group of companies who are not doing enough and appear content to hide in the pack of under-performers. While it is hardly surpris-



ing that those companies with no significant record of taking human rights seriously have been the slowest movers since 2017, we are encouraged by what is happening around them that is likely to quicken their pace over coming years:

**Firstly**, leading companies are beginning to gain greater access to cheaper capital, based on their lower human rights risks. The fact that sustainable investment funds have effectively doubled in size each year since 2012 demonstrates the growing appetite for companies that manage their environmental and social risks. And this year Danone successfully pioneered a US\$300 million Social Bond that attracted investors focused on ESG risks.

**Secondly**, faced with the collapse of public trust in global markets, governments are beginning to exert themselves with increasingly bold steps toward regulation for mandatory transparency and due diligence. Good practice by leading companies emboldens timid governments to raise the minimum floor of corporate behaviour through regulation and incentives. This should be welcomed as it outlaws the reckless cowboys in every high-risk sector.

**Thirdly**, we see civil society and investors using the

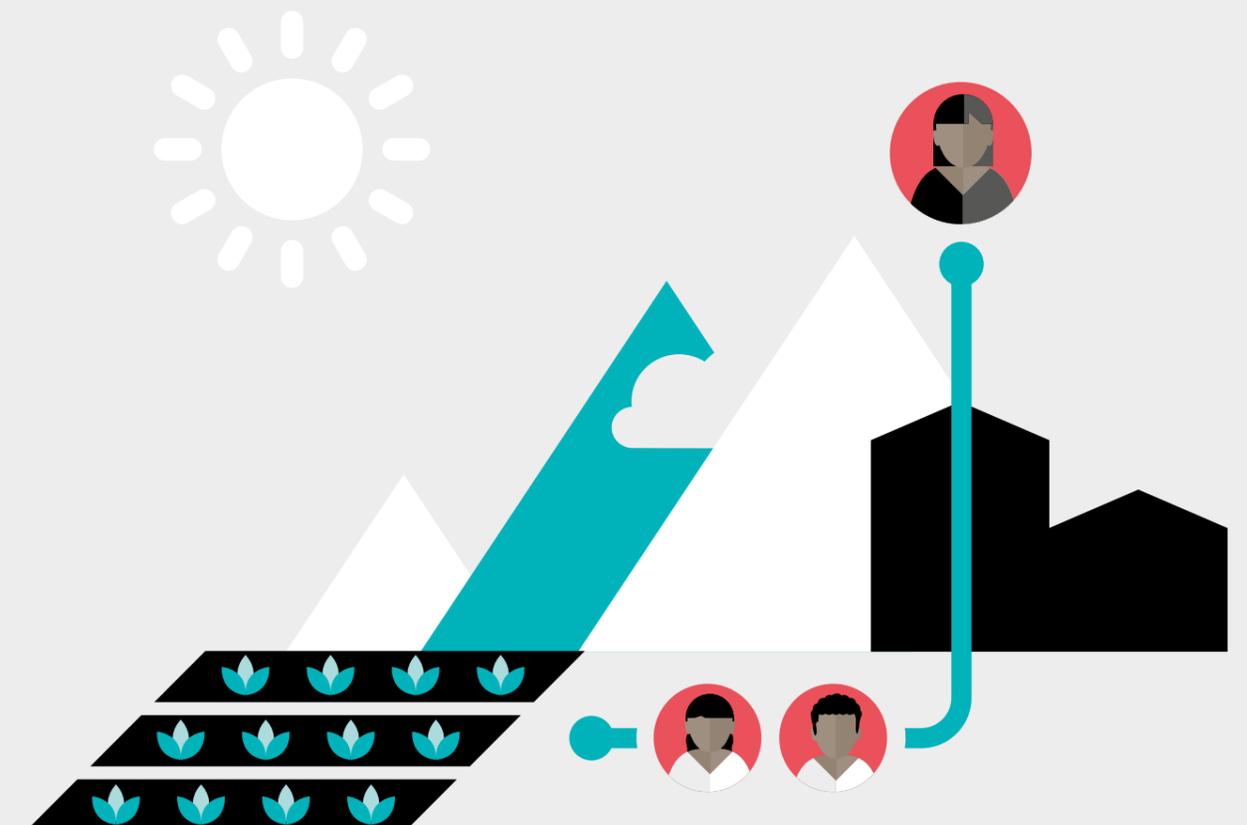
results of the Benchmarks to exert pressure on laggard companies and recently a number of investors have teamed up, privately, with campaign groups to ensure that harder-hitting share-holder resolutions are raised at the AGMs.

These pressures look set to grow and spread over the coming years. This is essential. With humankind facing extraordinary transitions – to zero carbon economies, to automation and gig economies, to mass migration, all amidst the challenges to democracy and open societies - the Corporate Human Rights Benchmark will be one key assessment to press companies to play their full role in helping create a more sustainable and prosperous fu-

ture for all. Equally our association now with the World Benchmarking Alliance will ensure that human rights in business is unavoidable if companies want their operations to be recognised as playing a part in delivering the Sustainable Development Goals.

#### Phil Bloomer

Executive Director, Business & Human Rights Resource Centre  
Member of the Advisory Council, Corporate Human Rights Benchmark



# 1. Guide to the 2018 Benchmark

The CHRB Methodology is the result of extensive global multi-stakeholder consultation, involving representatives from over 400 companies, governments, civil society organisations, investors, academics and legal experts. The CHRB Methodology Committee is led by Peter Webster (EIRIS Foundation) and Margaret Wachenfeld (Themis Research) and meets several times during the research process to identify and address any emergent methodology issues. The full CHRB Methodology can be accessed at [www.corporatebenchmark.org](http://www.corporatebenchmark.org).

Some key points on the Benchmark will help readers to understand the 2018 results:

## Publicly Available Information

In an effort to drive greater transparency, the CHRB assessment is based on publicly available information from public or company websites, documents, and additional company input to the CHRB Disclosure Platform. It uses publicly available information on issues such as forced labour, protecting human rights activists and the living wage to give companies a maximum possible score of up to 100%. Some companies may have **non-public** information which would not be taken into account in the 2018 assessment.

For example, a score of zero on an individual indicator does not necessarily mean that bad practices are present or there is no company action on the issue. Rather, it means that the CHRB has been unable to identify sufficient information in public company documentation to meet the requirements.

## Industries

The three industries in focus – Agricultural Products, Apparel, and Extractives – were selected following

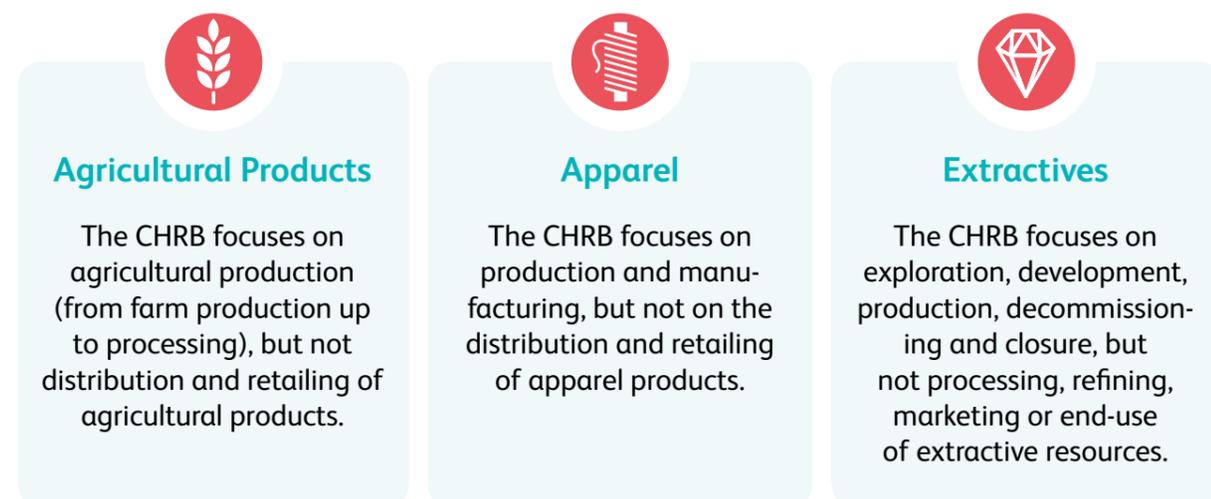


Figure 1: Scope of industry activities for the 2018 Benchmark

multi-stakeholder consultation, taking into account their high human rights risks, the extent of previous work on the issue, and global economic significance. The CHRB follows a specific approach in relation to the scope of each industry covered, the scope of company activities within the value chain, as well as the scope of business relationships considered.

## Companies

The selected 101 publicly traded companies were chosen on the basis of their size (market capitalisation) and revenues, as well as geographic and industry balance. For the full list of companies see Annex 1, which includes the scope of business relationship that they were assessed against.

## International and Industry-Specific Standards

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

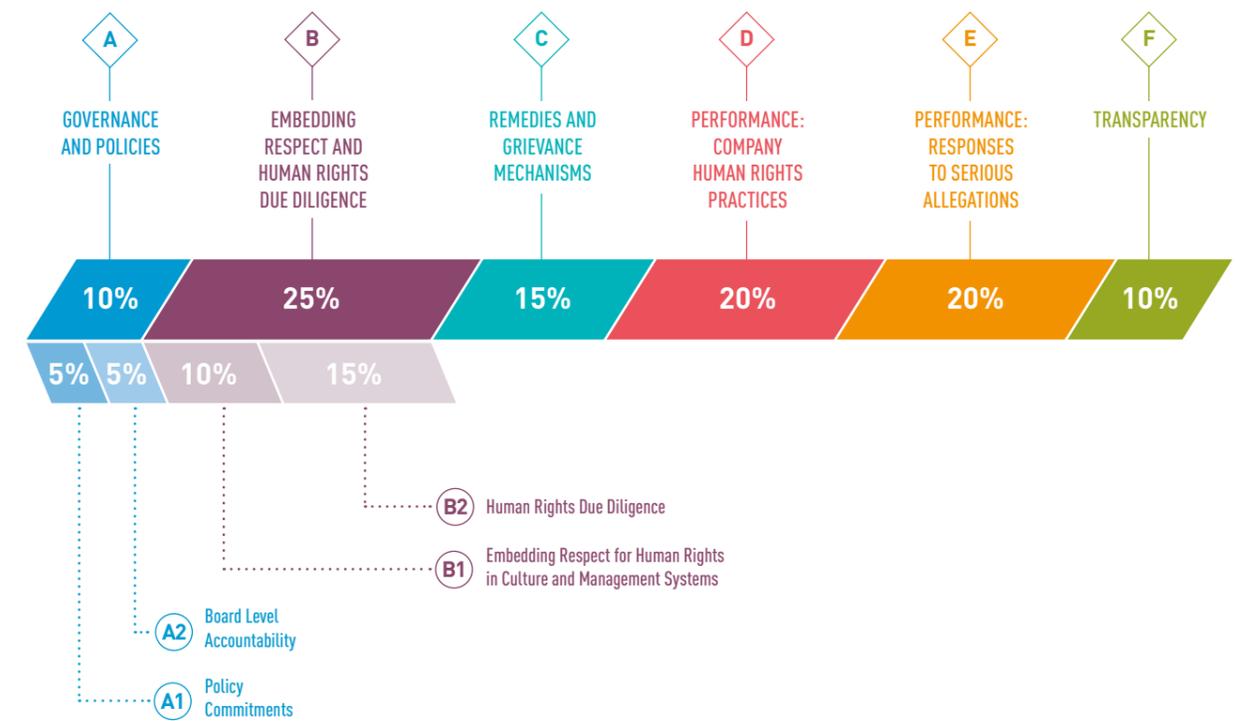


Figure 2: Weighting of CHRB Measurement Themes

focus of the CHRB Measurement Themes, which look at companies' policies, governance, processes, practices and transparency, as well as how they respond to serious allegations.

## Measurement Themes

The CHRB Methodology is composed of indicators spread across six Measurement Themes with different weightings (see Table 1).

These levels have been carefully developed through numerous consultations with stakeholders to seek to achieve a balance between measuring actual human rights impacts on the ground as well as the effectiveness of policies and processes implemented across large and complex companies to systematically address their human rights risks and impacts.

## Scoring

Indicators follow a set structure, awarding either 0, 0.5, 1, 1.5 or 2 points depending on whether the require-

ments are fulfilled through a review of publicly available information.

A company's score on a Measurement Theme is calculated by adding the number of points awarded in the respective Theme, taking individual indicator weightings into account, and dividing it by the maximum number of points available. The scores on all Measurement Themes are then weighted to produce a company's total CHRB score.

## Companies in Two Industries

Companies may be assessed against more than one CHRB industry, where they derive at least 15% of their revenues or over GBP £1 billion from the relevant CHRB industry. Eight companies fell into both the Agricultural Products and Apparel industries. In this case the companies were assessed both in terms of how they manage their Agricultural Products and Apparel business. As such, these particular companies are presented in both industry results where relevant.

## Icons and Abbreviations

Industry icons are used throughout this Report wherever possible to clearly highlight industry results. Similarly, industry abbreviations are often used to clarify which industry companies were assessed against.

These icons and abbreviations are:

-  AG: Agricultural Products
-  AP: Apparel
-  AG/AP: Companies falling in both the Agricultural Products and Apparel industries
-  EX: Extractives

-  Supply Chain
-  Own operations

## Out of Scope

There are some aspects that contribute to the human rights performance of companies, but which are not being covered in the Benchmark in order to focus on key issues, maintain a manageable scope and to learn lessons from the results. These are:

- Geography
- Consumption of Products and Services
- Positive Impacts
- Collective Impacts (such as climate change)

## 2018 Benchmarking Process

In January 2018, the revised CHRB Methodology was published and the research timeline was communicated to company representatives. From mid-February to the end of March, companies were encouraged to include relevant information in their own documentations, formal reporting and websites, or on the CHRB Disclosure Platform. The initial research and analysis was carried out by a team of researchers between April and July.

From June to August the Engagement phase was carried out; companies were sent their draft scorecard and given the opportunity to send comments via email or to discuss the draft assessment with the CHRB team over a one-hour call.

The engagement phase was followed by a second disclosure period, during which companies could point the

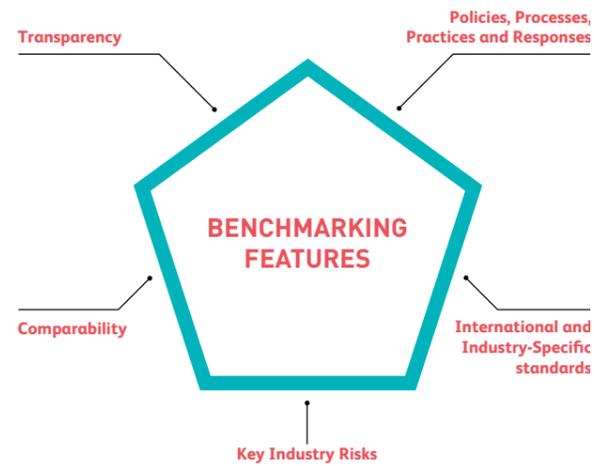


Figure 3: Benchmarking Features

research team to specific statements and / or disclose new documents on the Disclosure Platform.

For the full list of companies that engaged in the Benchmarking process see Annex 3.

The assessment and scores were then finalised during the second review phase, which took place between July and September. During that phase, the research team revised the draft assessments based on the companies' comments received during engagement, any new disclosures from the companies as well as quality controls.

## Comparisons with the Pilot Benchmark results

Following the publication of the Pilot Benchmark in March 2017, the CHRB Methodology was revised based on lessons learnt and on extensive stakeholder feedback. This means that any comparisons between the Pilot results and the 2018 results must be made with caution.

The Methodology changes and their impact on making comparisons are explained in Chapter 6, which then compares the 2018 results with the Pilot results adjusted for the Methodology results.

See pp. 49-54 for more information.



## 2. Key Messages

### Alarming low average scores indicate weak implementation of the UNGPs

The average overall score for 2018 is 27%, with nearly two thirds of companies scoring under 30% and over a quarter of companies scoring under 10%. Seven years after the UNGPs were agreed and launched, the 2018 Benchmark finds many companies in high-risk sectors are not demonstrating a respect for human rights. Only 2% separates the average scores for the three different sectors, showing that the potential lack of implementation of the UNGPs is a feature across the apparel, agricultural products and extractives sectors.

### Human rights due diligence is a key weak area of performance

An alarming 40% of companies score no points at all across the five indicators used to assess the Measurement Theme on Human Rights Due Diligence (B.2). Despite clear expectations placed on companies to communicate their human rights due diligence approaches, 41 major, listed firms were unable to meet any of the CHRB criteria, suggesting that the identification, assessment and management of human rights risks is not yet part of business as usual.

### Higher scoring companies are leading the way, but are outliers

Several companies deserve to be recognised for their efforts. CHRB notes that Adidas, Rio Tinto and BHP Billiton, Marks & Spencer Group, Unilever, Vale, ENI and VF all score above 60% in 2018. The fact that some companies are moving into the highest bands indicates that this is neither an impossible task, nor a hindrance to good financial performance. However, the stark gap between the leading companies and those in the lower scoring bands highlights the disparity in approaches to respecting human rights and transparency in general. Without strong incentives on the poor performers, the CHRB sees the gap between high and low scoring companies becoming more entrenched.

### The fast improvement demonstrated by a few companies shows that rapid change is possible...with commitment

Several companies have seen a large increase in their scores, with ENI, Adidas, Vale, Diageo and Danone all scoring at least 25% more than in the Pilot (See pages 52-53 for comments from some of these companies). These companies support the idea that rapid change is possible, where there is sufficient will within the company to integrate human rights into business thinking, to increase transparency and disclosure, and to implementing the UNGPs.

### Highest performers score well across the board

Across the sectors, the top three or four companies overall are likely to be the top three or four companies in each Measurement Theme; to do well in the Benchmark requires performance across all themes, demonstrating policy commitments, embedding respect, providing access to remedy, dealing with key risks and being transparent. Just having good practice in one area will not suffice. As such, the top scoring companies are tending to be differentiated based on their human rights practices, as they have often reached a similar level on their policies and processes.

### Many key issues are not being well handled

There are several key human rights practice areas that the vast majority of companies can't demonstrate are being well handled (more detail in Theme D section). The practices on the ground do not appear to reflect the policy commitments (where there are any):

- Virtually no companies have demonstrated strong commitments to ensuring there are living wages paid to workers in their own operations and supply chains.
- Less than 10% of companies have public policy commitments concerning the protection of human rights defenders.
- Over half of apparel and agricultural products companies are failing to meet expectations on commitments to preventing child labour in their supply chains.

### Responding to serious allegations is easier than dealing with them

Engagement with potential and actually affected stakeholders is a cornerstone of respecting human rights, but it is often lacking, particularly regarding access to remedy. Over a third of the serious allegations reviewed were not publicly responded to and less than half of the allegations of serious negative human rights impacts resulted in meaningful engagement with alleged affected parties. Further, of the almost 100 allegations reviewed, only 3% of cases show to provide remedy that was satisfactory to the victims. There is a clear gap between companies responding to allegations and actually engaging with affected stakeholders to provide acceptable remedy.

### Moving in the right direction, but need to move faster

When adjusted for the methodology changes, there is a clear improvement from 2017 scores, with the average score increasing from 18% to 27%. Companies, consultancies and leading law firms have all confirmed that initiatives such as the CHRB are driving changes within some companies. Taken together, this provides some initial evidence that publicly available Benchmarks can help create an environment where companies are pushed towards better behaviour. But as much of the increase was driven by the higher performers, the challenge now is to scale up the change and bring along all companies – not just the leaders.<sup>1</sup>

<sup>1</sup> Note that the CHRB has made improvements to the methodology since 2017. In the worst case, a third of this 9% increase could be attributed to changes in the scoring rules – but an increase of 6% from the baseline is still positive news, reflecting changes in disclosure and approaches to human rights.



# 3 2018 Results Across Industries

## A note about measuring corporate human rights performance

As the CHRB we want to emphasise that the results, based on publicly available information, are a proxy for corporate human rights performance and not an absolute measure of performance. This is because, while there is extensive work being undertaken to understand and value respect for human rights, there are no agreed fundamental units of measurement for human rights. As such the CHRB results provide a subjective assessment at a certain point in time.

Therefore, a score of 0 on an individual indicator does not necessarily mean that bad practices are present or that there is no company action on the issue. Rather, it means that we have been unable to identify the required information in public documentation. The introduction of half-marks in 2018 has gone some way to showing where companies are active and communicat-

ing on a human rights topic where they are not meeting all the CHRB requirements for full marks.

Since the pilot was launched in March 2017, we have refined the methodology and are confident in the quality of the results. However, due to the subjective nature of the assessments, which spreads across several thousand data points, there will always be an interpretive margin. We therefore encourage a greater analytical focus on general performance and how scores improve over time rather than upon marginal differences in scoring (either up or down).

The spirit of the exercise is to promote continual improvement via an open assessment process and a common understanding of the importance of the UN Guiding Principles on Business and Human Rights.

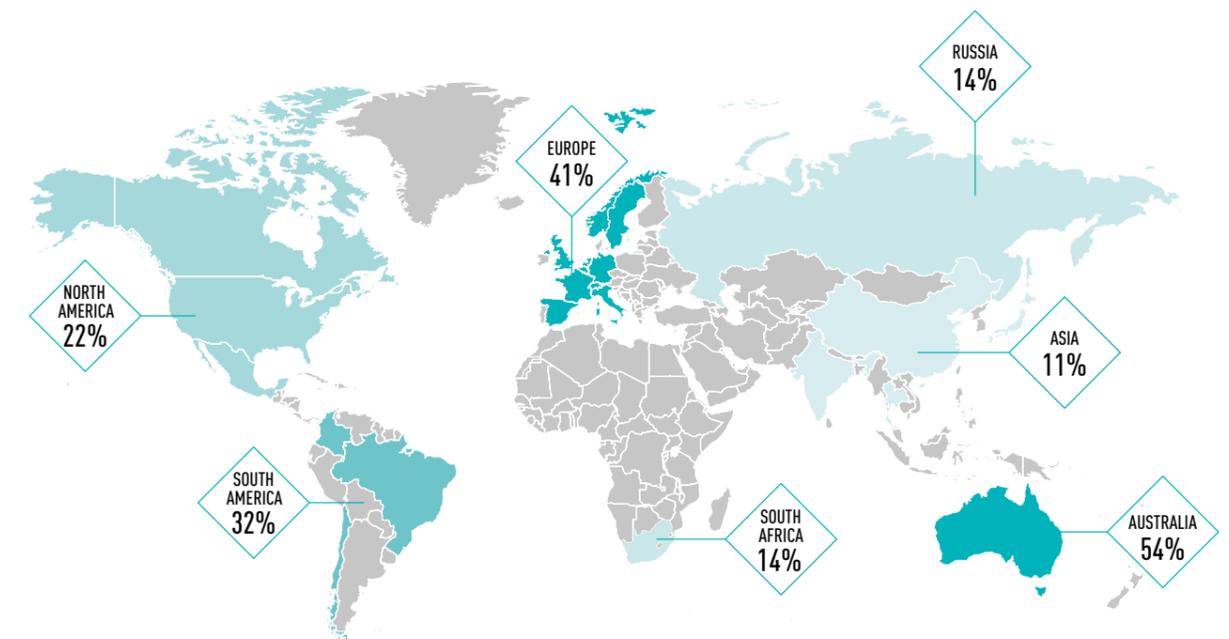
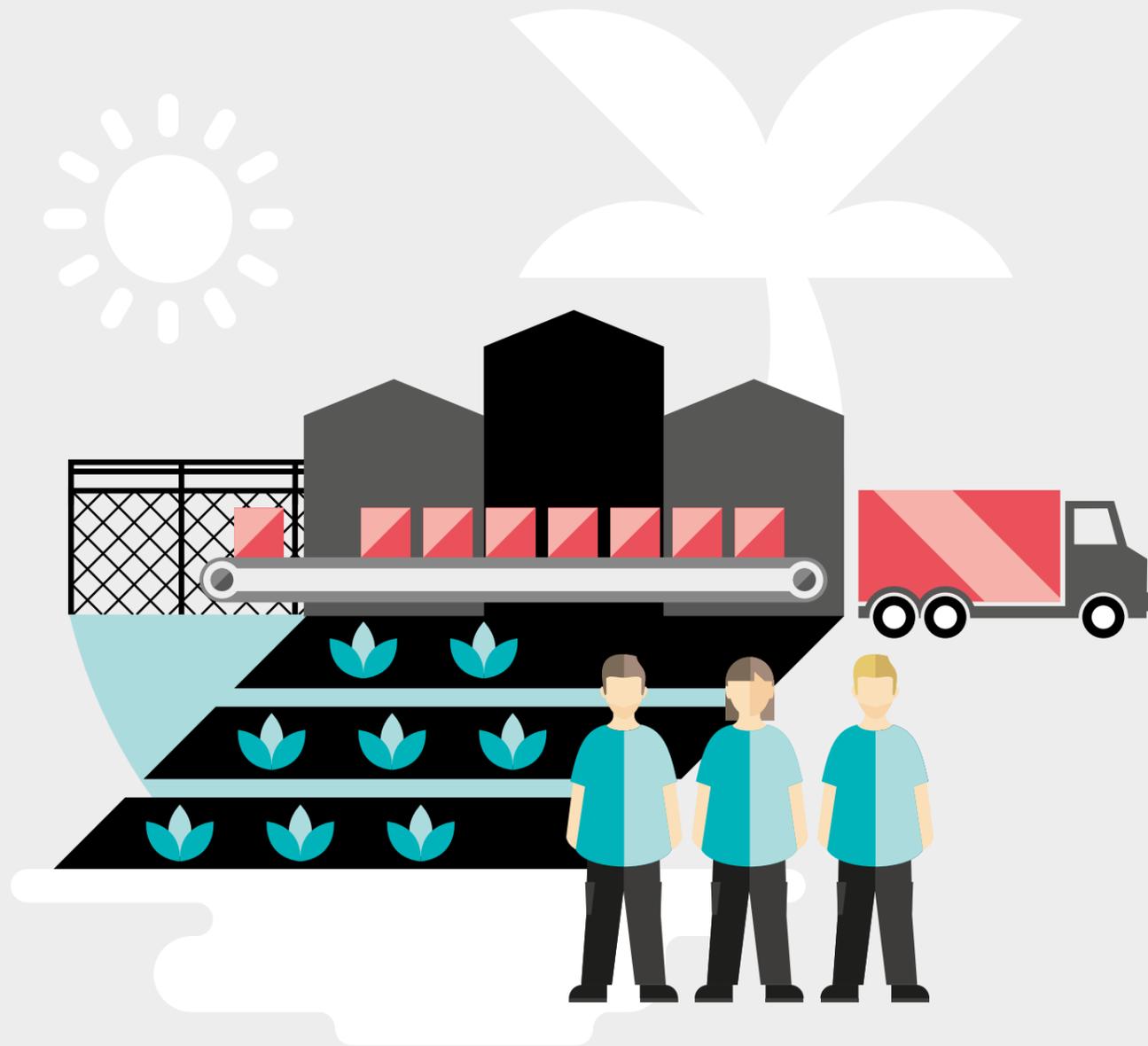


Figure 4: 2018 average results by region

Note: 2 out of the 4 Australian companies included in the Benchmark are dual listed in the UK (BHB Billiton and Rio Tinto)

# 2018 Results - Across Industries

OVERALL AVERAGE **27%**



Figure 5: Average Score by Measurement Theme (darker colour blocks indicate proportion achieved)

The scoring distribution below paints a concerning picture:

- Over a quarter of companies score less than 10%
- Almost two thirds of companies score less than 30%

A normal distribution, centred around the 50% mark, would show some leaders, some laggards and a majority of companies demonstrating a level of respect for human rights. However, the observed distribution shows that the majority of companies are failing to demonstrate their respect for human rights and suggests that the UN Guiding Principles on Business and Human Rights are not being implemented by a majority of companies.

