



Corporate Human Rights Benchmark

Across sectors: Agricultural products, Apparel, Automotive manufacturing, Extractives & ICT manufacturing

2020 Key findings

Table of contents



Foreword	3
Acknowledgements	5
Introduction	6
1 Key findings	7
2 Automotive manufacturing	11
Climate and automotive results	9
3 CHRB core UNGP assessment	17
Changes to the 2020 assessment	17
Agricultural products	19
Apparel	23
Extractives	27
ICT manufacturing	31
4 The Benchmark's global coverage	35
5 Commentary	36
Serious allegations	36
Membership organisations	37
Methodology review	37
6 Call to action	38
Annex: Companies that engaged in the 2020 benchmark	41

The COVID-19 crisis has exposed and exacerbated systemic weaknesses, inequalities and unacceptable practices throughout global value chains. With only ten years to go to achieve the Sustainable Development Goals (SDGs), it is clear, more than ever, that urgent change is needed if we are to realise the ambitions of the 2030 agenda.

Against this backdrop, the 2020 Corporate Human Rights Benchmark (CHRB) assesses the human rights disclosures of 229 global companies across five sectors identified as presenting a high risk of negative human rights impacts. These sectors are agricultural products, apparel, extractives, ICT manufacturing and, for the first time, automotive manufacturing.

The results show that there has been progress on previous years. A number of companies are meeting the fundamental expectations of the United Nations Guiding Principles on Business and Human Rights (UNGPs), with strong commitments and rigorous procedures in place. ICT manufacturing companies, which were assessed for the second time, show signs of catching up with their peers in other sectors. However, two significant challenges have emerged.

The first is that only a minority of companies demonstrate the willingness and commitment to take human rights seriously. Looking at the automotive companies assessed for the first time in 2020, the results are unequivocal: with an average total score of 12%, the lowest a sector has achieved since the benchmark was first published in 2017, the industry as a whole needs to improve quickly and dramatically. Human rights

due diligence, despite being so crucial for the effective management of human rights risks, remains an area of poor performance across all sectors, with nearly half of the companies assessed (46.2%) failing to score any points for this part of the assessment.

The second challenge is arguably more pernicious and relates to the disconnect between commitments and processes on the one hand and actual performance and results on the other. Even for those companies with robust commitments and management systems, these do not automatically translate at a practical level, with allegations of severe human rights violations regularly raised, even against some of the highest scoring companies.

If we are to achieve the SDGs by 2030, we need to ensure that strong commitments and management systems deliver their intended effects. Additionally, we need all companies to participate in this effort and to place people and planet above the pursuit of profit at all cost.

This also implies looking at the systemic questions that underpin the challenges we face and that will be at the heart of any viable solutions. This means taking a holistic view and recognising the interdependence of social issues instead of addressing them in isolation. For example, human rights and climate change are often treated separately, when in fact climate change presents a fundamental threat to the enjoyment of human rights. Similarly, the achievement of a net zero-carbon economy will only be just if it leaves no one behind. However, when we compare the results of the CHRB and the [Climate and Energy Benchmark](#), which assessed the same automotive companies, we see that many of these

Foreword

companies perform differently on the two benchmarks and consider climate and human rights issues in siloes.

This also means that different stakeholders need to come together to find collective solutions, otherwise we will be attempting to fix individual factories, farms and offices instead of addressing root causes. In order to foster this kind of collaboration, the World Benchmarking Alliance (WBA) will launch collective impact coalitions (CICs) in 2021. These CICs (pronounced 'kicks') will bring together companies, financial institutions, policy makers, civil society, academics, experts and others to work up these solutions jointly, focusing on the [seven systems transformations](#) identified by WBA. In this decade of action, we all have a role to play. Will you join the movement?



Camille Le Pors

Lead, Corporate Human Rights Benchmark
World Benchmarking Alliance



Acknowledgements

The CHRB, which is part of the World Benchmarking Alliance (WBA), would like to recognise the crucial support from the Business and Human Rights Resource Centre, the Institute for Human Rights and Business, the EIRIS Foundation, Aviva Investors, APG Asset Management and Nordea ABP as well Margaret Wachenfeld and Bennett Freeman.

WBA would also like to acknowledge the EIRIS Foundation and its partners for managing the desk-based research in 2020 so competently. In addition, our thanks go to RepRisk for providing environmental, social and governance (ESG) risk metrics and analytics for the CHRB serious allegations assessments.

None of our work would be possible without the vital support from our funders. As such, WBA would like to express sincere thanks to the governments of the United Kingdom, Denmark, Germany, the Netherlands, Switzerland and Sweden as well as the Aviva Foundation and the Laudes Foundation.

Finally, WBA would like to thank the many supporters and Allies who have helped to improve our methodology and champion our work, as well as the large number of individuals in the benchmarked companies who devoted significant time and effort to engaging with the CHRB and ensuring the correct information was available for analysis.



The CHRB is part of WBA, which seeks to generate a movement around increasing the private sector's impact towards a sustainable future for all. The CHRB produces benchmarks that rank global companies on their human rights performance.

WBA is developing multiple benchmarks that will eventually measure and rank 2,000 keystone companies – companies that have been identified as most influential in contributing to the SDGs across seven critical systems transformations. These are decarbonisation and energy, food and agriculture, circular, digital, urban, financial and social.

The social transformation, which focuses on respect for human rights, equality and empowerment, sits at the heart of WBA's model and underpins and enables the six other transformations. All 2,000 keystone companies will be assessed against a common set of core social expectations on business conduct, including human rights, with the core social indicators being informed by the CHRB methodology. The social transformation will explore key cross-cutting topics, such as living wages and gender equality, using spotlight benchmarks to focus on specific issues that deserve deeper analysis and that can drive much broader change.

WBA recognises the market failure around business respect for human rights and how this undermines the achievement of the SDGs. To address this market failure, WBA believes human rights benchmarking can create positive competition, drive accountability and provide evidence for policy intervention. As such, the CHRB provides the very

first spotlight benchmarks within the Social Transformation, reflecting the critical role respect for human rights has for achieving the 2030 Agenda for Sustainable Development.

FIGURE 1: WBA's seven systems transformations



1 Key findings



Automotive

The automotive sector was included for the first time this year, with 30 companies in scope. These companies were assessed on the [full CHRB methodology](#).

KEY FINDING 1: The automotive sector is the worst performing ever in the CHRB

The average score for automotive companies is 12%, the lowest score ever for a CHRB-benchmarked sector, and lower than the 17% average of companies that were benchmarked for the first time in 2019. Not a single automotive company scored above 50%, and half scored below 10%. Two thirds of the companies scored 0 across all human rights due diligence indicators (B.2). These poor results suggest implementation of the UNGPs is weak across the sector. Ford Motors, Groupe PSA and Daimler lead the sector, with scores ranging from 30% to 42%. Great Wall Motor, SAIC Motor, Chongqing Changan and FAW Car Company came last, with scores under 1%.

KEY FINDING 2: Supply chain management is a major area of weakness

On average, nine out of ten automotive companies scored 0 when it comes to demonstrating how they manage risks such as forced labour, child labour or freedom of association and collective bargaining within their supply chain.

1 Key findings

A majority of automotive companies failed to demonstrate that they work with suppliers or set core expectations through contractual arrangements to verify the age of workers, prohibit recruitment fees and prevent intimidation or harassment of trade union members and their representatives. Additionally, only one company, General Motors, provided evidence of mapping its direct and indirect suppliers (including manufacturing sites for major components). This raises questions of how other companies can track, let alone manage, the human rights risks in their supply chains.

KEY FINDING 3: A just transition is undermined by a disconnect between human rights and climate issues

Human rights and climate change are increasingly understood as issues that are inherently linked. The UN Secretary General, António Guterres, stated earlier this year that the climate crisis presents the biggest threat to our survival as a species, and is already threatening human rights around the world.¹ Similarly, any action taken to achieve a net zero-carbon economy, without consideration for human rights, will only exacerbate existing inequalities and increase the potential for exploitation of already vulnerable groups.

The automotive companies included in the 2020 CHRB were also assessed by the Climate and Energy Benchmark. When comparing both assessments, almost no correlation could be found between a

company's relative performance on either benchmark. Indeed, some companies that demonstrated action on climate issues, such as low-carbon transition plans, emissions reduction targets and climate change oversight, disclosed very little, if any, information on how they manage human rights, and *vice versa*. This lack of a correlation suggests that many automotive companies still consider climate and human rights issues separately, to be addressed independently of each other, despite the fact that they are increasingly recognised as interconnected. In the coming decades, emissions-intensive sectors, such as automotive, face the major challenge of shifting to a net zero-carbon economy while upholding the central promise of the SDGs to leave no one behind. Demonstrating success in both areas is paramount to ensure a just transition.

CHRB core UNGP assessment

In light of the COVID-19 pandemic and associated impacts around the world, the apparel, agricultural product, extractive and ICT manufacturing companies, which were assessed in previous iterations of the benchmark, were only assessed on a subset of the methodology in 2020, namely the CHRB core UNGP indicators. These are 13 non-industry-specific indicators that focus on three key areas of the UNGPs: high-level commitments, human rights due diligence and access to remedy.

¹UN Secretary-General's remarks to the UN Human Rights Council, António Guterres, 24 February 2020, <https://www.un.org/sg/en/content/sg/statement/2020-02-24/secretary-generals-remarks-the-un-human-rights-council-%E2%80%9Cthe-highest-aspiration-call-action-for-human-rights-delivered-scroll-down-for-all-english>

1 Key findings

KEY FINDING 4: Too many companies are failing to meet investor expectations on human rights due diligence

Human rights due diligence is the process a business is expected to follow to identify, assess and act upon its human rights risks. The process is at the heart of any good approach to managing human rights risks and is foundational for companies to drive sustainable change and support the SDGs.

In March 2020, a group of 176 international investors representing over USD 4.5 trillion in assets under management sent a letter to the 95 companies that failed to score any points on the human rights due diligence indicators in the 2019 CHRB assessment, calling for urgent improvement. Of those 95 companies, only 16 have improved on human rights due diligence this year, with 79 still failing to score any points on the related indicators. Of companies assessed for the first time in 2020, 70% also failed to score any points in this area of the assessment.

This inconsistent performance highlights the need for regulatory action to raise the bar and ensure that companies respect the rights of all potentially affected stakeholders. This is all the more imperative in the context of the COVID-19 pandemic, which has laid bare and exacerbated significant weaknesses and vulnerabilities throughout global value chains.

KEY FINDING 5: A growing number of companies are getting better at the fundamentals, but many still lag behind

On average across all sectors, companies improved their score on approximately two out of the 13 CHRB core UNGP indicators. The indicators that saw the most improvement were public commitments to respect human rights (A.1.1) and grievance channels for external individuals and communities (C.2). The lowest areas of improvement relate to the human rights due diligence process.

Despite the overall improvement in score across indicators, more than a third of companies failed to improve on their 2019 results, and many of the lowest scorers from that year are still refusing to budge. Starbucks, Ross Stores and Phillips 66 headline a group of 24 companies that scored below 10% on the full benchmark methodology in 2019 and did not improve on any of the CHRB core UNGP indicators in 2020.

KEY FINDING 6: Companies need to move from commitments and processes to impacts on the ground

Even though we are seeing encouraging progress from a number of companies, with some meeting most of the fundamental requirements of policy commitments and human rights due diligence, there seems to be a concerning disconnect between these commitments and processes and impacts on the ground.

Of the 229 companies assessed, 104 had at least one allegation of a serious human rights impact meeting the CHRB severity threshold, with

1 Key findings

225 allegations reported in total. Companies engaged in a dialogue with stakeholders in less than a third of cases and provided effective remedy that was satisfactory to the victims in only 4% of cases.

Companies that scored well on commitments and human rights due diligence are not exempt from such severe allegations. In the past few years, severe human rights allegations and impacts have been associated with companies who scored well in these areas. This raises a crucial question: how do we get from commitments and processes to actual practices on the ground? What are the missing links that would ensure that strong commitments and management systems deliver the intended effects?

KEY FINDING 7: ICT manufacturing companies are catching up, but other sectors aren't standing still

Nearly 12 months since first being assessed, ICT manufacturing companies have seen an increase of almost a third on their UNGP indicator scores. Ericsson is the best performing ICT company in 2020, improving on nine out of 13 indicators. Other sectors (agricultural products, apparel and extractives) that were originally included in the benchmark have also improved, albeit a more modest increase of 13% across the same set of indicators.

