

THE CORPORATE HUMAN RIGHTS BENCHMARK

Draft List of Indicators for Public Consultation

Deadline for Comments: 2nd October 2015

This document sets out the draft list of indicators for Methodology 1.0 of the Corporate Human Rights Benchmark (CHRB). This document is complemented by the [Framework Paper for Multi-Stakeholder Consultations](#) which sets out the overview, framework and process in the development of the CHRB. These two documents inform the draft CHRB Methodology 1.0.

The draft Methodology 1.0. will be revised in light of public input and finalised in advance of the first pilot Benchmark, which will be undertaken using the revised CHRB Methodology 1.0. and published in March 2016.

Note: The final version of the Methodology 1.0 will contain cross-references to relevant reporting frameworks and benchmarks.

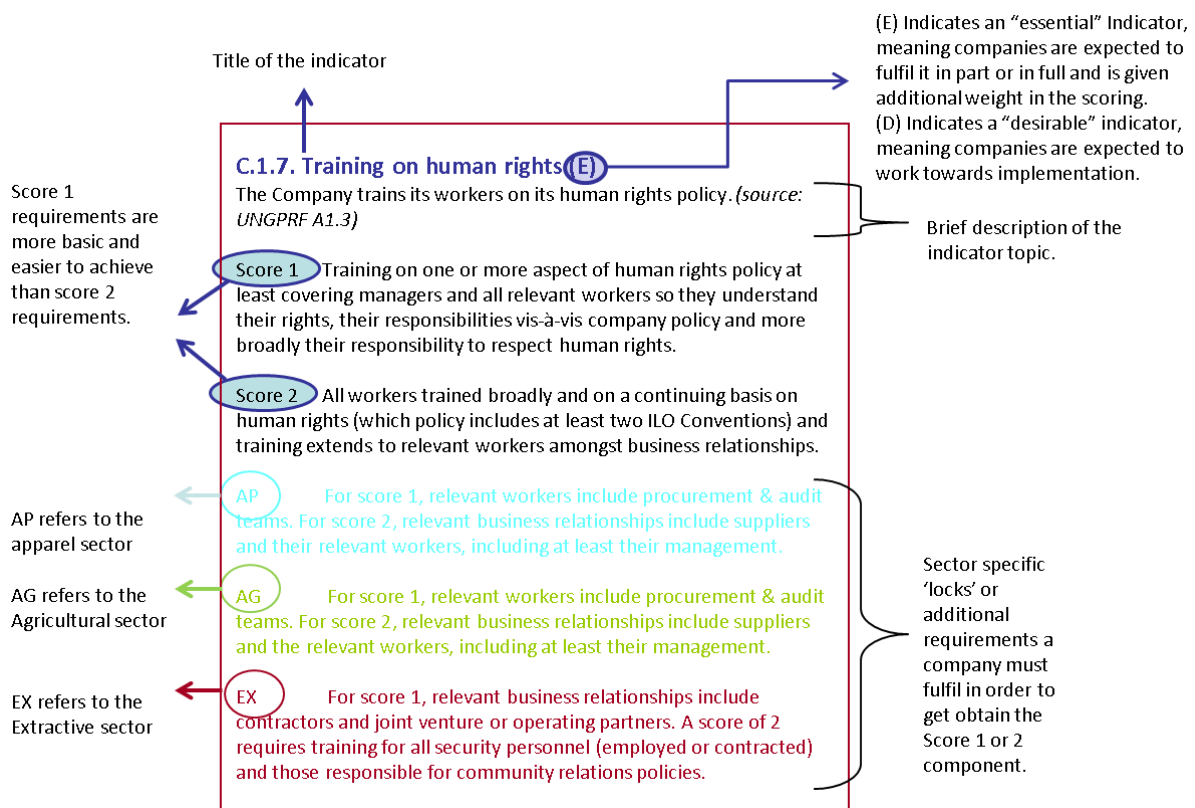
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A GLOBAL BENCHMARK WITH SECTOR-SPECIFIC ELEMENTS

The majority of the draft indicators apply to all companies, regardless of sector. However, some sector specific ‘locks’ or additional requirements have been added to an indicator adding sector specific elements to certain scores where necessary and relevant. The figure below describes the structure of an indicator that uses these sector locks.

How to read an indicator:



Sector specific locks are required for companies within the specific sector of concern, for example the extractives (EX) or apparel (AP) sector. However, a diversified company with involvement in one or more of these sectors may be required to fulfill the additional sector-specific requirements. For example, a media company with a large apparel supply chain may be required to fulfill AP sector locks.