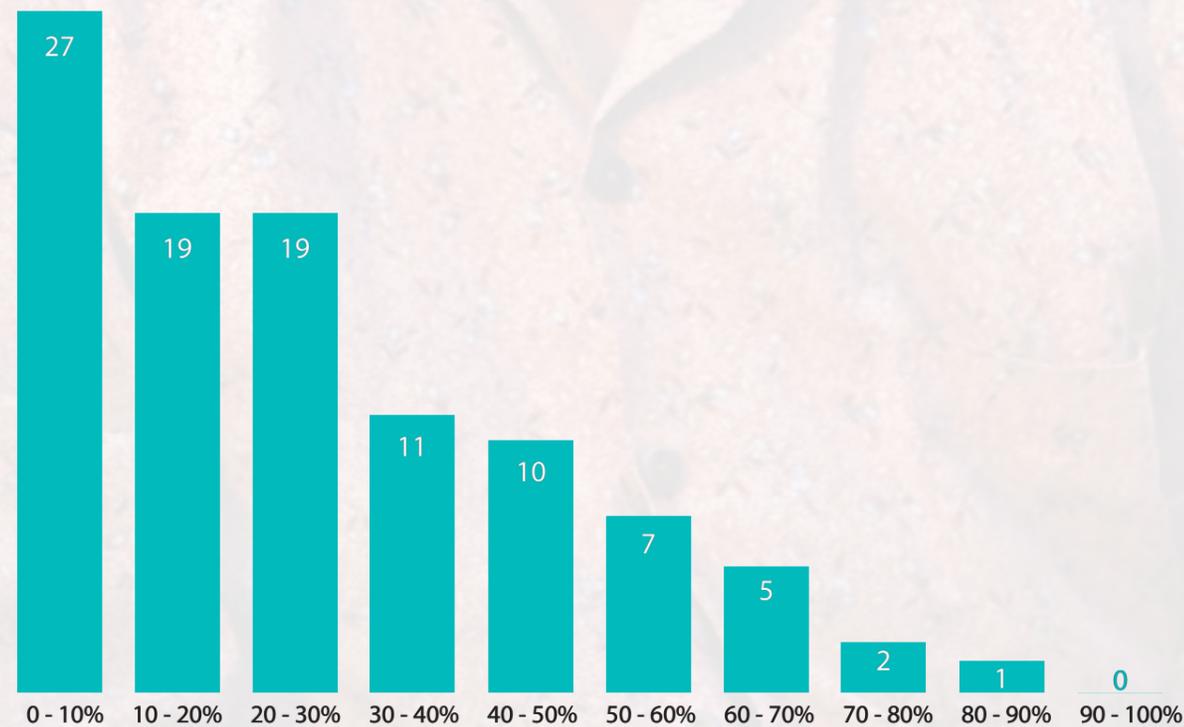
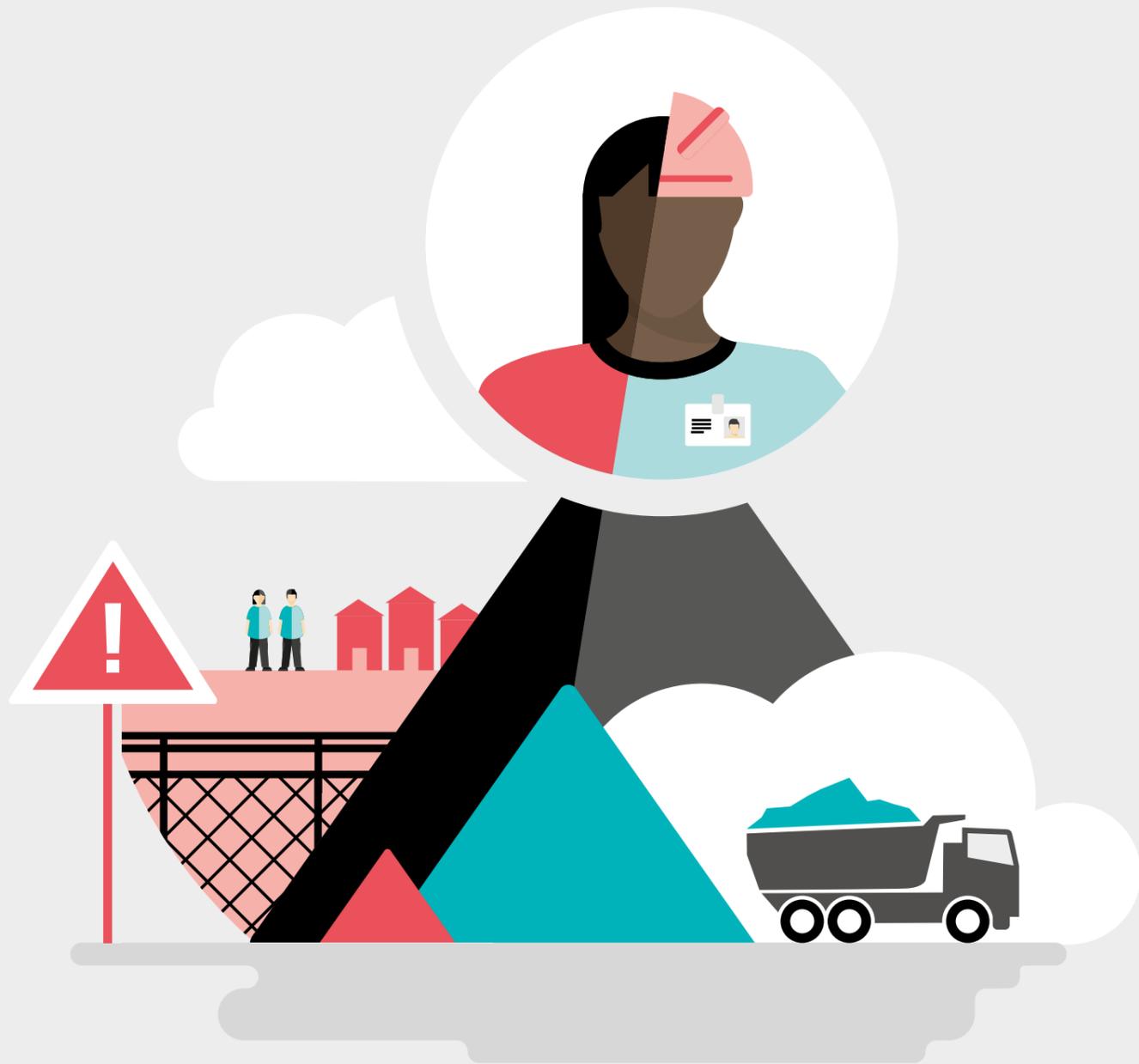


Figure 6: Number of Companies (out of 98) in each Band

| BAND RANGE               | COMPANY               | INDUSTRY               | BAND RANGE                    | COMPANY                    | INDUSTRY   |
|--------------------------|-----------------------|------------------------|-------------------------------|----------------------------|------------|
| 80-90%                   | Adidas                | AP                     | 20-30% (cont.)                | Rosneft Oil                | EX         |
| 70-80%                   | Rio Tinto             | EX                     |                               | McDonald's                 | AG         |
|                          | BHP Billiton          | EX                     |                               | Pernod-Ricard              | AG         |
| 60-70%                   | Marks & Spencer Group | AP&AG                  |                               | Kroger                     | AG         |
|                          | Unilever              | AG                     | 10-20%                        | The Hershey Company        | AG         |
|                          | Vale                  | EX                     |                               | Suncor Energy              | EX         |
| ENI                      | EX                    | Exxon Mobil            |                               | EX                         |            |
| VF                       | AP                    | Ahold Delhaize         |                               | AG                         |            |
| 50-60%                   | The Coca-Cola Company | AG                     |                               | PTT                        | EX         |
|                          | Kellogg               | AG                     |                               | Grupo Mexico               | EX         |
|                          | Royal Dutch Shell     | EX                     | LVMH                          | AP                         |            |
|                          | Inditex               | AP                     | Aeon Company                  | AP&AG                      |            |
|                          | Freeport-McMoRan      | EX                     | L Brands                      | AP                         |            |
|                          | Anglo American        | EX                     | Target                        | AP&AG                      |            |
|                          | Gap                   | AP                     | Sysco                         | AG                         |            |
|                          | 40-50%                | Hennes & Mauritz       | AP                            | Compass Group              | AG         |
|                          |                       | BP                     | EX                            | Norilsk Nickel             | EX         |
|                          |                       | Hanesbrands            | AP                            | TJX Companies              | AP         |
| Total                    |                       | EX                     | Anadarko Petroleum            | EX                         |            |
| Nestle                   |                       | AG                     | Marathon Petroleum            | EX                         |            |
| Repsol                   |                       | EX                     | Yum! Brands                   | AG                         |            |
| PepsiCo                  |                       | AG                     | Canadian Natural Resources    | EX                         |            |
| Diageo                   |                       | AG                     | Kohl's                        | AP                         |            |
| Petrobras                |                       | EX                     | 0-10%                         | Tapestry                   | AP         |
| Woolworths               |                       | AG                     |                               | Phillips 66                | EX         |
| 30-40%                   |                       | Glencore               |                               | EX                         | PetroChina |
|                          |                       | ConocoPhillips         | EX                            | BRF                        | AG         |
|                          |                       | Next                   | AP                            | Costco Wholesale           | AP&AG      |
|                          | Ecopetrol             | EX                     | Starbucks                     | AG                         |            |
|                          | Danone                | AG                     | Nordstrom                     | AP                         |            |
|                          | Heineken NV           | AG                     | Falabella                     | AP&AG                      |            |
|                          | Equinor               | EX                     | Devon Energy                  | EX                         |            |
|                          | Tesco                 | AP&AG                  | Oil & Natural Gas Corporation | EX                         |            |
|                          | Nike                  | AP                     | Gazprom                       | EX                         |            |
|                          | General Mills         | AG                     | Ross Stores                   | AP                         |            |
|                          | Under Armour          | AP                     | Kraft Heinz                   | AG                         |            |
|                          | 20-30%                | Archer Daniels Midland | AG                            | China Petroleum & Chemical | EX         |
|                          |                       | Chevron Corporation    | EX                            | China Shenhua Energy       | EX         |
| Kering                   |                       | AP                     | Macy's                        | AP                         |            |
| Fast Retailing           |                       | AP                     | Shoprite                      | AG                         |            |
| Wesfarmers               |                       | AG                     | Prada                         | AP                         |            |
| Coal India               |                       | EX                     | CNOOC                         | EX                         |            |
| Associated British Foods |                       | AP&AG                  | Hermes International          | AP                         |            |
| Mondelez International   |                       | AG                     | Surgutneftegas                | EX                         |            |
| Carrefour                |                       | AG                     | EOG Resources                 | EX                         |            |
| Sasol                    |                       | EX                     | Alimentation Couche-Tard      | AG                         |            |
| Goldcorp                 |                       | EX                     | Valero Energy                 | EX                         |            |
| Lukoil                   |                       | EX                     | Monster Beverage              | AG                         |            |
| Wal-Mart Stores          |                       | AP&AG                  | Heilan Home                   | AP                         |            |
| Occidental Petroleum     |                       | EX                     | Kweichow Moutai               | AG                         |            |
| Anheuser-Busch InBev     |                       | AG                     |                               |                            |            |

Figure 7: Company Results by Band



# 4 Industry Essentials

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AGRICULTURAL PRODUCTS



APPAREL



EXTRACTIVES

# Agricultural Products

OVERALL AVERAGE **25.5%**

Average score per Measurement Theme

38 of the largest agricultural products companies in the world were assessed against the CHRB's Agricultural Products criteria, of which 8 were also assessed against the Apparel criteria and 3 were new additions in 2018 (Ahold Delhaize, Monster Beverage and Wesfarmers).

There has been a general upward trend (on average) since 2017. Marks and Spencer, Unilever, Coca Cola and Kellogg were consistently top scorers in different themes, while the lowest scoring companies per theme were more varied, although Kweichow Moutai and Monster Beverage had the most 'zero scores per theme'.



Figure 8: Average Score by Measurement Theme (darker colour blocks indicate proportion achieved)

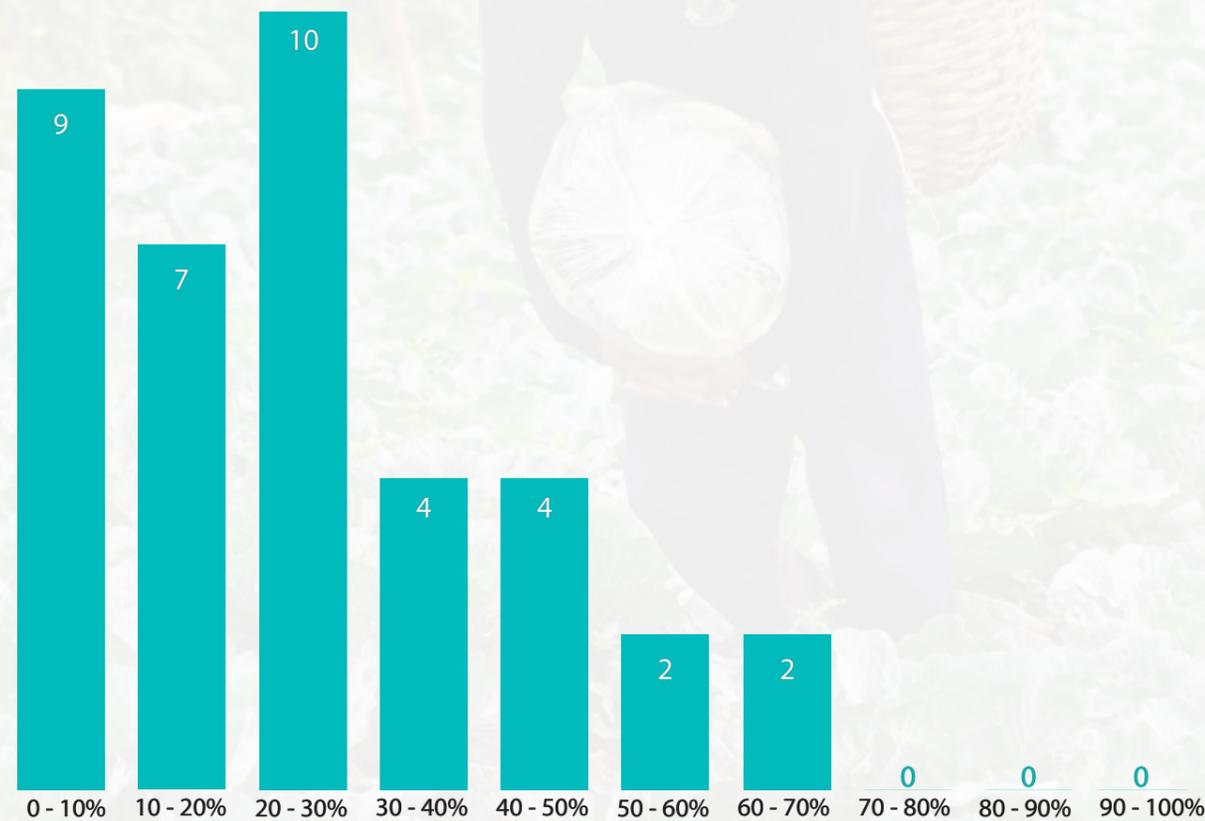


Figure 9: Number of Agricultural Companies (out of 38) in each Band

| BAND RANGE | COMPANY                  | INDUSTRY |
|------------|--------------------------|----------|
| 60-70%     | Marks & Spencer Group    | AP&AG    |
|            | Unilever                 | AG       |
|            | The Coca-Cola Company    | AG       |
| 50-60%     | Kellogg                  | AG       |
|            | Nestle                   | AG       |
|            | PepsiCo                  | AG       |
|            | Diageo                   | AG       |
| 40-50%     | Woolworths               | AG       |
|            | Danone                   | AG       |
|            | Heineken NV              | AG       |
|            | Tesco                    | AP&AG    |
| 30-40%     | General Mills            | AG       |
|            | Archer Daniels Midland   | AG       |
|            | Wesfarmers               | AG       |
|            | Associated British Foods | AP&AG    |
| 20-30%     | Mondelez International   | AG       |
|            | Carrefour                | AG       |
|            | Wal-Mart Stores          | AP&AG    |
|            | Anheuser-Busch InBev     | AG       |

| BAND RANGE       | COMPANY                  | INDUSTRY |
|------------------|--------------------------|----------|
| 20-30% (cont.)   | McDonald's               | AG       |
|                  | Pernod-Ricard            | AG       |
|                  | Kroger                   | AG       |
| 10-20%           | The Hershey Company      | AG       |
|                  | Ahold Delhaize           | AG       |
|                  | Aeon Company             | AP&AG    |
|                  | Target                   | AP&AG    |
|                  | Sysco                    | AG       |
|                  | Compass Group            | AG       |
| 0-10%            | Yum! Brands              | AG       |
|                  | BRF                      | AG       |
|                  | Costco Wholesale         | AP&AG    |
|                  | Starbucks                | AG       |
|                  | Falabella                | AP&AG    |
|                  | Kraft Heinz              | AG       |
|                  | Shoprite                 | AG       |
|                  | Alimentation Couche-Tard | AG       |
| Monster Beverage | AG                       |          |
| Kweichow Moutai  | AG                       |          |

Figure 10: Agricultural Products Company Results by Band

As in 2017 companies are still performing worse on Theme D (Human Rights Practices – risks and enabling factors) than on other themes. The Agricultural Products sector has the lowest average score and also differs from the Apparel and Extractives sectors in its score banding distribution; the most common banding is 20-30%, not 0-10%. Four companies scoring more than 50%, but 68% of companies score less than 30%.



Figure 11: Highest and Lowest Scoring Agricultural Products Companies in each Measurement Theme

Note: A score of 0 does not necessarily mean that bad practices are present or there is no company action on the issue. Rather, it means that the CHRB has been unable to identify in public company documentation all of the elements required for a positive score.

# Apparel

OVERALL AVERAGE **26.7%**

Average score per Measurement Theme

30 of the largest apparel companies in the world were assessed against the CHRB's Apparel criteria (of which 8 companies were also assessed against the Agricultural Products criteria).

There has been a general upward trend (on average) since 2017, but companies are scoring fewer points on Theme C (Remedies and Grievance Mechanisms) than for other themes, as in 2017. Adidas, Marks and Spencer and VF were consistently top scorers in different themes, while the lowest scoring companies per theme were more varied, although Heilan Home had the most 'zero scores per theme'.

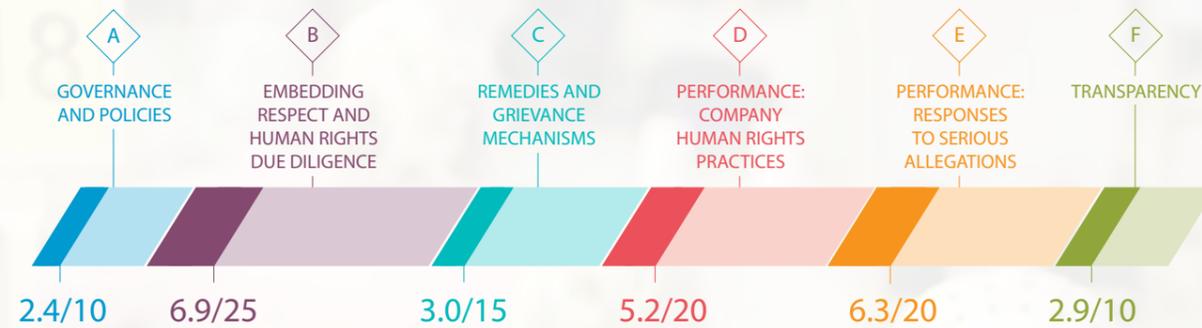


Figure 12: Average Score by Measurement Theme (darker colour blocks indicate proportion achieved)



Figure 13: Number of Apparel Companies (out of 30) in each Band

| BAND RANGE  | COMPANY                  | INDUSTRY |
|-------------|--------------------------|----------|
| 80-90%      | Adidas                   | AP       |
|             | Marks & Spencer Group    | AP&AG    |
|             | VF                       | AP       |
| 50-60%      | Inditex                  | AP       |
|             | Gap                      | AP       |
|             | Hennes & Mauritz         | AP       |
| 40-50%      | Hanesbrands              | AP       |
|             | Next                     | AP       |
|             | Tesco                    | AP&AG    |
| 30-40%      | Nike                     | AP       |
|             | Under Armour             | AP       |
|             | Kering                   | AP       |
| 20-30%      | Fast Retailing           | AP       |
|             | Associated British Foods | AP&AG    |
|             | Wal-Mart Stores          | AP&AG    |
|             | LVMH                     | AP       |
| 10-20%      | Aeon Company             | AP&AG    |
|             | L Brands                 | AP       |
|             | Target                   | AP&AG    |
| 0-10%       | TJX Companies            | AP       |
|             | Kohl's                   | AP       |
|             | Tapestry                 | AP       |
|             | Costco Wholesale         | AP&AG    |
|             | Nordstrom                | AP       |
|             | Falabella                | AP&AG    |
|             | Ross Stores              | AP       |
|             | Macy's                   | AP       |
|             | Prada                    | AP       |
|             | Hermes International     | AP       |
| Heilan Home | AP                       |          |

Figure 14: Apparel Company Results by Band

The Apparel sector average scores are heavily skewed to the lowest bands, with only 5 out of 30 companies scoring above 50% and 9 out of 30 companies scoring less than 10%.

