



# Corporate Human Rights Benchmark Core UNGP Indicators

For companies in all sectors

September 2021



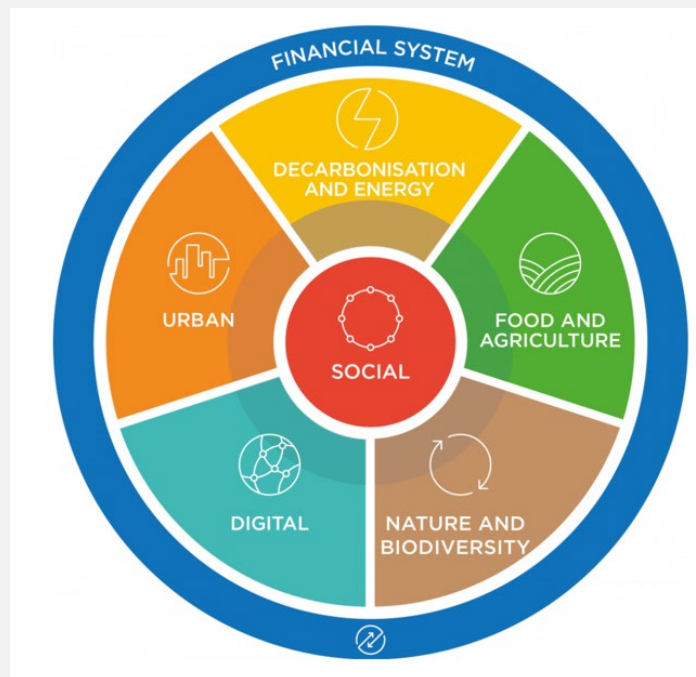
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## Introduction

The Corporate Human Rights Benchmark (CHRB), part of the World Benchmarking Alliance (WBA), has been assessing the human rights disclosures of some of the largest global companies since 2017. By ranking these companies on their policies, processes and practices, as well as how they respond to serious allegations, the CHRB aims to create a race to the top through which companies strive to fulfil their responsibility to respect the human rights of the individuals and communities that they impact.

Figure 1 – Seven systems transformations



The CHRB became part of WBA in 2019. WBA develops free and public benchmarks that measure and rank 2,000 of the most influential companies on how they contribute to the United Nations’ Sustainable Development Goals (SDGs). To do this, WBA assesses companies across seven critical systems transformations, namely: decarbonisation and energy, food and agriculture, nature and biodiversity, digital, urban, financial and social. Following the SDG’s ‘leave no one behind’ principle, [the social transformation](#), which focuses on human rights, decent work and ethical business conduct, sits at the heart of WBA’s model.

[The CHRB is part of the social transformation and functions as a spotlight benchmark to shine a light on sectors considered to be high risk for human rights impacts.](#) Whereas our core social indicators focus on scale, assessing 2,000 companies on whether they are taking the first steps towards respect for human rights, the CHRB as a spotlight benchmark aims to catalyse change by going beyond policy commitments to hold companies accountable for their performance and progress on the path to respecting human rights. The other purpose of spotlight benchmarks is to inform methodology developments at the transformation level, as they can help WBA learn how to scale up elements of the spotlights across the seven systems transformations.

Over the past four years of producing the CHRB, we have seen that human rights benchmarking works, but we have also learned how it could work even better. There are certain limitations that unavoidably come with a benchmarking approach. **Notably, benchmarks will only ever provide a proxy rather than an absolute measure of human rights performance.** However, based on lessons from the CHRB, we have been able to refine our approach to benchmarking human rights, in order to accelerate change.

Furthermore, in 2020-2021, the CHRB conducted a year-long review of its methodology. During the review, the CHRB team consulted a diverse range of stakeholders, including companies, investors, civil society organisations and individual experts. This revised methodology is the result of this consultation process.

## The Core UNGP Indicators

After multiple iterations of benchmarking using the full CHRB methodology, WBA has developed a subset of the full CHRB methodology, known as the *Core UNGP Indicators*.

Unlike the full CHRB methodology, which is in-depth and time consuming to apply, the Core UNGP Indicators allow parties to take a quick ‘snapshot’ of a company’s approach to human rights management, and whether they are implementing key expectations of the UN Guiding Principles on Business and Human Rights (UNGPs).

This means that stakeholders such as governments, academic institutions and civil society organisations can use the Core UNGP Indicators to assess companies far beyond the scope of 2,000 companies that the WBA has set out to assess in its annual or biannual benchmark iterations. Already, various stakeholders in several countries have used the CHRB Core UNGP Indicators to take [snapshots of companies performances on human rights](#).

### Selection of indicators

As previously mentioned, the purpose of this document is to help facilitate third party assessments of whether companies are implementing the key expectations of the UNGPs.

While the full CHRB methodologies are sector specific and cover five themes and over 80 indicators, the indicators in this document (see Figure 2) are non-sector specific and focus on the key expectations of the UNGPs as outlined in Guiding Principle 15, which are: making a policy commitment to respect human rights, conducting human rights due diligence, and enabling access to remedy.