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GENERAL COMMENTS

KEY SYMBOLS

(E) for ESSENTIAL: Essential Indicators are indicators that companies are expected to fulfil either in part or in full and are given additional weight in the scoring.

(D) for DESIRABLE: Desirable indicators are indicators that companies are expected to work towards. These indicators signal the pathway towards improved human rights performance in a range of areas.

The ESSENTIAL and DESIRABLE separation will also be used in the scoring. I.e. if ESSENTIAL indicators are not fulfilled, a company will not be able to get past a certain score even if it demonstrates some of the DESIRABLE indicators. The sections on performance and reporting do not make this distinction between Essential and Desirable indicators.

Sector locks will be applied to companies with activities in sectors exposed to particular human rights risks, which can be identified by the following colour coding:

AG stands for AGRICULTURE

AP stands for APPAREL

EX stands for EXTRACTIVES

KEY TERMINOLOGY

Adverse events - An event reported in the public domain involving the alleged adverse impact by a company on an individual's or group of individuals' human rights.

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

Human Rights Due diligence – An ongoing management process that a reasonable and prudent enterprise needs to undertake in order to meet its responsibility to respect human rights. It includes assessing actual and potential human rights impacts, integrating and acting on assessment findings, tracking responses and communicating about how impacts are addressed.

Key sector risks – The risks regularly 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 (see salient human rights issues below).

Remedy – Remediation and remedy refer to both the processes of providing remedy for an adverse 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.

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. They therefore vary from company to company.

Stakeholder - Any individual who may affect or be affected by an organization’s activities.

Affected stakeholder - An affected stakeholder refers specifically to an individual whose human rights have been or may be affected by an enterprise’s operations, products or services.

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

Workers - Refers to employees, temporary or contracted workers, migrant workers in both of those categories and the same set of workers in business relationships.

ACRONYMS

CEDAW	The Convention on the Elimination of All Forms of Discrimination Against Women
EITI	Extractive Industries Transparency Initiative
ETI	Ethical Trading Initiative
FLA	Fair Labor Association
FPIC	Free, prior and informed consent
GRI	Global Reporting Initiative G4 Sustainability Reporting Guidelines
ICOC	International Code of Conduct for Private Security Companies
ILO	International Labour Organisation
UDHR	Universal Declaration of Human Rights
UNGP	United Nations Guiding Principles
UNGPRF	United Nations Guiding Principles’ Reporting Framework
VGGT	UN Voluntary Guidelines on the Responsible Governance of Tenure of Land
VPs	Voluntary Principles on Security and Human Rights

A. LEADERSHIP

Under this topic, indicators are aiming to advance human rights agenda through working with third parties (peers, governments etc.).

A.1.1. Raising human rights concerns with governments (D)

The Company commits to promoting the protection of human rights by governments, **and/or** takes public policy positions in favour of legislation that aims to prevent human rights abuses or strengthens protection in a specific context or specific sector or to strengthen access to remedy.

Score 1 Commitment in principle to advocate for human rights with government or local authorities in a case where human rights are at risk around its operations, or in connection with the production of its products or services. **Or** the Company gives specific examples of seeking to promote the protection of human rights or lobbying for legislation to prevent the denial of rights or to provide remedy (for example access to judicial and non-judicial remedy)

Score 2 Commitment is backed with specific example(s).

A.2.1. Raising human rights concerns with industry peers (D)

The Company commits to publicly differentiating its own position when it has a stronger stance on a human rights issue than a trade association or other industry or geographic industry bodies of which it is a member, or to seeks to positively influence trade bodies on human rights concerns or to leaving a trade body when its human rights positions conflicts strongly with the Company's position. This commitment is backed with specific examples.

Score 1 Commitment in principle to advocate for human rights with trade associations and other industry or geographic industry bodies. **Or** the Company gives specific examples of seeking to positively influence such bodies. **Or** the Company gives specific examples leaving such bodies.

Score 2 Commitment is backed with specific example(s).

A.3.1. Activities within Multi-stakeholder Initiatives (MSIs) (D)

The Company is a member and actively participates in (a) Multi-stakeholder Initiatives (MSIs) which aim to promote respect for human rights and sustainable business practices.

Score 1 Membership of (a) relevant MSIs

Score 2 Plays a leadership role within the initiatives **or** helps to create such initiatives where none exists.