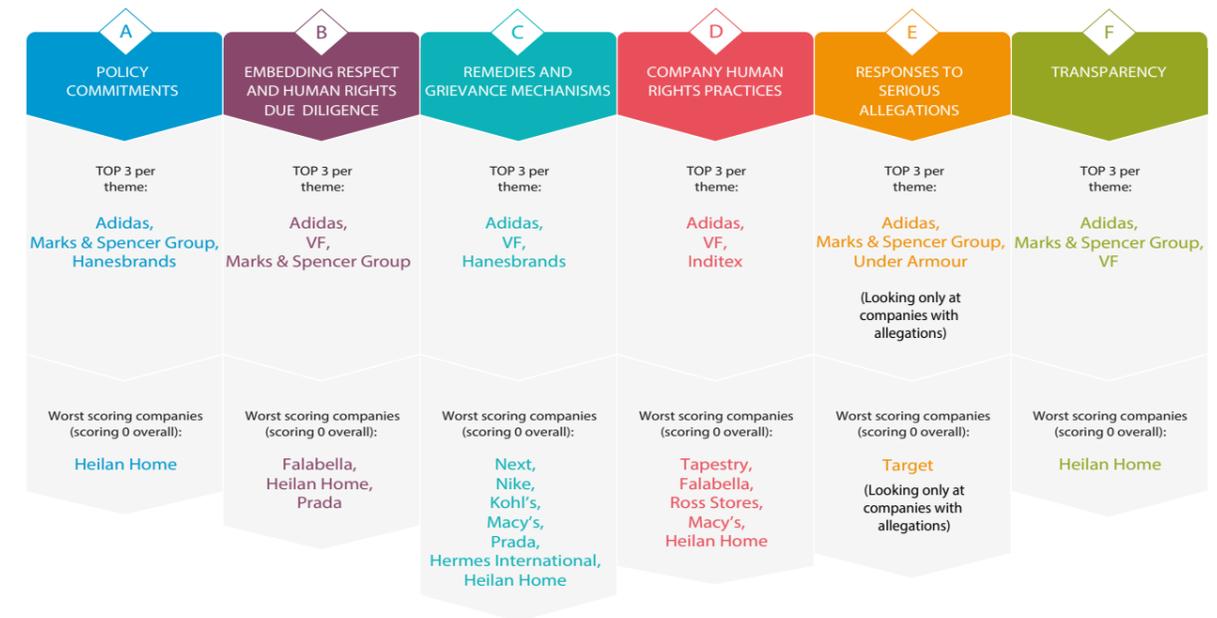


Figure 15: Highest and Lowest Scoring Apparel Companies in each Measurement Theme

Note: A score of 0 does not necessarily mean that bad practices are present or there is no company action on the issue. Rather, it means that the CHRB has been unable to identify in public company documentation all of the elements required for a positive score.

# Extractives

OVERALL AVERAGE **29.4%**

Average score per Measurement Theme

41 of the largest extractives companies in the world were assessed against the CHRB's extractives criteria. There has been a general upward trend (on average) since 2017, but companies are scoring fewer points on Theme B (Embedding Respect and Human Rights Due Diligence) than other themes, as in 2017 (although the differences between theme scores are quite small).

Rio Tinto and BHP Billiton were consistently in the top 3 companies per Theme while the 'zero scoring' companies were more varied. The Extractives companies are heavily skewed to the lowest bands, with over a quarter of them scoring less than 10% and only 7 out of 41 companies scoring more than 50%. Overall, the Extractives sector scored the highest average mark.

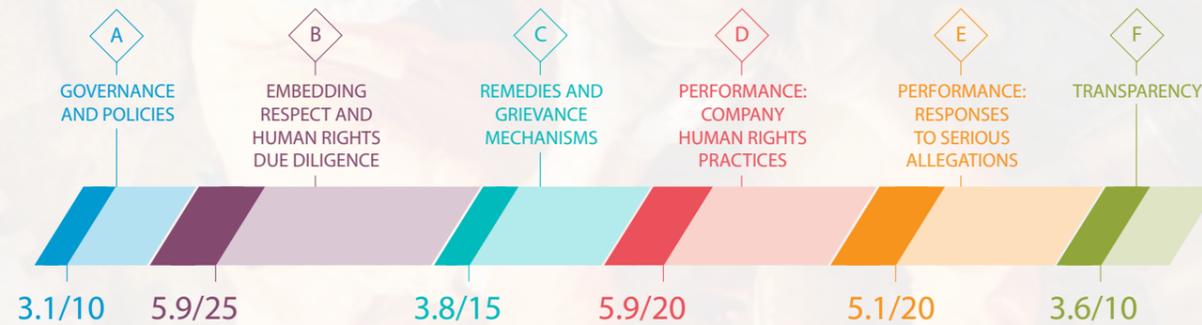


Figure 16: Average Score by Measurement Theme (darker colour blocks indicate proportion achieved)

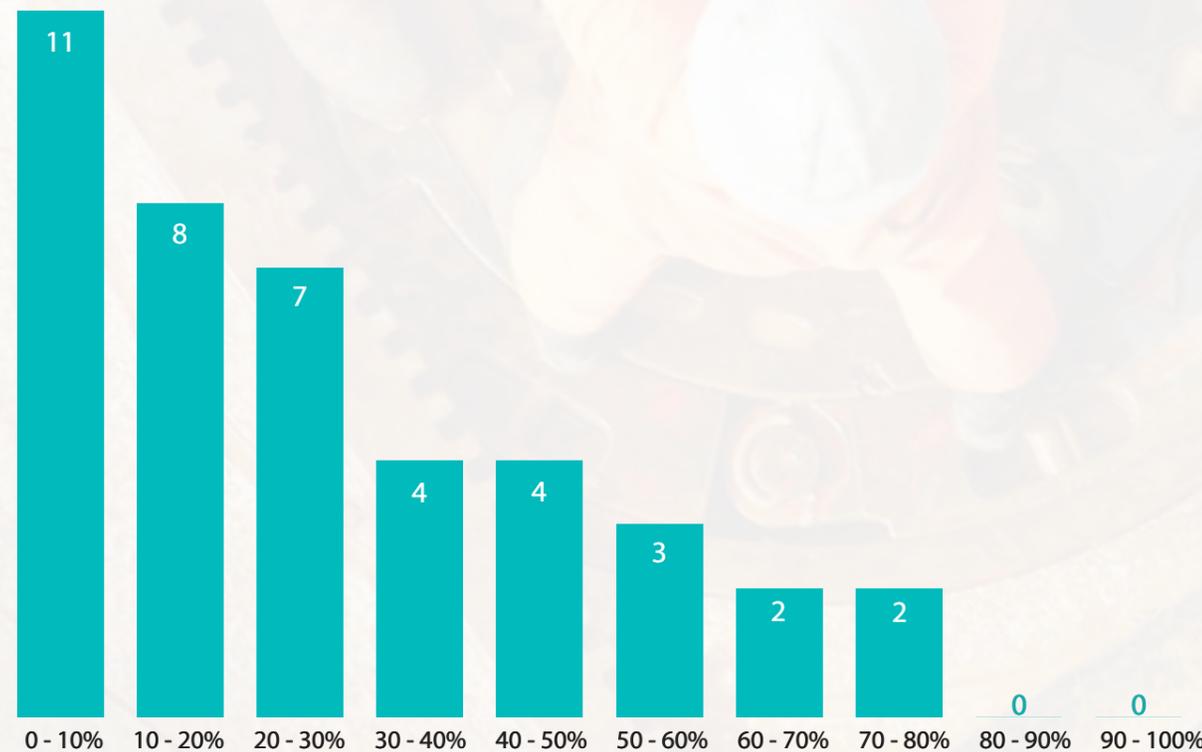


Figure 17: Number of Extractive Companies (out of 41) in each Band

| BAND RANGE                 | COMPANY                       | INDUSTRY      |    |
|----------------------------|-------------------------------|---------------|----|
| 70-80%                     | Rio Tinto                     | EX            |    |
|                            | BHP Billiton                  | EX            |    |
|                            | Vale                          | EX            |    |
| 60-70%                     | ENI                           | EX            |    |
|                            | Royal Dutch Shell             | EX            |    |
|                            | Freeport-McMoRan              | EX            |    |
| 50-60%                     | Anglo American                | EX            |    |
|                            | BP                            | EX            |    |
|                            | Total                         | EX            |    |
| 40-50%                     | Repsol                        | EX            |    |
|                            | Petrobras                     | EX            |    |
|                            | Glencore                      | EX            |    |
| 30-40%                     | ConocoPhillips                | EX            |    |
|                            | Ecopetrol                     | EX            |    |
|                            | Equinor                       | EX            |    |
| 20-30%                     | Chevron Corporation           | EX            |    |
|                            | Coal India                    | EX            |    |
|                            | Sasol                         | EX            |    |
|                            | Goldcorp                      | EX            |    |
|                            | Lukoil                        | EX            |    |
|                            | Occidental Petroleum          | EX            |    |
|                            | 20-30%                        | Rosneft Oil   | EX |
|                            | 10-20%                        | Suncor Energy | EX |
|                            |                               | Exxon Mobil   | EX |
|                            |                               | PTT           | EX |
| Grupo Mexico               |                               | EX            |    |
| Norilsk Nickel             |                               | EX            |    |
| Anadarko Petroleum         |                               | EX            |    |
| Marathon Petroleum         |                               | EX            |    |
| Canadian Natural Resources |                               | EX            |    |
| 0-10%                      |                               | Phillips 66   | EX |
|                            |                               | PetroChina    | EX |
|                            | Devon Energy                  | EX            |    |
|                            | Oil & Natural Gas Corporation | EX            |    |
|                            | Gazprom                       | EX            |    |
|                            | China Petroleum & Chemical    | EX            |    |
|                            | China Shenhua Energy          | EX            |    |
|                            | CNOOC                         | EX            |    |
|                            | Surgutneftegas                | EX            |    |
|                            | EOG Resources                 | EX            |    |
| Valero Energy              | EX                            |               |    |

Figure 18: Extractive Company Results by Band

| A  | B   | C  | D  | E   | F   |
|--|---|--|--|---|---|
| POLICY COMMITMENTS   | EMBEDDING RESPECT AND HUMAN RIGHTS DUE DILIGENCE  | REMEDIES AND GRIEVANCE MECHANISMS  | COMPANY HUMAN RIGHTS PRACTICES   | RESPONSES TO SERIOUS ALLEGATIONS  | TRANSPARENCY  |
| TOP 3 per theme:<br>BHP Billiton, Rio Tinto, ENI, Anglo American     | TOP 3 per theme:<br>Rio Tinto, BHP Billiton, Royal Dutch Shell  | TOP 3 per theme:<br>BHP Billiton, Vale, Rio Tinto  | TOP 3 per theme:<br>ENI, BHP Billiton, Vale  | TOP 3 per theme:<br>Rio Tinto, Vale, Royal Dutch Shell<br>(Looking only at companies with allegations)  | TOP 3 per theme:<br>BHP Billiton, Rio Tinto, Vale   |
| Worst scoring companies (scoring 0 overall):<br>China Shenhua Energy | Worst scoring companies (scoring 0 overall):<br>PetroChina, Oil & Natural Gas Corporation, Gazprom, China Petroleum & Chemical, China Shenhua Energy, CNOOC, Surgutneftegas, EOG Resources, Valero Energy | Worst scoring companies (scoring 0 overall):<br>Gazprom, China Petroleum & Chemical, China Shenhua Energy, CNOOC, Surgutneftegas | Worst scoring companies (scoring 0 overall):<br>Anadarko Petroleum, China Petroleum & Chemical, EOG Resources, Valero Energy | Worst scoring companies (scoring 0 overall):<br>Oil & Natural Gas Corporation, Surgutneftegas<br>(Looking only at companies with allegations) | Worst scoring companies (scoring 0 overall):<br>Surgutneftegas, Valero Energy<br>(Did not score 0 but lowest scoring) |

Figure 19: Highest and Lowest Scoring Extractive Companies in each Measurement Theme

Note: A score of 0 does not necessarily mean that bad practices are present or there is no company action on the issue. Rather, it means that the CHRB has been unable to identify in public company documentation all of the elements required for a positive score.

# 5 2018 Results by Measurement Theme

## Overall

Scores are low across all Measurement Themes, with companies scoring on average less than a third of the maximum points available per theme:

| Measurement Theme                                   | Average Score | Maximum available | % of Maximum |
|---|---------------|-------------------|--------------|
| A. Governance and Policy Commitments                | 2.9           | 10                | 29 %         |
| B. Embedding Respect and Human Rights Due Diligence | 6.8           | 25                | 27 %         |
| C. Remedies and Grievance Mechanisms                | 3.4           | 15                | 23 %         |
| D. Performance: Company Human Rights Practices      | 4.9           | 20                | 25 %         |
| E. Performance: Responses to Serious Allegations    | 5.4           | 20                | 27 %         |
| F. Transparency                                     | 3.2           | 10                | 32 %         |

Figure 20: Average scores per Measurement Theme, with equivalent percentage score

Even though average scores are low across the board, overall companies tend to perform more strongly on policy commitments and management systems than on remedy or dealing with key risks in practice.

A number of companies score zero on all indicators in a Measurement Theme:

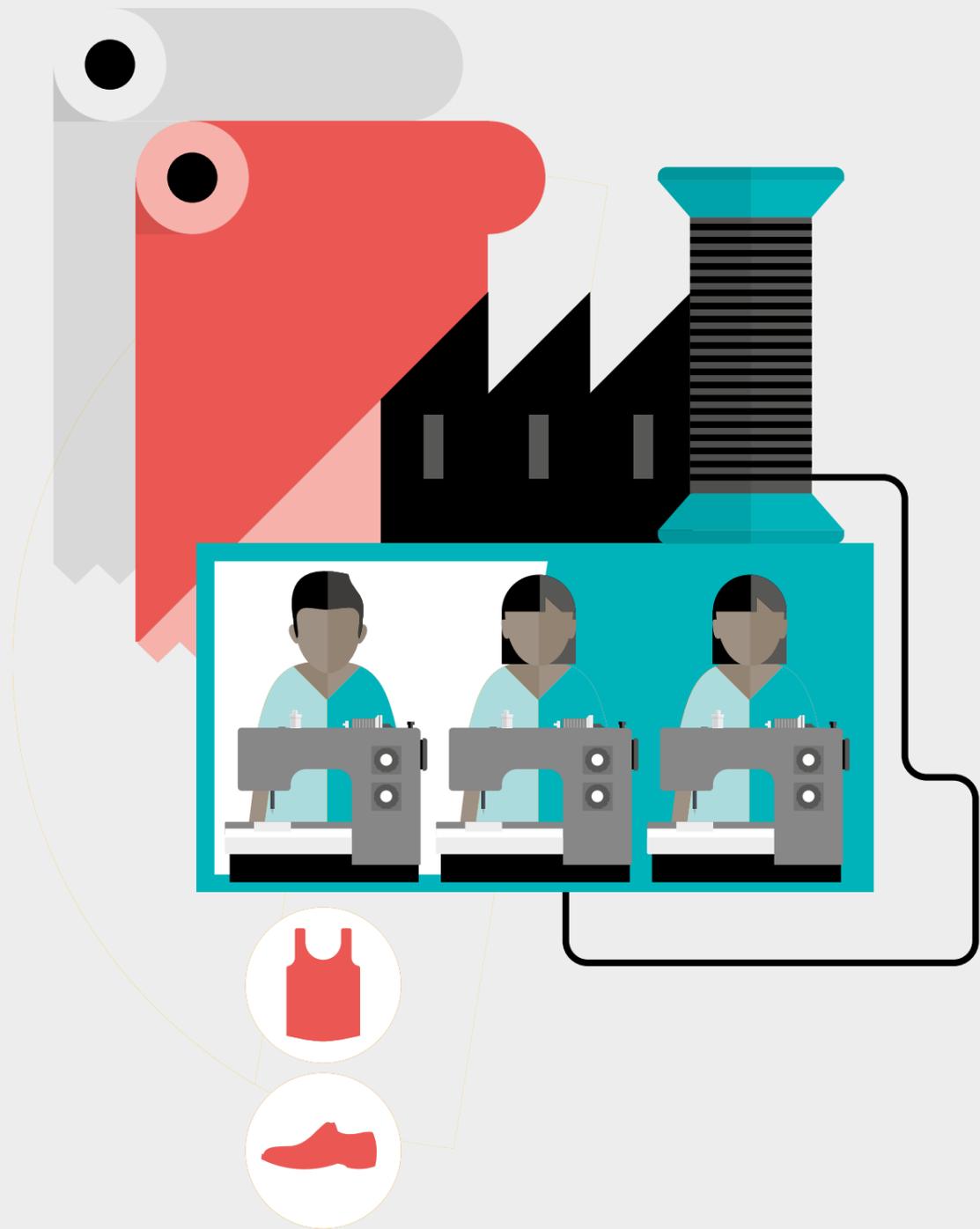
| Measurement Theme             | A.1 | A.2 | B.1 | B.2 | C  | D  | E | F |
|-------------------------------|-----|-----|-----|-----|----|----|---|---|
| Number of companies scoring 0 | 6   | 27  | 19  | 41  | 14 | 14 | 5 | 2 |

Figure 21: Number of companies scoring 0 per Measurement Theme

This means that the CHRB couldn't find enough publicly available information to even give a half mark on any indicators relating to:

- A.1 Commitments to respecting human rights – for 6 companies
- A.2 Board level accountability for human rights – for 27 companies
- B.1 Embedding respect for HR in company management systems – for 19 companies
- B.2 Human rights due diligence – for 41 companies
- C. Remedy and Grievance Mechanisms – for 14 companies
- D. Dealing with key risks and enabling factors for human rights – for 14 companies
- E. Performance: Responses to Serious Allegations
- F. Transparency

The high number of companies scoring zero points within Themes A-D is a concern as it indicates companies lack the fundamental commitments and systems needed to avoid causing adverse human rights impacts, or to provide remedy after an impact has occurred.



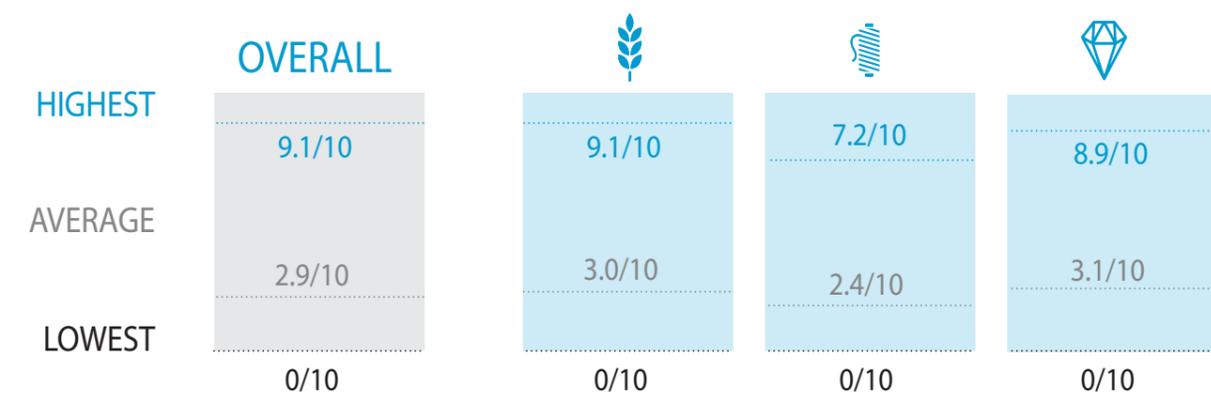
# 2018 Results by Measurement Theme

## A. Governance and Policy Commitments 10% of overall score

Measurement Theme A focuses on a company’s human rights related policy commitments and how they are governed. It includes two related sub-themes:

- **Policy Commitments:** These indicators aim to assess the extent to which a company acknowledges its responsibility to respect human rights, and how it formally incorporates this into publicly available statements of policy.
- **Board Level Accountability:** These indicators seek to assess how the company’s policy commitments are managed as part of the Board’s role and responsibility.

*Note: The descriptions of each indicator are shortened and paraphrased to briefly illustrate the type of requirement against which scores have been earned. For the full description of all the criteria required to fulfill each indicator, please refer to the 2018 CHRB Methodology.*



### A.1 Policy Commitments

**Why is this important?** A policy commitment sets the “tone at the top” of the company that is needed to continually drive respect for human rights into the core values and culture of the business. It indicates that top management considers respect for human rights to be a minimum standard for conducting business with legitimacy; it sets out their expectations of how staff and business relationships should act, as well as what others can expect of the company. It should trigger a range of other internal actions that are necessary to meet the commitment in practice.

**What have we seen?** Theme A.1 average scores increased by almost 9 % since 2017. The theme has six indicators covering different aspects of human rights commitments, with varying levels of public commitments being seen:

- A majority (78 %) of companies have made a public commitment to respecting human rights, but conversely, 22 % of companies have not. Seven years on from the UNGPs endorsement, less than a third of companies are publicly committing to implement the UNGPs (or the OECD Guidelines for Multinational Enterprises) (A.1.1).
- Engagement is vital to respecting human rights, but over a third of companies (38 %) could not demonstrate a commitment to, or evidence of, engaging with potentially or actually affected stakeholders (A.1.4).
- Public policy commitments to remedy are weak, with 69 % of companies unable to demonstrate a commitment to remedying their adverse impacts on workers, individuals or communities (A.1.5).
- A minority (7 %) scored any points on indicator A.1.6 demonstrating the company’s public commitment to neither tolerating or contributing to the abuse of human rights defenders linked to its operations (A.1.6). Adidas, Hanesbrands, Kellogg and Marks and Spencer all scored full points regarding this commitment.

### A.2 Board Level Accountability

**Why is this important?** Attention to human rights issues by the Board and signals from them indicates that top management considers respect for human rights to be a minimum standard for conducting business with legitimacy.

**What have we seen?** Theme A.2 has increased by almost 8 % since 2017. The three A2 indicators get progressively more difficult for companies, indicating that the governance of human rights has not yet been explicitly embedded within most board’s remits:

- 30 % of companies couldn’t demonstrate board level responsibility for human rights, by either board level policy sign off or tasking for board members/committees (A.2.1).
- Almost two thirds of companies (63 %) did not disclose how the board discusses and reviews human rights issues (A.2.2). 15 companies scored maximum points on this indicator (10 of which were extractives companies) which means that they publicly describe the process for their human rights commitments and risks to be regularly discussed at Board level and provide an example of this in practice.<sup>1</sup>
- 80 % of companies couldn’t show connections between human rights performance and board remuneration, with a minority of companies being able to demonstrate incentives schemes linked to key human rights issues (A.2.3). Four companies scored full points indicating that at least one Board member has incentives linked to aspects of the company’s human rights policy commitments and that they also make the criteria public (BHP Billiton, Carrefour, Marks & Spencer and Unilever).

<sup>1</sup> Adidas, Anglo American, BHP Billiton, BP, ENI, Freeport-McMoRan, Glencore, Hanesbrands, Kellogg, Rio Tinto, Royal Dutch Shell, The Coca-Cola Company, Total, Unilever, VF.



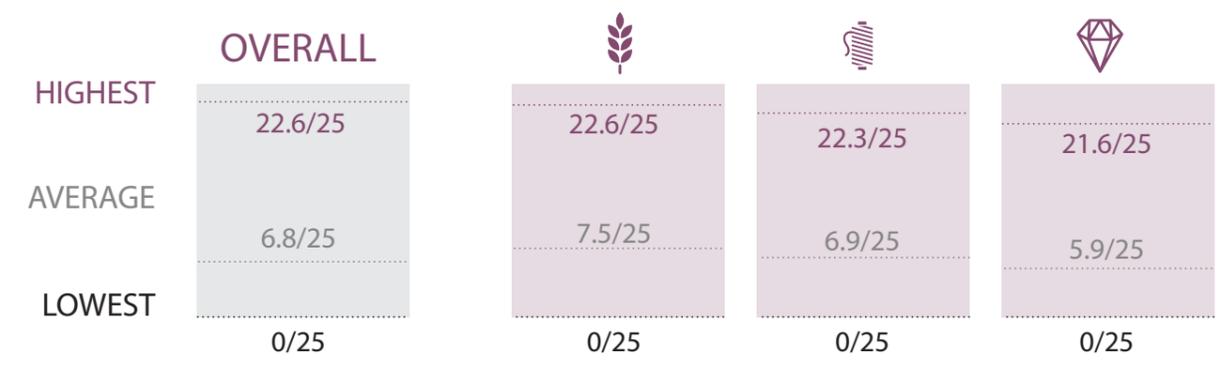
# 2018 Results by Measurement Theme

## B. Embedding Respect and Human Rights Due Diligence 25% of overall score

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

- **Embedding:** These indicators seek to assess how the company's human rights policy commitments are embedded in company culture and across its management systems and day-to-day activities, including within the management systems covering their business relationships.
- **Human rights due diligence:** These indicators focus on the specific systems the company has in place to ensure that due diligence processes are implemented to assess the real-time risks to human rights that the company poses, to integrate and act on these findings so as to prevent and mitigate the impacts, and to track and communicate those actions.

*Note: The descriptions of each indicator are shortened and paraphrased to briefly illustrate the type of requirement against which scores have been earned. For the full description of all the criteria required to fulfill each indicator, please refer to the 2018 CHRB Methodology.*



### B.1 Embedding Respect

**Why is this Important?** These steps of embedding policy commitments into company culture and broader management systems, and reinforcing them with specific due diligence processes, ensures that a company takes a systematic and proactive, rather than ad hoc or reactive, approach to respecting human rights.