Figure 2 – The Core UNGP Indicators

Indicator	Heading
<b>A. Governance and policy commitments</b>	
<b>A.1.1</b>	Commitment to respect human rights
<b>A.1.2.a</b>	Commitment to respect the human rights of workers: ILO Declaration on Fundamental Principles and Rights at Work
<b>A.1.4</b>	Commitment to remedy
<b>B. Embedding respect and human rights due diligence</b>	
<b>B.1.1</b>	Responsibility and resources for day-to-day human rights functions
<b>B.2.1</b>	Identifying human rights risks and impacts
<b>B.2.2</b>	Assessing human rights risks and impacts

<b>B.2.3</b>	Integrating and acting on human rights risks and impact assessments
<b>B.2.4</b>	Tracking the effectiveness of actions to respond to human rights risks and impacts
<b>B.2.5</b>	Communicating on human rights impacts
<b>C. Remedies and grievance mechanisms</b>	
<b>C.1</b>	Grievance mechanism(s) for workers
<b>C.2</b>	Grievance mechanism(s) for external individuals and communities
<b>C.7</b>	Remedying adverse impacts

While these indicators are primarily ‘process’ based, as opposed to ‘performance’ based, previous analysis by the CHRB has found a close correlation between a company’s score against the Core UNGP Indicators and its score against the full methodology.

## Approach to scoring

### Indicator scoring

Each theme is broken down into multiple indicators. For each indicator, the company may score zero, one or two points as well as 0.5 and 1.5 for certain multi-criteria indicators (see Annex 1). Half points are available in cases of multi-criteria indicators where the company is asked to fulfil more than one requirement to get a full score of 1 or 2. Where this is the case, the indicator description will include an ‘**AND**’ in capital letters to separate those requirements. They must be distinguished from a lower case ‘and’ which merely introduces an additional idea within the same requirement (and does not therefore create a possibility to score half a point).

The CHRB operates according to a gated scoring system. Where there are more than two requirements for score 1 or score 2, the company can score half a point for any of those requirements but will need to fulfil all of them to obtain a full point. In some cases, the company can receive 0.5 points on an indicator when it meets some or all of the requirements of score 2 but only some/none of the requirements for score 1. This rule was introduced in 2018 to enable the CHRB assessment to give credit to companies that fulfil some of the score 2 leading practice requirements even if they do not fulfil the more basic requirements of score 1. Companies are still unable to receive 1.5 or 2 points if they do not meet the necessary score 1 requirements. Further information on indicator scoring is explained in Annex 1.

### Types of evidence

The Core UNGP Indicator assessment only uses publicly available information from a company’s website(s), its formal financial and non-financial reporting or other public documents, plus statements such as those related to its policy commitments - these could be codes of conduct, policies, values, guidelines, FAQs and other related documents. Furthermore, other sources may be accepted, such as annual, corporate social responsibility and sustainability reports, or human rights reports if these are available, or other reports written for other purposes if these contain information applicable to the CHRB indicators.

### Timeframe for requirements

Many CHRB indicators require information about the specific issue in question to be made public. In these instances, information provided by the company must be less than three years old at the start of the CHRB research cycle, except for policies or as otherwise specified in the indicator.

## How to read a CHRB indicator

A typical CHRB indicator follows a specific structure, illustrated in Figure 3. Many of the terms in the methodology have a specific definition that is drawn from international standards and industry-specific sources wherever possible. In addition to the typical structure of a CHRB indicator, there are certain rules built into CHRB indicators.

### Indicator rules are specified below:

- **Description:** A brief description of the indicator topic. Many of the terms in the methodology have a specific definition that is drawn from international standards and industry-specific sources wherever possible.
- **Scoring:** The CHRB operates on a gated scoring system, whereby to meet the requirements of a Score 2, the requirements of a Score 1 must also be met.
- **ANDs/ORs/IFs:** Most CHRB indicators operate using ‘OR’ and ‘AND’ rules. Where two or more requirements are separated by ‘OR’, companies being benchmarked are required to complete one of the options listed. Where two or more requirements are separated by ‘AND’, companies being benchmarked are required to complete both or all of the options listed in order to obtain a full point, but can score half points if they meet at least one of the requirements. Where an ‘IF’ requirement exists, this entails a conditional requirement related to another indicator element.
- **A.1.1, A.1.2.a, A.1.4, etc.:** Codes for CHRB indicators.

Figure 3 – Example of a CHRB indicator

Measurement theme number and title indicator	Other source aligned with indicator	Brief description of indicator topic	The requirements to meet a Score 1 or more advanced Score 2
<b>B.1.1 Responsibility and resources for day-to-day human rights functions</b>			
Sources: UNGP 19; UNGPRF A2 and A2.1; GRI 102-19 and 102-20			
The company outlines senior level responsibility for human rights within the company as well as the organisation of the day-to-day responsibility for human rights across relevant internal functions. This includes responsibility for the ILO core labour standards at a minimum. The company also allocates resources and expertise for the day-to-day management of human rights within its operations and business relationships.			
<b>Score 1</b>		<b>Score 2</b>	
The company indicates the senior manager role(s) accountable for implementation and decision making on human rights issues within the company.		The company describes how it assigns responsibility for implementing its human rights policy commitment(s) for day-to-day management across relevant departments <b>AND</b> how it allocates resources and expertise for the day-to-day management of relevant human rights issues within its own operations <b>AND</b> within its supply chain	
<p><i>Note: In order to get a score of 1, the company needs to meet the ILO requirement for own operations under indicator A.1.2.a (i.e., the company has a publicly available statement of policy committing it to respect the human rights that the ILO has declared to be fundamental rights at work and explicitly lists them in that commitment).</i></p>			