While the scale of increase that ICT companies have achieved in such a short space of time is a positive development, the sector continues to be the lowest performing on average (excluding automotive). In the coming years, these improvements need to be accelerated, as

clearly there is still a way to go until the average ICT manufacturing company meets the expectations set out in the UNGPs. It must also be noted that despite this relatively big improvement, one in three ICT manufacturing companies still failed to increase its score on any of the indicators.

KEY FINDING 8: Negative human rights impacts are overwhelmingly felt in developing countries

The 2020 CHRB assessed 225 allegations of severe human rights impacts. The most common of these involved situations of forced labour, child labour or health and safety breaches that resulted in death or injury. Despite the fact that 78% of companies assessed are based or headquartered in OECD member countries, 85% of all alleged impacts occurred in developing countries. The countries where most negative impacts allegedly occurred are India (24), China (21) and Indonesia (19).

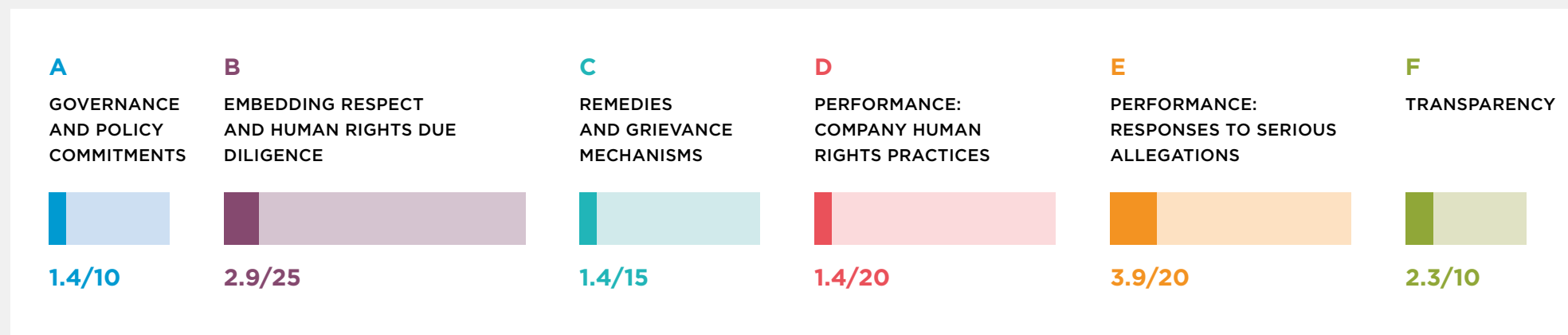
The allegations considered in the 2020 CHRB assessment are only the most severe allegations in terms of scale, scope and remediability made between 2017-2019. There are many more allegations that do not meet the CHRB severity threshold and are therefore not captured by the assessment.

2 Automotive manufacturing

In 2020, the CHRB assessed 30 companies from the **automotive manufacturing** sector for the first time. For these companies, **the full methodology was applied**. This allowed us to assess these companies' existing disclosures and present an initial picture of the situation for the sector. These 30 companies are the same as those assessed in the 2020 Climate and Energy Benchmark.

Overall average: 11.9%

FIGURE 2: Automotive companies' average score by measurement theme



At 11.9%, the average score is lower than the average scores of the agricultural product, apparel and extractive companies assessed in the 2017 pilot benchmark. No company in the automotive sector scored above 50%, and half of companies scored under 10%.

The top three automotive companies are in the 40-50% (Ford) and the 20-30% (Groupe PSA and Daimler) scoring bands. Two companies, Chongqing Changan and FAW Car Company, scored 0 across all measurement themes.

A number of companies scored 0 on all the indicators across a particular measurement theme. This means that the CHRB could not find enough publicly available information to give even a half mark on any of the indicators relating to:

A.1 Commitments to respect human rights. Five companies scored 0 on all indicators across this theme.

A.2 Board-level accountability for human rights. Eighteen companies scored 0 on all indicators across this theme.

2 Automotive manufacturing

- B.1 Embedding respect for human rights in company management systems.** Ten companies scored 0 on all indicators across this theme.
- B.2 Human rights due diligence.** Twenty-one companies scored 0 on all indicators across this theme.
- C Remedy and grievance mechanisms.** Nine companies scored 0 on all indicators across this theme.
- D Performance: Dealing with key risks and enabling factors for human rights.** Five companies scored 0 on all indicators across this theme.
- E Performance: Responses to serious allegations.** Two companies scored 0 on all indicators across this theme.
- F Transparency.** Two companies scored 0 on all indicators across this theme.

While scores are generally low across all measurement themes, some elements in particular stand out for this sector.

- Forty per cent of companies do not have a public commitment to respect human rights. Almost ten years since the UNGPs were endorsed, just over 10% of companies have commitments to implement them or the OECD Guidelines for Multinational Enterprises (A.1.1).
- Two thirds of companies scored 0 across all areas of human rights due diligence (B.2). This means that the information these companies disclose about their human rights risks and impacts, if any, does not meet the fundamental expectations of the UNGPs.
- The CHRB also found that while two thirds of companies indicated that they have a grievance channel accessible to all workers to raise complaints (C.1), only one in five had an equivalent system to receive complaints from external individuals and communities (C.2). Just one company described the approach it took to provide timely remedy for victims of adverse human rights impacts that it had caused or contributed to (C.7).
- The assessment also suggests there is a lack of basic supply chain expectations within the automotive sector.
 - Only one company, General Motors, indicated that it identified its direct and indirect suppliers for all major components (D.5.3).
 - On the issues of child labour (D.5.4.b) and forced labour (D.5.5.b and D.5.5.d), just seven companies included requirements such as age verification and prohibition of recruitment fees or retention of personal documents in contractual arrangements with suppliers, or described how they worked with suppliers to eliminate these issues.
 - When it comes to responsible sourcing, nine companies disclosed information about their management systems to ensure the responsible sourcing of minerals (D.5.10) or other raw materials such as rubber and leather (D.5.11). These companies scored approximately 22% on average, almost three times that of companies that did not disclose information on responsible sourcing (and for which the average total score was 8%).

2 Automotive manufacturing

FIGURE 3: Number of automotive companies (out of 30) per band

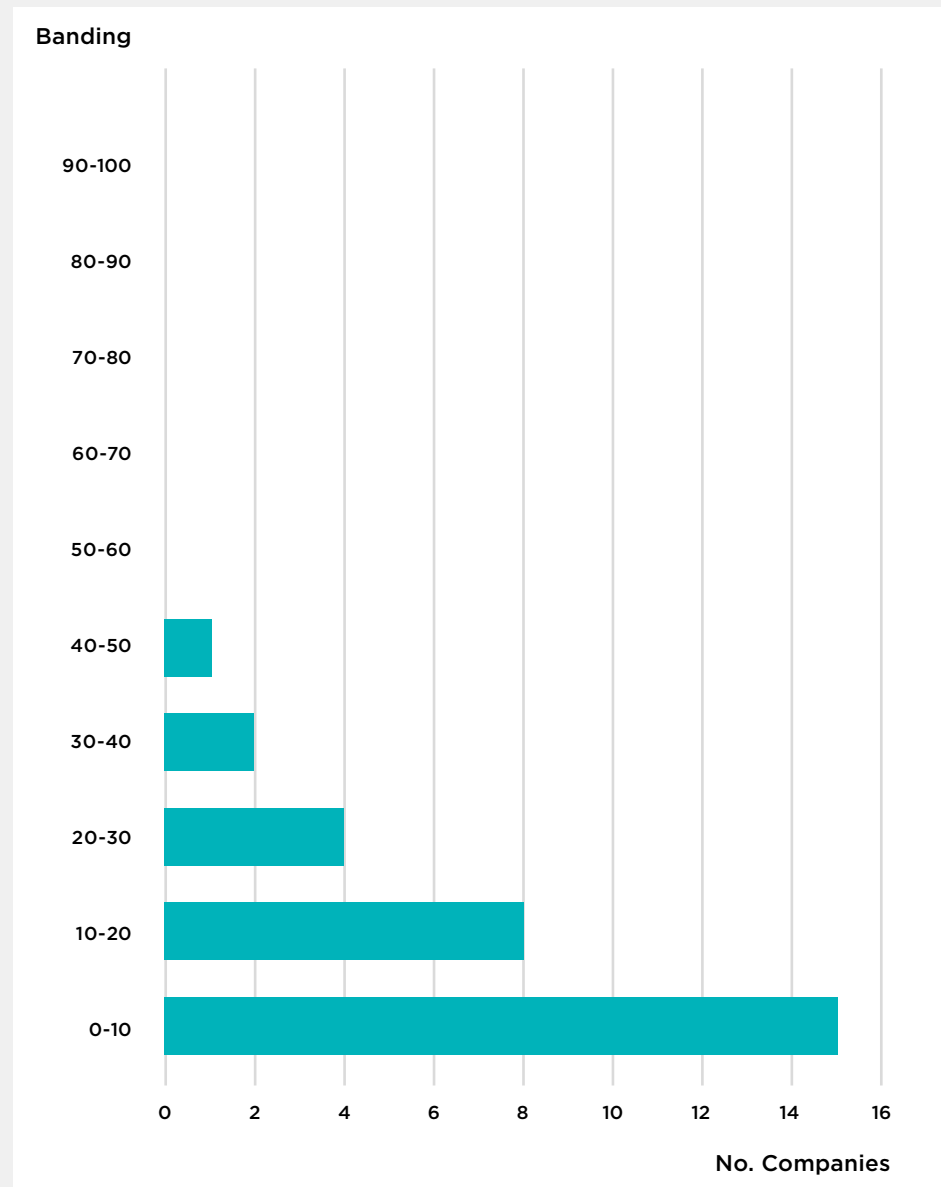


FIGURE 4: Automotive companies results by band

Banding	Company	Key information	
40-50	Ford	▶	
30-40	Groupe PSA	▶	X
	Daimler	▶	
20-30	Fiat Chrysler Automobiles	▶	
	BMW	▶	
	Volkswagen	▶	
	General Motors Corporation (GM)	!	▶ X
	Renault	▶	X
	Honda Motor Company	!	▶ X
	Mazda Motor Corporation		
10-20	Tata Motors	!	X
	Toyota Motor Corporation	▶	
	Kia Motors Corporation	!	X
	Hyundai Motor Company	!	▶ X
	Subaru	!	X
	Mitsubishi Motors Corporation	!	X
	Geely	!	X
	Nissan Motor Company	!	▶
	Mahindra and Mahindra	!	X
	Tesla	!	▶ X
	Suzuki Motor Corporation	!	▶ X
	BAIC Motor	!	X
0-10	Dongfeng Motor Group	!	X
	Guangzhou Automobile Group	!	X
	BYD	!	▶ X
	Anhui Jianghuai Automobile Group	!	X
	Great Wall Motor Company	!	X
	SAIC Motor	!	X
	Chongqing Changan A	!	X
	FAW Car Company	!	X

! = Scores 0 on HRDD (B.2) ▶ = At least 1 serious allegation X = Non-engaged

2 Automotive manufacturing

Climate and automotive results: Urgent need for companies to improve and align their actions on human rights and climate change

For the first time, the automotive manufacturing companies included in the 2020 CHRB were also assessed by the Climate and Energy Benchmark, allowing us to analyse how companies performed in both areas. The results are alarming: almost no correlation could be found between a company's relative performance on either benchmark, suggesting a disconnect between companies' disclosures and actions on climate and human rights issues.

A key area of weakness for the sector in both assessments is supply chain management. The CHRB found that nine out of ten automotive companies failed to set core expectations through contractual arrangements with suppliers for risks such as forced labour and child labour, and only one mapped its direct and indirect suppliers for major components. Similarly, in the Climate and Energy Benchmark, more than half of companies showed no evidence of driving emissions reductions throughout their supply chain, and a quarter of companies did not engage their suppliers on climate change issues and greenhouse gas emissions at all.

As companies begin to shift towards greener power, demand for energy storage in the form of batteries is expected to grow, particularly in the electric vehicle market. In this context, a lack of supplier engagement, especially in the areas of forced labour and child labour, is concerning. This is because the minerals present in these batteries are often sourced

from politically unstable locations and have been [linked to pervasive human rights abuses, including child labour](#). The CHRB found that only nine companies disclosed any information relevant to responsible mineral sourcing, such as working with smelters or refiners or identifying and managing risks within their supply chain.