**What did we see?** Sub-theme B.1 scores have increased by roughly 10%, but still only average 2.8 out of a maximum 10 points. While the increase is welcome, companies are on average scoring just over a quarter of the maximum points available, which is disappointing. The eight sub indicator requirements had varying levels of fulfilment by companies:

- Responsibility for managing human rights is vital to embedding it in corporate systems and approx. 50% of companies demonstrate senior management responsibility for human rights issues (B.1.1). However, companies are less willing to disclose the details that would demonstrate this embedding in practice; over 80% of companies were unable to link fulfilment of human rights policy commitments to senior management incentives or performance management systems (B.1.2), while only 40% of companies could show that relevant staff were trained on key aspects of human rights management. BHP Billiton, ConocoPhillips, Marks and Spencer and Unilever stand out as the only companies demonstrating that at least one senior manager has an incentive or performance management scheme linked to human rights and for disclosing the specific incentive criteria publicly.

- In terms of systems, roughly half of companies disclosed details of the integration of human rights into their risk management systems (B.1.3) and into monitoring and corrective action plans (B.1.6). Two thirds of companies could describe how human rights were considered in managing business relationships (B.1.6) and a half of companies detail how human rights policy commitments are communicated to business relationships (B.1.4.b).
- However, external to the core systems, companies performed less well. Despite being the underlying theme throughout the UNGPs, 60% of companies were unable to disclose their approach to stakeholder engagement (B.1.8). BHP Billiton and Coal India were notable exceptions, scoring full points in this indicator.

### B.2 Human Rights Due Diligence



Figure 22: Human Rights Due Diligence Process

**Why is this Important?** Human rights due diligence is a fundamental expectation of the UNGPs. The 'knowing and showing' of this due diligence process can be explained via the following steps: Identifying, Assessing, Integrating and acting on, Tracking effectiveness, and Communicating about, the company's human rights risks and impacts.

**What did we find?** Sub-theme B.2 scores have increased by 11.5% from 2017, but this still only represents an average of 4 out of a maximum 15 points. Considering that human rights due diligence is such a high-profile topic, this low score is surprising.

- A startling figure from the 2018 results is that 41 companies did not score any points on any of the five B.2 indicators on Human Rights Due Diligence, suggesting a worrying lack of maturity in business' human rights risk management.
- Of those who did score points on the B2 indicators, the number of companies meeting the criteria drop at each stage of the due diligence cycle, with disclosures for identifying risks (B.2.1) being better than for assessing risks (B.2.2), which are better than disclosures for integrating and acting (B.2.3).
- 80% of companies scored zero points in relation to tracking the effectiveness of the company's actions (B.2.4), but it is not an impossible task, as 10 companies scored full points, showing that they monitor and evaluate the effectiveness of the actions they have taken to respond to the human rights risks and impacts they had previously identified, as well as providing an example of lessons learned through this process.<sup>1</sup>

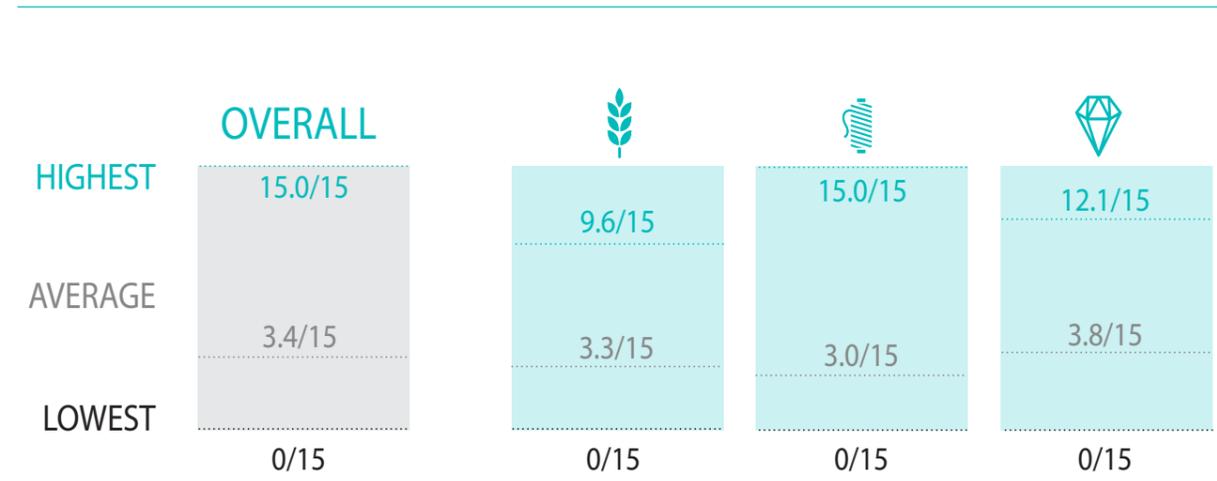
<sup>1</sup> Adidas, BHP Billiton, ConocoPhillips, Hanesbrands, Kellogg, Mondelez International, Rio Tinto, Royal Dutch Shell, The Coca Cola Company and Unilever all scored 2 on B.2.4

# 2018 Results by Measurement Theme

## C. Remedies and Grievance Mechanisms 15% of overall score

This Measurement Theme focuses on the extent to which a Company provides remedy in addressing actual adverse impacts on human rights. It covers a Company’s approach to providing or cooperating in remediation when human rights harms – actual human rights impacts – have occurred. The indicators aim to assess the extent to which a Company has appropriate processes in place so that grievances may be addressed early and remediated directly where appropriate. The indicators also test the Company’s willingness to participate in other remedy options and its approach to litigation concerning credible allegations of human rights impacts.

*Note: The descriptions of each indicator are shortened and paraphrased to briefly illustrate the type of requirement against which scores have been earned. For the full description of all the criteria required to fulfill each indicator, please refer to the 2018 CHRB Methodology.*



**Why is this important?** Unless a company actively engages in the remediation of impacts it has caused or contributed to, it cannot fully meet its responsibility to respect human rights. Negative impacts may occur despite a company’s best efforts, given the complexity of activities and business relationships involved. Companies need to be prepared for this situation so that they can respond quickly and effectively. Strong remediation processes can help prevent impacts or conflicts from increasing or escalating.

**What did we learn?** Scores for Theme C have increased by 8.5% since 2017, but out of a possible 15 points, companies are still, on average, only scoring 3.4 (less than a quarter of the available points). Barring a few notable exceptions, most company approaches to grievance mechanisms do not appear to meet the effectiveness criteria detailed in the UNGPs.

- While there are 14 companies who scored zero points in each of the seven Theme C indicators, most companies (85%) disclosed information regarding having a grievance mechanism for workers (C.1).
- For companies to be meeting their human rights obligations on remedy, access to remedy should also extend beyond the company to potentially impacted stakeholders (C.2). But 35 of those companies could not show that they extended access to remedy beyond the workers to wider stakeholders. The external stakeholders are even less involved in remedy when considering the design and performance management of grievance mechanisms; only 17% of companies could provide details of user involvement in the design, implementation or performance of the mechanisms (C.3). Adidas and Vale were two exceptions, scoring full points on C.3.
- Regarding the wider use of grievance mechanisms, the level of transparency is generally low, with only one

third of companies explaining the process of managing grievances (C.4), less than a fifth of companies are able to articulate how they avoid impeding access to other remedy mechanisms (C.6) and a quarter of companies do not discuss how they actually provide remedy where there are impacts (or would be)(C.7).

- Across Theme C, the top scoring companies were Adidas, BHP Billiton, Vale, Rio Tinto, VF, Unilever, Freeport-McMoran, Hanesbrands, Marks & Spencer Group and Anglo American.

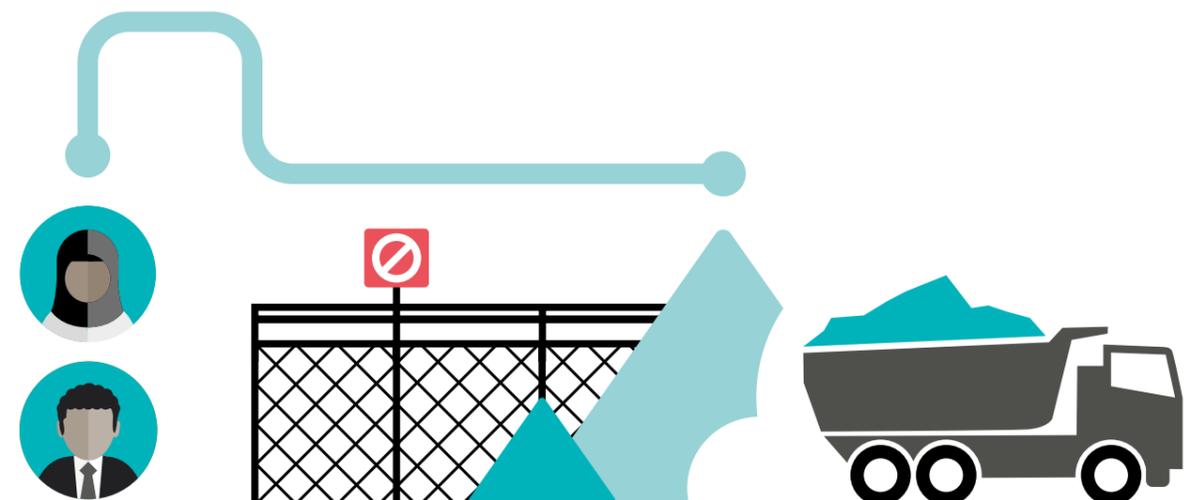
### The UNGP’s Effectiveness criteria for non-judicial grievance mechanisms

In order to ensure their effectiveness, non-judicial grievance mechanisms, both State-based and non-State-based, should be:

- (a) Legitimate: enabling trust from the stakeholder groups for whose use they are intended, and being accountable for the fair conduct of grievance processes;
- (b) Accessible: being known to all stakeholder groups for whose use they are intended, and providing adequate assistance for those who may face particular barriers to access;
- (c) Predictable: providing a clear and known procedure with an indicative time frame for each stage, and clarity on the types of process and outcome available and means of monitoring implementation;
- (d) Equitable: seeking to ensure that aggrieved parties have reasonable access to sources of information, advice and expertise necessary to engage in a grievance process on fair, informed and respectful terms;
- (e) Transparent: keeping parties to a grievance informed about its progress, and providing sufficient information about the mechanism’s performance to build confidence in its effectiveness and meet any public interest at stake;
- (f) Rights-compatible: ensuring that outcomes and remedies accord with internationally recognized human rights;
- (g) A source of continuous learning: drawing on relevant measures to identify lessons for improving the mechanism and preventing future grievances and harms;

Operational-level mechanisms should also be:

- (h) Based on engagement and dialogue: consulting the stakeholder groups for whose use they are intended on their design and performance, and focusing on dialogue as the means to address and resolve grievances.



# 2018 Results by Measurement Theme

## D. Performance: Company Human Rights Practices 20% of overall score

This Measurement Theme focuses on selected human rights related practices specific to each industry. The indicators seek to assess the actual practices occurring within companies in order to implement key enabling factors and business processes and to prevent specific impacts on human rights particularly at risk of occurring given the industry in question. As such, not every focus area below was applied to every industry assessed.

The indicators also are split in relation to:

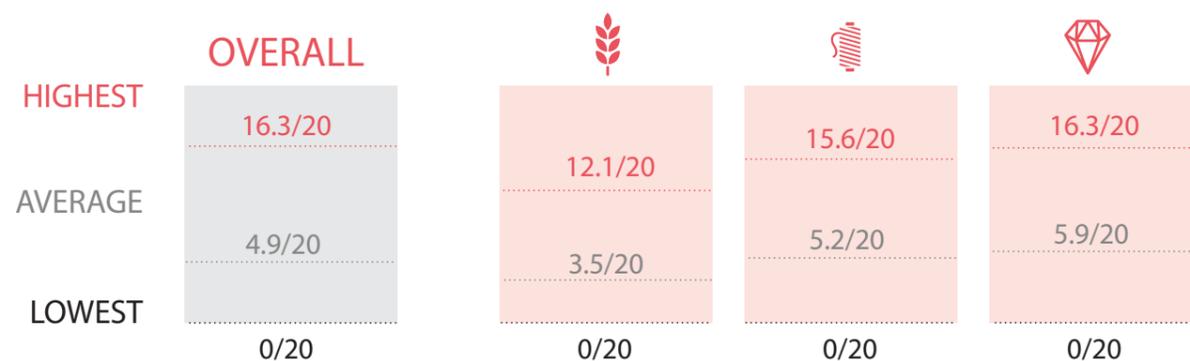


### A note about scores in this Measurement Theme

Assessments in this Measurement Theme are based upon a series of positive commitments and actions against which the CHRB seeks to measure specific company practices around key human rights issues. These requirements are explained in the 2018 CHRB Methodology. This means that a score of 0 for an indicator does not necessarily mean that bad practices are present or action is nonexistent. Rather, it means that the CHRB has been unable to identify the required positive elements in the company's public documentation. Please note that all companies are assessed in the same way which means that the Methodology does not account for factors such as the size of a company, which can increase the complexity of dealing with issues on the ground.

In addition, most indicators contain several requirements for a score 1 or a score 2. As such, a score of 0 or 0.5 awarded to a company may mean that some, but not all, of the required elements have been met and the company therefore did not earn the relevant score 1 or score 2. In such cases, more details may be provided in individual company scorecards available on the CHRB website ([www.corporatebenchmark.org](http://www.corporatebenchmark.org)).

**Note:** The following descriptions of each indicator are shortened and paraphrased to briefly illustrate the type of requirement against which scores have been earned. For the full description of all the criteria required to fulfill each indicator, please refer to the 2018 CHRB Methodology.



## Enabling Factors and Business Processes

These indicators relate to certain factors and business processes that can help to enable rights-respecting outcomes within company activities.

### Living wage:

**Own operations indicators:** D.1.1.a / D.2.1.a / D.3.1. Industries assessed: AG / AP / EX  
**Supply chains indicators:** D.1.1.b / D.2.1.b. Industries assessed: AG / AP

Living wages, vital to ensuring a decent quality of life, are some of the worst scoring indicators in 2018. To get a score of 1, the CHRB expects to see explanations of how companies determine living wages and a target timeframe to pay it to all workers (in their own operations), plus guidelines in contractual arrangements or details of how they work with suppliers to improve living wages (in their supply chains).

All three sectors scored poorly:

- 91 % of Agricultural companies scored 0 for their own operations and 87 % scored 0 for their supply chain;
- 100 % of Apparel companies scored 0 for their own operations and 70 % scored 0 for their supply chain; and
- 90 % of Extractives companies scored 0 for their own operations and business relationships, including joint ventures

| Scored 1 or 1.5  | Scored 2                    |
|--|-----------------------------|
| Unilever<br>Woolworths                                     | Hennes & Mauritz<br>Inditex |
| Associated British Foods<br>Marks & Spencer Group<br>Tesco | Petrobras                   |
| Adidas<br>Hanesbrands<br>Kering<br>Nike<br>Nordstrom       |                             |
| ENI<br>Vale  |                             |

### Aligning purchasing decisions:

**Indicators:** D.1.2 / D.2.2. Industries assessed: AG / AP

**Aligning purchasing decisions with human rights:** This enabling factor only applies to apparel and agriculture companies and seeks disclosures around the coherence between companies' purchasing practices and their human rights commitments for example by making sure that prices or short notice requirements do not undermine human rights.

While almost two thirds of apparel companies score no points, 95 % of the agricultural products companies scored zero.

| Scored 1  | Scored 2 |
|---|----------|
| Kellogg   | Adidas   |
| Associated British Foods  |          |
| Fast Retailing<br>Gap<br>Hanesbrands<br>Hennes & Mauritz<br>Inditex<br>Kering<br>Nike<br>Under Armour<br>VF |          |

## Mapping and disclosing the supply chain:

**Indicators:** D.1.3 / D.2.3. Industries assessed: AG / AP

**Mapping and disclosing the supply chain:** This only applies to apparel and agricultural product companies and expects companies to have a mapping process for their supply chain (direct and indirect suppliers) and, for a higher score, to disclose the significant parts of the supply chain (and how they determined 'significance').<sup>1</sup>

Apparel companies outperform agricultural product companies in this indicator (53% scoring 1 and 40% scoring 2 points for apparel, vs 25% scoring 1 and 8% scoring 2 points for agricultural products). It should be noted that the apparel mapping is expected to go back to the manufacturing sites, whereas the agricultural products mapping is expected to go back to the product source (farm, fishery etc).

<sup>1</sup> Note: Mapping in this case means listing the name and address of suppliers rather than placing on a geographical map.

| Scored 1   | Scored 2   |
|--|--|
| <ul style="list-style-type: none"> <li>Danone</li> <li>Nestle</li> <li>Pernod-Ricard</li> <li>The Hershey Company</li> <li>Unilever</li> <li>Woolworths</li> </ul> | <ul style="list-style-type: none"> <li>The Coca-Cola Company</li> </ul>  |
| <ul style="list-style-type: none"> <li>Tesco</li> </ul>  | <ul style="list-style-type: none"> <li>Associated British Foods</li> <li>Marks &amp; Spencer Group</li> <li>Target</li> </ul>  |
| <ul style="list-style-type: none"> <li>Inditex</li> <li>Kering</li> </ul>  | <ul style="list-style-type: none"> <li>Adidas</li> <li>Gap</li> <li>Hanesbrands</li> <li>Hennes &amp; Mauritz</li> <li>L Brands</li> <li>Next</li> <li>Nike</li> <li>Under Armour</li> <li>VF</li> </ul> |

## Transparency and accountability:

**Own operations indicators:** D.3.2. Industries assessed: EX

**Transparency and accountability (extractives only):** This indicator looks for transparency in terms of the management of natural resource wealth (contracts, revenues, taxes), with a maximum score reflecting either full disclosures of revenues and payments in operating countries, or contributions to improving the levels of transparency in low disclosure countries.

40% of extractives companies score no points on this indicator, while almost half score full points.

| Scored 1   | Scored 2   |
|--|--|
| <ul style="list-style-type: none"> <li>ConocoPhillips</li> <li>Glencore</li> <li>Goldcorp</li> <li>Vale</li> </ul> | <ul style="list-style-type: none"> <li>Anglo American</li> <li>BHP Billiton</li> <li>BP</li> <li>Chevron Corporation</li> <li>Devon Energy</li> <li>Ecopetrol</li> <li>ENI</li> <li>Equinor</li> <li>Exxon Mobil</li> <li>Freeport-McMoRan</li> <li>Lukoil</li> <li>Petrobras</li> <li>PTT</li> <li>Repsol</li> <li>Rio Tinto</li> <li>Rosneft Oil</li> <li>Royal Dutch Shell</li> <li>Suncor Energy</li> <li>Total</li> </ul> |

## Key Industry Risks

Key industry risks are risks regarded as potentially severe or likely within the industry and companies are expected to demonstrate, through a process of human rights due diligence, how they are or would be managing them.

### Child Labour - Age verification and corrective actions:

**Own operations indicators:** D.1.4.a / D.2.4.a. Industries assessed: AG / AP

**Supply chains indicators:** D.1.4.b / D.2.4.b. Industries assessed: AG / AP

**Child labour:** This indicator looks at whether companies (in apparel and agricultural products) and their suppliers are demonstrating appropriate practices that help avoid child labour or, where it is identified, transition them to remediation/education programmes that do not push them into more dangerous survival strategies.

27% of agricultural companies and 50% of apparel companies failed to meet the basic expectations for managing child labour risks and did not demonstrate that they verify the age of workers in their own operations or indicate that they don't use child labour.

Child labour may be a more prevalent issue in a companies' supply chain, but 50% of agricultural products companies and only 40% of apparel companies showed how they managed this supply chain risk (by either working with suppliers to eliminate child labour or by including child labour guidelines in contractual requirements).

Four companies scored full points, disclosing how, in its own operations, it deals with child labour when it is identified and works to transition children from work to education

| Scored 1 or 1.5   | Scored 2  |
|---|---|
| <ul style="list-style-type: none"> <li>Ahold Delhaize</li> <li>Anheuser-Busch InBev</li> <li>Archer Daniels Midland</li> <li>Danone</li> <li>Diageo</li> <li>Kroger</li> <li>McDonald's</li> <li>Mondelez International</li> <li>Starbucks</li> <li>The Coca-Cola Company</li> <li>The Hershey Company</li> <li>Unilever</li> <li>Wesfarmers</li> <li>Woolworths</li> </ul> | <ul style="list-style-type: none"> <li>Kellogg</li> <li>Nestle</li> </ul>                                   |
| <ul style="list-style-type: none"> <li>Aeon Company</li> <li>Associated British Foods</li> <li>Marks &amp; Spencer Group</li> <li>Target</li> </ul>   | <ul style="list-style-type: none"> <li>Hanesbrands (own operations)</li> <li>VF (own operations)</li> </ul> |
| <ul style="list-style-type: none"> <li>Adidas</li> <li>Gap</li> <li>Hennes &amp; Mauritz</li> <li>Hanesbrands (supply chain)</li> <li>Kering</li> <li>Next</li> <li>Nike</li> <li>VF (supply chain)</li> </ul>  |   |

### Forced Labour:

This indicator applies to Agricultural Products and Apparel companies and is split into two separate sub-indicators and looks at debt bondage and restriction of workers' movements.

### Forced Labour - Debt Bondage and Other Unacceptable Financial Costs

**Own operations indicators:** D.1.5.a / D.2.5.a. Industries assessed: AG / AP

**Supply chains indicators:** D.1.5.b / D.2.5.b. Industries assessed: AG / AP

**Debt bondage and other unacceptable financial costs** looks at whether companies or their suppliers impose any financial burdens on workers by withholding wages or expenses that should be covered by the company, an issue that is gaining increasing public attention.

91% of Agricultural and 63% of Apparel companies scored 0 for their own operations, meaning the CHRB found no indication that companies do not require workers to pay work related fees or costs.

| Scored 1 or 1.5   | Scored 2  |
|---|---|
| <ul style="list-style-type: none"> <li>Anheuser-Busch InBev</li> <li>Archer Daniels Midland</li> <li>Danone</li> <li>General Mills</li> <li>McDonald's</li> <li>PepsiCo</li> <li>Pernod-Ricard</li> <li>Starbucks</li> <li>The Coca-Cola Company</li> <li>Unilever</li> <li>Wesfarmers</li> <li>Woolworths</li> </ul> | <ul style="list-style-type: none"> <li>Kellogg</li> </ul> |

When looking at debt bondage and unacceptable financial costs in the supply chain, the CHRB expects to see companies explaining either how they work with suppliers to eliminate imposing financial burdens on workers, or how they include relevant clauses in contracts or supplier codes of conduct that limit these activities.

47 % of Agricultural and 43 % of Apparel companies scored zero on this indicator, not meeting the basic expectations related to debt bondage in the supply chain.

| Scored 1 or 1.5 (continued)  | Scored 2 (continued)  |
|--|---|
| <ul style="list-style-type: none"> <li>Aeon Company</li> <li>Associated British Foods</li> <li>Costco Wholesale</li> <li>Marks &amp; Spencer Group</li> <li>Target</li> <li>Tesco</li> <li>Wal-Mart Stores</li> </ul>  | <ul style="list-style-type: none"> <li>Hanesbrands (own operations)</li> <li>VF (supply chain)</li> </ul> |
| <ul style="list-style-type: none"> <li>Adidas</li> <li>Fast Retailing</li> <li>Hanesbrands (supply chain)</li> <li>Hennes &amp; Mauritz</li> <li>Inditex</li> <li>Kering</li> <li>LVMH</li> <li>Next</li> <li>Nike</li> <li>Under Armour</li> <li>VF (own operations)</li> </ul> |   |

### Forced Labour - Restrictions on Workers:

**Own operations indicators:** D.1.5.c / D.2.5.c. Industries assessed: AG / AP  
**Supply chains indicators:** D.1.5.d / D.2.5.d. Industries assessed: AG / AP

**Restrictions on workers:** To meet the basic indicator requirements for their own operations (score of 1), the CHRB expects companies to indicate that they do not retain workers' personal documents, restrict their freedom of movement outside of work hours or require workers to stay at and pay for accommodation mandated by the Company.

Three quarters of Agricultural Products and Apparel companies scored 0 in relation to their own operations for this indicator.

Companies do better when dealing with this issue in their supply chain; over half of Agricultural Products and Apparel companies demonstrated the inclusion of appropriate guidelines in their contract or codes of conduct, or they could describe how they worked with suppliers to eliminate practices that restricted workers movements.