AG A score 2 depends upon the belonging to at least one MSI that covers human rights issues in the sector

AP A score 2 depends upon the belonging to at least one MSI related to labour standards in the supply chain such as Ethical Trading Initiative (ETI) or Fair Labor Association (FLA)

EX For score, the Company needs to be either signatory to the Voluntary Principles on Security and Human Rights (VPs) or Extractive Industries Transparency Initiative (EITI) and a score of 2 requires both VPs and EITI membership.

A.4.1. Support for building local human rights capacity (D)

The Company supports capacity building of local communities, civil society or government to understand and promote respect for human rights and gives examples.

Score 1 Commitment in principle to capacity building of local communities, civil society or government to understand and promote respect for human rights. **Or** the Company gives specific examples.

Score 2 Commitment is backed with specific example(s).

B. GOVERNANCE

This topic aims to assess the extent to which a Company acknowledges its responsibility to respect human rights, and how it formally incorporates its resulting expectations of its workforce and business relationships in to policy commitments. Under governance, indicators seek to assess how these expectations are part of the Board’s role and responsibility as well as whether they are integrated into the Company’s strategy.

B.1. POLICY COMMITMENTS

B.1.1. Commitment to respecting human rights (E)

The Company publicly commits to respecting human rights. The commitment must relate to respecting human rights across the Company’s activities and business relationships. It must be clear the commitment relates to human rights more generally, rather than to only or more selected human rights issues, for example, non-discrimination. This is not about philanthropic activities.

Score 1 The Company has a public statement of policy in which it commits to respecting human rights.

Score 2 The Company has a public statement of policy in which it explicitly commits to respecting human rights **and** either or all of the following: the UN Guiding Principles, International Bill of Rights or proxies including the Universal Declaration of Human Rights (UDHRs), OECD Guidelines for Multinational Enterprises.

EX For a score of 2, the Company has a public statement of policy committing to respecting human rights in maintaining the safety and security of operations (based on relevant UN instruments or is a signatory to the Voluntary Principles on Security and Human Rights (VPSHRs) or to using security providers who are signatories to the International Code of Conduct of Private Security Providers).

B.1.2. Commitment to respecting the core and/or additional ILO conventions (E)

The Company publicly commits to respecting the principles concerning fundamental rights set out in the ILO’s Declaration on Fundamental and Rights at Work. The Declaration covers four core labour standard areas: (i) child labour, (ii) forced labour, (iii) non-discrimination, (iv) freedom of association and collective bargaining.

Score 1 The Company has a public statement of policy in which it explicitly commits to respecting at least two ILO core labour areas.

Score 2 The Company has a public statement of policy in which it explicitly commits to respecting all four ILO core labour areas (including an explicit reference to both freedom of association and collective bargaining).

AG In addition, for score 1, it must include a commitment to health and safety of workers. And for a score of 2, the Company must include a commitment to additional ILO standards around health & safety and working hours (in addition to the ILO core labour standards). The commitment to collective bargaining includes a commitment not to impede the right of farmers to associate and bargain collectively.

AP For score 1, it must include a commitment to health and safety of workers. And for a score of 2, the Company must include a commitment to additional ILO around health & safety and working hours (in addition to the ILO core labour standards).

EX For score 1, it must include a commitment to health and safety of workers in which the Company either commits to protecting the health and safety of employees, to comply with the requirements of the health and safety laws applicable in the countries in which it operates or to 'zero harm'. For score 2, the Company either commits to exceed the requirements of the health and safety laws applicable in the countries in which it operates or to obtain OHSAS 18001 certification for 100% of its operations.

The ILO Declaration on Fundamental Principles and Rights at Work covers the following four fundamental principles and rights at work:

- Freedom of association and the effective recognition of the right to collective bargaining
- Elimination of all forms of forced or compulsory labour
- Effective abolition of child labour
- Elimination of discrimination in respect of employment and occupation

B.1.3. Commitment to specifically respecting the rights of human rights of individuals belonging to specific groups or populations that require particular attention (E)

The Company publicly commits to respecting specific human rights of human rights of individuals belonging to specific groups or populations that require particular attention, and who are often vulnerable or marginalised groups which may be impacted by the Company's activities.

Score 1 The Company has a public statement of policy in which it explicitly commits to respecting the internationally recognised human rights of human rights of individuals belonging to specific groups or populations that require particular attention (for example, women, children, indigenous peoples, minorities, persons with disabilities, and/or migrant workers and their families).

Score 2 The Company has a public statement of policy in which it explicitly references one or more key international human rights instruments applying to these groups or populations.