Case Study 1: Tesla Motors

Tesla Motors, a major manufacturer of electric vehicles, performed strongly on the vehicle in-use emissions module in the 2020 Climate and Energy Benchmark but poorly on supplier engagement and target setting. Similarly, when observing the company's approach to managing human rights, Tesla scores in the bottom third of companies assessed in the CHRB with an overall score of 6.3/100. This approach has come under recent scrutiny, with a [2020 shareholder resolution](#) demanding Tesla improve its disclosures on human rights governance, due diligence and remedy. While the resolution did not pass (24.8% voted in favour), it highlights that even when a company contributes to decarbonisation, a lack of essential human rights policies and processes to prevent abuse of communities and workers cannot be overlooked.

2 Automotive manufacturing

Case Study 2: Groupe PSA

While overall performance across both human rights and climate action in the automotive sector is poor, some companies stand out from their peers by demonstrating efforts in both. Groupe PSA, which ranked second in the CHRB assessment, is one of the leading companies in the Climate and Energy Benchmark. Unlike most in the automotive sector, Groupe PSA performed relatively well in the CHRB on human rights due diligence, setting it apart from its peers, two thirds of whom scored 0 across the same set of indicators. Groupe PSA also ranked first in the 2019 Climate and Energy Benchmark. In the 2020 Climate and Energy Benchmark, it continues to perform well relative to peers in target setting and encouraging customers to buy low-carbon vehicles.

While decisive action on climate change is imperative, the implications of making such radical changes to the economy must also be considered. A requirement of the Paris Agreement is to achieve a ‘just transition’; a future where no one is left behind in the movement towards a net zero-carbon economy. Early action can minimise the negative impacts and maximise positive opportunities. A just transition must therefore address the human rights implications of the decarbonisation and energy transformation, ensuring that workers and communities are at the centre of this vision.

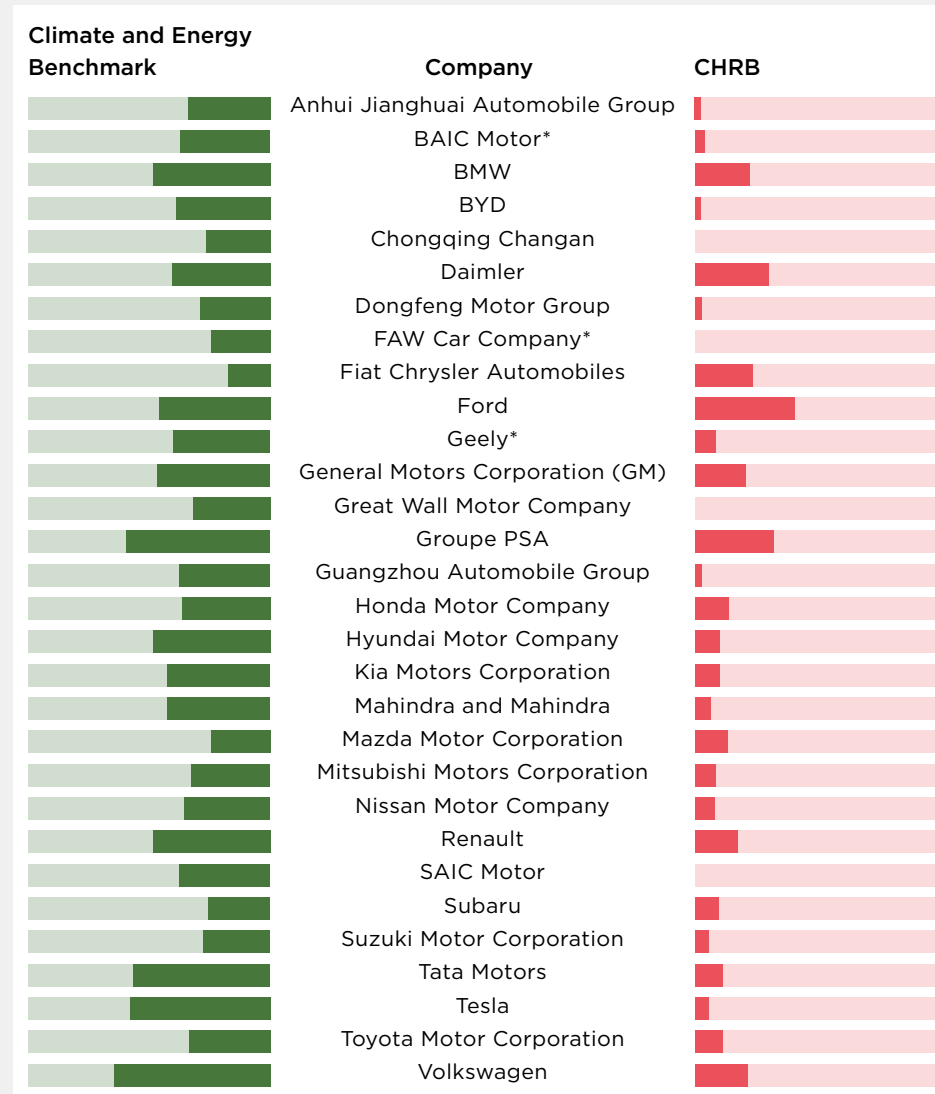
To measure the private sector’s performance in this area, between 2021 and 2023 WBA will assess 450 keystone companies on their contribution to a just transition. The methodology will be informed

by existing knowledge and expertise in the areas of human rights and climate change. It will draw on four years of benchmarking experience by the CHRB and will be developed through an open and inclusive process of multi-stakeholder engagement. All information and data produced will be publicly available for stakeholders, highlighting areas where they can positively leverage their influence and where urgent action is needed.



2 Automotive manufacturing

FIGURE 5: Comparison of results: Climate and Energy Benchmark vs. CHRB



*For these companies (BAIC Motor, FAW Car Company and Geely), the Climate and Energy Benchmark has assessed a different corporate entity from CHRB.



3 CHRB Core UNGP Assessment

Changes to the 2020 assessment

In light of the COVID-19 pandemic and associated impacts around the world, the CHRB adapted its approach in 2020. Except for automotive companies, which were benchmarked for the first time and assessed against the full CHRB methodology, all other companies were assessed on a subset of the methodology.

These changes to the usual CHRB processes were made with two considerations in mind: recognition that the crisis had, and continues to have, a severe impact on most companies, with repercussions for

disclosure patterns as some of the focus has shifted to managing the situation; and the need to emphasise companies' ongoing responsibility to respect the rights of workers in their operations and supply chains. We consider it essential that respect for human rights is not deprioritised at a time when risks are increased, especially for the most vulnerable.

The 199 agricultural product, apparel, extractive and ICT manufacturing companies in scope in 2020 were therefore assessed on 13 indicators, taken from three of the six methodology measurement themes. They are listed below.

CHRB core UNGP indicators

A. Governance and policy commitments

- A.1.1** Commitment to respect human rights
- A.1.2** Commitment to respect the human rights of workers
- A.1.4** Commitment to engage with stakeholders
- A.1.5** Commitment to remedy

B. Embedding respect and human rights due diligence (HRDD)

- B.1.1** Embedding – Responsibility and resources for day-to-day human rights functions
- B.2.1** HRDD – Identifying: processes and triggers for identifying human rights risks and impacts
- B.2.2** HRDD – Assessing: assessment of risks and impacts identified (salient risks and key industry risks)

B.2.3 HRDD – Integrating and acting: integrating assessment findings internally and taking appropriate action

B.2.4 HRDD – Tracking: monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts

B.2.5 HRDD – Reporting: accounting for how human rights impacts are addressed

C. Remedies and grievance mechanisms

- C.1** Grievance channels/mechanisms to receive complaints or concerns from workers
- C.2** Grievance channels/mechanisms to receive complaints or concerns from external individuals and communities
- C.7** Remedying adverse impacts and incorporating lessons learned

3 CHRB Core UNGP Assessment

These 13 indicators focus on three key areas of the UNGPs: high-level commitments, human rights due diligence and access to remedy. Due to these changes, we encourage stakeholders to avoid direct comparisons of this year's total scores and ranking to previous iterations of benchmark results and recommend focusing on the 13 indicators in scope instead.

Regarding expectations for *governance and policy commitments*, the UNGPs note that policy commitments are the basis for embedding responsibility to respect human rights. Assessing the extent to which a company acknowledges its responsibility to respect human rights, and how it formally incorporates this into a publicly available statement of policy, is therefore an important first step in ensuring that companies have processes in place to respect human rights.

Embedding respect and human rights due diligence considers the horizontal integration of human rights across a business, which is a cornerstone of the UNGPs. The steps for embedding policy commitments in company culture and broader management systems, including day-to-day human rights functions, and reinforcing them with specific due diligence processes, ensures that a company takes a systematic and proactive approach to respecting human rights.

Finally, when it comes to adverse human rights impacts caused by business, *remedies and grievance mechanisms* look at how companies enable access to effective remedy. Providing operational-level grievance mechanisms can help a business to identify systemic problems within its practices and remediate adverse impacts when they occur. Demon-

strating the accessibility, predictability and transparency of these mechanisms are just some of the aspects that are vital to ensuring the mechanisms' effectiveness.



3 CHRB Core UNGP Assessment

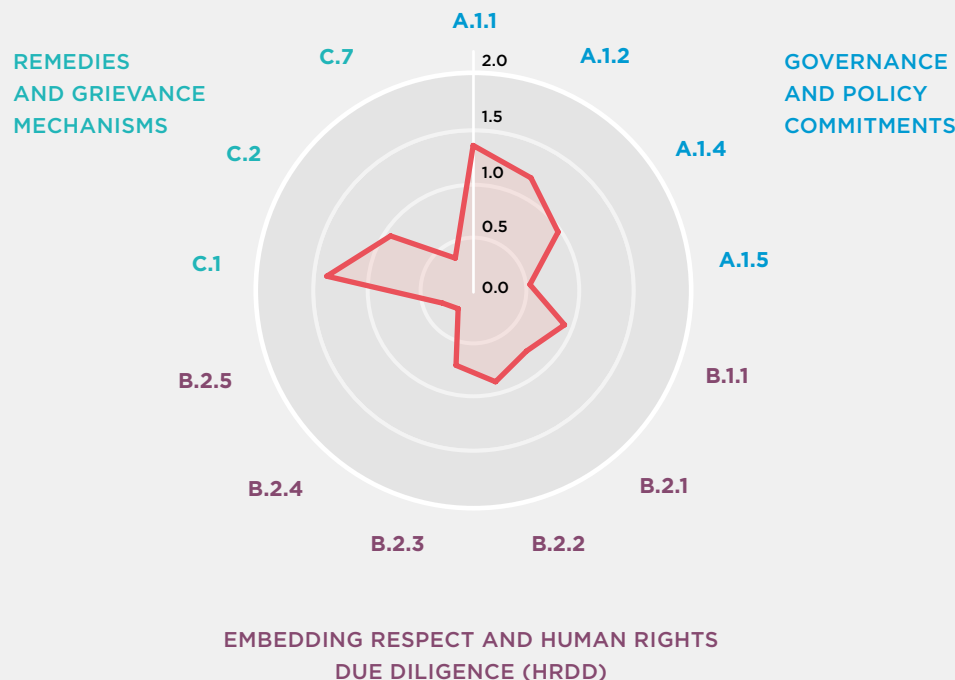
Agricultural products

Overall CHRB core UNGP average: 10.3/26

Fifty-seven of the largest agricultural product companies in the world were assessed against the CHRB core UNGP indicators.

The top three agricultural product companies are Unilever, PepsiCo and Heineken. Only Kweichow Moutai scored 0 across all indicators.

FIGURE 6: Average score by indicator for agricultural products companies



Governance and policy commitments

The CHRB found that 89% of companies had a basic commitment to respect human rights, with 40% committing to specific standards such as the UNGPs or the OECD Guidelines for Multinational Enterprises (A.1.1).

When it comes to respecting the rights of workers, half of companies had commitments to the ILO core labour standards (freedom from forced labour, freedom from child labour, freedom from discrimination, and freedom to associate and collectively bargain) and expected their suppliers to explicitly commit to respecting each of those rights (A.1.2).