# Measurement themes and indicators

## Measurement theme A: Governance and policy commitments

### Indicators at a glance:

- *A.1.1 Commitment to respect human rights*  
*A.1.2 Commitment to respect the human rights of workers: ILO Declaration on Fundamental Principles and Rights at Work*
- *A.1.4 Commitment to remedy*

### Policy commitments

#### What do the UN Guiding Principles on Business and Human Rights (UNGPs) expect?

A policy commitment is a statement approved at the highest levels of the business that shows the company is committed to respecting human rights and communicates this internally and externally.

**Note:** The term ‘statement’ is used to describe a wide range of forms a company may use to set out publicly its responsibilities, commitments and expectations – this may be a separate human rights policy or human rights commitments within other formal policies, or provisions within other documents that govern the company’s approach such as a company code, business principles etc.

#### 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.

#### Research note on commitment language

Because of this, whenever a CHRB indicator requires a policy commitment, the CHRB researchers will look for an explicit commitment or any form of promise that companies will uphold the specific rights, instruments and/or standards listed in the indicator description. This means that language that is ambiguous, vague or weak will be considered insufficient to qualify as a clear expression of commitment.

The examples listed below would typically be accepted by the CHRB analysts as a clear expression of commitment.

- The company commits to respect X
- The company is committed to respecting the rights under X
- The company adheres to X
- The company upholds X
- The company endorses the principles enshrined in X
- The company’s policy complies with X
- The company’s policy is in accordance with X

By contrast, the examples listed below would be considered insufficient:

- The company's commitments are consistent with X
- The company's commitments are informed by / based on X
- The company strives to ensure X is respected
- The company recognises the principles of X

A.1.1 Commitment to respect human rights	
Sources: UNGP 11 and 12; UNGPRF A1; GRI 103-2	
The company publicly commits to respecting all internationally recognised human rights across its activities. It must be clear the commitment relates to all internationally recognised human rights, rather than to only one or more selected human rights. This only considers commitments to avoid adverse human rights impacts and does not include philanthropic commitments.	
<i>Note: Additional sector-specific commitments are considered in A.1.3.</i>	
Score 1	Score 2
The company has a publicly available policy statement committing it to respect human rights <b>OR</b> the rights under the Universal Declaration of Human Rights <b>OR</b> the International Bill of Human Rights.	The company's publicly available policy statement also commits it to respecting the UN Guiding Principles on Business and Human Rights <b>OR</b> the OECD Guidelines for Multinational Enterprises.

A.1.2.a Commitment to respect the human rights of workers: ILO Declaration on Fundamental Principles and Rights at Work	
Sources: UNGP 12 and 16(c), UNGPRF, A1; FLA Code of Conduct; GRI 103-2	
The company publicly commits to respecting the principles concerning fundamental rights at work in the eight ILO core conventions as set out in the Declaration on Fundamental Principles and Rights at Work. It also has a publicly available statement of policy committing it to respect the human rights of workers in its business relationships.	
Score 1	Score 2
The company has a publicly available policy statement committing it to respect the human rights that the ILO has declared to be fundamental rights at work <b>AND</b> the company's policy statement includes explicit commitments to respect: freedom of association and the right to collective bargaining and the rights not to be subject to forced labour, child labour or discrimination in respect of employment and occupation.	The company's publicly available policy statement also expects its suppliers to commit to respecting the human rights that the ILO has declared to be fundamental rights at work <b>AND</b> explicitly lists them in that commitment.



Figure 4 – ILO Fundamental Principles and Rights at Work

<i>The four fundamental principles and rights at work</i>
<p><b>The ILO Declaration on Fundamental Principles and Rights at Work covers the following four fundamental principles and rights at work, laid out in eight conventions:</b></p> <ul style="list-style-type: none"> <li>• Freedom of association and the effective recognition of the right to collective bargaining (<i>Convention No.87 and No.98</i>)</li> <li>• Elimination of all forms of forced or compulsory labour (<i>Convention No.29 and No.105</i>)</li> <li>• Effective abolition of child labour (<i>Convention No.138 and No.182</i>)</li> <li>• Elimination of discrimination in respect of employment and occupation (<i>Convention No.100 and No.111</i>)</li> </ul> <p><b>Additional ILO labour standard:</b></p> <ul style="list-style-type: none"> <li>• Working hours (<i>Convention No.1, No.14 and No.106</i>)</li> </ul>

A.1.4 Commitment to remedy	
Sources: UNGP 22; UNGPRF C6	
The company publicly commits to providing for or cooperating in remediation for affected individuals and workers and communities through legitimate processes (including judicial and non-judicial mechanisms, as appropriate), where it identifies that it has caused or contributed to adverse impacts.	
Score 1	Score 2
The company has a publicly available policy statement committing it to remedy the adverse impacts on individuals and workers and communities that it has caused or contributed to <b>AND</b> the company expects its suppliers to make this commitment.	The company's publicly available policy statement also commits it to collaborating with judicial or non-judicial mechanisms to provide access to remedy <b>AND</b> the policy statement includes a commitment to work with suppliers to remedy adverse impacts which are directly linked to the company's operations, products or services.