EX For score 1, the Company has a public statement in which it explicitly commits to respecting indigenous peoples rights (and/or to applying ILO Convention 169 or UNDRIP) and this may include specific recognition of indigenous peoples rights to own, use, develop and control lands and resources under traditional ownership or

use. For score 2, the Company commits to applying free, prior and informed consent (FPIC) in line with international standards on indigenous peoples and/or publicly acknowledges that it may not proceed with a project notwithstanding legal permission and potential profitability where communities do not consent.

AG For score 1, the Company has a public statement of policy in which it explicitly commits to respecting women's rights or refers to CEDAW or the Women's Empowerment Principles or to respecting children's rights or refers to the CRC or the Children's Rights and Business Principles.

AP For score 1, the Company has a public statement of policy in which it explicitly commits to respecting women's rights or refers to CEDAW or the Women's Empowerment Principles or to respecting children's rights or refers to the CRC or the Children's Rights and Business Principles.

Key International Human Rights Instruments Applying to Potentially Vulnerable or Marginalised Groups

- The Convention on the Elimination of All Forms of Racial Discrimination
- The Convention on the Elimination of All Forms of Discrimination Against Women
- The Convention on the Rights of the Child
- The Convention on the Rights of Persons with Disabilities
- The Convention on the Protection of the Rights of All Migrant Workers and Members of their Families
- The Declaration on the Rights of Indigenous Peoples / or UNDRIP / or Participation in UN Permanent Forum on Indigenous Issues (UNPFII)
- The Declaration on the Rights of Persons Belonging to National or Ethnic, Religious and Linguistic Minorities

B.1.4. Commitment to respecting additional human rights of or relevant to of local communities (D)

The Company publicly commits to respecting human rights that are relevant to community health, safety, security and use and/or ownership of land and resources.

Score 1 The Company has a public statement of policy committing it to minimising its impacts on local communities, which may include specific references to impacts on their rights to health, food, water, livelihoods, safety and land.

Score 2 The Company has a public statement of policy committing it to minimising its impacts on local communities by minimising its impact on the environment, including a commitment to reducing the use of natural resources and / or water where operating in water constrained environments.

AP Must include specific commitments around water use, wastewater and waste management.

AG For Score 1, the Company has a public statement of policy committing to recognition and respect of existing use of and ownership rights to land or resources, formal and

customary, (even if the government claims that land is unoccupied and available for sale or lease) or to FPIC for land transactions or to a zero tolerance for land grabbing. For score 2, the Company commits to all of these elements.

- EX For score 1, the Company also has a public statement of policy committing to recognition and respect of existing use of and ownership rights to land or resources, formal and customary, (even if the government claims that land is unoccupied and available for sale or lease). (with respect to indigenous peoples, see B3 above). For score 2, the Company has a public statement of policy committing to the health, safety and security of local communities surrounding its operations, including in the use of any security forces.

B.1.5. Commitment to incorporating human rights into Business Relationships (E)

The Company publicly commits to applying its human rights policy in its business relationships and it has a 'comprehensive' policy applying to business relationship.

- Score 1 The Company has a public statement of policy that specifically commits it to applying its human rights policy to its business relationships (including partners, suppliers, franchisees, contractors, etc.). This human rights policy covers at least two of the ILO conventions on core labour standards.

- Score 2 The Company has a policy applying to business relationships which includes a commitment to respecting the principles laid out in the ILO's Declaration on Fundamental and Rights at Work.

AP Relevant business relationships must include suppliers. For score 2, the Company must require its suppliers to respect the ILO conventions on core labour standards and on health and safety and working hours.

AG Relevant business relationships must include suppliers. For score 2, the Company must require its suppliers to respect the ILO conventions on core labour standards and on health and safety and working hours.

EX Relevant business relationships must include contractors and joint venture or operating partners. For score 2, the Company must require its contractors and joint venture or operating partners to commit to respecting indigenous rights and the principles contained in the VPSHRs.

B.1.6. Commitment to engage with stakeholders (E)

The Company publicly commits to engage with its stakeholders.

- Score 1 The Company has a public statement of policy that specifically commits it to engaging with its stakeholders.

- Score 2 The Company has a public statement of policy that specifically commits it to engaging with stakeholders in the development and monitoring of its human

rights approach and to publish (in summary) the views of stakeholders and the Company's response.

EX At either level, the commitment must include engagement with communities where extraction takes place.

B.1.7. Commitment to remedy (D)

The Company publicly commits to enable access to remedy for stakeholders who may be adversely affected by the Company's operations.