When it comes to tracking the implementation of these practices and contractual requirements, only Hanesbrands and The Coca-Cola Company were seen to demonstrate such behaviours.

| Scored 1 or 1.5  | Scored 2   |
|--|--|
| <ul style="list-style-type: none"> <li>Anheuser-Busch InBev</li> <li>Archer Daniels Midland</li> <li>BRF</li> <li>Danone</li> <li>General Mills</li> <li>Kellogg</li> <li>McDonald's</li> <li>Mondelez International</li> <li>Nestle</li> <li>PepsiCo</li> <li>Pernod-Ricard</li> <li>Sysco</li> <li>Unilever</li> <li>Wesfarmers</li> <li>Woolworths</li> </ul> | <ul style="list-style-type: none"> <li>The Coca-Cola Company</li> <li>Hanesbrands</li> </ul> |
| <ul style="list-style-type: none"> <li>Aeon Company</li> <li>Associated British Food</li> <li>Costco Wholesale</li> <li>Marks &amp; Spencer Group</li> <li>Target</li> <li>Tesco</li> <li>Wal-Mart Stores</li> </ul>   |  |
| <ul style="list-style-type: none"> <li>Adidas</li> <li>Fast Retailing</li> <li>Gap</li> <li>Hennes &amp; Mauritz</li> <li>Inditex</li> <li>Kering</li> <li>Kohl's</li> <li>L Brands</li> <li>LVMH</li> <li>Next</li> <li>Nike</li> <li>VF</li> </ul>   |  |

### Freedom of association and collective bargaining:

**Own operations indicators:** D.1.6.a / D.2.6.a / D.3.3. Industries assessed: AG / AP / EX  
**Supply chains indicators:** D.1.6.b / D.2.6.b. Industries assessed: AG / AP

**Freedom of association and collective bargaining:** these indicators apply to all companies in the Benchmark and look at whether companies and their suppliers respect the rights of all workers to form and join a trade union of their choice and to bargain collectively, and prohibit the intimidation, retaliation or violence against trade union members or representatives.

Over 70 % of Agricultural Products and Apparel companies scored zero for this indicator in relation to their own operations. As such, the CHRB found no public commitments to non-interference with workers rights to form or join trade unions and bargain collectively, no details of how companies prohibit retaliations against union members or representatives and no details of the percentage of workers covered by collective bargaining agreements from the majority of companies assessed against their own operations. Extractives companies did better, with less than 50 % of companies scoring zero.

Only 30 % of Agricultural Products companies, but 57 % of Apparel companies, demonstrated they were pushing respect for freedom of association and collective bargaining into the supply chain, by including conditions in contractual arrangements and codes of conduct or by working with suppliers to improve their practices.

| Scored 1 or 1.5  | Scored 2   |
|--|--|
| <ul style="list-style-type: none"> <li>Anheuser-Busch InBev</li> <li>Carrefour</li> <li>Danone</li> <li>Kroger</li> <li>The Coca-Cola Company</li> <li>Unilever</li> <li>Wesfarmers (supply chain)</li> <li>Woolworths</li> </ul>  | <ul style="list-style-type: none"> <li>Wesfarmers (own operations)</li> <li>Adidas</li> <li>Inditex</li> <li>ENI</li> <li>Lukoil</li> <li>Rosneft Oil</li> </ul> |
| <ul style="list-style-type: none"> <li>Gap</li> <li>Hanesbrands</li> <li>Hennes &amp; Mauritz</li> <li>Kering</li> <li>Kohl's</li> <li>Next</li> <li>Nike</li> <li>Nordstrom</li> <li>Under Armour</li> <li>VF</li> </ul>  |  |
| <ul style="list-style-type: none"> <li>Marks &amp; Spencer Group</li> </ul>  |  |
| <ul style="list-style-type: none"> <li>Anglo American</li> <li>BHP Billiton</li> <li>Coal India</li> <li>Ecopetrol</li> <li>Equinor</li> <li>Freeport-McMoRan</li> <li>Glencore</li> <li>Goldcorp</li> <li>Grupo Mexico</li> <li>Norilsk Nickel</li> <li>Occidental Petroleum</li> <li>Petrobras</li> <li>PTT</li> <li>Repsol</li> <li>Rio Tinto</li> <li>Sasol</li> <li>Shoprite</li> <li>Suncor Energy</li> <li>Total</li> <li>Vale</li> </ul> |  |



## Health and safety:

**Own operations indicators:** D.1.7.a / D.2.7.a / D.3.4. Industries assessed: AG / AP / EX  
**Supply chains indicators:** D.1.7.b / D.2.7.b. Industries assessed: AG / AP

**Health and safety:** For health and safety in own operations, this indicator applies to all three sectors covered by the 2018 Benchmark.

For a score of 1, the CHRB expects companies to disclose a set of quantitative information on health and safety related to their direct employees and seasonal and migrant workforce, namely: injury rate, fatality rate, lost days (or near miss frequency rate).

Extractives companies score highest regarding disclosures of quantitative health and safety information, with 85% meeting the criteria for a score of 1 compared to 7 of 11 Agricultural companies and 3 of 8 Apparel companies with their own operations.

Nearly a third of Extractive companies (and 2 Agricultural companies) gained full points for additionally providing more details, such as an explanation of the figures provided, setting targets related to rates of injury and either having met the targets or provided an explanation of why they did not.

| Scored 1 or 1.5   | Scored 2  |
|---|---|
| <ul style="list-style-type: none"> <li>Anheuser-Busch InBev (supply chain)</li> <li>Archer Daniels Midland</li> <li>BRF</li> <li>Danone</li> <li>Diageo</li> <li>Nestle</li> <li>Pernod-Ricard</li> <li>Wesfarmers</li> </ul>   | <ul style="list-style-type: none"> <li>Anheuser-Busch InBev</li> <li>Unilever</li> </ul>  |
| <ul style="list-style-type: none"> <li>Associated British Foods</li> <li>Marks &amp; Spencer Group</li> </ul>   | <ul style="list-style-type: none"> <li>Anglo American</li> <li>BHP Billiton</li> <li>Coal India</li> <li>Ecopetrol</li> <li>ENI</li> <li>Freeport-McMoRan</li> <li>Glencore</li> <li>Repsol</li> <li>Rio Tinto</li> <li>Royal Dutch Shell</li> <li>Sasol</li> </ul> |
| <ul style="list-style-type: none"> <li>Gap</li> <li>Hanesbrands</li> <li>LVMH</li> <li>VF</li> </ul>  |   |
| <ul style="list-style-type: none"> <li>BP</li> <li>Canadian Natural Resources</li> <li>Chevron Corporation</li> <li>CNOOC</li> <li>ConocoPhillips</li> <li>Devon Energy</li> <li>Equinor</li> <li>Exxon Mobil</li> <li>Gazprom</li> <li>Goldcorp</li> <li>Grupo Mexico</li> <li>Lukoil</li> <li>Marathon Petroleum</li> <li>Norilsk Nickel</li> <li>Occidental Petroleum</li> <li>Oil &amp; Natural Gas Corporation</li> <li>Petrobras</li> <li>PetroChina</li> <li>PTT</li> <li>Rosneft Oil</li> <li>Suncor Energy</li> <li>Total</li> <li>Vale</li> </ul> |   |

## Indigenous peoples rights and free, prior, and informed consent:

**Own operations indicators:** D.3.5. Industries assessed: EX

**Indigenous peoples rights and FPIC:** Only Extractive companies are assessed under this indicator, which looks at how companies integrate the respect for indigenous peoples' rights in their operational decision making.

To achieve a score of 1, the CHRB expects companies to describe how they would identify potentially affected indigenous peoples and how they engage with them as part of project / change approval processes. Only 22% of extractives companies meet this criteria.

| Scored 1 or above   |
|---|
| <ul style="list-style-type: none"> <li>Anglo American</li> <li>BHP Billiton</li> <li>Canadian Natural Resources</li> <li>ConocoPhillips</li> <li>ENI</li> <li>Rio Tinto</li> <li>Surgutneftegas</li> <li>Total</li> <li>Vale</li> </ul> |

## Land rights:

**Own operations indicators:** D.1.8.a / D.3.6. Industries assessed: AG / EX  
**Supply chains indicators:** D.1.8.b Industries assessed: AG

**Land rights:** The CHRB expects companies (extractives and agricultural only) to describe or demonstrate their approach to identify legitimate tenure rights holders, with particular attention to vulnerable rights holders and including engagement with affected or potentially affected communities, to meet a score of 1.

This is one of the worst scoring indicators of the Benchmark, with 80% of Extractive companies and all of the 11 relevant Agricultural companies scoring zero points for their own operations. Only 18% of Agricultural companies could show how land rights during acquisitions extended to the supply chain through relevant codes of conduct requirements or by working with suppliers directly.

| Scored 1 or above  |
|--|
| <ul style="list-style-type: none"> <li>Anheuser-Busch InBev</li> <li>Archer Daniels Midland</li> <li>Kellogg</li> <li>Nestle</li> <li>The Coca-Cola Company</li> <li>Unilever</li> </ul> |
| <ul style="list-style-type: none"> <li>Marks &amp; Spencer Group</li> </ul>  |
| <ul style="list-style-type: none"> <li>BHP Billiton</li> <li>ConocoPhillips</li> <li>ENI</li> <li>Rio Tinto</li> <li>Vale</li> </ul>   |

## Security:

**Own operations indicators:** D.3.7. Industries assessed: EX

**Security:** The Extractives companies are assessed against their approaches to managing security while respecting human rights. To meet a score of 1, the CHRB expects companies to disclose details of their approach, via commitments to the Voluntary Principles on Security and Human Rights or the International Code of Conduct for Private Security Providers, when managing security directly, through contracted private or public security providers, or via joint venture partners.

Less than one third of Extractives companies meet the criteria for a score of 1.

15% of Extractives companies score 2 points, meaning that they meet the requirements above and also provide evidence that their security and human rights assessments include inputs from the local communities and provide an example of working with community members to improve security.

| Scored 1 or 1.5  | Scored 2   |
|--|--|
| <ul style="list-style-type: none"> <li>BHP Billiton</li> <li>ENI</li> <li>Glencore</li> <li>Goldcorp</li> <li>Total</li> <li>Vale</li> </ul> | <ul style="list-style-type: none"> <li>Anglo American</li> <li>BP</li> <li>Chevron Corporation</li> <li>Exxon Mobil</li> <li>Freeport Mc-MoRan</li> <li>Royal Dutch Shell</li> </ul> |



## Water and sanitation:

**Own operations indicators:** D.1.9.a / D.3.8. Industries assessed: AG / EX  
**Supply chains indicators:** D.1.9.b Industries assessed: AG

**Water and Sanitation:** Agricultural Product and Extractives companies are assessed on their approaches to avoiding impacts on safe water and sanitation in their own operations. To meet a score of 1, companies should describe how they implement preventive and corrective actions plans where there are risks to the right to water and sanitation in their operations (and extractive JV operations).

Only 3 out of 11 Agricultural Products companies meet this requirement, compared with 50% of Extractives companies.

Only 3 companies (ENI, Pernod Ricard and The Coca-Cola Company) reached a score of 2, indicating they have specific water targets that consider local communities and that they report on those targets.

In the Agricultural Product companies' supply chains, less than a third of companies either demonstrated sufficient inclusion of water and sanitation issues in their supplier codes of conduct or were working with suppliers to improve their practices in relation to water and sanitation.

Only The Coca-Cola Company was seen to disclose trends in the progress made in the supply chain.

| Scored 1 or 1.5  | Scored 2  |
|--|---|
| <ul style="list-style-type: none"> <li>Anheuser-Busch InBev</li> <li>Diageo</li> <li>General Mills</li> <li>Kellogg</li> <li>Nestle</li> <li>PepsiCo</li> <li>Starbucks</li> <li>The Hershey Company</li> <li>Unilever</li> <li>Woolworths</li> </ul>  | <ul style="list-style-type: none"> <li>Pernod-Ricard</li> <li>The Coca-Cola Company</li> <li>ENI</li> </ul> |
| <ul style="list-style-type: none"> <li>Marks &amp; Spencer Group</li> </ul>  |   |
| <ul style="list-style-type: none"> <li>Anglo American</li> <li>BHP Billiton</li> <li>BP</li> <li>China Shenhua Energy</li> <li>Coal India</li> <li>Ecopetrol</li> <li>Exxon Mobil</li> <li>Freeport-McMoRan</li> <li>Glencore</li> <li>Goldcorp</li> <li>Lukoil</li> <li>Occidental Petroleum</li> <li>Phillips 66</li> <li>Repsol</li> <li>Rio Tinto</li> <li>Sasol</li> <li>Surgutneftegas</li> <li>Total</li> <li>Vale</li> </ul> |   |

## Women's rights:

**Own operations indicators:** D.1.10.a / D.2.8.a. Industries assessed: AG / AP  
**Supply chains indicators:** D.1.10.b / D.2.8.b. Industries assessed: AG / AP

**Women's rights:** The CHRB expects the 8 Apparel and 11 Agricultural Products companies with own operations to disclose practical measures that are in place to deliver on commitments to eliminate discrimination against women. To reach a score of 1 for their own operations, companies should describe either a. processes to prohibit harassment, intimidation or violence against women, b. how it takes into account differential impacts on men and women, or c. how it provides and monitors equality of opportunity in the workforce.

While 6 of 8 Apparel companies met the criteria, none of the 11 Agricultural companies with operations did. None of them met all three of the separate criteria.

The results were poor regarding women's rights in the supply chain, with 70% of Apparel and Agricultural Products companies scoring zero, indicating that the company commitments to respecting women's rights are not necessarily embedded in their agreements with, or part of their development of, suppliers.

| Scored 1 or 1.5  | Scored 2   |
|--|--|
| <ul style="list-style-type: none"> <li>Diageo</li> <li>General Mills</li> <li>The Coca-Cola Company</li> <li>The Hershey Company</li> <li>Unilever</li> <li>Wesfarmers</li> <li>Woolworths</li> </ul>  | <ul style="list-style-type: none"> <li>Kellogg</li> <li>VF (supply chain)</li> </ul> |
| <ul style="list-style-type: none"> <li>Adidas</li> <li>Gap</li> <li>Hanesbrands</li> <li>Hermes International</li> <li>Inditex</li> <li>Kohl's</li> <li>LVMH</li> <li>Nike</li> <li>Prada</li> <li>TJX Companies</li> <li>VF (own operations)</li> </ul> |  |
| <ul style="list-style-type: none"> <li>Aeon Company</li> <li>Marks &amp; Spencer Group</li> <li>Target</li> <li>Wal-Mart Stores</li> </ul>   |  |

## Working hours:

**Own operations indicators:** D.2.9.a. Industries assessed: AP  
**Supply chains indicators:** D.2.9.b. Industries assessed: AP

**Workers hours:** Apparel and Agricultural Products companies are assessed on their respect for workers via their public commitments to maximum hours, minimum breaks and rest periods in their own operations and on the integration of those commitments in contractual arrangements with suppliers or by working with suppliers to improve their practices.

The own operations requirements are met by approximately one quarter of companies, while just over a half of the companies meet the relevant requirements for their supply chains.

| Scored 1 or 1.5  | Scored 2  |
|--|---|
| <ul style="list-style-type: none"> <li>Adidas</li> <li>Fast Retailing</li> <li>Gap</li> <li>Hanesbrands</li> <li>Inditex</li> <li>Kering</li> <li>LVMH</li> <li>Next</li> <li>Nike</li> <li>Under Armour</li> <li>VF (supply chain)</li> </ul> | <ul style="list-style-type: none"> <li>VF (own operations)</li> </ul> |
| <ul style="list-style-type: none"> <li>Associated British Foods</li> <li>Marks &amp; Spencer Group</li> <li>Target</li> <li>Tesco</li> </ul>   |   |



# 2018 Results by Measurement Theme

## E. Performance: Responses to Serious Allegations 20% of overall score

This Measurement Theme focuses on responses to allegations of serious negative impacts a Company may be alleged or reported to be involved in by an external source. Indicators in this Measurement Theme seek to assess a Company's response to the allegation and does not seek to assess the 'truth' of allegation itself.

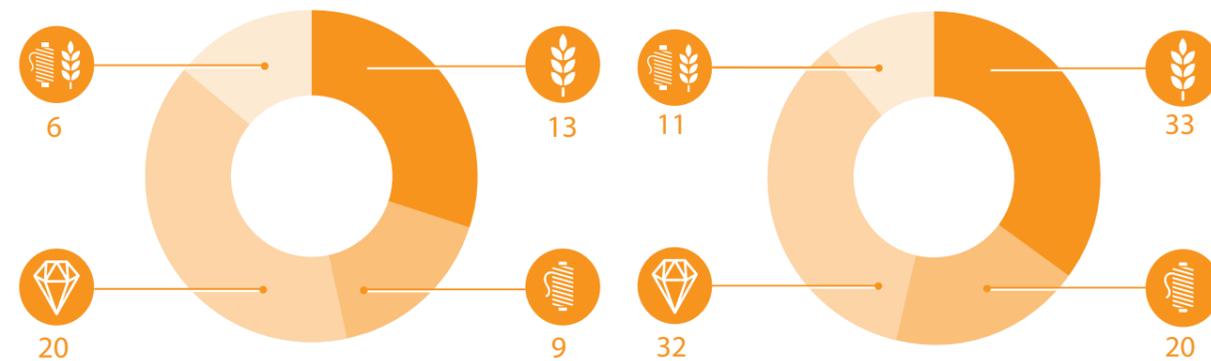
*Note: The following descriptions of each indicator are shortened and paraphrased to briefly illustrate the type of requirement against which scores have been earned. For the full description of all the criteria required to fulfill each indicator, please refer to the 2018 CHRB Methodology.*

For a company response to an allegation to have been considered in this Measurement Theme, it (the allegation) must have met a certain threshold of severity outlined in the 2018 CHRB Methodology.

A total of 48 companies (out of 101) had serious allegations that met the CHRB threshold, covering allegations reported during the period of January 2015 - December 2017.

**48** Companies assessed for serious allegations

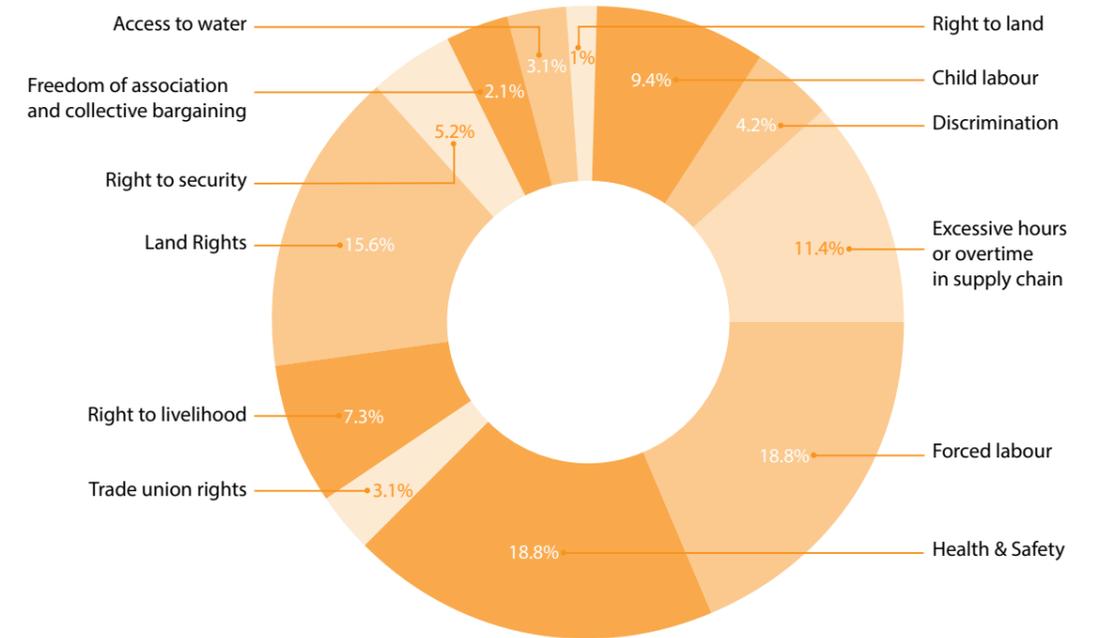
**96** Serious allegations considered



The total number of allegations considered was 96. On average there were 2 allegations per company (for those companies with allegations). Given that this Measurement Theme focuses on the companies'

responses to allegations, it is important to note that the number of allegations does not impact a company's performance in the Benchmark.

### Types of allegations considered



The greater number of allegations assessed in 2018 resulted in increases in several types of allegations, particularly in the number of cases related to forced labour, health and safety and land rights.

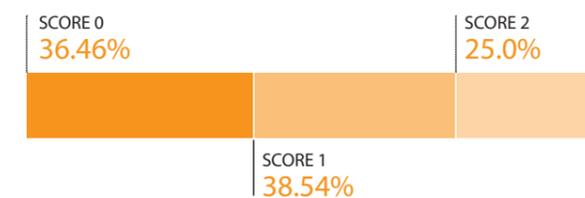
Overall, companies seemed well placed from a policy perspective, scoring well on indicator E.2 ('Company has appropriate policies in place'). But in general companies scored less well in responding to allegations (E.1).

As in 2017, companies struggled to obtain marks for E.3 and scored worst when assessed against the actions taken to provide remedy.

Average scores:

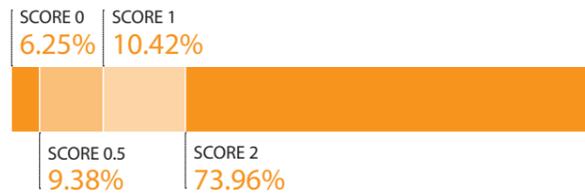
- E.1 The Company has responded publicly to the allegation: 0.89 out of 2
- E.2 The Company has appropriate policies in place: 1.63 out of 2
- E.3 The Company has taken appropriate action: 0.37 out of 2

### E.1 The company has responded publicly to the allegation



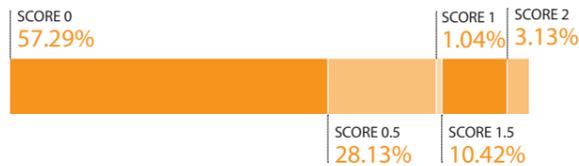
In over one third of the allegations considered (36%) the companies involved had not responded publicly to the allegations; scoring 0 points for E.1. In 38% of the allegations considered, the companies involved had responded publicly and therefore scored 1 point out of 2. For the remaining quarter of allegations considered, the companies provided a detailed public response to the allegation, scoring full marks.

## E.2 The company has appropriate policies in place



In 10 % of the allegations considered, companies scored 1 point out of 2 under indicator E.2 for having appropriate public policies in place committing them (and their business partners if relevant) to respecting the general human rights principles in question. In nearly three quarters of the allegations considered (74 %), the companies involved scored 2 points out of 2 for additionally having more specific public policies related to the type of issue alleged. In the remaining 16 % of allegations the lack of relevant public policies may indicate that companies who are alleged to have created negative impacts do not have specific policy commitments to guide them in the prevention or management of those alleged impacts.

## E.3 The company has taken appropriate action



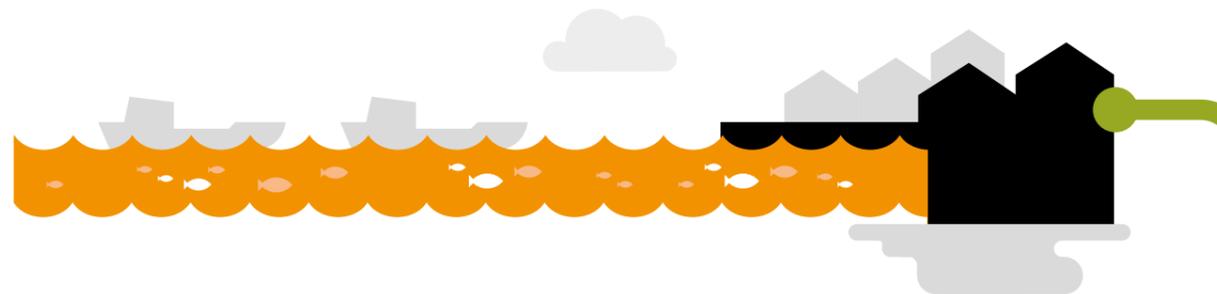
Where companies deny the allegation, there is still an expectation to show the participation in engagement efforts and to disclose reviews of related management systems.

In the majority of allegations considered (57 %) the companies scored zero under indicator E.3, meeting none of the requirements set out above. 28 % of cases met at least one of the criteria, but only 24 % of cases met the full criteria for a score of 1.

In 3 % of cases the companies scored maximum points by additionally showing that remedies were said to be satisfactory to the victims, by providing evidence of having improved their management systems to prevent such impacts from occurring in future, and by engaging in a dialogue with allegedly affected stakeholders.

While the policies seem to largely be in place, companies struggle to demonstrate their engagement with potentially affected stakeholders and it is vanishingly rare to see remedies described as adequate in the public domain by those allegedly impacted.

To meet a score of 1 in E.3, the CHRB expects to see that companies have engaged in dialogue with the allegedly impacted stakeholders (or to have encouraged their business relationships to do so if only linked to the impact) and that they have also taken appropriate actions to address the alleged impact (by providing or supporting access to remedy, dependent on relation to the alleged impact) or demonstrates improvements in the related management systems to reduce such impacts in the future.