## Measurement theme B: Embedding respect and human rights due diligence

### Indicators at a glance:

- *B.1.1 Responsibility and resources for day-to-day human rights functions*
- *B.2.1 Identifying human rights risks and impacts*
- *B.2.2 Assessing human rights risks and impacts*
- *B.2.3 Integrating and acting on human rights risks and impact assessments*
- *B.2.4 Tracking the effectiveness of actions to respond to human rights risks and impacts*
- *B.2.5 Communicating on human rights impacts*

### Embedding respect for human rights in company culture and management systems

#### What do the UN Guiding Principles on Business and Human Rights expect?

The company's statement(s) of commitment should be publicly available in prominent locations and communicated actively to workers, business relationships and others, including investors and stakeholders, so that they are aware of the company's commitments and integrate the commitments into company culture.

The company should align the policies and procedures that govern its wider business activities and relationships with its responsibility to respect human rights.

#### 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.

### Human rights due diligence

Human rights due diligence is a fundamental expectation of the UNGPs and the 'knowing and showing' of this due diligence process can be explained via the following four steps:

#### 1. Identifying and Assessing

##### What do the UN Guiding Principles on Business and Human Rights expect?

Companies should identify and assess any negative impacts on human rights with which they may be involved. This includes actual impacts (past or current) and potential impacts (those possible in the future – also referred to as human rights risks), from the company's own activities and from its business relationships, direct relationships and those one or more steps removed. The focus must be on risks to the human rights of people, as distinct from risks to the business itself, although the two are increasingly related.

##### Why is this important?

Assessing is the process by which the company gathers the basic information it needs in order to know what its human rights risks are, so it can prevent and mitigate them. It is the starting point for a company to understand how to translate its human rights policy commitment into practice. Therefore, involving different parts of the company in the assessment process helps to build shared responsibility for addressing the actual and potential impacts identified.

## **2. Integrating and acting**

### **What do the UN Guiding Principles on Business and Human Rights expect?**

To address negative human rights impacts, businesses should integrate the findings from their impact assessments across relevant internal functions and processes, act to prevent and mitigate the impacts identified, and have the internal decision-making, budget allocation and oversight processes in place to enable effective responses.

### **Why is this important?**

Through the process of ‘integration’ a company can take the findings from its assessment of impacts, identify who in the company needs to be involved in addressing them, and work with them to decide on an effective response. It is through the actions it takes to prevent or mitigate impacts that the company actually reduces its impacts on people, which is central to achieving respect for human rights.

## **3. Tracking**

### **What do the UN Guiding Principles on Business and Human Rights expect?**

Companies need to track their responses to actual and potential human rights impacts to evaluate how effectively they are being addressed. Tracking should be based on appropriate qualitative and quantitative indicators and draw on internal and external feedback, including from affected stakeholders.

### **Why is this Important?**

Tracking how well the company is managing its human rights risks is the only way the company can really know it is respecting human rights in practice. Tracking is a crucial dimension of continuous improvement – it helps the company identify trends and patterns; it highlights recurring problems that may require more systemic changes to policies or processes, as well as good practices that can be shared across the company. Tracking is also essential for the company to be able to communicate accurately to all its stakeholders about what it is doing to meet its responsibility to respect human rights.

## **4. Communicating**

### **What do the UN Guiding Principles on Business and Human Rights expect?**

Companies need to be prepared to communicate externally in order to account for how they address their impacts, particularly when concerns are raised by, or on behalf of, affected stakeholders. Companies that may have severe human rights impacts should report formally on how they address them.

### **Why is this Important?**

It is by knowing and showing that they respect human rights in practice that companies build trust in their performance, demonstrate their reliability as partners, and gain a sustainable ‘social license to operate’. More widely, it is part of being accountable for how they do business, not least to those who may be impacted. Increasingly, shareholders, governments, potential business relationships, stock exchanges and civil society stakeholders also expect companies to provide information on their human rights performance.