- Score 1 Commitment to remedying adverse impacts caused or contributed to by any acts or omissions of the Company or collaborating in initiatives that provide access to remedy and to not blocking access to remedy.
- Score 2 Commitment to working with business relationships to remedy adverse impacts which are directly linked to its operations, through the business relationship's own mechanisms or through collaborating on the development of third party UNGP compliant non-judicial remedies available to workers, communities, customers/consumers.

B.2. BOARD LEVEL ACCOUNTABILITY

B.2.1. Leadership from the top (D)

The Company's human rights policies are approved by senior management or the board.

Score 1 Human rights policies and positions are attributed to board or the CEO by name. **Or** speeches, presentations or other communication setting out the Company's stance on human rights or discussing its business importance by board members and/or the CEO

Score 2 The Company does both of the above.

B.2.2. Senior responsibility for human rights (E)

The Company identifies the most senior level of responsibility for human rights within the Company. A board member or Board committee or senior manager is responsible for human rights.

Score 1 The Company identifies the most senior level of responsibility for human rights within the Company (i.e. responsibility for human rights has been assigned to a senior manager).

Score 2 Responsibility for human rights has been assigned to a main board member or a senior manager who reports directly to the CEO.

AP In addition, for the scores to be granted at each of the above levels, the Company needs to also have outlined most senior responsibility for the human rights policy in supply chains.

AG In addition, for the scores to be granted at each of the above levels, the Company needs to also have outlined most senior responsibility for the human rights policy in supply chains.

B.2.3. Board skills and expertise (E)

The Company details the board's human rights expertise and organisation.

Score 1 The Board is able to describe the relevant experience of one of more Board members in the field of human rights. **Or** the board is trained on human rights issues.

Score 2 Both of the above.

B.2.4. Board agenda (E)

Particular human rights issues or concerns are discussed by senior management or the board. The Company also has a process in place to address human rights issues at management or board level and /or regularly reviews salient human rights issues (or provides an example of what was discussed).

- Score 1 Human rights is a board agenda item at least annually
- Score 2 Board discussion includes review of salient risks and human rights issues and performance

B.2.5. Performance incentives (D)

The Company provides incentives to senior management or the Board linked to the human rights policy or targets related to the policy and its implementation.

- Score 1 At least one Board member has an incentive scheme linked to aspects of human rights policy.
- Score 2 Criteria linking Board and senior managers' remuneration to human rights performance are made public and the Company discloses information on the outcome.

B.2.6. Relationship to corporate strategy (D)

The Company considers the importance of human rights issues in the formulation of its corporate strategy.

- Score 1 Acknowledgement of importance of human rights issues in formulating wider corporate strategy. Or Speeches, presentations or other communication setting out the Company's stance on human rights or discussing its business importance by board members and/or the CEO.
- Score 2 Clear explanation of relationship between human rights policy and wider corporate strategy (for example through integrated reporting approach)

C. MANAGEMENT SYSTEMS

This theme includes three sub-topics: embedding policy, human rights due diligence and remedies and grievances mechanisms. It first seeks to assess how policies are communicated and put into practice in day-to-day management within owned operations and business partnerships. And secondly, it focuses on how a Company might adjust to a changing context or new issues arising. Hence, ‘Embedding policy’ (Section C.1.) relates to the on-going management of human rights issues. The spotting of new risks is focussed in the ‘Due Diligence’ section (section C.2.). Finally, indicators in the remedy and grievance mechanisms look into the existence of channels to receive complaints or concerns, their effectiveness and management and whether grievances or impacts are remedied.

GENERAL ‘CONDITION’ FOR MANAGEMENT SYSTEMS

Limited policy: Any policy reaching the total score of 3 points or less on indicators B.1.1, B.1.2 and B.1.3 is considered a “limited” policy.

Scoring of limited policies under section C. Management Systems: With a ‘limited’ policy, a Company will never reach a Score 2 for any indicator in sections C.1. and C.2.

C.1. EMBEDDING POLICY

C.1.1. Responsibility and resources for day-to-day human rights function (E)

The Company has outlined the organisation of the day-to-day responsibility for human rights across relevant internal functions.

Score 1 Day to day responsibility for human rights policy statement implementation is clearly allocated across relevant internal functions.

Score 2 Responsibility, resources and decision making process is clearly allocated across the range of relevant functions of the Company.

AP In addition, for score 2, the Company needs to have also outlined and assigned day-to-day responsibility for human rights policy in supply chains to senior management.

AG In addition, for score 2, the Company needs to have also outlined and assigned day-to-day responsibility for human rights policy in supply chains to senior management.