Almost three quarters of companies (74%) had commitments to engage with potentially and actually affected stakeholders, such as workers, their families or local communities, or could demonstrate regular engagement with these groups where they might be impacted by company activities. However, only a quarter of companies (23%) could show how this engagement informed the development or monitoring of their human rights approach (A.1.4).

Just over a third of companies (35%) publicly committed to providing remedy for adverse impacts on individuals, workers or communities that they had caused or contributed to (A.1.5). Only five companies – Coles, Compass Group, PepsiCo, Unilever and Woolworths – included commitments to work with suppliers and business partners and not to obstruct access to remedy via alternative avenues.

3 CHRB Core UNGP Assessment

Embedding respect and human rights due diligence

Regarding oversight for human rights, half of companies (49%) indicated they have senior manager(s) who are responsible for relevant human rights issues (including the ILO core labour standards) within the company. However, only a quarter described how day-to-day management of human rights was allocated across the business and within the supply chain (B.2.1).

Human rights due diligence is a fundamental expectation of the UNGPs. However, many companies are still failing to disclose information about this process. In 2019, 23 agricultural product companies scored 0 across all human rights due diligence indicators (B.2). In 2020, only two companies improved their score in this area, with 21 companies continuing to score 0.

Of the companies that did score points for human rights due diligence in B.2:

- Approximately 42% described the global systems in place to regularly identify human rights risks and impacts across their activities, with 9% explaining when these systems are triggered, how relevant stakeholders and external experts are involved in the process and when human rights impact assessments are conducted (B.2.1).
- When determining which human rights risks are salient to the business, about half of companies (51%) either described the assessment process (including how relevant factors are accounted for) or disclosed the results of these assessments. Just over a third

of companies (35%) did both (B.2.2).

- Having identified their salient human rights risks, half of companies either described a global system for acting on these issues or provided a specific example of measures taken in at least one of their activities/operations as a result of the assessments. Only one in five companies (19%) did both (B.2.3).
- After taking action on their salient human rights risks, only 16% of companies described a system for tracking the effectiveness of their actions or provided an example of lessons learned as a result of the process. Only 5% of companies did both (B.2.4).

It is notable that companies who received points on at least one indicator in B.2, scored on average four times higher than those companies that did not.

Remedies and grievance mechanisms

In total, nine out of ten agricultural product companies (93%) had a grievance mechanism, or participated in a shared mechanism, allowing workers to raise complaints or concerns regarding human rights issues related to the company. In addition to having a grievance mechanism, 75% of companies disclosed further information about the mechanism's functionality, such as the number of human rights grievances filed or whether it was available in all appropriate languages (C.1).

For external individuals or communities who may be impacted by business operations, only half of agricultural product companies (53%) had a grievance mechanism for these groups to raise complaints

3 CHRB Core UNGP Assessment

or concerns regarding human rights issues related to the company. Furthermore, just under a third (30%) described the accessibility of the mechanism and expected their suppliers or business partners to establish these channels or allowed the external groups to raise concerns through their own channels (C.2).

The UNGPs state that to increase confidence in a grievance mechanism, businesses should provide operational and performance-related information that is sufficient to meet any public interest at stake. Yet only one in five companies (21%) described the approach taken to enable timely remedy for victims of adverse human rights impacts that the company had caused or contributed to. Only three companies – Marks & Spencer, Nestlé and Wilmar International – evaluated the effectiveness of the mechanism and described any changes to prevent similar impacts in the future (C.7).

FIGURE 7: Frequency of score by indicator for agricultural products companies



3 CHRB Core UNGP Assessment

FIGURE 8: Agricultural product companies assessed in the benchmark

Score out of 26	Company	Score change from 2019 on the CHRB Core UNGP indicators	Key information
25	Unilever	-0.5	▶
22	PepsiCo	+3.5	▶
21.5	Heineken	-0.5	
21.5	Tesco	+5	▶
20.5	Marks & Spencer	-1	▶
20.5	Nestle	+2.5	▶
19	Glencore	+4	▶
18.5	Diageo	-0.5	
18	Wilmar International	+3	▶
17.5	Woolworths Group	+3.5	▶
17	Coca-Cola Company	-4	▶
17	Coles Group	+5	
17	Danone	0	▶
16.5	Compass Group	+8.5	
16.5	Kellogg's	-1	▶
16.5	The Hershey Company	+9	▶
15	Kerry Group	+6	
15	Mondelez International	-1	
14.5	Anheuser-Busch InBev	+0.5	▶
14	General Mills	+3	
13.5	Aeon	+1.5	
13.5	Ahold Delhaize	+7	
12	Kirin Holdings	+1.5	▶
11	Pernod Ricard	0	
10.5	Archer Daniels Midland (ADM)	-1	▶
10.5	Asahi Group	0	
10	McDonald's	+0.5	▶
9.5	Walmart	+1.5	▶

9	Carrefour	-1.5	▶	X
8.5	Carlsberg	+1	!	
8	Monster Beverage	+4		
7.5	Associated British Foods	0		
7.5	Kraft Heinz	+0.5	!	▶
7.5	Kroger	0		
6.5	Hormel Foods	+2	!	
6	Amazon	+1.5	▶	
6	Sysco	-1		
6	Tyson Foods	+1	!	X
5.5	Lindt & Sprüngli	+1.5		
5.5	Suntory Beverage & Food	0	!	
5	BRF	0	!	X
5	Costco	+2	!	▶ X
5	Seven & I Holdings	0	!	X
5	Target Corporation	+0.5	!	▶
4.5	FamilyMart Co., Ltd	+2	!	
4.5	Starbucks	0	!	▶
4	Yum! Brands	0	!	
3.5	Alimentation Couche-Tard	+1.5	!	X
3	SACI Falabella	-1	!	X
2.5	Brown-Forman Corporation	0	!	X
2	Shoprite Holdings	+1	!	X
1.5	Conagra Brands	0	!	X
1.5	Constellation Brands	0	!	X
1.5	McCormick	0	!	X
1.5	Yili Group	0	!	▶ X
0.5	George Weston	N/A	!	
0	Kweichow Moutai	0	!	X

! = Scores 0 on HRDD (B.2) ▶ = At least 1 serious allegation X = Non-engaged

3 CHRB Core UNGP Assessment

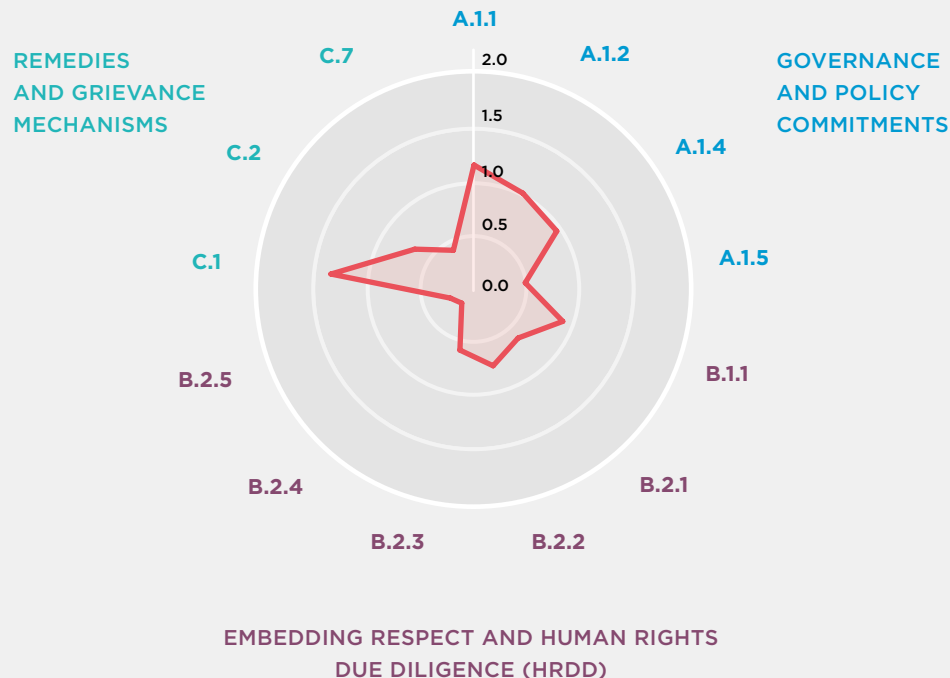
Apparel

Overall CHRB core UNGP average: 9.0/26

Fifty-three of the largest apparel companies in the world were assessed against the CHRB core UNGP indicators.

The top three apparel companies are Adidas, Tesco and Marks & Spencer. Four companies scored 0 across all indicators: Heilan Home, Shenzhou International, Youngor and Zhejiang Semir Garment.

FIGURE 9: Average score by indicator for apparel companies



Governance and policy commitments

The CHRB found that 81% of companies had a basic commitment to respect human rights, with 34% referencing specific standards such as the UNGPs or the OECD Guidelines for Multinational Enterprises (A.1.1).

When it comes to respecting the rights of workers, just under half of companies (45%) had commitments to the ILO core labour standards (freedom from forced labour, freedom from child labour, freedom from discrimination, and freedom to associate and collectively bargain) and expect their suppliers to explicitly commit to respecting each of those rights (A.1.2).

Two thirds of companies (66%) had commitments to engage with potentially and actually affected stakeholders, such as workers, their families or local communities, or could demonstrate regular engagement with these groups where they might be impacted by company activities. However, only a quarter of companies (25%) could show how this engagement informed the development or monitoring of their human rights approach (A.1.4).

Just over a quarter of companies (28%) publicly committed to providing remedy for adverse impacts to individuals, workers or communities that they had caused or contributed to (A.1.5). Only five companies – Adidas, Burberry, Fast Retailing, Under Armour and VF – included commitments to work with suppliers and business partners and not to obstruct access to remedy via alternative avenues.

3 CHRB Core UNGP Assessment

Embedding respect and human rights due diligence

Regarding oversight for human rights, half of companies (42%) indicated they have senior manager(s) who are responsible for relevant human rights issues (including the ILO core labour standards) within the company. However, only a quarter (26%) described how day-to-day management of human rights was allocated across the business and within the supply chain (B.2.1).

Human rights due diligence is a fundamental expectation of the UNGPs. However, many companies are still failing to disclose information about this process. In 2019, 25 apparel companies scored 0 across all human rights due diligence indicators (B.2). In 2020, only two companies improved their score in this area, with 23 companies continuing to score 0.

Of the companies that did score points for human rights due diligence in B.2:

- Approximately 34% described the global systems in place to regularly identify human rights risks and impacts across their activities, with 8% explaining when these systems are triggered, how relevant stakeholders and external experts are involved in the process and when human rights impact assessments are conducted (B.2.1).
- When determining which human rights risks are salient to the business, about half of companies (45%) either described the assessment process (including how relevant factors are accounted for) or disclosed the results of these assessments. Only a quarter

of companies (26%) did both (B.2.2).

- Having identified their salient human rights risks, two in five companies either described a global system for acting on these issues or provided a specific example of measures taken in at least one of their activities/operations as a result of the assessments. Only 15% of companies did both (B.2.3).
- After taking action on their salient human rights risks, only 13% of companies described a system for tracking the effectiveness of their actions or provided an example of lessons learned as a result of the process. Only 4% of companies did both (B.2.4).

It is notable that companies who received points on at least one indicator in B.2, scored on average four times higher than those companies that did not.

Remedies and grievance mechanisms

In total, nine out of ten companies (91%) had a grievance mechanism, or participated in a shared mechanism, allowing workers to raise complaints or concerns regarding human rights issues related to the company. In addition to having a grievance mechanism, 78% of companies disclosed further information about the mechanism's functionality, such as the number of human rights grievances filed or whether it was available in all appropriate languages (C.1).