Figure 5 – Human rights due diligence

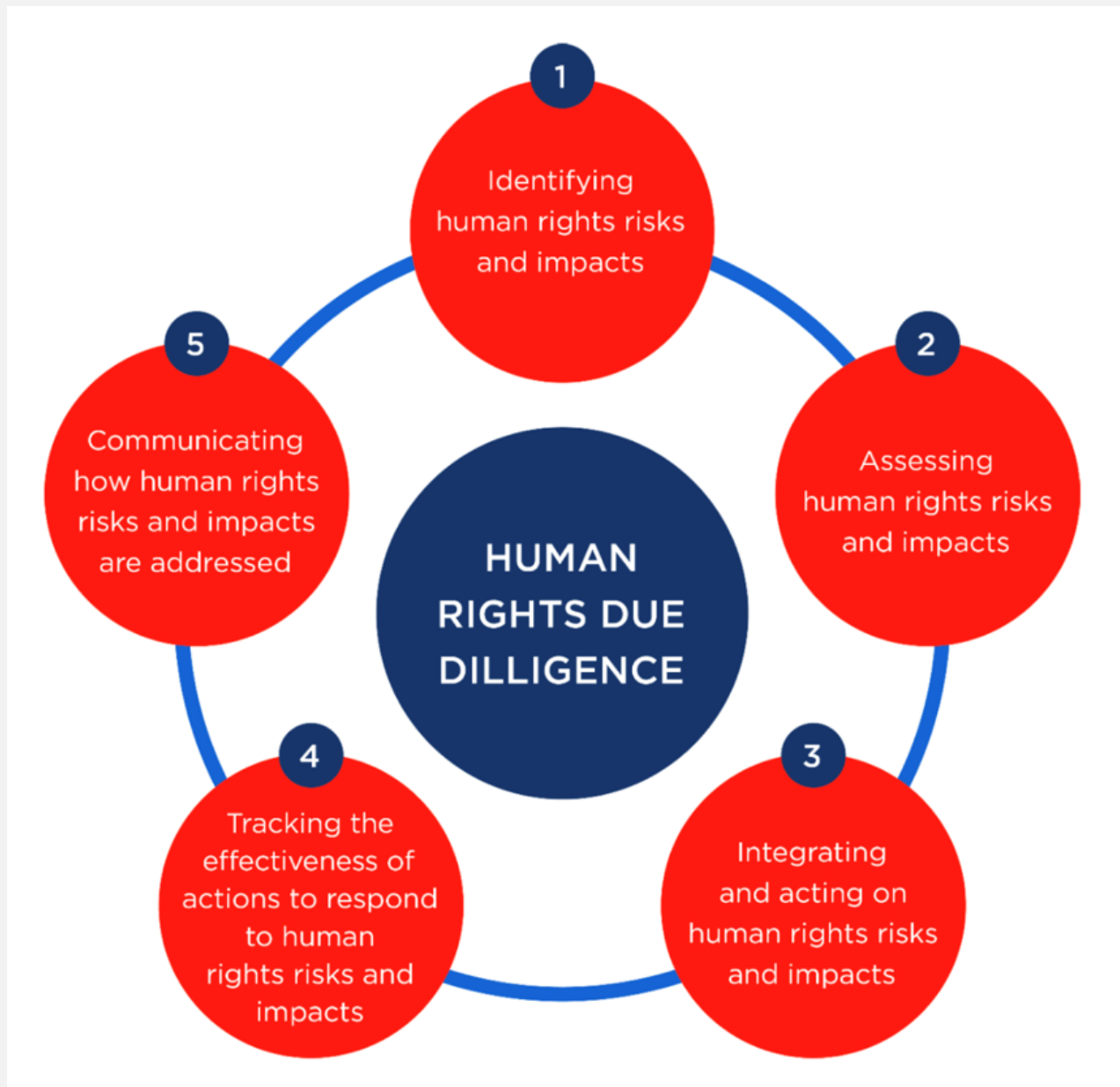


Figure 6 – Key concepts

### Key concepts

**Key sector risks:** The risks commonly regarded as potentially severe and/or likely within the sector and that companies are expected to demonstrate, through a process of human rights due diligence, how they are preventing them or why they are not relevant. Therefore, while these risks are anticipated to be relevant given the company’s sector, they may not necessarily be the individual company’s most salient human rights issues. These may change over time.

**Salient human rights issues:** Those human rights that are at risk of the most severe negative impacts through a company’s activities or business relationships. Therefore, they vary from company to company, and over time.

**Materiality:** Refers to what is really important or has great consequences. The various definitions of materiality take differing views depending on who is asking and for what purpose. For company public reporting, materiality often refers to a threshold used to determine what information a company will disclose in its formal reporting. Definitions of what constitutes that threshold vary considerably.

### B.1.1 Responsibility and resources for day-to-day human rights functions

Sources: UNGP 19; UNGPRF A2 and A2.1; GRI 102-19 and 102-20

The company outlines senior level responsibility for human rights within the company as well as the organisation of the day-to-day responsibility for human rights across relevant internal functions. This includes responsibility for the ILO core labour standards at a minimum. The company also allocates resources and expertise for the day-to-day management of human rights within its operations and business relationships.

**Note:** Board level responsibility is assessed under indicator A.2.1 and therefore not considered in this indicator.

#### Score 1

The company indicates the senior manager role(s) accountable for implementation and decision making on human rights issues within the company.

**Note:** In order to get a score of 1, the company needs to meet the ILO requirement for own operations under indicator A.1.2.a (i.e., the company has a publicly available statement of policy committing it to respect the human rights that the ILO has declared to be fundamental rights at work and explicitly lists them in that commitment).