C.1.2. Alignment of other internal policies and processes with the human rights policy (E)

The Company aligns internally to the human rights policy statement or describes how internal policies and processes will embed the human rights policy statement into daily company management.

Score 1 Commitment to alignment in principle across all relevant policies and processes and alignment in practice with the most important functions.

Score 2 Evidence produced of regular review of ongoing alignment is taking place across all relevant functions including personnel, procurement and legal functions (including contract approval) with explanation of the frequency of review

AP For score 1, the policy must clearly be part of procurement process(es), for example reference is made to how buying teams take policy into account when making decisions on who to use as a supplier.

AG For score 1, the policy must clearly be part of procurement process(es), for example reference is made to how buying teams take policy into account when making decisions on who to use as a supplier.

C.1.3. Integration with enterprise risk monitoring generally (E)

The Company has integrated attention to human rights risks into its enterprise risk management system.

Score 1 Attention to human rights risks are part of its more general enterprise risk management systems.

Score 2 The Company shows evidence that the Audit Committee of the board reviews or makes an independent assessment of the adequacy of the enterprise risk management systems.

C.1.4. Incentives and performance management (D)

The Company provides incentives to senior management linked to the human rights policy or targets related to the policy(ies) and implementation.

Score 1 The Company has an incentive or performance management scheme linked to aspects of human rights policy for some employees.

Score 2 Criteria linking remuneration to human rights performance are made public.

EX Must include relevant managers (site managers and community engagement managers).

AP Must include procurement managers and officers.

AG Must include site managers and procurement managers and officers.

C.1.5. Communication / dissemination of policy commitment (E)

The Company communicates its human rights policy publicly and internally to employees and other workers.

Score 1 The Company's human rights policies are publicly available.

Score 2 The Company's human rights policies are accessible (including in local languages and clearly available from one place) and a communications plan exists to reach all staff.

C.1.6. Communication / dissemination of policy commitment to business relationships (E)

The Company communicates its human rights policy or business relationship policy (that includes human rights) to its business relationships. In addition, it establishes this in practice within the terms of its contracts (or other equivalent, binding arrangements) with business relationships.

Score 1 The Company communicates its policy to some major business relationships including through the incorporation of its human rights policy in contracts (or other equivalent documents) with major business relationships.

Score 2 The Company extends the communication of its human rights to business relationships globally.

AP A score 2 must cover major suppliers and sub-contractors.

AG A score 2 must cover major suppliers and sub-contractors.

C.1.7. Training on human rights (E)

The Company trains its workers on its human rights policy.

Score 1 Training on one or more aspect of human rights policy at least covering managers and all relevant workers so they understand their rights, their responsibilities vis-à-vis company policy and more broadly their responsibility to respect human rights.

Score 2 All workers trained broadly and on a continuing basis on human rights (which policy includes at least two ILO Conventions) and training extends to relevant workers amongst business relationships.

AP For score 1, relevant workers include procurement & audit teams. For score 2, relevant business relationships include suppliers and their relevant workers, including at least their management.

AG For score 1, relevant workers include procurement & audit teams. For score 2, relevant business relationships include suppliers and the relevant workers, including at least their management.

EX For score 1, relevant business relationships include contractors and joint venture or operating partners. A score of 2 requires training for all security personnel (employed or contracted) and those responsible for community relations policies.

C.1.8. Regular review of human rights policy (D)

The Company is committed to and shows evidence of reviewing its human rights policy regularly.

- Score 1 The Company is committed to regularly review its human rights policy.
- Score 2 The Company provides evidence that the review of its human rights policy occurs at least once every 3 years.

C.1.9. Monitoring and corrective actions (E)

The Company has a system to monitor the implementation of its human rights policy across its operations and follow up on corrective actions and necessary changes to policy or processes.

- Score 1 Statement that monitoring and corrective action systems are part of the management system.
 - Score 2 Description and details of monitoring approach which covers company globally and relevant business relationships and details provided of corrective actions process with numbers or examples.
- AP Score 1 requires auditing and monitoring of suppliers and score 2 requires extensive auditing and monitoring of suppliers (more than two-thirds every year) and some use of external monitors (companies or NGOs).
- AG Score 1 requires auditing and monitoring of suppliers and score 2 requires extensive auditing and monitoring of suppliers (more than two-thirds every year) and some use of external monitors (companies or NGOs).

C.1.10. Engaging business relationships (D)

The Company includes human rights considerations within decisions to engage (or terminate) business relationships.