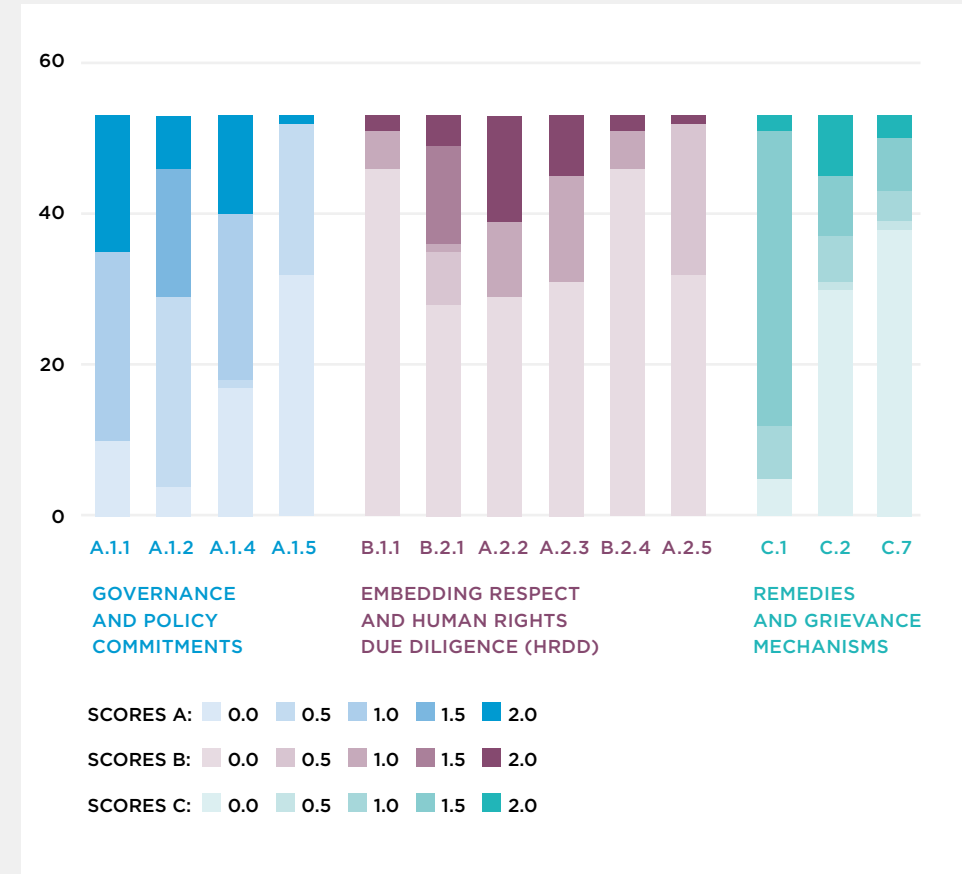
For external individuals or communities who may be impacted by business operations, only 42% of companies had a grievance mechanism for these groups to raise complaints or concerns regarding human

3 CHRB Core UNGP Assessment

rights issues related to the company. Furthermore, just 15% of companies described the accessibility of the mechanism and expected their suppliers or business partners to establish these channels or allowed the external groups to raise concerns through their own channels (C.2).

The UNGPs state that to increase confidence in a grievance mechanism, businesses should provide operational and performance-related information that is sufficient to meet any public interest at stake. Yet only a quarter of companies (26%) described the approach taken to enable timely remedy for victims of adverse human rights impacts that the company had caused or contributed to. Only three companies –Fast Retailing, Marks & Spencer and Nike–evaluated the effectiveness of the mechanism and described any changes to prevent similar impacts in the future (C.7).

FIGURE 10: Frequency of score by indicator for apparel companies



3 CHRB Core UNGP Assessment

FIGURE 11: Apparel companies assessed in the benchmark

Score out of 26	Company	Score change from 2019 on the CHRB Core UNGP indicators	Key information
23	Adidas	+0.5	▶
21.5	Tesco	+5	▶
20.5	Marks & Spencer	-1	▶
19.5	Fast Retailing	+1.5	▶
18.5	Gap Inc.	-0.5	▶
18.5	VF Corporation	0	▶
17.5	Burberry	+0.5	▶
17.5	Industria de Diseño Textil (Inditex)	-0.5	
16.5	Puma	+3	▶
15.5	Hennes & Mauritz (H&M)	-0.5	▶
15.5	Nike	+4	▶
14.5	Under Armour	+4.5	
14	Kering	+4	▶
13.5	Aeon	+1.5	
13.5	Wesfarmers	+1	▶
13	Gildan Activewear	+4.5	▶
13	Hanesbrands	-2	X
13	Next	0	
11.5	Lululemon Athletica	+3.5	▶
11.5	Nordstrom	+4	
11.5	PVH Corporation	+7.5	▶
11	LVMH Moët Hennessy - Louis Vuitton	+2.5	▶
9.5	Hermès International	+3	
9.5	Walmart	+1.5	▶
8	Hugo Boss	+2	▶
7.5	Associated British Foods	0	
6.5	Pou Chen Corporation	N/A	!
6	Amazon	+1.5	▶

6	Ralph Lauren Corporation	+2.5	!	
6	Skechers	+4	!	
5	Carter's	0	!	X
5	Costco	+2	!	▶ X
5	L Brands	-0.5		X
5	Macy's	+1	!	▶
5	Mr. Price	+0.5	!	X
5	Tapestry	0	!	▶
5	Target Corporation	+0.5	!	▶
4.5	Columbia Sportswear	0		▶ X
4.5	Prada	-0.5	!	
4	Capri Holdings	+1	!	▶ X
4	Page Industries	0	!	X
4	Salvatore Ferragamo	+1	!	
4	The TJX Companies	0	!	▶
3	Foot Locker	0	!	X
3	Kohl's	+2	!	▶ X
3	SACI Falabella	-1	!	X
2.5	ANTA Sports Products	+0.5	!	X
2	Ross Stores	0	!	X
1.5	LPP	+1	!	X
0	Heilan Group	0	!	X
0	Shenzhou International	0	!	X
0	Youngor Group	0	!	▶ X
0	Zhejiang Semir Garment	0	!	X

! = Scores 0 on HRDD (B.2) ▶ = At least 1 serious allegation X = Non-engaged

3 CHRB Core UNGP Assessment

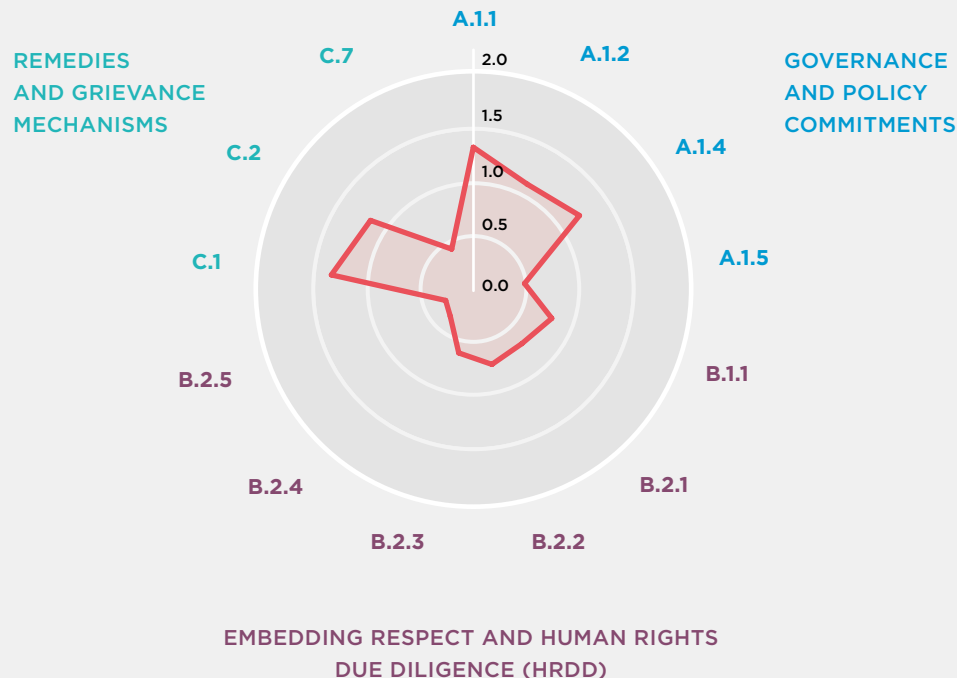
Extractives

Overall CHRB core UNGP average: 10.2/26

Fifty-seven of the largest extractive companies in the world were assessed against the CHRB core UNGP indicators.

The top three extractive companies are Eni, Rio Tinto* and BHP. The lowest scoring companies are Surgutneftegas and Saudi Aramco. No company scored 0 across all indicators.

FIGURE 12: Average score by indicator for extractives companies



Governance and policy commitments

The CHRB found that 88% of companies had a basic commitment to respect human rights, with 40% referencing specific standards such as the UNGPs or the OECD Guidelines for Multinational Enterprises (A.1.1).

When it comes to respecting the rights of workers, 42% of companies had commitments to the ILO core labour standards (freedom from forced labour, freedom from child labour, freedom from discrimination, and freedom to associate and collectively bargain) and expect their suppliers to explicitly commit to respecting each of those rights (A.1.2).

A majority of companies (86%) had commitments to engage with potentially and actually affected stakeholders, such as workers, their families or local communities, or could demonstrate regular engagement with these groups where they might be impacted by company activities. However, only a third of companies (32%) could show how this engagement informed the development or monitoring of their human rights approach (A.1.4).

A third of companies (33%) publicly committed to providing remedy for adverse impacts on individuals, workers or communities that the companies had caused or contributed to (A.1.5). However, only four companies – BP, Equinor, Rio Tinto* and Woodside Petroleum – included commitments to work with suppliers and business partners and not to obstruct access to remedy via alternative avenues.

*See CHRB's statement on Rio Tinto [here](#).

3 CHRB Core UNGP Assessment

Embedding respect and human rights due diligence

Regarding oversight for human rights, half of companies (51%) indicated they have senior manager(s) who are responsible for relevant human rights issues (including the ILO core labour standards) within the company. However, only 10% described how day-to-day management of human rights was allocated across the business and within the supply chain (B.2.1).

Human rights due diligence is a fundamental expectation of the UNGPs. However, many companies are still failing to disclose information about this process. In 2019, 27 extractive companies scored 0 across all human rights due diligence indicators (B.2). Five of these companies improved their score in this area in 2020, with 22 companies continuing to score 0.

Of the companies that did score points for human rights due diligence in B.2:

- Approximately 32% described the global systems in place to regularly identify human rights risks and impacts across their activities, with 19% explaining when these systems are triggered, how relevant stakeholders and external experts are involved in the process and when human rights impact assessments are conducted (B.2.1).
- When determining which human rights risks are salient to the business, 42% of companies either described the assessment process (including how relevant factors are accounted for) or disclosed the results of these assessments. Just over a quarter of

companies (28%) did both (B.2.2).

- Having identified their salient human rights risks, one in three companies either described a global system for acting on these issues or provided a specific example of measures taken in at least one of their activities/operations as a result of the assessments. Only 19% of companies did both (B.2.3).
- After taking action on their salient human rights risks, just under a quarter of companies (23%) described a system for tracking the effectiveness of their actions or provided an example of lessons learned as a result of the process. Only 9% of companies did both (B.2.4).

It is notable that companies who received points on at least one indicator in B.2, scored on average about three times higher than those companies that did not.

Remedies and grievance mechanisms

In total, nine out of ten companies (89%) had a grievance mechanism, or participated in a shared mechanism, allowing workers to raise complaints or concerns regarding human rights issues related to the company. In addition to having a grievance mechanism, 70% of companies disclosed further information about the mechanism's functionality, such as the number of human rights grievances filed or whether it was available in all appropriate languages (C.1).