#### Score 2

The company describes how it assigns responsibility for implementing its human rights policy commitment(s) for day-to-day management across relevant departments **AND** how it allocates resources and expertise for the day-to-day management of relevant human rights issues within its own operations **AND** within its supply chain

### B.2.1 Identifying human rights risks and impacts

Sources: UNGP 17 and 18; UNGPRF B2 and C3; HRIB, 1.2.1; GRI 412-1 and 414-2

The company proactively identifies its human rights risks and impacts on an on-going basis, including when these are triggered by key moments in the company’s activities (e.g. policy change, market entry, new projects). This includes engaging with stakeholders and vulnerable groups as part of the identification process.

**Note:** *If a company describes that it has a clear global system for identifying human rights risks and impacts, then it is assumed that it has this system in each particular location where it operates. As such, by complying with all criteria in Score 2, a company is automatically assumed to have achieved Score 1.*

Score 1	Score 2
<p>The company describes the process(es) it uses to identify its human rights risks and impacts in specific locations or activities, covering its own operations <b>AND</b> through relevant business relationships, including its supply chain.</p>	<p>The company describes the global systems it has in place to identify its human rights risks and impacts on a regular basis across its activities involving consultation with affected stakeholders and internal or independent external human rights experts <b>AND</b> describes how these systems are triggered by new country operations, new business relationships, new human rights challenges or conflict affecting particular locations <b>AND</b> describes the risks identified in relation to such events, including through heightened due diligence in any conflict-affected areas.</p>

### B.2.2 Assessing human rights risks and impacts

Sources: UNGP 17, 18 and 24; UNGPRF B1, B2 and C3; HRIB, 1.2.1.; GRI 412-1 and 414-2

Having identified its human rights risks and impacts, the company assesses them and then prioritises its salient human rights risks and impacts. This includes engaging with stakeholders and vulnerable groups as part of the assessment process.

Score 1	Score 2
<p>The company describes its process(es) for assessing its human rights risks and discloses what it considers to be its salient human rights issues. This description includes how relevant factors are taken into account, such as geographical, economic, social and other factors <b>AND</b> this includes a description of how these processes apply to its supply chain <b>OR</b> the company publicly discloses the results of its assessments, which may be aggregated across its operations and locations.</p>	<p>The company meets all of the requirements under Score 1 <b>AND</b> describes how it involves affected stakeholders in the assessment process(es).</p>

### B.2.3 Integrating and acting on human rights risks and impact assessments

Sources: UNGP 17, 19 and 24; UNGPRF C4; GRI 103-2

The company integrates the findings of its assessments of human rights risks and impacts into relevant internal functions and processes in order to take appropriate actions to prevent, mitigate or remediate its salient human rights risks and impacts. This includes engaging with stakeholders and vulnerable groups on any action taken or to be taken.

**Note:** Indicators B.1.6 and B.2.3 are related but focus on different dimensions of a company's actions: B.1.6 (which is in section B.1 on management systems) is about the company's systemic approach to on-going monitoring and follow up on policy implementation while B.2.3 (which is in section B.2 on human rights due diligence) is about a specific step in the human rights due diligence process in addressing salient (or other) human rights impacts.

#### Score 1

The company describes its global system to prevent, mitigate or remediate its salient human rights issues **AND** this includes a description of how its global system applies to its supply chain **OR** the company provides an example of the specific actions taken or to be taken on at least one of its salient human rights issues as a result of assessment processes in at least one of its activities/operations in the last three years.

**Note:** Where the company has a clear global system, it can be assumed that this system or approach is used in each particular location the company operates in.

#### Score 2

The company meets all of the requirements under Score 1 **AND** describes how it involves affected stakeholders in decisions about the actions to take in response to its salient human rights issues.

### B.2.4 Tracking the effectiveness of actions to respond to human rights risks and impacts

Sources: UNGP 17, 20 and 24; UNGPRF C5; GRI 103-3

The company tracks and evaluates the effectiveness of actions taken in response to its human rights risks and impacts and describes how it uses that information to improve processes and systems on an on-going basis. This includes engaging with stakeholders and vulnerable groups when evaluating the effectiveness of any action taken.

#### Score 1

The company describes its system(s) for tracking or monitoring the actions taken in response to human rights risks and impacts and for evaluating whether the actions have been effective or have missed key issues or not produced the desired results **OR** it provides an example of the lessons learned while tracking the effectiveness of its actions on at least one of its salient human rights issues as a result of its due diligence process(es).

#### Score 2

The company meets both of the requirements under Score 1 **AND** describes how it involves affected stakeholders in evaluation(s) of whether the actions taken have been effective.

### B.2.5 Communicating on human rights impacts

Sources: UNGP 20 and 21; UNGPRF C2

The company communicates externally how it addresses its human rights impacts (i.e., throughout its due diligence process(es)) in a manner that is accessible to its intended audiences, especially affected stakeholders who have raised concerns, provides enough information to evaluate the adequacy of the response(s) and does not pose risks to affected stakeholders or personnel. Such communications should provide accurate, balanced and complete information. This type of communication is distinct from engagement with affected stakeholders for the purposes of assessing or addressing specific impacts (see also indicators B.1.8, B.2.1 and B.2.2).