- Score 1 Statement that human rights performance can affect decisions to work with business relationships
 - Score 2 Clear explanation on how the human rights performance of business relationships interacts with decisions to enter, renew, expand or terminate business relationships
- AP Score 1 requires that explanation to include suppliers, Score 2 includes an explanation of working with major or critical suppliers to improve human rights performance.
- AG Score 1 requires that explanation to include suppliers. Score 2 includes an explanation of working with major or critical suppliers to improve human rights performance.

EX Score 1 requires that explanation to include contractors and joint venture or operating partners, Score 2 includes an explanation of working with major or critical contractors to improve human rights performance

C.1.11. Framework for stakeholder engagement (E)

The Company has a process to identify its stakeholders and engages in regular dialogue with potentially affected stakeholders.

Score 1 Statement of approach(es) governing stakeholder engagement; **Or** explanation of how stakeholders are identified and the frequency, mechanisms and triggers for engagement by type and by stakeholder group (including whether any focus on groups at risk/vulnerable groups);

Score 2 A statement of practices governing stakeholder engagement including clarity about how stakeholders are identified **and** the frequency and triggers for engagement by type and by stakeholder group (including whether any focus on groups at risk/vulnerable groups). In addition, the Company makes clear the engagement is a two way process (ie. Includes a feedback mechanism) and that stakeholders can initiate engagement.

EX For score 2, the Company also conducts joint assessments and/or monitoring with local communities on agreed issues, including human rights and publicly discloses results.

C.1.12. Health and safety management (E)

The Company provides a safe and healthy working environment, with steps taken to prevent occupational illnesses, injuries or fatalities arising in the course of work, led by a senior management for health and safety, and providing workers regular health and safety information and training.

Score 1 The Company has at least two of: health and safety management system, senior responsibility or training.

Score 2 The Company has all of: health and safety management system senior responsibility and training.

EX Score 2 must include health and safety of communities surrounding operations.

AG Score 2 must include health and safety of communities surrounding operations.

AP Score 2 must include fire safety management and training

C.2. HUMAN RIGHTS DUE DILIGENCE

C.2.1. Existence and triggers for identifying human rights risks and impacts (E)

The Company has processes in place to identify human rights risks on an on-going basis as well as when these are triggered by key moments of the Company's operations or activities (e.g. policy change, market entry, new project, etc.).

Score 1 The Company has a process(es) to identify human rights risks

Score 2 The Company has global systems in place to assess human rights risks on a regular basis which is also triggered by new country operations, new business partnerships or changes in the human rights context in particular locations. This includes risks with which the company may be involved through relevant business relationships.

AP For score 1, the description needs to include assessing human rights risks amongst suppliers.

AG For score 1, the description needs to include assessing human rights risks amongst suppliers.

EX For score 1, the description of process includes an explanation of when HRIAs or ESIA's including human rights will be carried out.

C.2.2. Assessment of risks and impacts identified (salient risks and key sector risks) (E)

The Company has a process in place to assess and prioritise actual and potential human rights impacts and risks.

Score 1 Process(es) for assessing the salience of risks is described.

Score 2 Process is described and results made public including details of key sector risks that might be anticipated for the sector (see the list below), but which were considered but judged not salient. Explains when not including a key sector risk why the risk was not considered salient. Prioritisation for assessing and acting is based on most potentially severe impacts.

KEY CONCEPTS

Key Sector risks - *The risks regularly 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.*

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. They therefore vary from company to company.*

- EX** Key risks anticipated for the sector: indigenous peoples rights, land rights and resettlement, security, environmental protection (may include water and natural resource use), health and safety
- AG** Key risks that might be anticipated for the sector, land rights, food security, indigenous peoples rights, women and children, smallholder farmers, environmental protection (may include water and natural resource use), labour relations.
- AP** Key risks that might be anticipated for the sector: labour relations, including working conditions, human trafficking and forced labour, women and children, fire safety hazard, environmental protection.

C.2.3. Identification and consultation with stakeholders on salient human rights issues (E)

The Company has a process in place to identify and consult stakeholders on salient human rights issues.

- Score 1** Details of systems to identify stakeholders or engagement with stakeholders on salient human rights issues.
- Score 2** Both of the above and transparency (at least at summary level) of the input/views given by the stakeholders.

EX For score 1 this must include local communities who are provided with free, public access to full, accurate and meaningful information in accessible formats and language. For score 2, evidence that this is ongoing and that stakeholders engagement happens with all affected communities (including indigenous people where relevant).