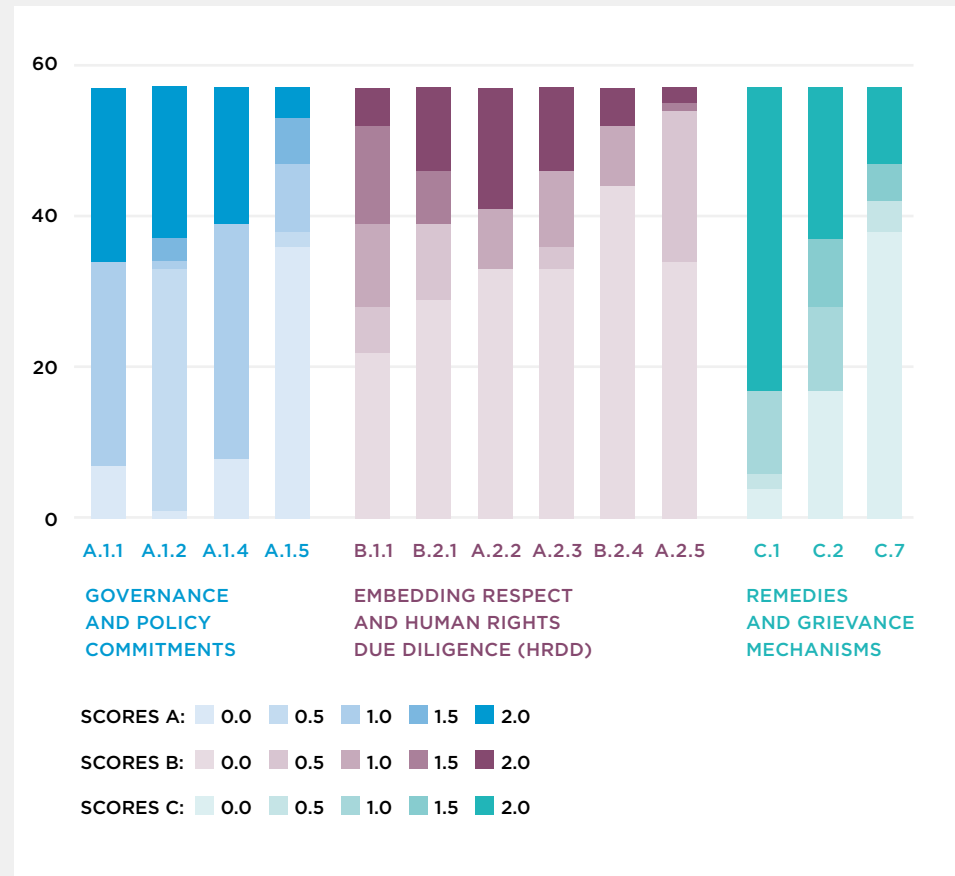
For external individuals or communities who may be impacted by business operations, almost three quarters of companies (70%) had a

3 CHRB Core UNGP Assessment

grievance mechanism for these groups to raise complaints or concerns regarding human rights issues related to the company. However, just one in three companies (35%) described the accessibility of the mechanism and expected their suppliers or business partners to establish these channels or allowed the external groups to raise concerns through their own channels (C.2).

The UNGPs state that to increase confidence in a grievance mechanism, businesses should provide operational and performance-related information that is sufficient to meet any public interest at stake. Yet only a quarter of companies (26%) described the approach taken to enable timely remedy for victims of adverse human rights impacts that the company had caused or contributed to. Only four companies – Barrick Gold, Freeport-McMoRan, Repsol and Rio Tinto* – evaluated the effectiveness of the mechanism and described any changes to prevent similar impacts in the future (C.7).

FIGURE 13: Frequency of score by indicator for extractives companies



*See CHRB's statement on Rio Tinto [here](#).

3 CHRB Core UNGP Assessment

FIGURE 14: Extractive companies assessed in the benchmark

Score out of 26	Company	Score change from 2019 on the CHRB Core UNGP indicators	Key information
25	Eni	+6	▶
23.5	Rio Tinto*	0	▶
21.5	BP	+4.5	
20.5	Repsol	-0.5	▶
20.5	Royal Dutch Shell	+2	▶
20.5	Total	+1	▶
20	Anglo American	0	▶
20	Freeport-McMoRan	-0.5	
19.5	BHP Group	-1	▶
19	Glencore	+4	▶
19	Newmont Corporation	0	▶
18.5	Teck Resources	+5	
18	LafargeHolcim	+9	▶
17	Barrick Gold Corporation	0	▶ X
16	PTT	+3	▶
14.5	Petroleo Brasileiro (Petrobras)	+2	
14	Woodside Petroleum	+7.5	
13.5	OMV	+3.5	
13	Chevron Corporation	+4	▶
13	Equinor	+2	▶
13	Grupo Mexico	+4	▶
12	ConocoPhillips	-1	
11	Ecopetrol	-1.5	▶ X
11	Severstal	+4.5	
10	Rosneft	+3	!
9.5	Occidental Petroleum	-0.5	!
9.5	Siam Cement (SCG)	+2.5	▶ X
8	ArcelorMittal	0	!

*See CHRB's statement on Rio Tinto [here](#).

8	Canadian Natural Resources	+2	!	▶	X
8	Novolipetsk Steel	+4.5	!		
8	POSCO	-1		▶	X
8	Sasol	-1	!		
7.5	Lukoil	+1	!		
7	ENEOS Holdings	+0.5			
7	HeidelbergCement	+1.5			
7	Nornickel	+2.5	!		X
6	Coal India	-3		▶	X
6	Suncor Energy	+1	!		
5	Exxon Mobil	-1.5		▶	
5	Inpex	+0.5	!		
4.5	Gazprom	+3			
4.5	Oil and Natural Gas Corporation (ONGC)	0	!	▶	X
4.5	PetroChina	0	!		X
3.5	Marathon Oil	N/A	!	▶	X
3.5	UltraTech Cement	+1			X
3.5	Vulcan Materials Company	0	!		X
3	Phillips 66	0	!		
3	Tatneft	0	!		X
2.5	China Petroleum and Chemical Corporation Limited (Sinopec)	+1	!		X
2.5	EOG Resources	+1	!		
2.5	Nippon Steel Corporation	-1	!	▶	X
2	Devon Energy Corp	0	!		
1.5	Anhui Conch Cement	0	!		X
1.5	China National Offshore Oil Corporation (CNOOC Group)	0	!		X
1.5	China Shenhua Energy	+1.5	!		X
1	Saudi Aramco	N/A	!		X
1	Surgutneftegaz	+1	!	▶	X

! = Scores 0 on HRDD (B.2) ▶ = At least 1 serious allegation X = Non-engaged

3 CHRB Core UNGP Assessment

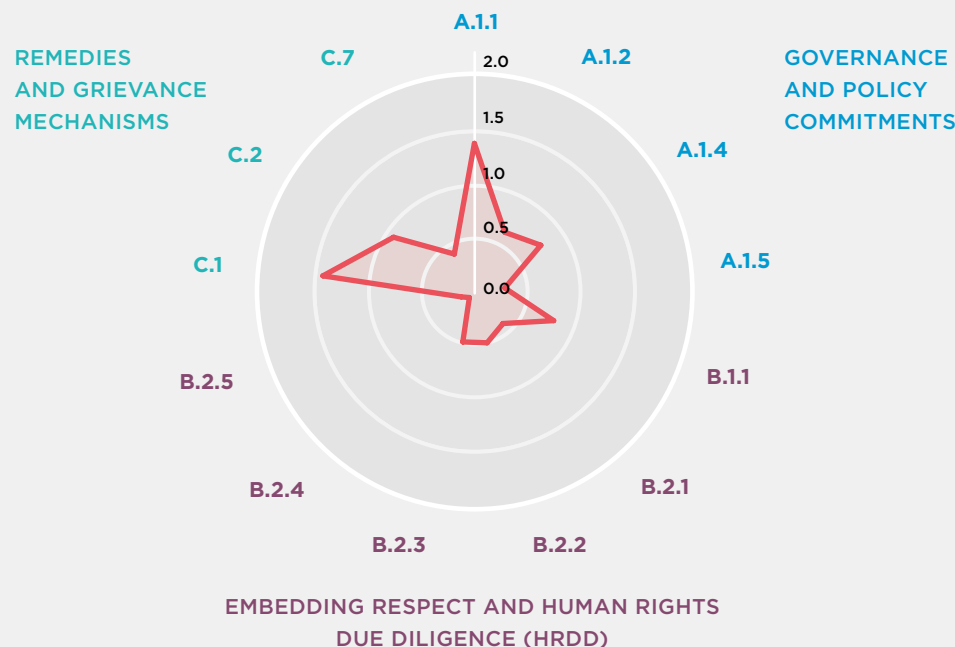
ICT manufacturing

Overall CHRB core UNGP average: 7.9/26

Forty-four of the largest ICT manufacturing companies in the world were assessed against the CHRB core UNGP indicators.

The top three ICT manufacturing companies are Ericsson, Hewlett Packard Enterprise and HP Inc. The lowest scoring companies are Keyence Corporation and Largan Precision. No company scored 0 across all indicators.

FIGURE 15: Average score by indicator for ICT manufacturing companies



Governance and policy commitments

The CHRB found that 93% of companies had a basic commitment to respect human rights, with 36% referencing specific standards such as the UNGPs or the OECD Guidelines for Multinational Enterprises (A.1.1).

When it comes to respecting the rights of workers, just 14% of companies had commitments to the ILO core labour standards (freedom from forced labour, freedom from child labour, freedom from discrimination, and freedom to associate and collectively bargain) and expect their suppliers to explicitly commit to respecting each of those rights (A.1.2).

A third of companies (66%) had commitments to engage with potentially and actually affected stakeholders, such as workers, their families or local communities, or could demonstrate regular engagement with these groups where they might be impacted by company activities. However, only 7% of companies could show how this engagement informed the development or monitoring of their human rights approach (A.1.4).

Just under a quarter of companies (23%) publicly committed to providing remedy for adverse impacts on individuals, workers or communities that they had caused or contributed to (A.1.5). No companies could demonstrate commitments to work with suppliers and business partners and not to obstruct access to remedy via alternative avenues.

3 CHRB Core UNGP Assessment

Embedding respect and human rights due diligence

Regarding oversight for human rights, one in three companies (36%) indicated they have senior manager(s) who are responsible for relevant human rights issues (including the ILO core labour standards) within the company, and 20% described how day-to-day management of human rights was allocated across the business and within the supply chain (B.2.1).

Human rights due diligence is a fundamental expectation of the UNGPs. However, many companies are still failing to disclose information about this process. In 2019, 20 ICT manufacturing companies scored 0 across all human rights due diligence indicators (B.2). Four of these improved their score in this area in 2020, but 16 continued to score 0.

Of the companies that did score points for human rights due diligence in B.2:

- Approximately 18% described the global systems in place to regularly identify human rights risks and impacts across their activities, with 2% explaining when these systems are triggered, how relevant stakeholders and external experts are involved in the process and when human rights impact assessments are conducted (B.2.1).
- When determining which human rights risks are salient to the business, 41% of companies either described the assessment process (including how relevant factors are accounted for) or disclosed the results of these assessments. Only 7% of companies did both (B.2.2).

- Having identified their salient human rights risks, one in three companies either described a global system for acting on these issues or provided a specific example of measures taken in at least one of their activities/operations as a result of the assessments. Only 11% of companies did both (B.2.3).
- After taking action on their salient human rights risks, just 5% of companies described a system for tracking the effectiveness of their actions or provided an example of lessons learned as a result of the process. Ericsson is the only company that did both (B.2.4).

It is notable that companies that received points on at least one indicator in B.2, scored on average about three times higher than those companies that did not.

Remedies and grievance mechanisms

Almost all companies (98%) had a grievance mechanism, or participated in a shared mechanism, allowing workers to raise complaints or concerns regarding human rights issues related to the company. In addition to having a grievance mechanism, four out of five companies (80%) disclosed further information about the mechanism's functionality, such as the number of human rights grievances filed or whether it was available in all appropriate languages (C.1).