#### Score 1

The company provides at least two examples demonstrating how it communicates with affected stakeholders regarding specific human rights impacts raised by them or on their behalf.

#### Score 2

The company meets the requirements under Score 1 **AND** describes any challenge(s) to effective communication it has identified and how it is working to address them.



## Measurement theme C: Remedies and grievance mechanisms

### Indicators at a glance:

- *C.1 Grievance mechanism(s) for workers*
- *C.2 Grievance mechanism(s) for external individuals and communities*
- *C.7 Remedying adverse impacts*

### Remedies and grievance mechanisms

#### What do the UN Guiding Principles on Business and Human Rights expect?

- Where a company identifies that it has caused or contributed to negative human rights impacts, it should provide for or cooperate in their remediation through legitimate processes.
- Companies should establish or participate in effective operational-level grievance mechanisms for stakeholders who may be negatively impacted by their activities.
- Remediation processes provided by the state or third-party institutions can provide alternative channels for affected stakeholders to raise complaints or concerns. Complainants should be free to choose which available channels they wish to use.

#### Why is this important?

- Access to effective remedy is a human right in itself and therefore a core part of respecting human rights. 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 they can respond quickly and effectively.
- Strong remediation processes can help prevent impacts or conflicts from increasing or escalating.

**Note:** See also indicator A.1.4. on policy commitments concerning remedy

#### C.1 Grievance mechanism(s) for workers

Sources: UNGP 22, 29 and 30; UNGPRF C6.1 and C6.3; GRI 103-2: ARP 7.1, 8.1 and 8.8

The company has one or more mechanisms (its own, third party or shared) through which workers can raise complaints or concerns, including in relation to human rights issues. The mechanism(s) is available to all workers and takes into account accessibility by marginalised groups. The mechanism(s) is not used to undermine the role of legitimate trade unions (or equivalent worker bodies where the right to freedom of association and collective bargaining is restricted under law) in addressing labour-related disputes, nor precludes access to judicial or other non-judicial grievance mechanisms. UN Guiding Principle 31 provides relevant criteria for the design and operation of such mechanisms.

**Score 1**

**Score 2**

<p>The company indicates that it has one or more mechanism(s), or participates in a third-party or shared mechanism, accessible to all workers to raise complaints or concerns related to the company.</p> <p><b>Note:</b> <i>An explicit reference to human rights is not required, but a mechanism that is specifically designed to cover other topics (e.g., a corruption hotline) will need to make clear to stakeholders that it can be used for human rights concerns as well.</i></p>	<p>The company describes how it ensures the mechanism(s) is available in all appropriate languages and that workers are aware of it (e.g., specific communication(s)/training) <b>AND</b> the company describes how it ensures workers in its supply chain have access to either: the company’s own mechanism(s) to raise complaints or concerns about human rights issues at the company’s suppliers or the company expects its suppliers to establish a mechanism(s) for their workers to raise such complaints or concerns <b>AND</b> the company expects its suppliers to convey the same expectation on access to grievance mechanism(s) to their own suppliers.</p>
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## C.2 Grievance mechanism(s) for external individuals and communities

Sources: UNGP 22, 29 and 30; UNGPRF C6.1 and C6.3; GRI 103-2; ARP 7.1, 8.1 and 8.8

The company has one or more mechanisms (its own, third party or shared) through which individuals and communities who may be adversely impacted by the company can raise complaints or concerns, including in relation to human rights issues. The mechanism(s) is available to all external individuals and communities and takes into account accessibility by marginalised groups. The mechanism(s) does not preclude access to judicial or other non-judicial grievance mechanisms. UN Guiding Principle 31 provides relevant criteria for the design and operation of such mechanisms.

### Score 1

The company indicates that it has one or more mechanism(s), or participates in a shared mechanism, accessible to all external individuals and communities who may be adversely impacted by the company, or those acting on their behalf, to raise complaints or concerns.

**Note:** *An explicit reference to human rights is not required, but a mechanism that is specifically designed to cover other topics (e.g., a corruption hotline) will need to make clear to stakeholders that it can be used for human rights concerns as well.*

### Score 2

The company describes how it ensures the mechanism(s) is available in local languages and that all affected external stakeholders at its own operations are aware of it (e.g., specific communication(s)/training) **AND** the company describes how it ensures external individuals and communities have access to either: the company’s own mechanism(s) to raise complaints or concerns about human rights issues at the company’s suppliers or the company expects its suppliers to establish a mechanism for them to raise such complaints or concerns **AND** the company expects its suppliers to convey the same expectation on access to grievance mechanism(s) to their suppliers.

## C.7 Remediating adverse impacts

Sources: UNGP 19, 22 and 31; UNGPRF C6, C6.4 and C6.5; GRI 103-2 and 413-2; ARP 12.2 and 13.1

The company provides for or cooperates in remediation to victims where it has identified that it has caused or contributed to adverse human rights impacts (or others have brought such information to the company's attention, such as through its grievance mechanism(s)). It also incorporates changes to systems, processes (e.g., human rights due diligence processes) and practices to prevent similar adverse impacts in the future.