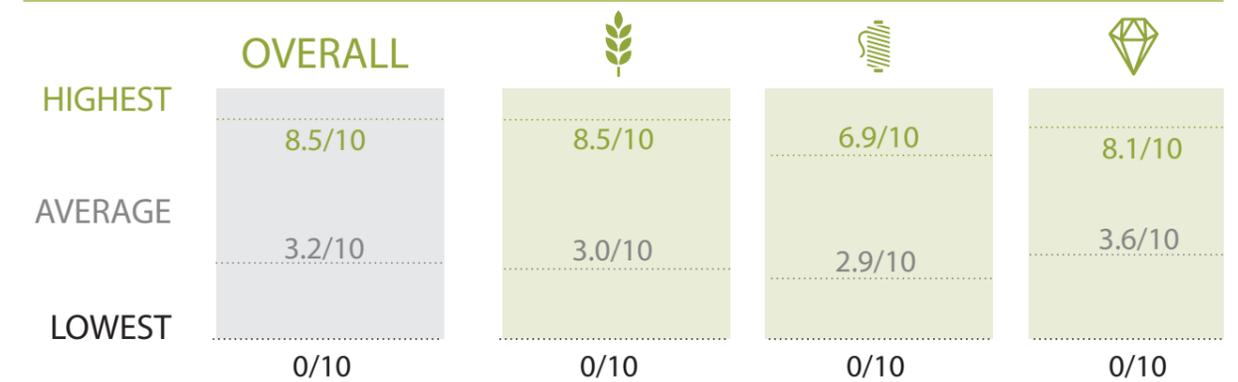
## 2018 Results by Measurement Theme

### F. Transparency 10% of overall score

The CHRB recognised that the Pilot Methodology approach to assessing transparency was overly burdensome and that the utility of the stand-alone section was not fully understood by many of the stakeholders interested in the Methodology. Theme F was considerably revised to maintain a standalone rating for transparency and to achieve the following aims:

- Reward companies that demonstrate a willingness to disclose information (F.1)
- Give credit to companies that use existing good practice reporting frameworks (F.2)
- Give credit to companies that meet criteria in specific indicators that represent high quality disclosures (F.3)

**Note:** The following descriptions of each indicator are shortened and paraphrased to briefly illustrate the type of requirement against which scores have been earned. For the full description of all the criteria required to fulfill each indicator, please refer to the 2018 CHRB Methodology.



**F.1 - Company willingness to publish information** looks at the companies' willingness to disclose information (regardless of the quality of such disclosures). The score for F.1 is based on the proportion of indicators in Themes A-D for which the company scores 0.5 and above. The average score for this indicator is 1.74 out of 4 points available. Two companies score 0 for this indicator, meaning that they do not score any points at all across the entire assessment: Heilan Home and Kweichow Moutai, who therefore also score '0 %' overall. Adidas, Unilever and ENI were the top 3 scoring companies for F.1, indicating a breadth of disclosure on human rights topics.

**F.2 - Recognised Reporting Initiatives** rewards companies that report against existing, internationally recognised and good-practice reporting frameworks: GRI, SASB or UNGPRF. The average score for this indicator is 1.17 out of 2 points available. 42 companies did not report against GRI, SASB or UNGPRF, and they on average scored approximately 15 % less than those companies who did report against a recognised initiative. Adidas, Hanesbrands, Nestle and Kellogg are four higher scoring companies that scored zero on F.2 and without them skewing the average score, the difference between those reporting against recognised initiatives and those not reporting would be much larger.

**F.3 - High-quality disclosure** looks at the quality of company disclosures, assessing: the use of concrete examples; whether challenges are discussed openly; and whether disclosures demonstrate a forward focus (see p. 109 in the 2018 CHRB Methodology for more detail). The average score for this indicator is 0.32 out of 4 points available, which reflects the maturity and quality of disclosures overall. Adidas (3pts), Unilever (2.8pts) and BHP Billiton (2.4pts) were the highest scoring companies on this indicator.



# 6 Comparison with the 2017 Pilot Results

## Important note on comparisons with the 2017 Pilot results

Following the publication of the Pilot Benchmark, the Pilot methodology was revised based on lessons learnt and on extensive stakeholder consultation and feedback. A summary of the changes is included below and a more detailed discussion of the methodology interpretation and comparison with the pilot is included in a stand-alone 'CHRB Methodology 2018 Interpretive Note' on the [CHRB website](#).

### Substantive Changes

- Revision of Theme E 'Serious Allegations' scoring

After careful consideration, the CHRB recognised that automatically awarding 20 points to companies with no serious allegations under Theme E skewed the results in the pilot (due to the overwhelmingly low scores on other Themes) and also failed to account for the different socio-political contexts in which they operate. For instance, companies are less likely to be called out for failing to uphold human rights when operating in countries with restrictions on free speech and a limited civil society when compared to public-facing companies operating in jurisdictions with strong protections for activist organisations and free speech.

For this reason, where the CHRB has not identified any serious allegations meeting the required threshold, that company no longer automatically receives 20 points and their total score is instead scaled up based on their scores in the other themes. A proxy Theme E score is included in the online databases to make calculations easier. For companies where serious allegations have been identified, they continue to receive a score that is the average of their E.1, E.2 and E.3 scores across the allegations. For a more detailed explanation of the Theme E calculations, including weightings, see (pg. 124) in the 2018 Methodology.

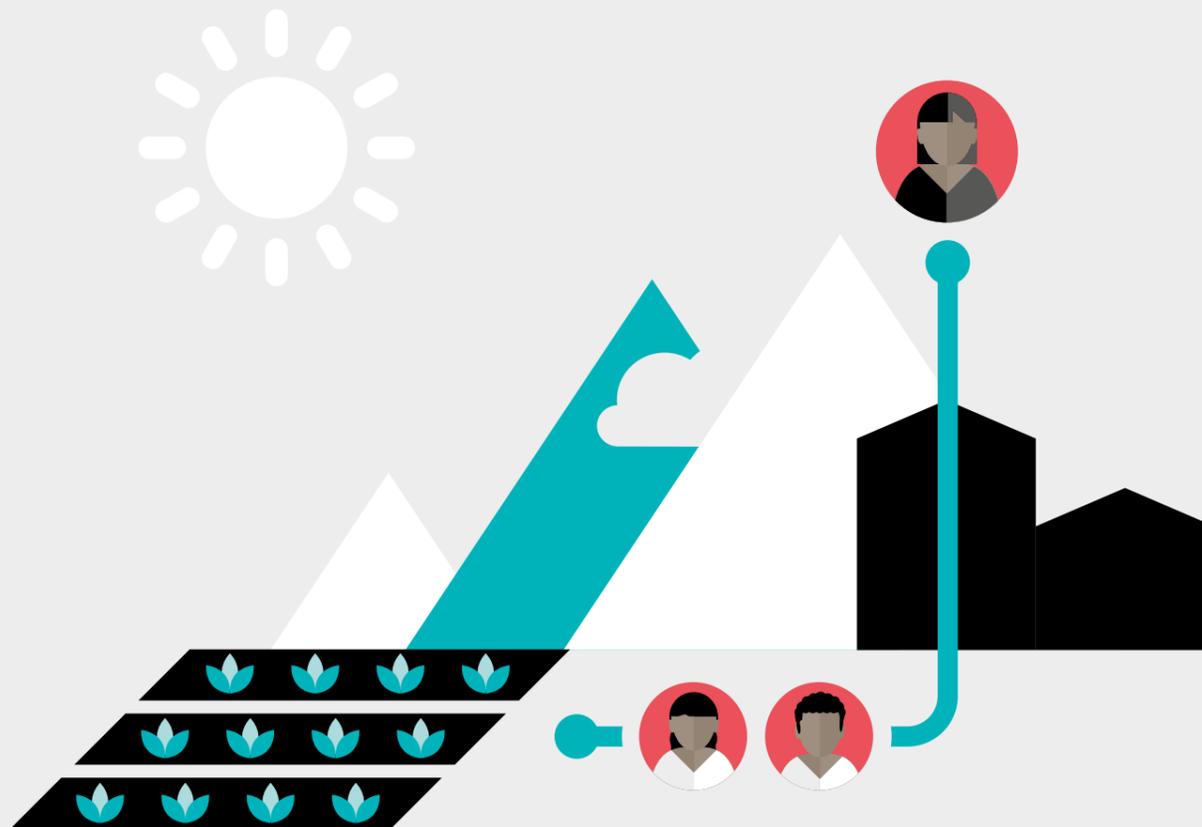
**Rebaselining** - To enable a meaningful comparison with the 2017 results, the CHRB team applied the 2018 Theme E scoring rules to the 2017 data to create a new score for Theme E in companies without allegations (based on the average of their other Theme scores).

This proxy for Theme E was then used to establish total and average scores to create a new baseline. Where comparisons are made between 2017 and 2018 on the 'average score overall', the Theme E scores or the point changes of companies over time, these are all taken from the revised 2017 baseline score.

To explain the necessity of the re-baselining: A company scores 25 points in 2017 under the automatic 20 points rule. They now score 20 points in 2018 under the new rule, but still have no allegation raised against them. Without re-baselining, it appears they have gotten worse. But with a revised 2017 score of 6 points, it is clear that they have actually improved considerably, and it is important that such improvements are recognised.

- Introduction of 0.5 and 1.5 scores

A noticeable change to the 2017 Pilot Methodology is the introduction of half point scores to some indicators for the 2018 Benchmark. This change has provided a more accurate and nuanced assessment of corporate performance, because it rewards companies for their performance against certain indicators that contain multiple parts. It should also be noted that half points are not awarded in all indicators – for a more detailed understanding of the CHRB scoring rules see Annex 2 (pg. 117-125) in the 2018 Methodology. Through applying the 2017 rules to the 2018 data (and vice versa), the CHRB estimates that no more than one-third of the improvements in scores should be attributed to the introduction of the half point scoring rules.



- Revision of Theme F ‘Transparency’ calculation

Following feedback from a number of stakeholder groups, the CHRB recognised that the Pilot approach to assessing transparency in Theme F was overly burdensome for researchers, and that the utility of this stand-alone section was not fully understood by many interested stakeholders. To address these shortcomings, the CHRB has condensed the Transparency Measurement Theme to 3 sub indicators, which look at the company’s willingness to publish information (F.1), whether the company reports against recognised reporting initiatives (F.2) and the quality of the company’s disclosures (F.3 – which looks at high-quality disclosures on specific examples of practices, willingness to discuss challenges and having a forward looking focus).

**Minor Changes**

- Indicator wordings

In addition to scoring changes outlined above, the CHRB has also refined the language and phrasing used

for some indicators to provide greater clarity as to their assessment purpose. These changes have also increased the alignment of some indicators with the spirit and intention of the UNGPs, without strictly limiting their assessment to the implementation of those Guiding Principles. A complete list of all indicators with the relevant changes to the 2018 Methodology can be downloaded from the [CHRB website](#).

- Indicator weightings

Since the 2017 Pilot Benchmark there has been an adjustment to the weightings of two indicators in the 2018 Methodology. Indicator A.1.6 ‘Commitment to respect the rights of human rights defenders’ was revised from a half weighting to a single (full) weighting to reflect the importance of the topic. Additionally, indicator B.1.7 ‘Engaging business relationships’ has increased from a single to a double weighting, this is due to removing similar requirements which were repeated across several indicators in the Pilot, and concentrating them instead in one single indicator but with an increased weighting.

In light of these revisions, the CHRB encourages readers to apply discretion when comparing the results of the 2018 Benchmark with the 2017 Benchmark and Key Findings. The following section and commentaries regarding changes since 2017 rely on the amended Pilot rankings and scores.



## Change in Average Scores

Overall the average score has gone up from 18%<sup>1</sup> in 2017 to 27% in 2018.

This means that there has been a significant improvement on average scores since the Pilot. Approximately one-third of this improvement can be attributed to changes in the scoring rules, with two-thirds of the increase coming from improvements in disclosure and/or performance.

Even though 16 companies have been lifted out of the very lowest scoring banding and a further 17 companies are now scoring above 30% compared to the pilot, there is still an unacceptable prevalence of companies scoring less than 30% (65 companies), with a worrying 27 companies scoring less than 10%.

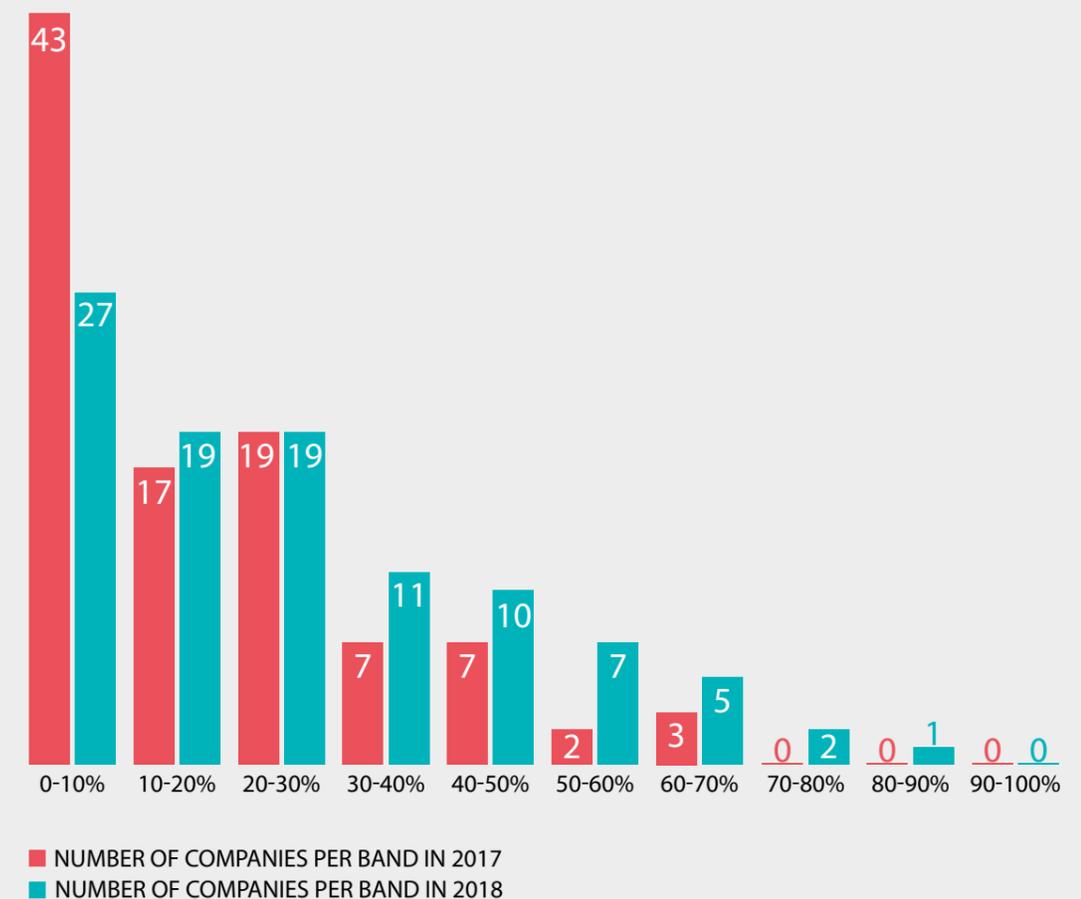


Figure 23: Number of companies per band in 2017 and 2018

<sup>1</sup> As per the note on pp. 49-50, this is the average 2017 score recalculated by applying the 2018 scoring rule for Measurement Theme E (Responses to Serious Allegations) to the 2017 data.

Many companies have yet to significantly improve their scores, and the gap between the few leaders at the top and the remaining companies is widening. It appears that the better performers from the pilot are also generally better at improving their scores:

- In 2017 only 3 companies scored above 60%. In 2018, this was the case for 8 companies.
- While no company scored more than 70% in 2017, the top score in 2018 is in the 80-90% band (Adidas – coming up from the 50-60% band in 2017).

Several companies have seen a large increase in their scores, with ENI, Adidas, Vale, Diageo and Danone all scoring at least 25% more than in the pilot

The significant jumps in points with some companies will be due to a mix of factors, including companies being more willing to disclose additional information on their approach to human rights as well as changing their management systems and internal practices (see, for example, Adidas’s comment on increased disclosures and human rights due diligence).

Many other companies have improved more than the average increase, and this is largely attributed to changes in their approaches to human rights management approaches and disclosures.

### Comment from ENI

“[...] In 2015, Eni’s Top Management called upon all relevant departments to ensure wider and stronger commitment to the respect of human rights. A CEO-led event dedicated to all Senior Managers in Italy and abroad, held in 2016, was an important step towards the achievement of this goal. This new momentum is mirrored in Eni’s Human Rights Action Plan approved in 2017, which we are implementing. Improving disclosure in our approach to Human Rights was part of the Action Plan. We considered several frameworks to do so, and the CHRB turned out to be particularly helpful.”

*Alberto Piatti  
Executive Vice President - Responsible and Sustainable Enterprise*

### Comment from Adidas

“[...] adidas has used the CHRB Benchmarking process to drive improvements in the public reporting of our human rights efforts. For example, over the past year, we have shared publicly our ongoing assessment of supply chain risks, in conformance with the UK Modern Slavery Act, updated our migrant labour standards and also published our approach to safeguarding women’s rights both operationally and along the value chain. We continue to be fully committed to applying human rights due diligence across our business.”

*William Anderson  
Vice President & Inhouse Counsel for Human Rights*

The CHRB also observed that companies who did not implement many changes to their approach or disclosures since the Pilot have dropped down the ranking relative to their peers, even though their scores may not have materially changed. The bar is being continually raised, so coasting results in companies being left behind.

Importantly, what the fast-improving companies show is that changes can happen, and that that they can happen quickly, provided there is sufficient will within the company to place human rights at the heart of business and address the challenges they face in doing so. The fact that Adidas managed to reach the 80% to 90% band shows that high scores are achievable, which only reinforces the unacceptability of what are extremely low overall scores and underlines the scale of action required.

### Comment from Vale

“[...] In 2016, the Corporate Human Rights Benchmark initiative made the UN Guiding Principles more tangible, giving companies a clear roadmap for Human Rights management and a better gap analysis tool. Following a maturity model logic, the CHRB has allowed us to better prioritize processes and aspects, improving company decisions on the subject, reducing risks and impacts. It also provided us a chance for better disclosure and transparency. Besides specific Human Rights processes, Vale has been enhancing its management in all sustainability areas.

In December 2017, Vale announced the migration to “Novo Mercado” in the Brazilian stock exchange market, which has differentiated corporate governance requirements, reinforcing commitments to high standards of corporate governance, as well as the disclosure of policies and the existence of transparency mechanisms, supervision and control. In line with the new governance, aspects of sustainability were strengthened in the company’s strategy, including goals related to human rights.

We know there is still a significant path ahead of us, nonetheless we are confident to be aiming at the right direction and supported by the right guidance and partner institutions.”

*Camilla Lott  
Head of Human Rights and Social Performance Management  
Vale*

### Per Sector

Each sector has increased by roughly the same amount:

- Agricultural Products: 17% to 25%
- Apparel: 19% to 27%
- Extractives: 19% to 27%

### Per Measurement Theme

Scoring has gone up across all Themes, but as Figures 24 and 25 show, this positive development is overshadowed by the low baseline, with Theme scores rarely reaching a third of their maximum. Themes B. Embedding Respect and Due Diligence and D. Practices saw the biggest improvements.

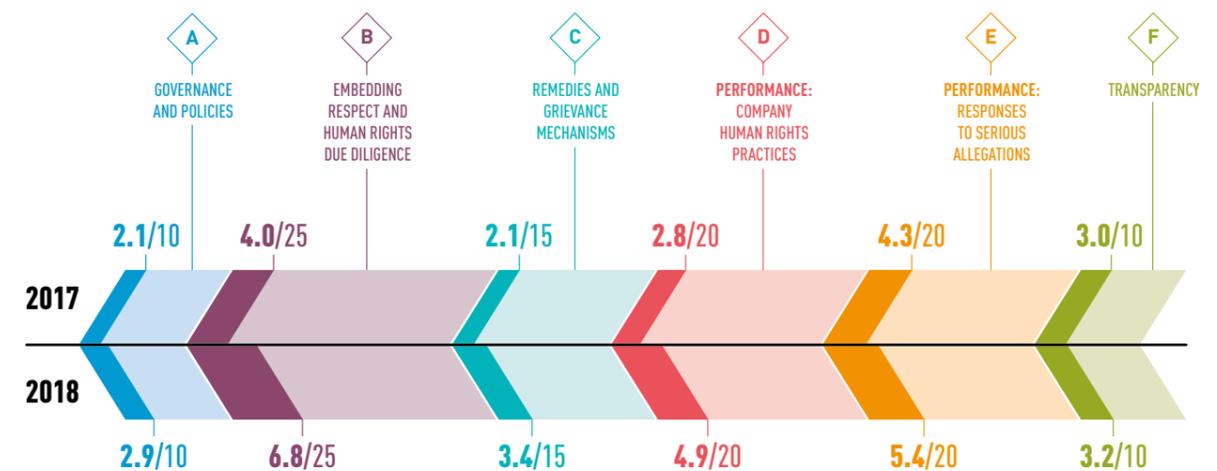


Figure 24: Measurement Theme Average Scores in 2017 and 2018

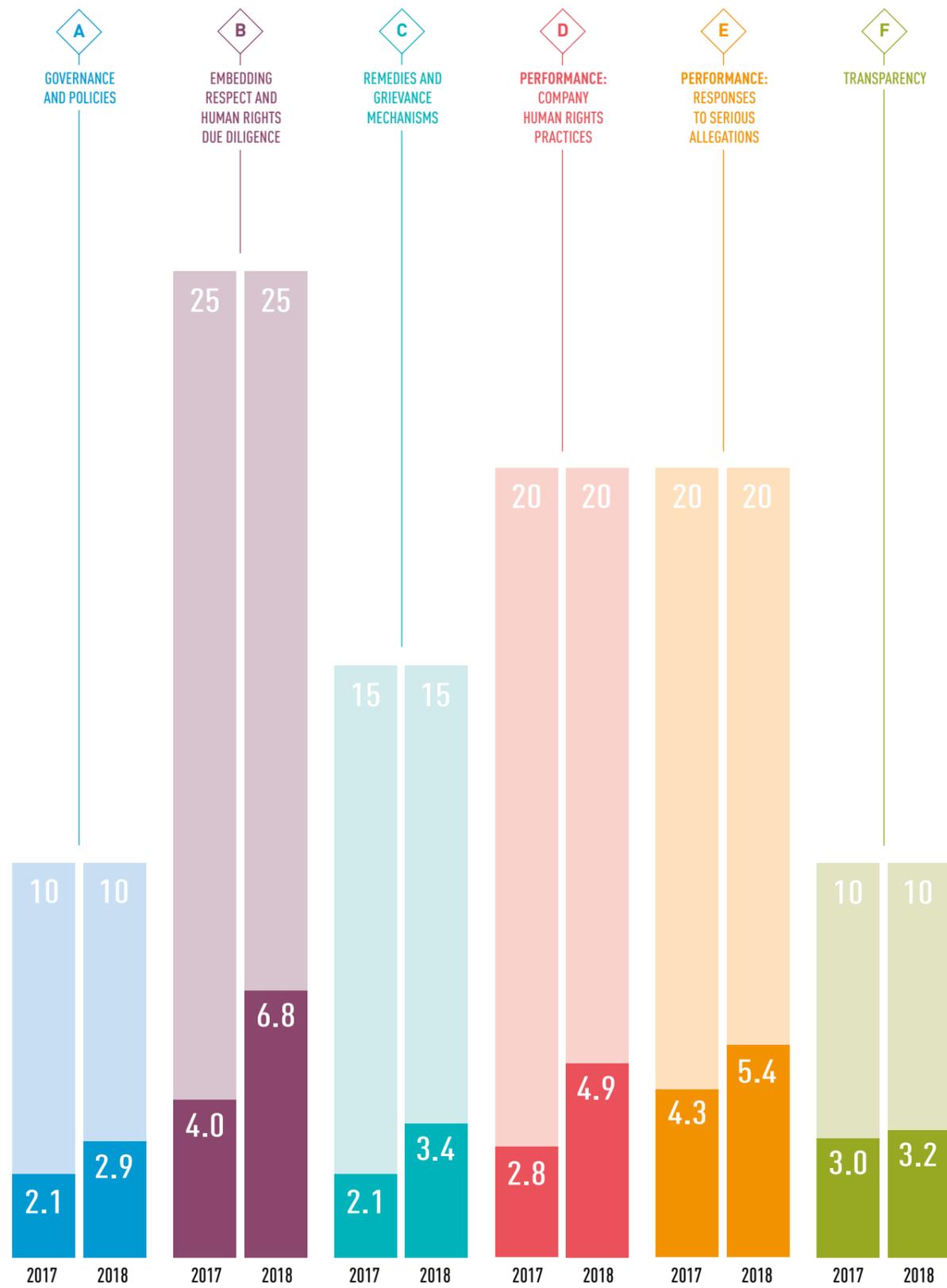
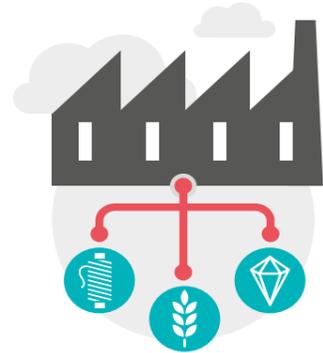


Figure 25: Average Measurement Theme Scores in 2017 and 2018



## 7. Call To Action

### BUSINESSES



**Respect** – Respecting human rights is a long and continuous journey for companies, but one that is achievable if there is enough motivation. It is vital that companies just ‘get going’ and we hope the public rankings will be used to create more motivation for change. The UNGPs remains the benchmark framework for respect for human rights and the CHRB encourages companies to commit to its implementation across their value chains.