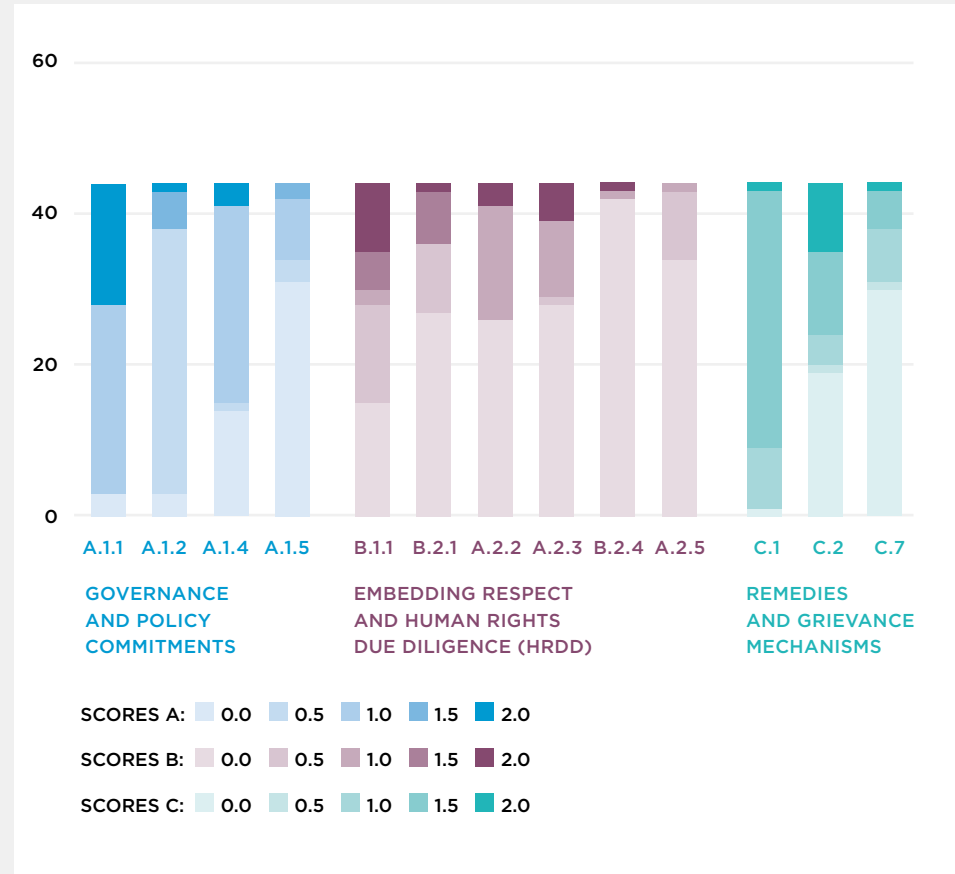
For external individuals or communities who may be impacted by business operations, just over half of companies (55%) had a grievance mechanism for these groups to raise complaints or concerns regarding human rights issues related to the company. However, only one in five

3 CHRB Core UNGP Assessment

companies (20%) described the accessibility of the mechanism and expected their suppliers or business partners to establish these channels or allowed the external groups to raise concerns through their own channels (C.2).

The UNGPs state that to increase confidence in a grievance mechanism, businesses should provide operational and performance-related information that is sufficient to meet any public interest at stake. Yet only a third of companies (30%) described the approach taken to enable timely remedy for victims of adverse human rights impacts that the company had caused or contributed to. Only one company, HP Inc., evaluated the effectiveness of the mechanism and described any changes to prevent similar impacts in the future (C.7).

FIGURE 16: Frequency of score by indicator for ICT manufacturing companies



3 CHRB Core UNGP Assessment

FIGURE 17: ICT manufacturing companies assessed in the benchmark

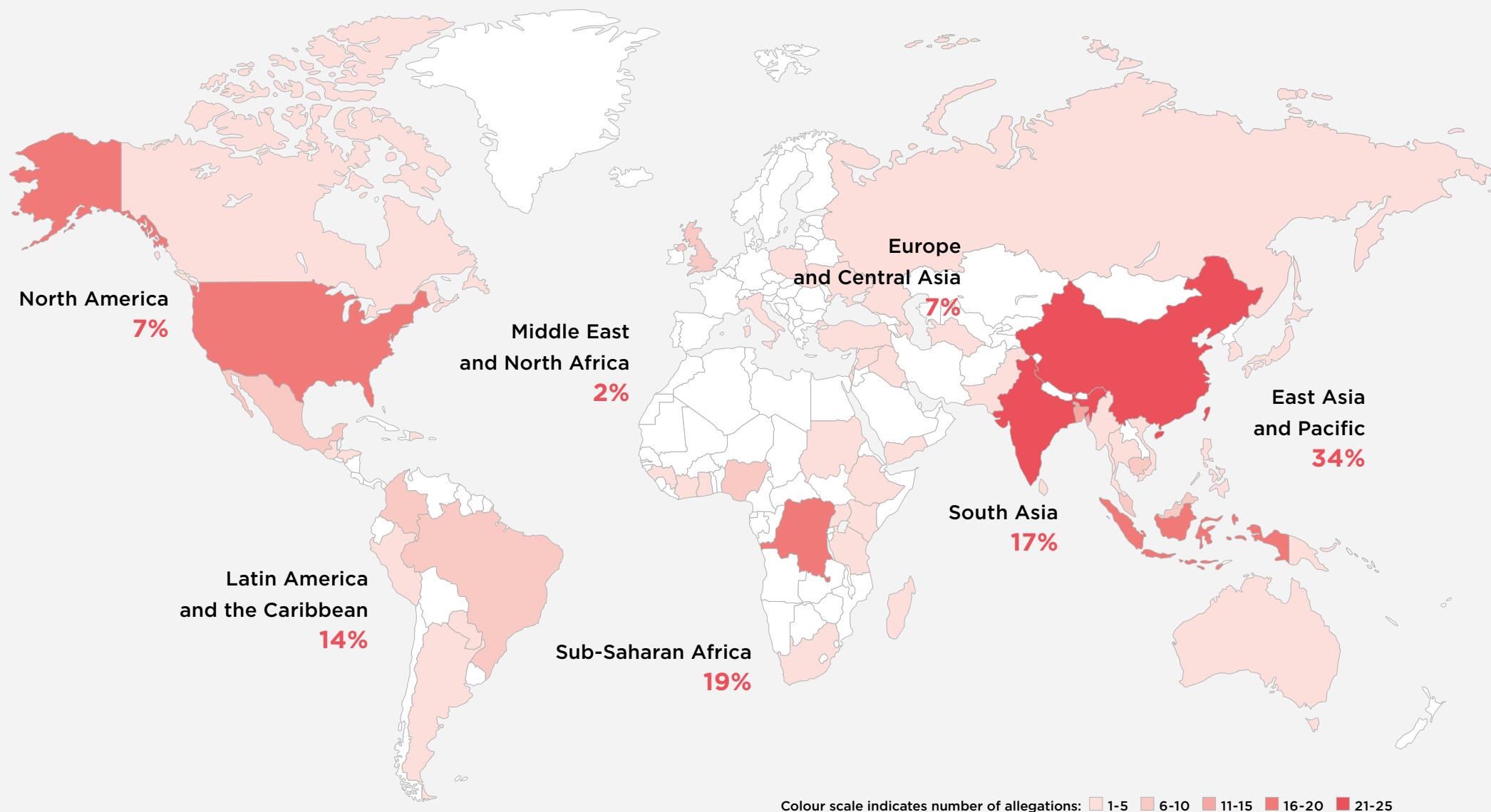
Score out of 26	Company	Score change from 2019 on the CHRB Core UNGP indicators	Key information
22	Ericsson	+12	
18.5	Hewlett Packard Enterprise	+0.5	
17	HP	+4.5	▶
15	Cisco	+2.5	▶
14.5	NXP Semiconductors	+5.5	▶
14	Samsung Electronics	+2.5	▶
13.5	Intel	0	
13	Microsoft	+4	▶
12	Corning	+6.5	
11	TSMC	+2	
10.5	Nokia	+3	▶
10	ASML	+3	
9.5	SONY	N/A	▶ X
9.5	Walmart	+1.5	▶
9	Western Digital	+7.5	▶
8.5	Hitachi	+1	▶
8.5	Qualcomm	+6	
8.5	Tokyo Electron	+2	
8	Canon	0	! ▶
8	Dell	N/A	▶
8	Lam Research	+3	
7	Apple	-0.5	▶
6.5	Micron Technology	0	
6.5	Panasonic Corporation	N/A	! ▶
6	Amazon	+1.5	▶
6	Texas Instruments	-1	▶
5.5	Murata Manufacturing	+1	▶
5.5	Nintendo	0	

5.5	SK Hynix	+2		▶
4.5	Amphenol	+2.5	!	▶
4.5	Applied Materials	+1.5	!	X
4.5	Infineon Technologies AG	0	!	▶ X
4.5	Nvidia	+0.5	!	
4.5	TE Connectivity	+1	!	
4	Analog Devices	+1	!	X
4	Hon Hai Precision Industry Co., Ltd. (Foxconn)	0	!	▶
4	Skyworks Solutions	0	!	X
3	BOE Technology Group	+1	!	X
3	Microchip Technology	+1.5	!	
2.5	Broadcom	0	!	X
2.5	HOYA Corporation	0	!	
2.5	Kyocera Corporation	0	!	X
1	Keyence Corporation	0	!	X
1	Largan Precision	0	!	X

! = Scores 0 on HRDD (B.2) ▶ = At least 1 serious allegation X = Non-engaged

4 The benchmark's global coverage

FIGURE 18: Location of impact of serious allegations

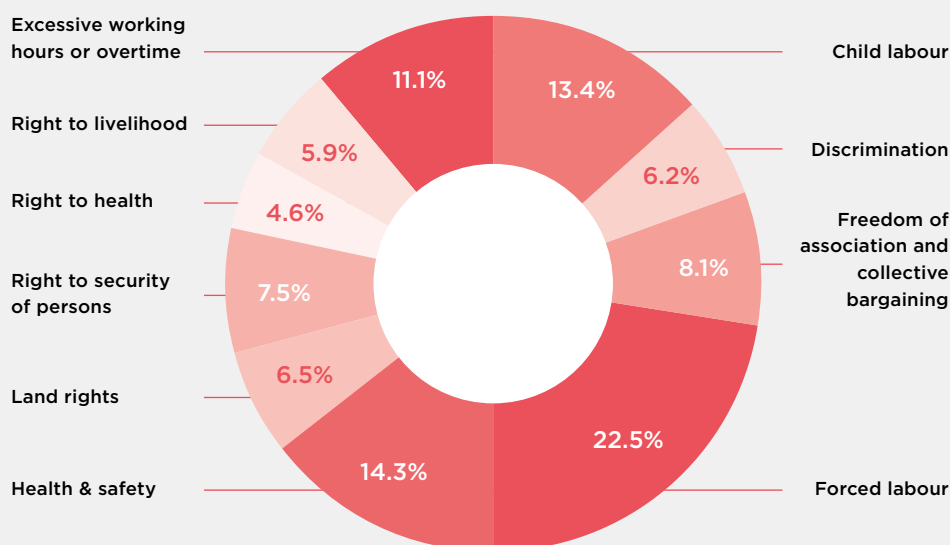


Serious allegations

The 2020 benchmark considered 225 serious allegations of human rights abuse that met the CHRB severity threshold. Out of 229 companies, 104 had at least one serious allegation connected to them (see the [CHRB 2020 methodology](#) for more information about thresholds and scoring).

For the apparel, agricultural product, extractive and ICT manufacturing companies that were assessed on the CHRB core UNGP indicators, serious human rights allegations were assessed but did not impact overall final scores.

FIGURE 19: Types of allegations considered



Serious allegations are assessed on the basis of three indicators. These look at whether the company responds publicly and in detail to the allegation (E.1), whether the company has a publicly available policy in place related to the allegation (E.2) and whether the company has taken appropriate action to address the alleged impacts (E.3), including engaging with the affected stakeholders and providing effective remedy (depending on whether the company is allegedly causing, contributing or directly linked to the impact).

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

- In 68% of cases assessed, the company scored at least 1 point under E.1.
- In 80% of cases assessed, the company scored at least 1 point under E.2.
- In 22% of cases assessed, the company scored at least 1 point under E.3.

The 2019 observation still holds, namely that there is a clear gap between companies responding to serious allegations and actually engaging with affected stakeholders to provide effective remedy. Of the 225 allegations reviewed, only in 4% of cases did the companies show that they provided remedy that was satisfactory to the victims.

As shown in the graph above, the most common types of allegations related to instances of forced labour, health and safety, and child labour. While the majority of allegations made were against companies headquartered in OECD member countries, the opposite is true when it

comes to the location of impact, with 85% of alleged impacts occurring in developing countries. For reference, see Figure 18.

Membership organisations

As part of a wider review of scores in 2020, the CHRB reviewed company membership of key industry associations and organisations. In general, companies that were part of membership organisations such as the UN Global Compact or industry specific initiatives like the Consumer Goods Forum, Roundtable on Sustainable Palm Oil, Sustainable Apparel Coalition, Fair Labour Association, IPIECA or the Responsible Business Alliance, scored approximately twice as high as their non-member peers. Members of associations like the International Council on Mining and Metals and Alliance for Automotive Innovation scored almost three times higher than their peers on average. Although membership does not earn companies extra points in the CHRB assessment, membership frequently requires certain commitments as conditions of entry. While the bar for some organisations may not be set particularly high, the score differential suggests that high-level corporate commitments may have significant impact in overall company approaches led from the top. While not a substitute for deeper investigation, screening for membership of key industry associations and organisations that have sufficiently robust entry requirements should provide some measure of reassurance to investors.