**Score 1**

For adverse human rights impacts which it has caused or to which it has contributed, the company describes the approach it took to provide or enable a timely remedy for victims **OR** if no adverse impacts have been identified then the company describes the approach it would take to provide or enable timely remedy for victims.

**Score 2**

For adverse human rights impacts which it has caused or to which it has contributed, the company also describes changes to systems, processes and practices to prevent similar adverse impacts in the future **AND** the company describes its approach to monitoring implementation of the agreed remedy **OR** if no adverse impacts have been identified then the company describes the approach it would take to review and change systems, processes or practices to prevent similar adverse impacts in the future.

Figure 7 – Key concepts

**Key concepts**

**Remediation/remedy** refers to both the process of providing remedy for a negative human rights impact and the substantive outcomes that can counteract, or make good, the negative impact. These outcomes may take a range of forms such as apologies, restitution, rehabilitation, financial or non-financial compensation, and punitive sanctions (whether criminal or administrative, such as fines), as well as the prevention of harm through, for example, injunctions or guarantees of non-repetition.

## Annex 1: CHRB indicator scoring rules

The CHRB indicators follow a set structure, awarding either zero, half, one, one point five, or two points depending on whether the indicator requirements are assessed to have been met (following a review of publicly available information).

The 12 indicators selected from the full CHRB Methodology that make up the *Core UNGP Indicators* are scored on a simple unweighted basis as follows:

A. Governance and Policy Commitments								
Indicator	Heading	Possible Scores					Weighting	Max points in Theme
		0	0.5	1	1.5	2		
A.1.1	Commitment to respect human rights	Yes	Yes	Yes	No	Yes	25%	6 points
A.1.2.a	Commitment to respect the human rights of workers: ILO Declaration on Fundamental Principles and Rights at Work	Yes	Yes	Yes	Yes	Yes		
A.1.4	Commitment to Remedy	Yes	Yes	Yes	Yes	Yes		
B. Embedding Respect and Human Rights Due Diligence								
Indicator	Heading	Possible Scores					Weighting	Max points in Theme
		0	0.5	1	1.5	2		
B.1.1	Responsibility and resources for day-to-day human rights functions	Yes	Yes	Yes	Yes	Yes	50%	12 points
B.2.1	Identifying human rights risks and impacts	Yes	Yes	Yes	Yes	Yes		
B.2.2	Assessing human rights risks and impacts	Yes	Yes	Yes	Yes	Yes		
B.2.3	Integrating and acting on human rights risks and impact assessments	Yes	Yes	Yes	Yes	Yes		
B.2.4	Tracking the effectiveness of actions to respond to human rights risks and impacts	Yes	Yes	Yes	Yes	Yes		
B.2.5	Communicating on human rights impacts	Yes	Yes	Yes	Yes	Yes		
C. Remedies and Grievance Mechanisms								
Indicator	Heading	Possible Scores					Weighting	Max points in Theme
		0	0.5	1	1.5	2		
C.1	Grievance mechanism(s) for workers	Yes	Yes	Yes	Yes	Yes	25%	6 points
C.2	Grievance mechanism(s) for external individuals and communities	Yes	Yes	Yes	Yes	Yes		
C.7	Remediating adverse impacts	Yes	Yes	Yes	Yes	Yes		

## Annex 2: Key definitions

A full glossary is available in the full CHRB Methodology, however the following terms are critical to understanding the *Core UNGP Indicators*:

**Affected stakeholder** – An individual whose human rights have been or may be affected by a company’s operations, products or services.

**Business relationships** – The relationships a company has with business partners, entities in its value chain and any other State or non-state entity directly linked to its operations, products or services. They include indirect relationships in its value chain, beyond the first tier, and minority as well as majority shareholding positions in joint ventures.

**Human rights** – Basic international standards aimed at securing dignity and equality for all. Every human being is entitled to enjoy them without discrimination. They include the rights contained in the International Bill of Human Rights (see below). They also include the principles concerning fundamental rights at work set out in the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work.

**Human rights due diligence** – An ongoing risk management process that a reasonable and prudent company needs to follow in order to identify, prevent, mitigate and account for how it addresses its adverse human rights impacts. As set out in the UN Guiding Principles 17-21, this includes four key steps: assessing actual and potential human rights impacts; integrating and acting on the findings; tracking responses; and communicating about how impacts are addressed.

**Stakeholder engagement/consultation** – An ongoing process of interaction and dialogue between a company and its stakeholders that enables the company to hear, understand and respond to their interests and concerns, including through collaborative approaches.

**Suppliers** – Defined as tier 1 and beyond, including subcontractors. For the purposes of CHRB, the scope under assessment will vary depending on the sector.

**Supply chain** – Refers to all supply chain business relationships, tier 1 and beyond, including subcontractors.

**UN Guiding Principles on Business and Human Rights** – A set of 31 principles that set out the respective roles of states and companies in ensuring that companies respect human rights in their business activities and through their business relationships. The UN Guiding Principles were endorsed by the United Nations Human Rights Council in 2011.

**Workers** – An individual performing work for a company, regardless of the existence or nature of any contractual relationship with that company