**Learn** – Many companies have reported the usefulness of the CHRB analysis, particularly in understanding where there are gaps in policies, systems or disclosures. Companies should take steps to address those gaps and learn from their peers; there are leading companies in each sector and with the publication of the 2018 research, lower scoring companies are provided with a wide range of resources to learn from. The big jumps by some companies clearly show that rapid improvement is feasible and low scoring companies should be learning and emulating their approach to improve.

**Disclose** – Some companies, particularly in North America, appear hesitant to disclose substantive details relating to human rights. We would encourage them to look at some better performing in-country peers for inspiration and to step up to meet the global expectations on human rights.

**Dragging the Lagging** – Some leading companies may be pleased with their score, but less pleased with the overall low score in their sector. If they believe there is a free-rider problem, the CHRB would encourage them to try and level the playing field by lobbying for mandatory human rights disclosures, sharing how they have approached human rights as a company, and using their leverage to push for better performance across their industry.

**Investors** now have a great opportunity to demonstrate their commitment to human rights by using their available leverage to drive positive changes:

**Equity** – If investors have influence through share ownership, they should use it: Continually low scoring companies should be engaged, and we would encourage investors to use the CHRB research to identify gaps and to help set time-bound expectations for companies on improving their approach to human rights during engagements. Where companies continually score poorly (overall, or on specific issues that are important to the investors), we encourage investors to make use of their voting rights to express their concerns and, where viable, to work with others and propose shareholder resolutions for AGMs in 2019. Finally, where low scoring investee companies refuse to improve, we encourage investors to ask whether it is worth being linked to a company who may not be committed to respecting human rights.

**Screening** – The CHRB companies are only a small sample of the whole investment universe (although arguably these largest-in-sector companies should also be better placed to demonstrate their respect for human rights). If investors are considering investing or providing capital to one of these companies, we encourage them to review their scores as part of the investment analysis and capital allocation decision making. Where the scores are low, we encourage investors to consider if association with the company aligns with the investor’s own commitments to human rights, or if an investment opportunity might also bring with it an opportunity to exert leverage in line with the UNGPs to drive improvements in the company’s approach to human rights.

**Showing** – The UNGPs apply equally to investors, who should ‘know and show’ their respect for human rights. The CHRB encourages investors to demonstrate where they have integrated human rights thinking into their approaches, to be more transparent about engagement, screening, voting and divestment that is linked to human rights, and to support the CHRB if the research has proven useful. By ‘showing’, investors will not only encourage broader, systematic changes, but will also demonstrate that they too are integrating the UNGPs across their own operations.

### INVESTORS



### GOVERNMENTS



**NAPs** – With two sets of results, showing a trend towards improvement, but at a slow pace and complemented by unacceptably low average scores, governments have the means to better understand the implementation of the UNGPs in sectors with significant human rights risks and impacts and, by implication, how well the various National Action Plans on Business and Human Rights (NAPs) and legislation on mandatory disclosures are working to date. The CHRB encourages governments to use our findings when reviewing their NAPs and/or legislation and guidelines.

**Mandatory Disclosure** – The CHRB data suggests that while a mixed/low legislative approach to business and human rights (and its disclosure) can **in theory** work to improve company performance, it is not yet reaching its full potential. As such, the CHRB recommends that governments recognise and reward those companies who show they are seeking to respect human rights, particularly when the current environment

means those companies may face a ‘first mover disadvantage’. Conversely, governments should recognise that the lower performing companies may be reaping a competitive advantage by not respecting human rights and should consider whether the bar on mandatory disclosures on business and human rights is currently set too low.

**Standard-bearer** – Finally, the CHRB would encourage elements of government that directly engage with business to be standard bearers for integrating respect for human rights in business practices: Governments, through state-owned-enterprises, procurement, private-partnerships, export credit, trade deals and licensing, have huge leverage that could result in the trickle down of human rights requirements to companies both at home and abroad. Where possible, the CHRB encourages governments to make best use of this and to understand how the CHRB data and methodology may support this.

The CHRB is providing a wealth of information to civil society, workers and society at large, to enable these groups to make better informed decisions, and we rely on these stakeholder groups to **utilise the publicly available data** to support their own agendas.

We would encourage civil society to **prioritise efforts on the low scoring companies** who have yet to be sufficiently motivated to change their approach to human rights. While no company is perfect and while it is likely that high-scoring companies will also have ongoing or emergent human rights issues, the lack of demonstrated respect for human rights implied in the lowest scoring bands should generate much greater scrutiny in the future.

Consumers have not yet been a major focus of CHRB engagement, but we would encourage the media and civil society to consider where high and low scoring companies (and their associated brands) may provide interesting narratives to **drive changes in consumer behaviour** to reward those companies who are clearly demonstrating their respect for human rights.

The CHRB encourages civil society and interested stakeholder groups to **get in touch** to better understand the nature of the data provided and where specific issues, such as labour rights or living wages, may be identified to support single issue campaigns.

### CIVIL SOCIETY, WORKERS, COMMUNITIES, MEDIA AND CUSTOMERS



## 8. Investor Expectations

Investors are increasingly focused on assessing human rights-related investment risk as a salient and at times a material factor affecting most industries and sectors.

Following the launch of the 2017 Pilot Benchmark in March 2017, we, the CHRB investors, together with another 85 asset owners and managers with more than \$5.3 trillion AUM supporting the UN Guiding Principles Reporting Framework (<https://www.ungpreporting.org/>), wrote to each of the 98 companies that were assessed. In this letter we clarified our expectations of their human rights commitment and performance. These expectations reinforce the six Measurement Themes and detailed indicators that drive the CHRB's assessment methodology.

Although we are pleased to see that there has been an upward trend since the 2017 Benchmark results, we are concerned that the average scores are still very low and that 27 out of 101 companies score less than 10% in the 2018 assessment. These results reflect what we believe is insufficient progress towards implementing international human rights norms, as well as managing and mitigating human rights-related risk. Overall, the 2018 results also show that apart from some instances of encouraging progress, transparency and accountability related to human rights remains weak, including with respect to core elements of the UN Guiding Principles on Business and Human Rights.

### Steve Waygood

Chief Responsible Investment Officer,  
Aviva Investors  
& Chair of the CHRB Advisory Council

### Magdalena Kettis

Head of Thematic Engagement,  
Group Sustainable Finance, Nordea  
& CHRB Advisory Council member

As responsible investors, we expect companies to demonstrate that they are respecting human rights in their own operations and in their business relationships. Companies that do not effectively manage human rights may face legal, operational, and reputational risks which can negatively affect the performance of our portfolio holdings. We will continue to press companies to strengthen their commitment to human rights and to improve their performance.

Timely and substantive information regarding material ESG (environmental, social and governance) risks is essential for responsible investors and we expect companies to disclose such human rights information in their public reporting and to engage in dialogue with us on human rights. While we welcome the feedback from a quarter of companies that we wrote to in 2017, we hope more companies will respond to our 2018 follow-up letter and engage in constructive dialogue.

The 2018 Benchmark data will inform our investment decisions and company engagement. We will encourage other investors to use these new CHRB results for these purposes and to drive larger improvements in corporate human rights performance.

### Anna Pot

Manager,  
Responsible Investments, APG Asset Management  
& CHRB Advisory Council member

### Bennett Freeman

CHRB Advisory Council member  
& former Senior VP,  
Sustainability Research and Policy, Calvert Investments

### The CHRB Investor Expectations on Human Rights

Companies are expected to:

- Acknowledge publicly their responsibility to respect human rights and formally incorporate this into publicly available statements of policy.
- Include oversight of human rights-related risks as part of the Board's responsibility.
- Embed human rights policy commitments in management systems, business operations and stakeholder engagements.
- Implement due diligence processes to assess and address human rights risks.
- Provide remedy in addressing actual adverse impacts on human rights.
- Ensure that appropriate processes are in place so that grievances may be addressed early and remediated directly where appropriate.
- Maintain management systems to respond to severe and substantiated allegations.
- Take appropriate action to address impacts under the UN Guiding Principles where a Company identifies that they have caused or contributed to adverse human rights impacts.
- Assess and report on how human rights risk is material to their own operations and across their business operations and value chain.
- Consult with stakeholders and seek third-party expertise on human rights issues and risks.
- Report on human rights policy commitments and due diligence processes and specific issues, considering the UN Guiding Principles Reporting Framework as well as CHRB criteria on a sector-specific basis.



## 9. Commentary: A Tale of Two Cities

### Commentary by John Morrison Institute for Human Rights and Business

This year's results portray a tale of two cities. In the 'first city' there are an increasing number of companies, across all three categories, that understand what 'know and show' means as set out in the UN Guiding Principles on Business and Human Rights (UNGPs). These companies are not just acquiring knowledge of risky things that sit within the company's business relationships, but also acting on this knowledge and demonstrating this externally.

The Corporate Human Rights Benchmark can only award companies for what they are disclosing; 'knowing' but not 'showing' is not an option in UNGP terms nor is it for the Benchmark.

This first city shows that since the pilot Benchmark in 2017, there has been steady progress in the number of companies aligning their practices with international norms in relation to business and human rights. Whether this means they have improved their human rights on the ground is another question, but there are more companies in 2018 than in 2017 who are willing to stand judgement in the eyes of others about how well they are doing. In an era when levels of trust – in relation to business, government, NGOs and all other types of institution – are at an all-time low, then such a commitment to greater disclosure on performance is most welcome.

But there is also a tale of 'another city', one where there has been no improvement from what was already a very low base. These are companies which are not disclosing any commitment to respecting human rights, and if they are, are not demonstrating evidence of specific practices.

For at least half of the companies listed in this year's Benchmark, disclosing human rights impacts is at best a passing concern and for about a third it seems it is an irrelevance: 40 companies out of 101 do not score any points across the Human Rights Due Diligence section of the assessment. This must change and it should send a powerful message - not just to investors but also to governments to act. When issues such as Forced Labour and Human Trafficking are rising up political agendas, it is a wake-up call to see that in many jurisdictions, companies are not communicating the steps they are taking, or are avoiding, in their own operations or their supply chains.



What is interesting is that the 'two cities' are not geographical places in our real world. Whilst it is generally true that European companies have performed better than their non-European counterparts, there are low performers across all global regions. Those scoring below 10% are a diverse set indeed, from US-based retailers, to Italian high-end fashion, to Chinese energy companies. It is also not true that these are just business-to-business companies; some are very well-known consumer brands.

One factor driving low scores might be the relative caution that many US-based companies have about disclosure. But this cannot explain why some US companies make it into the 50-60% band whilst others sit in the 0-10% band. Other factors, such as company leadership, also seem to come into play. One of the conclusions for governments is that regulations requiring company disclosure on human rights, as are increasingly seen in Europe, do now seem to be translating to some extent into higher average scores in the Benchmark. This calls for regulation in other global regions in order to establish a more level playing field. Governments also need to ensure that when companies are transparent, they are not penalised for doing so. In fact, governments have a number of economic levers through which they can reward 'know and show' – from public procurement to export credit.

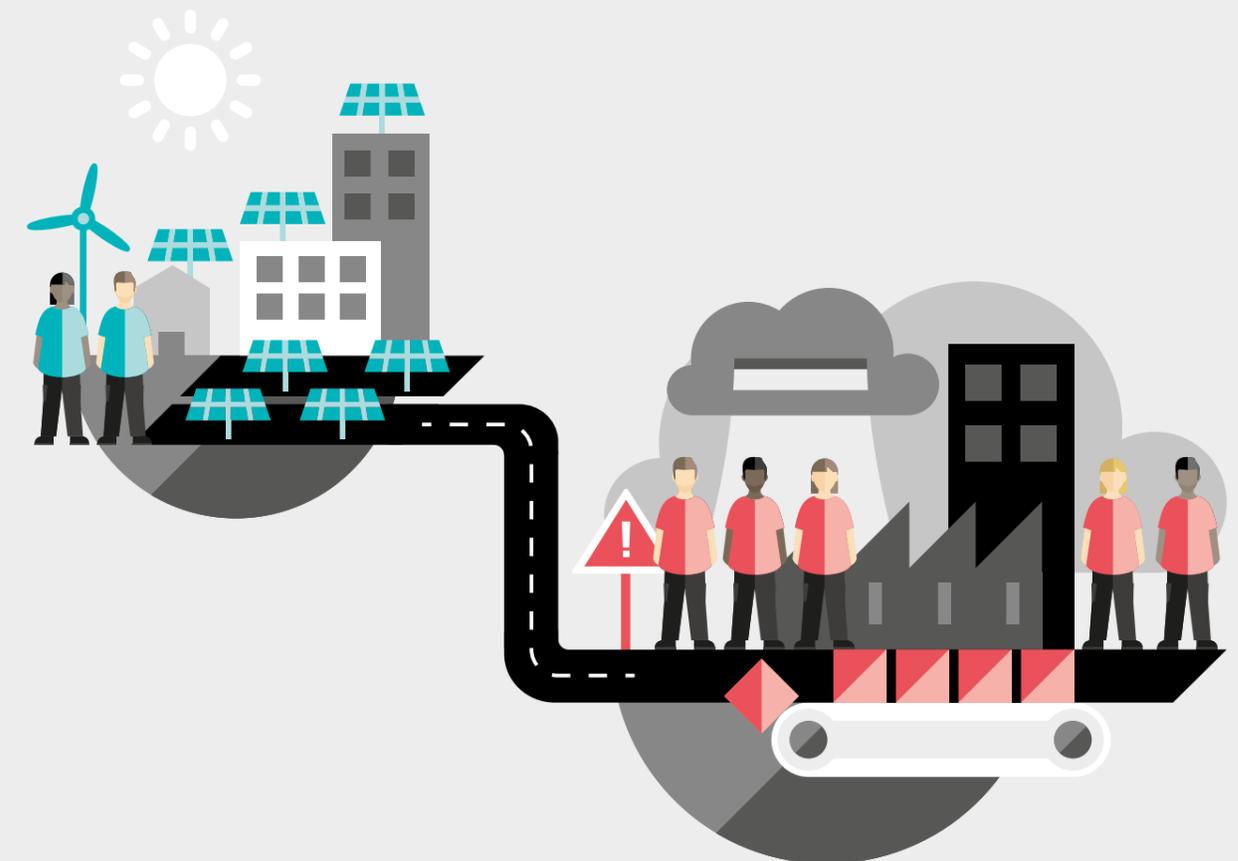
There is clearly a resilient one third of the world's largest companies who still do not believe it to be in their interests to 'know and show'. Perhaps it will be new law or investor pressure that will change this over time. Or perhaps harder edged demands for transparency will come in relation to very serious human rights situations which companies are causing or contributing to. But to ensure the fundamental rights of people all round the world that are impacted by business, something clearly needs to change.

The IHRB was a founding member of the Corporate Human Rights Benchmark and we are delighted to

see the most recent findings, despite their sobering message. We hope businesses, investors, governments, civil society and consumers will make use of the 2018 Key Findings as we work towards 'one city', where the respect for human rights is built into every business.

#### John Morrison

CEO, Institute for Human Rights and Business  
Member of the Advisory Council, Corporate Human Rights Benchmark





Annexes

## Annex 1 - Companies Benchmarked\*

| Company                      | Assessed Against**<br>Own industry operations<br>and/or Supply Chains              | Country         | Company                | Assessed Against**<br>Own industry operations<br>and/or Supply Chains                    | Country      |
|------------------------------|---|-----------------|------------------------|---|--------------|
| <b>Agricultural Products</b> |   |                 |                        |   |              |
| Ahold Delhaize               |    | The Netherlands | McDonald's             |    | USA          |
| Alimentation Couche-Tard     |    | Canada          | Mondelez International |    | USA          |
| Anheuser-Busch InBev         |   | Belgium         | Monster Beverage       |    | USA          |
| Archer Daniels Midland       |   | USA             | Nestlé                 |    | Switzerland  |
| BRF                          |   | Brazil          | PepsiCo                |    | USA          |
| Carrefour                    |    | France          | Pernod-Ricard          |       | France       |
| Compass Group                |    | UK              | Shoprite               |       | South Africa |
| Danone                       |    | France          | Starbucks              |       | USA          |
| Diageo                       |    | UK              | Sysco                  |    | USA          |
| General Mills                |    | USA             | The Coca-Cola Company  |    | USA          |
| Heineken NV                  |    | The Netherlands | The Hershey Company    |    | USA          |
| Kellogg                      |   | USA             | Unilever               |   | UK           |
| Kraft Heinz                  |    | USA             | Wesfarmers             |   | Australia    |
| Kroger                       |    | USA             | Woolworths             |    | Australia    |
| Kweichow Moutai              |    | China           | Yum! Brands            |   | USA          |

### Apparel

|                      |   |         |               |   |        |
|----------------------|---|---------|---------------|---|--------|
| Adidas               |    | Germany | LVMH          |   | France |
| Fast Retailing       |   | Japan   | Macy's        |    | USA    |
| Gap                  |    | USA     | Next          |    | UK     |
| Hanesbrands          |   | USA     | Nike          |    | USA    |
| Heilan Home          |    | China   | Nordstrom     |   | USA    |
| Hennes & Mauritz     |    | Sweden  | Prada         |   | Italy  |
| Hermes International |   | France  | Ross Stores   |    | USA    |
| Inditex              |    | Spain   | Tapestry      |    | USA    |
| Kering               |    | France  | TJX Companies |   | USA    |
| Kohl's               |    | USA     | Under Armour  |    | USA    |
| L Brands             |    | USA     | VF            |   | USA    |

\* The 2018 Benchmark assessed 101 companies. To maintain consistency and to investigate changes, the 98 companies from the 2017 pilot were kept. To avoid the pool of companies in the Benchmark decreasing (for example due to mergers), 3 companies were added to the research pool (Ahold Delhaize, Monster Beverage and Wesfarmers). Companies were selected according to two criteria: market capitalisation according to the FT 500 and whether the company derives at least 20% of revenues from the relevant industry.

| Company                                       | Assessed Against**<br>Own industry operations<br>and/or Supply Chains                | Country | Company               | Assessed Against**<br>Own industry operations<br>and/or Supply Chains  | Country |
|---|---|---------|-----------------------|---|---------|
| <b>Apparel &amp; Agricultural Products***</b> |   |         |                       |   |         |
| Aeon Company                                  |   | Japan   | Marks & Spencer Group |    | UK      |
| Associated British Foods                      |   | UK      | Target                |    | USA     |
| Costco Wholesale                              |    | USA     | Tesco                 |    | UK      |
| Falabella                                     |    | Chile   | Wal-Mart Stores       |    | USA     |

\*\*\* These companies fell into both the Agricultural Products and Apparel industries, and were therefore assessed against both sets of criteria in the CHR 2018 Methodology. As such, these particular companies may be presented in both industry results where relevant.

### Extractives

|                            |   |                   |                               |   |                 |
|----------------------------|---|-------------------|-------------------------------|---|-----------------|
| Anadarko Petroleum         |    | USA               | Grupo Mexico                  |    | Mexico          |
| Anglo American             |    | South Africa / UK | Lukoil                        |    | Russia          |
| BHP Billiton               |    | Australia / UK    | Marathon Petroleum            |    | USA             |
| BP                         |  | UK                | Norilsk Nickel                |  | Russia          |
| Canadian Natural Resources |  | Canada            | Occidental Petroleum          |  | USA             |
| Chevron Corporation        |  | USA               | Oil & Natural Gas Corporation |  | India           |
| China Petroleum & Chemical |  | China             | Petrobras                     |  | Brazil          |
| China Shenhua Energy       |  | China             | PetroChina                    |  | China           |
| CNOOC                      |  | China             | Phillips 66                   |  | USA             |
| Coal India                 |  | India             | PTT                           |  | Thailand        |
| ConocoPhillips             |  | USA               | Repsol                        |  | Spain           |
| Devon Energy               |  | USA               | Rio Tinto                     |  | Australia / UK  |
| Ecopetrol                  |  | Colombia          | Rosneft Oil                   |  | Russia          |
| ENI                        |  | Italy             | Royal Dutch Shell             |  | The Netherlands |
| EOG Resources              |  | USA               | Sasol                         |  | South Africa    |
| Equinor                    |  | Norway            | Suncor Energy                 |  | Canada          |
| Exxon Mobil                |  | USA               | Surgutneftegas                |  | Russia          |
| Freeport-McMoRan           |  | USA               | Total                         |  | France          |
| Gazprom                    |  | Russia            | Vale                          |  | Brazil          |
| Glencore                   |  | Switzerland       | Valero Energy                 |  | USA             |
| Goldcorp                   |  | Canada            |                               |   |                 |

\*\* These own operations versus supply chain assessments apply to Measurement Theme D on Company Human Rights Practices only. Specifically, 'own operations' refers not to the entirety of a company's own or in-house operations (such as including HQ offices), but rather to their own agricultural operations in the case of the Agricultural Products industry, their own production or manufacturing operations in the case of the Apparel industry, or their own extractives operations in the case of the Extractives industry.