Methodology review

Throughout 2020, the CHRB has been conducting a review of its

methodology and approach. The review is an opportunity to reflect on the past three years of applying the methodology and to gather feedback from a diverse range of stakeholders.

We do not intend to fundamentally change the CHRB's methodology and approach but rather to improve it, based on learnings and inputs from the past few years and the review process.

A cornerstone of WBA and the CHRB's approach is actively listening and responding to stakeholders as part of an ongoing engagement process to ensure relevance and credibility. For this reason, the 2020 review is organised around two rounds of global multi-stakeholder consultations, which we hope will generate inputs representing a diverse set of stakeholders and geographies.

At the time of drafting this report, we had undertaken the first round of consultations, gathering feedback from 112 individuals and organisations through eight regional roundtables, individual conversations and an online questionnaire. Some important trends are already emerging from these consultations, including the need for the assessment to focus more on performance and actual impacts (as opposed to commitments and processes) and to amplify the voice of affected and potentially affected stakeholders.

After a second round of consultations in late 2020 and early 2021, we will publish the revised methodology towards the end of the first quarter of 2021. We are grateful to all the people who have already taken part and shared comments and suggestions for improvements.

Companies

Respect – Respecting human rights is an ongoing process for companies but one that is achievable if there is enough motivation. It is vital that companies ‘get going’, and we hope the CHRB’s public rankings will increase motivation for change. The UNGPs remain the benchmark’s framework for respect for human rights, and the CHRB encourages companies to commit to its implementation across their value chains.

The COVID-19 pandemic and the subsequent economic crisis have become an unprecedented test for businesses not to lower the bar on human rights standards. This is highlighting the need to respect the rights of workers in their operations and value chains at a time when risks are increased, especially for the most vulnerable workers and communities.

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. The big jumps by some companies clearly show that rapid improvement is feasible. Lower scoring companies should learn from and emulate their approach, using the 2020 research to guide their efforts to meet global expectations on human rights.

Set up an ongoing process of human rights due diligence – Companies should take rapid steps to develop and carry out human rights due diligence in order to identify, assess and act upon their human rights risks.

Considering the growing number of soft and mandatory laws and regulations introduced at the national, regional and international level that embed elements of human rights due diligence, proactively carrying out this process will help companies stay ahead of the regulatory curve. It will also build stakeholder confidence in companies’ ability to understand what their salient human rights risks are and take the necessary steps to avoid involvement in any alleged human rights abuses.

The CHRB encourages companies with appropriate human rights due diligence processes in place to level the playing field by lobbying for mandatory human rights disclosures, sharing how they have approached human rights as a company and using their influence to push for better performance across their industry.

Move from commitment and processes to action – While a large number of companies have committed to respecting internationally recognised human rights, our assessment points to an urgent need for companies to turn these commitments into a systematic and proactive approach. Even companies that scored high on the CHRB core UNGP assessment should not think that this is the end of the road – they still need to turn commitment into real progress on the ground.

6 Call to action

Investors

Individual and collective engagement – Investors should speak up when companies do not disclose sufficient information on their management of human rights risks and impacts, and when companies are responsible for severe negative impacts on individuals and communities. This may be achieved through regular engagement with individual companies as well as through collective engagement with other investors, in order to maximise leverage. Engagement may also be targeted at other stakeholders, such as governments, to drive systemic changes and create an environment that incentivises responsible business conduct.

Shareholder advocacy – Investors should use their influence to drive respect for human rights by companies they hold shares in. They should make use of their voting rights and, as appropriate, put forward shareholder resolutions at annual general meetings.

Investor due diligence – As businesses themselves, investors also have a responsibility to ‘know and show’ their respect for human rights, in line with the UNGPs. This means that they should embed respect for human rights in their own practices and operations as well as in their investment activities. Investors should ensure that they have robust human rights due diligence processes in place to manage their human rights risks effectively and be transparent about their policies and practices.

Governments

Regulation – According to the UNGPs, states have a crucial role to play in ensuring corporate respect for human rights and should consider a ‘smart mix of measures’ – that is, national and international as well as mandatory and voluntary. The UNGPs even note that states ‘should not assume that businesses invariably prefer, or benefit from, state inaction’. Many companies have indeed welcomed the introduction by several governments of compulsory reporting on social and environmental matters as well as plans for mandatory human rights and environmental due diligence at the European Union level, on the basis that these measures level the playing field and encourage companies to do more.

The CHRB results suggest that, without government regulation, only a minority of companies will act to meet their human rights responsibilities, and improvements will remain too slow. We therefore encourage governments and regional bodies to introduce more and tougher mandatory measures and bring consistency to expectations across jurisdictions. These measures should be detailed and include guidance for companies on how to fulfil their obligations.

Standard setting and influence – Governments should lead by example and be standard bearers for integrating respect for human rights in business practices. They should also encourage other governments to put in place the necessary measures to ensure that the context in which businesses operate is conducive to responsible business practices.

6 Call to action

This may be achieved through procurement choices, state-owned business practices, public-private partnerships, export credit, trade negotiations and national action plans on business and human rights, to name a few of the levers available to promote better corporate respect for human rights, domestically and abroad.

Civil society and other stakeholders

The CHRB provides a wealth of information to civil society, workers and society at large, enabling these groups to make informed decisions. We rely on these stakeholders to use the benchmark's publicly available data to support their own agendas.

Civil society has accumulated a large amount of experience working on different initiatives to embed human rights due diligence into law. We encourage civil society to use CHRB data to push for stronger regulation and highlight the ways in which reliance on a voluntary approach to promote corporate respect for human rights in different legal contexts has proven insufficient.

Consumers have not yet been a major focus of CHRB engagement. However, we encourage the media and civil society to consider where high- and low-scoring companies (and their associated brands) may provide compelling narratives to drive change in consumer behaviour, thereby rewarding those companies that are clearly demonstrating their respect for human rights.

The CHRB also 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.



Annex: Companies that engaged in the 2020 benchmark

The companies listed below engaged formally in the benchmark process, either by submitting relevant information, discussing their assessment on an engagement call, attending a CHRB informational webinar, providing written feedback during the engagement phase or disclosing information on the CHRB Disclosure Platform. The list below does not include companies that engaged with the CHRB team informally, outside of the assessment process. A number of individuals went to considerable lengths to ensure relevant information for their company was accurate and publicly available. We would particularly like to thank them.

Agricultural products

Aeon	Ahold Delhaize	Amazon
Anheuser-Busch InBev	Archer Daniels Midland (ADM)	Asahi Group
Associated British Foods	Carlsberg	Coca-Cola Company
Coles Group	Compass Group	Danone
Diageo	FamilyMart Co., Ltd	General Mills
Glencore**	Heineken	Hormel Foods
Kellogg's	Kerry Group	Kirin Holdings
Kraft Heinz	Kroger	Lindt & Sprüngli
Marks & Spencer	McDonald's	Mondelez International
Monster Beverage	Nestlé	PepsiCo

Pernod Ricard	Starbucks	Suntory Beverage & Food
Target Corporation	Tesco	The Hershey Company
Unilever	Walmart	Wilmar International
Woolworths Group	Yum! Brands	

Apparel

Adidas	Aeon	Amazon
Associated British Foods	Burberry	Fast Retailing
Gap Inc.	Gildan Activewear	Hennes & Mauritz (H&M)
Hermes International	Hugo Boss	Industria de Diseño Textil (Inditex)
Kering	Lululemon Athletica	LVMH Moët Hennessy – Louis Vuitton
Macy's	Marks & Spencer	Next
Nike	Nordstrom	Pou Chen Corporation
Prada	Puma	PVH Corporation
Ralph Lauren Corporation	Salvatore Ferragamo	Skechers
Tapestry	Target Corporation	Tesco
Under Armour	VF Corporation	Walmart
Wesfarmers		

** The 2020 CHRB assessment covers both Glencore and Glencore Agriculture.

Annex: Companies that engaged in the 2020 benchmark

Extractives

Anglo American	BHP Group	BP
Chevron Corporation	ConocoPhillips	ENEOS Holdings
Eni	EOG Resources	Equinor
Exxon Mobil	Freeport-McMoRan	Gazprom
Glencore**	Grupo Mexico	HeidelbergCement
Inpex	LafargeHolcim	Lukoil
Newmont Corporation	Novolipetsk Steel	OMV
Petroleo Brasileiro (Petrobras)	Phillips 66	PTT
Repsol	Rio Tinto*	Rosneft
Royal Dutch Shell	Sasol	Severstal
Suncor Energy	Teck Resources	Total
Woodside Petroleum		

ICT manufacturing

Amphenol	Apple	ASML
Cisco	Corning	Dell

Ericsson	Hewlett Packard Enterprise	Hitachi
HP	Intel	Lam Research
Microchip Technology	Microsoft	Murata Manufacturing
Nintendo	Nokia	Nvidia
NXP Semiconductors	Panasonic Corporation	Qualcomm
Samsung Electronics	SK Hynix	TE Connectivity
Texas Instruments	Tokyo Electron	TSMC
Western Digital		

Automotive

Daimler	Fiat Chrysler Automobiles	Ford
Mazda Motor Corporation	Nissan Motor Company	Volkswagen

* See CHRB's statement on Rio Tinto [here](#).

** The 2020 CHRB assessment covers both Glencore and Glencore Agriculture.

CHRB is made available on the express understanding that it will be used solely for general information purposes. The material contained in the benchmark should not be construed as relating to accounting, legal, regulatory, tax, research or investment advice, and it is not intended to take into account any specific or general investment objectives.

Neither does the material contained in the benchmark constitute a recommendation to take any action or to buy or sell or otherwise deal with anything or anyone identified or contemplated in the benchmark. Before acting on anything contained in this material, you should consider whether it is suitable to your particular circumstances and, if necessary, seek professional advice. No representation or warranty is given that the material in the benchmark is accurate, complete or up to date. The material in the benchmark is based on information that we consider correct, and any statements, opinions, conclusions or recommendations contained therein are honestly and reasonably held or made at the time of publication. Any opinions expressed are our opinions as of the date of the publication of the benchmark only and may change without notice. Any views expressed in the benchmark only represent the views of the World Benchmarking Alliance (WBA), unless otherwise expressly noted. The assessment of companies has been carried out solely according to the CHRB methodology and not any other assessment models in operation within any of the project partners or the EIRIS Foundation as provider of the research team.

While the material contained in the benchmark has been prepared in good faith, neither WBA nor any of its agents, representatives, advisers, affiliates, directors, officers or employees accept any responsibility for

or make any representation or warranty (either express or implied) as to the truth, accuracy, reliability or completeness of the information contained in this benchmark or any other information made available in connection with the benchmark. Neither WBA nor any of its agents, representatives, advisers, affiliates, directors, officers and employees undertake any obligation to provide the users of the benchmark with additional information or to update the information contained therein or to correct any inaccuracies which may become apparent (save as to the extent set out in the CHRB appeals procedure). To the maximum extent permitted by law, any responsibility or liability for the benchmark or any related material is expressly disclaimed, provided that nothing in this disclaimer shall exclude any liability for, or any remedy in respect of, fraud or fraudulent misrepresentation. Any disputes, claims or proceedings in connection with or arising in relation to this benchmark will be governed by and construed in accordance with Dutch law and shall be subject to the exclusive jurisdiction of the competent court in Amsterdam.

WBA would like to emphasise that the results contained in this benchmark will always be a proxy for good human rights management and not an absolute measure of performance. This is because, while extensive work is being undertaken to understand and value respect for human rights, there are no agreed fundamental units of measurement for human rights. As such, the 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 indicates that we have been unable to identify the required information in public documentation.

The World Benchmarking Alliance is funded by



COPYRIGHT

This work is the product of the World Benchmarking Alliance. Our work is licensed under the Creative Commons Attribution-NonCommercial-NoDerivatives 4.0 International License. To view a copy of this license, visit www.creativecommons.org/licenses/by-nc-nd/4.0/.

World Benchmarking Alliance

Rhijnspoorplein 10-38, 1018 TX Amsterdam The Netherlands
www.worldbenchmarkingalliance.org