## Annex 2 - 2018 Scores by Company and Measurement Theme

The table below sets out the scores per company, broken down into total score and Measurement Themes A-F, for the 2018 Benchmark. The colours have been added to the scores to make it easier to see low, middle and high relative performance. The column 'Point change since pilot' is based from the revised March 2017 scores using the new rule on Theme E (Serious Allegations) - see pp. 49-50 for more detail. Individual company scoring sheets are available on the CHRB website.

| 2018 scores by Measurement Theme                           |        |       |                          | A. Governance and Policy Commitments | B. Embedding Respect and Human Rights | C. Remedies and Grievance Mechanisms | D. Performance: Company Human Rights Practices | E. Performance: Responses to Serious Allegations | F. Transparency   |
|--|--------|-------|--------------------------|--------------------------------------|---------------------------------------|--------------------------------------|--|--|-------------------|
| (Scores highlighted in colour banding to provide guidance) |        |       |                          | (score out of 10)                    | (score out of 25)                     | (score out of 15)                    | (score out of 20)                              | (score out of 20)                                | (score out of 10) |
| Company  | Sector | Band  | Point change since Pilot |                                      |                                       |                                      |  |  |                   |
| Adidas   | AP     | 80-90 | +30.1                    | 7.2                                  | 22.3                                  | 15.0                                 | 15.6   | 20.0   | 6.9               |
| Rio Tinto  | EX     | 70-80 | +12.2                    | 7.7                                  | 21.6                                  | 10.8                                 | 13.1   | 15.6   | 7.4               |
| BHP Billiton   | EX     | 70-80 | +2.6                     | 8.9                                  | 19.2                                  | 12.1                                 | 14.4   | 9.4  | 8.1               |
| Marks & Spencer Group                                      | AG/AP  | 60-70 | +5.4                     | 7.0                                  | 17.6                                  | 8.8                                  | 12.1   | 17.5   | 6.9               |
| Unilever   | AG     | 60-70 | +11.4                    | 9.1                                  | 22.6                                  | 9.6                                  | 8.9  | 8.8  | 8.5               |
| Vale   | EX     | 60-70 | +29.9                    | 3.0                                  | 11.9                                  | 11.7                                 | 13.8   | 15.0   | 7.1               |
| ENI  | EX     | 60-70 | +40.7                    | 7.7                                  | 15.0                                  | 7.9                                  | 16.3   | 8.1  | 6.9               |
| VF   | AP     | 60-70 | +23.8                    | 4.1                                  | 18.9                                  | 10.4                                 | 12.4   | 8.8  | 6.3               |
| The Coca-Cola Company                                      | AG     | 50-60 | +18.5                    | 7.2                                  | 20.6                                  | 5.8                                  | 11.8   | 6.7  | 6.9               |
| Kellogg  | AG     | 50-60 | +23.6                    | 6.7                                  | 18.1                                  | 6.3                                  | 9.5  | 12.5   | 4.5               |
| Royal Dutch Shell  | EX     | 50-60 | +17.1                    | 5.0                                  | 17.9                                  | 5.4                                  | 8.1  | 12.5   | 6.2               |
| Inditex  | AP     | 50-60 | +16.6                    | 5.1                                  | 12.8                                  | 2.9                                  | 12.2   | 14.2   | 5.6               |
| Freeport-McMoRan   | EX     | 50-60 | +7.7                     | 5.8                                  | 13.9                                  | 9.6                                  | 11.3   | 5.0  | 6.8               |
| Anglo American   | EX     | 50-60 | +5.8                     | 7.7                                  | 16.1                                  | 8.3                                  | 11.9   | 1.3  | 6.8               |
| Gap  | AP     | 50-60 | +7                       | 5.7                                  | 14.6                                  | 5.8                                  | 11.7   | 8.8  | 5.0               |
| Hennes & Mauritz   | AP     | 40-50 | +2.3                     | 4.1                                  | 17.0                                  | 3.8                                  | 10.0   | 10.0   | 4.9               |
| BP   | EX     | 40-50 | +20.6                    | 5.3                                  | 12.2                                  | 8.3                                  | 8.1  | 9.8*   | 5.1               |
| Hanesbrands  | AP     | 40-50 | +10.9                    | 5.8                                  | 8.2                                   | 9.6                                  | 10.1   | 9.4*   | 3.6               |

\* Proxy score on Measurement Theme E (for companies that had no serious allegations meeting the CHRB threshold). See p. 49.

| 2018 scores by Measurement Theme                           |        |       |                          | A. Governance and Policy Commitments | B. Embedding Respect and Human Rights | C. Remedies and Grievance Mechanisms | D. Performance: Company Human Rights Practices | E. Performance: Responses to Serious Allegations | F. Transparency   |
|--|--------|-------|--------------------------|--------------------------------------|---------------------------------------|--------------------------------------|--|--|-------------------|
| (Scores highlighted in colour banding to provide guidance) |        |       |                          | (score out of 10)                    | (score out of 25)                     | (score out of 15)                    | (score out of 20)                              | (score out of 20)                                | (score out of 10) |
| Company  | Sector | Band  | Point change since Pilot |                                      |                                       |                                      |  |  |                   |
| Total  | EX     | 20-30 | -3.3                     | 5.6                                  | 12.8                                  | 4.6                                  | 10.6   | 7.5  | 5.4               |
| Nestle   | AG     | 20-30 | -0.8                     | 5.5                                  | 12.7                                  | 6.7                                  | 7.3  | 10.4   | 4.0               |
| Repsol   | EX     | 40-50 | +24.2                    | 3.9                                  | 12.4                                  | 7.1                                  | 9.4  | 7.5  | 5.6               |
| PepsiCo  | AG     | 40-50 | +19.5                    | 4.9                                  | 16.9                                  | 4.6                                  | 2.5  | 9.2  | 5.2               |
| Diageo   | AG     | 40-50 | +29                      | 4.6                                  | 13.9                                  | 6.3                                  | 4.0  | 8.5*   | 5.3               |
| Petrobras  | EX     | 40-50 | +21.9                    | 2.8                                  | 12.0                                  | 3.8                                  | 7.5  | 10.0   | 5.0               |
| Woolworths   | AG     | 40-50 | +15.7                    | 6.1                                  | 9.7                                   | 4.6                                  | 8.0  | 7.5  | 4.9               |
| Glencore   | EX     | 40-50 | +6.6                     | 7.0                                  | 9.3                                   | 3.3                                  | 8.8  | 5.0  | 5.8               |
| ConocoPhillips   | EX     | 40-50 | +12                      | 3.5                                  | 10.3                                  | 5.8                                  | 5.6  | 7.7*   | 5.6               |
| Next   | AP     | 30-40 | +15.5                    | 4.5                                  | 15.2                                  | 0.0                                  | 7.8  | 6.3  | 4.4               |
| Ecopetrol  | EX     | 30-40 | +22                      | 1.7                                  | 12.4                                  | 2.5                                  | 8.8  | 7.6*   | 4.8               |
| Danone   | AG     | 30-40 | +26.2                    | 3.7                                  | 13.1                                  | 5.4                                  | 5.0  | 7.5*   | 2.7               |
| Heineken NV  | AG     | 30-40 | +22                      | 5.1                                  | 13.9                                  | 5.4                                  | 0.5  | 7.5  | 4.8               |
| Equinor  | EX     | 30-40 | +10.1                    | 3.8                                  | 5.6                                   | 5.0                                  | 6.3  | 10.0   | 4.2               |
| Tesco  | AG/AP  | 30-40 | +5.8                     | 2.4                                  | 15.5                                  | 3.8                                  | 2.9  | 7.5  | 2.0               |
| Nike   | AP     | 30-40 | +8.2                     | 2.8                                  | 8.8                                   | 0.0                                  | 11.1   | 6.7*   | 4.3               |
| General Mills  | AG     | 30-40 | +9.5                     | 3.0                                  | 10.6                                  | 3.3                                  | 3.5  | 6.2*   | 4.3               |
| Under Armour   | AP     | 30-40 | +13.1                    | 0.2                                  | 4.7                                   | 2.1                                  | 6.7  | 15.0   | 1.6               |
| Archer Daniels Midland                                     | AG     | 30-40 | +20                      | 2.3                                  | 10.2                                  | 4.2                                  | 2.8  | 6.7  | 3.8               |
| Chevron Corporation  | EX     | 30-40 | +2.6                     | 3.4                                  | 5.4                                   | 5.4                                  | 6.9  | 5.8*   | 2.0               |
| Kering   | AP     | 20-30 | +18.2                    | 3.0                                  | 7.7                                   | 1.3                                  | 8.3  | 5.7*   | 2.6               |
| Fast Retailing   | AP     | 20-30 | +12.5                    | 2.8                                  | 4.9                                   | 0.8                                  | 3.3  | 12.5   | 3.6               |
| Wesfarmers   | AG     | 20-30 | Not in Pilot             | 4.0                                  | 6.9                                   | 2.1                                  | 4.9  | 5.5*   | 4.2               |

\* Proxy score on Measurement Theme E (for companies that had no serious allegations meeting the CHRB threshold). See p. 49.

| 2018 scores by Measurement Theme                           |        |       |                          | A. Governance and Policy Commitments | B. Embedding Respect and Human Rights | C. Remedies and Grievance Mechanisms | D. Performance: Company Human Rights Practices | E. Performance: Responses to Serious Allegations | F. Transparency   |
|--|--------|-------|--------------------------|--------------------------------------|---------------------------------------|--------------------------------------|--|--|-------------------|
| (Scores highlighted in colour banding to provide guidance) |        |       |                          | (score out of 10)                    | (score out of 25)                     | (score out of 15)                    | (score out of 20)                              | (score out of 20)                                | (score out of 10) |
| Company  | Sector | Band  | Point change since Pilot |                                      |                                       |                                      |  |  |                   |
| Coal India   | EX     | 20-30 | +17.3                    | 1.1                                  | 7.4                                   | 4.2                                  | 6.3  | 3.8  | 4.2               |
| Associated British Foods                                   | AG/AP  | 20-30 | -0.8                     | 0.9                                  | 6.5                                   | 0.8                                  | 5.8  | 11.3   | 1.6               |
| Mondelez International                                     | AG     | 20-30 | +1.4                     | 2.4                                  | 12.0                                  | 3.8                                  | 2.5  | 2.5  | 2.3               |
| Carrefour  | AG     | 20-30 | +3.5                     | 6.0                                  | 9.1                                   | 1.7                                  | 1.5  | 2.5  | 4.4               |
| Sasol  | EX     | 20-30 | +4.7                     | 3.9                                  | 3.2                                   | 3.8                                  | 5.0  | 5.0*   | 4.2               |
| Goldcorp   | EX     | 20-30 | -2.9                     | 4.2                                  | 2.3                                   | 2.5                                  | 6.9  | 5.0*   | 4.0               |
| Lukoil   | EX     | 20-30 | +20.1                    | 3.5                                  | 1.8                                   | 1.3                                  | 9.4  | 4.9*   | 3.7               |
| Wal-Mart Stores  | AG/AP  | 20-30 | +9.1                     | 0.5                                  | 2.7                                   | 5.4                                  | 2.9  | 9.0  | 3.3               |
| Occidental Petroleum                                       | EX     | 20-30 | +10.4                    | 3.9                                  | 3.8                                   | 4.2                                  | 4.4  | 4.6*   | 2.2               |
| Anheuser-Busch InBev                                       | AG     | 20-30 | +13.1                    | 3.9                                  | 3.9                                   | 2.9                                  | 5.3  | 4.5*   | 2.1               |
| Rosneft Oil  | EX     | 20-30 | +1.1                     | 2.1                                  | 0.5                                   | 1.7                                  | 6.9  | 7.5  | 3.1               |
| McDonald's   | AG     | 20-30 | +11.4                    | 3.2                                  | 5.2                                   | 2.5                                  | 2.5  | 6.3  | 1.8               |
| Pernod-Ricard  | AG     | 20-30 | -1.9                     | 4.5                                  | 7.6                                   | 0.0                                  | 3.3  | 4.3*   | 1.7               |
| Kroger   | AG     | 20-30 | +16                      | 2.0                                  | 5.9                                   | 1.7                                  | 3.5  | 3.8  | 3.4               |
| The Hershey Company  | AG     | 10-20 | +6.2                     | 1.6                                  | 3.6                                   | 2.5                                  | 4.5  | 3.9*   | 3.3               |
| Suncor Energy  | EX     | 10-20 | +4.9                     | 3.9                                  | 0.9                                   | 1.7                                  | 5.0  | 3.7*   | 3.5               |
| Exxon Mobil  | EX     | 10-20 | +3.6                     | 1.7                                  | 1.3                                   | 1.7                                  | 8.1  | 4.4  | 1.4               |
| Ahold Delhaize   | AG     | 10-20 | Not in Pilot             | 2.1                                  | 3.4                                   | 4.2                                  | 1.5  | 3.7*   | 3.6               |
| PTT  | EX     | 10-20 | +6.6                     | 1.4                                  | 3.0                                   | 1.7                                  | 5.0  | 3.5*   | 3.0               |
| Grupo Mexico   | EX     | 10-20 | +11                      | 1.4                                  | 3.2                                   | 2.5                                  | 3.8  | 2.5  | 3.6               |
| LVMH   | AP     | 10-20 | +8.5                     | 4.1                                  | 4.0                                   | 0.8                                  | 2.8  | 3.4*   | 1.7               |

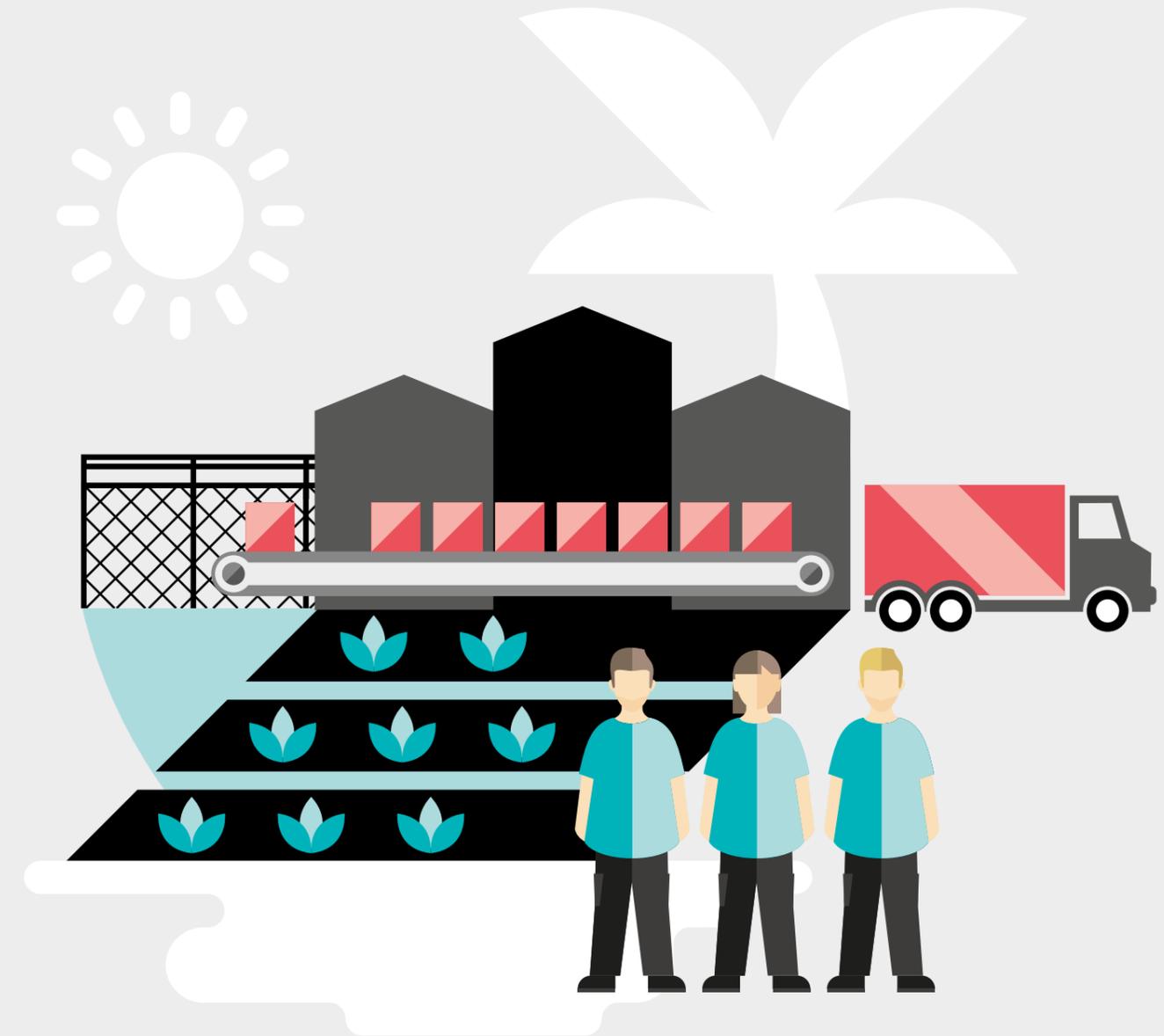
\* Proxy score on Measurement Theme E (for companies that had no serious allegations meeting the CHRB threshold). See p. 49.

| 2018 scores by Measurement Theme                           |        |       |                          | A. Governance and Policy Commitments | B. Embedding Respect and Human Rights | C. Remedies and Grievance Mechanisms | D. Performance: Company Human Rights Practices | E. Performance: Responses to Serious Allegations | F. Transparency   |
|--|--------|-------|--------------------------|--------------------------------------|---------------------------------------|--------------------------------------|--|--|-------------------|
| (Scores highlighted in colour banding to provide guidance) |        |       |                          | (score out of 10)                    | (score out of 25)                     | (score out of 15)                    | (score out of 20)                              | (score out of 20)                                | (score out of 10) |
| Company  | Sector | Band  | Point change since Pilot |                                      |                                       |                                      |  |  |                   |
| Aeon Company   | AP/AG  | 10-20 | +13.9                    | 2.3                                  | 2.9                                   | 1.7                                  | 3.1  | 3.3*   | 3.4               |
| L Brands   | AP     | 10-20 | +7.4                     | 0.2                                  | 5.2                                   | 3.8                                  | 2.8  | 3.2*   | 1.1               |
| Target   | AP/AG  | 10-20 | +3.4                     | 1.3                                  | 1.8                                   | 2.1                                  | 7.2  | 0.0  | 3.5               |
| Sysco  | AG     | 10-20 | +6.4                     | 1.8                                  | 5.3                                   | 3.8                                  | 0.5  | 3.1*   | 1.1               |
| Compass Group  | AG     | 10-20 | +6.8                     | 2.8                                  | 6.1                                   | 1.7                                  | 0.0  | 2.9*   | 1.2               |
| Norilsk Nickel   | EX     | 10-20 | +7.1                     | 2.7                                  | 0.7                                   | 2.5                                  | 2.5  | 2.9*   | 3.4               |
| TJX Companies  | AP     | 10-20 | +4.9                     | 1.4                                  | 2.3                                   | 1.7                                  | 0.6  | 5.0  | 2.9               |
| Anadarko Petroleum   | EX     | 10-20 | +7.5                     | 1.5                                  | 1.4                                   | 1.7                                  | 0.0  | 7.5  | 1.0               |
| Marathon Petroleum   | EX     | 10-20 | +5.2                     | 2.4                                  | 1.1                                   | 3.3                                  | 1.3  | 2.3*   | 1.2               |
| Yum! Brands  | AG     | 10-20 | +4.8                     | 1.1                                  | 1.4                                   | 1.3                                  | 0.3  | 5.0  | 2.6               |
| Canadian Natural Resources                                 | EX     | 10-20 | +2.3                     | 2.0                                  | 0.9                                   | 1.3                                  | 3.1  | 2.1*   | 1.2               |
| Kohl's   | AP     | 10-20 | +3.3                     | 0.8                                  | 3.2                                   | 0.0                                  | 3.3  | 2.1*   | 1.1               |
| Tapestry   | AP     | 0-10  | +4.8                     | 0.2                                  | 1.4                                   | 3.3                                  | 0.0  | 1.9*   | 2.6               |
| Phillips 66  | EX     | 0-10  | +3.9                     | 1.5                                  | 0.5                                   | 2.5                                  | 1.9  | 1.8*   | 1.1               |
| PetroChina   | EX     | 0-10  | +2.1                     | 1.8                                  | 0.0                                   | 0.8                                  | 1.9  | 1.8*   | 2.8               |
| BRF  | AG     | 0-10  | -0.8                     | 1.2                                  | 0.9                                   | 1.7                                  | 0.8  | 1.8*   | 2.6               |
| Costco Wholesale   | AP/AG  | 0-10  | +4.2                     | 0.8                                  | 1.8                                   | 1.3                                  | 1.6  | 2.5  | 0.8               |
| Starbucks  | AG     | 0-10  | +1.4                     | 1.7                                  | 1.1                                   | 1.7                                  | 1.5  | 1.7*   | 0.9               |
| Nordstrom  | AP     | 0-10  | +2.3                     | 0.2                                  | 3.1                                   | 0.8                                  | 1.5  | 1.6*   | 0.8               |
| Falabella  | AP/AG  | 0-10  | +6.2                     | 1.4                                  | 0.0                                   | 2.1                                  | 0.0  | 1.5*   | 2.5               |
| Devon Energy   | EX     | 0-10  | -3.4                     | 0.6                                  | 0.2                                   | 0.8                                  | 3.8  | 1.5*   | 0.6               |

\* Proxy score on Measurement Theme E (for companies that had no serious allegations meeting the CHRB threshold). See p. 49.

| 2018 scores by Measurement Theme                           |        |      |                          | A. Governance and Policy Commitments | B. Embedding Respect and Human Rights | C. Remedies and Grievance Mechanisms | D. Performance: Company Human Rights Practices | E. Performance: Responses to Serious Allegations | F. Transparency   |
|--|--------|------|--------------------------|--------------------------------------|---------------------------------------|--------------------------------------|--|--|-------------------|
| (Scores highlighted in colour banding to provide guidance) |        |      |                          | (score out of 10)                    | (score out of 25)                     | (score out of 15)                    | (score out of 20)                              | (score out of 20)                                | (score out of 10) |
| Company  | Sector | Band | Point change since Pilot |                                      |                                       |                                      |  |  |                   |
| Oil & Natural Gas Corporation                              | EX     | 0-10 | -0.3                     | 1.4                                  | 0.0                                   | 1.7                                  | 1.3  | 0.0  | 2.6               |
| Gazprom  | EX     | 0-10 | +3.9                     | 0.8                                  | 0.0                                   | 0.0                                  | 1.9  | 1.3*   | 2.5               |
| Ross Stores  | AP     | 0-10 | -1.5                     | 0.5                                  | 1.4                                   | 2.1                                  | 0.0  | 1.2*   | 0.7               |
| Kraft Heinz  | AG     | 0-10 | +5.2                     | 0.4                                  | 0.0                                   | 3.3                                  | 0.0  | 1.0*   | 0.4               |
| China Petroleum & Chemical                                 | EX     | 0-10 | -4.3                     | 1.2                                  | 0.0                                   | 0.0                                  | 0.0  | 1.3  | 2.3               |
| China Shenhua Energy                                       | EX     | 0-10 | +3.7                     | 0.0                                  | 0.0                                   | 0.0                                  | 1.3  | 0.8*   | 2.1               |
| Macy's   | AP     | 0-10 | -0.9                     | 0.2                                  | 2.7                                   | 0.0                                  | 0.0  | 0.8*   | 0.4               |
| Shoprite   | AG     | 0-10 | -0.1                     | 1.3                                  | 0.0                                   | 0.8                                  | 0.5  | 0.7*   | 0.3               |
| Prada  | AP     | 0-10 | +2                       | 0.2                                  | 0.0                                   | 0.0                                  | 0.6  | 0.7*   | 2.2               |
| CNOOC  | EX     | 0-10 | +2.2                     | 1.2                                  | 0.0                                   | 0.0                                  | 1.3  | 0.7*   | 0.4               |
| Hermes International                                       | AP     | 0-10 | +2.9                     | 1.3                                  | 0.6                                   | 0.0                                  | 0.6  | 0.7*   | 0.3               |
| Surgutneftegas   | EX     | 0-10 | 0                        | 0.3                                  | 0.0                                   | 0.0                                  | 2.5  | 0.0  | 0.3               |
| EOG Resources  | EX     | 0-10 | +0.8                     | 0.6                                  | 0.0                                   | 1.3                                  | 0.0  | 0.6*   | 0.4               |
| Alimentation Couche-Tard                                   | AG     | 0-10 | -0.2                     | 1.0                                  | 0.0                                   | 0.8                                  | 0.0  | 0.5*   | 0.3               |
| Valero Energy  | EX     | 0-10 | +0.7                     | 0.2                                  | 0.0                                   | 1.7                                  | 0.0  | 0.5*   | 0.3               |
| Monster Beverage   | AG     | 0-10 | Not in Pilot             | 0.0                                  | 0.0                                   | 0.8                                  | 0.0  | 0.2*   | 0.1               |
| Heilan Home  | AP     | 0-10 | 0                        | 0.0                                  | 0.0                                   | 0.0                                  | 0.0  | 0.0*   | 0.0               |
| Kweichow Moutai  | AG     | 0-10 | 0                        | 0.0                                  | 0.0                                   | 0.0                                  | 0.0  | 0.0*   | 0.0               |

\* Proxy score on Measurement Theme E (for companies that had no serious allegations meeting the CHRB threshold). See p. 49.



## Annex 3 - Companies that Engaged in the 2018 Benchmark

The companies outlined below engaged in the Benchmark process either by disclosing information on the CHRB Disclosure Platform or using the CHRB Disclosure Form, providing written feedback during the engagement phase, or discussing their review on an engagement call.

The CHRB recognises that a number of individuals within companies have gone to considerable effort to ensure the correct information is publicly available when analysing the company in question. We would particularly like to thank the companies that engaged with us during the process, which include:

### Agricultural Products

|                        |                        |
|------------------------|------------------------|
| Ahold Delhaize         | Mondelez International |
| Anheuser-Busch InBev   | Nestlé                 |
| Archer Daniels Midland | PepsiCo                |
| Carrefour              | Pernod-Ricard          |
| Compass Group          | Starbucks              |
| Danone                 | The Coca-Cola Company  |
| Diageo                 | The Hershey Company    |
| General Mills          | Unilever               |
| Heineken NV            | Wesfarmers             |
| Kellogg                | Woolworths             |
| Kroger                 | Yum! Brands            |
| McDonald's             |                        |

### Apparel

|                      |               |
|----------------------|---------------|
| Adidas               | Kering        |
| Fast Retailing       | L Brands      |
| Gap                  | Next          |
| Hanesbrands          | Nike          |
| Hennes & Mauritz     | TJX Companies |
| Hermes International | VF            |
| Inditex              |               |

### Apparel & Agricultural Products

|                          |                 |
|--------------------------|-----------------|
| Aeon Company             | Target          |
| Associated British Foods | Tesco           |
| Falabella                | Wal-Mart Stores |
| Marks & Spencer Group    |                 |

### Extractives

|                            |                      |
|----------------------------|----------------------|
| Anglo American             |                      |
| BHP Billiton               | Occidental Petroleum |
| BP                         | Petrobras            |
| Canadian Natural Resources | Phillips 66          |
| Chevron Corporation        | PTT                  |
| ConocoPhillips             | Repsol               |
| ENI                        | Rio Tinto            |
| Equinor                    | Rosneft Oil          |
| Exxon Mobil                | Royal Dutch Shell    |
| Freeport-McMoRan           | Sasol                |
| Glencore                   | Suncor Energy        |
| Grupo Mexico               | Total                |
| Lukoil                     | Vale                 |
| Marathon Petroleum         |                      |

## About the CHRB

Corporate Human Rights Benchmark Limited (CHRB Ltd.), is a not for profit company created to publish and promote the Corporate Human Rights Benchmark.

The Corporate Human Rights Benchmark was launched in 2013 as a multi-stakeholder initiative and draws on investor, business and human rights and Benchmarking expertise from 7 organisations: APG Asset Management (APG), Aviva Investors, Business and Human Rights Resource Centre, The EIRIS Foundation, Institute for Human Rights and Business (IHRB), Nordea Wealth Management and VBDO.

CHRB Ltd. is governed by a board of directors and chaired by Steve Waygood, Chief Responsible Investment Officer at Aviva Investors.





Harnessing the competitive nature of the markets to drive better human rights performance.