AP For score 2, the Company facilitates dialogue with stakeholders by providing relevant information about its supply chain and its exposure to human trafficking and forced labour. This includes public disclosure of: its process to assess risk in its supply chain, including an indication of any third-party involvement in the process / The names and locations of its first-tier suppliers / Public disclosure of the risks identified.

C.2.4. Acting on outcomes of the assessment (D)

The Company has a process to act upon the results of its risks/impact assessments. It also provides details related to the results of its risks/impact assessment.

- Score 1** The Company provides a clear description of its process to act upon the results of assessments to prevent or mitigate potential impacts and remediate existing impacts identified in the assessments.
- Score 2** The Company publicly shares and communicates the specific conclusions reached and actions taken or to be taken as a result of assessment processes (while accepting that some conclusions or actions may be need to be confidential).

Lock: if no salient risk identified – no score 2 (see list of risks under E2).

EX For score 1, public disclosure of the management plans resulting from the assessments in an understandable format and language for selected operations. For score 2, public disclosure of management plans in an understandable format and language for a majority of operations.

C.2.5. Tracking the implementation of actions to respond to the assessments (D)

The Company has a process to track and communicate its assessment of the implementation of the human rights policies or targets or the effectiveness of the implementation of actions in response to the assessments and to integrate that information into improving actions and systems.

Score 1 The Company describes its system for tracking the response(s) to the specific assessments. In other words, the Company has a system for tracking the implementation of actions in response to assessments and for evaluating if the actions have been effective or has missed key issues or not produced the desired results.

Score 2 The Company has a system for feeding back lessons learned into its company-wide systems for managing human rights. **Or**, the Company provides examples of lessons fed back as a result of the due diligence process.

Lock: if no salient risk identified – no score 2 on tracking (see list of risks under E2).

C.3. REMEDIES AND GRIEVANCE MECHANISMS

C.3.1. Channel(s)/mechanism(s) to receive human rights complaints or concerns (E)

The Company has a formal or informal channel(s) or mechanism(s) (owned, third party or shared) through which at least some individuals or groups can raise complaints or concerns in relation to human rights issues.

Score 1 The Company has a channel/mechanism or participates in a shared mechanism accessible to **either** workers, affected community stakeholders or the public to alert the company to complaints or concerns about human rights.

Score 2 The mechanism is available to **all** potentially affected stakeholders, as well as the wider public concerning the company's operations.

AP For score 2 and in addition to the above, the Company promotes and supports their suppliers to facilitate complaints / develop their own channel(s) / mechanism(s) to raise human rights complaints or concerns for workers. Alternatively, the Company provides a 'fall-back channel' for workers or suppliers or contractors.

AG For score 2 and in addition to the above, the Company promotes and supports their suppliers to facilitate complaints / develop their own channel(s)/mechanism(s) to raise human rights complaints or concerns for workers. Alternatively, the Company provides a 'fall-back channel' for workers or suppliers or contractors.

EX For score 2 and in addition to the above, the Company promotes and supports their joint venture partners and contractors to facilitate complaints / develop their own channel(s) / mechanism(s) to raise human rights complaints or concerns for workers and communities. Alternatively, the Company provides a 'fall-back channel' for workers or suppliers or contractors or communities.

C.3.2. Effectiveness of channel(s)/mechanism(s) (E)

The channel/mechanism is effective, organised and is aligned with at least the most measurable aspects of the UNGPs effectiveness criteria such as those on accessibility and predictability.

Score 1 A clear accessible statement of how complaints or concerns are accepted, processed and addressed (including timescales for responses) with a clear commitment to "no retribution" for raising concerns.

Score 2 The Company ensures the grievance or complaints mechanism is accessible (known to all relevant stakeholders), and predictable (provides a clear accessible statement of how complaints are processed and addressed (including timescale for responses, etc.) and of how complaints or grievances may be escalated), and overcomes other barriers to access. In addition, the Company can provide data about the practical operation of the mechanism.

AP For each score, this should also apply to a channel/mechanism covering workers (and all potentially affected stakeholders) in the supply chain.

AG For each score, this should also apply to a channel/mechanism covering workers farmers, cooperatives, smallholders (and all potentially affected stakeholders) in the supply chain.

EX For each score 2, this should also apply to a channel/mechanism covering workers of joint venture partners and contractors and communities potentially affected by their activities.

C.3.3. Oversight and review of the channel(s)/mechanism(s) (E)

The Company has allocated responsibility for the management of the channel(s)/mechanism(s), the concerns/complaints process, for handling the complaints and for reviewing the process. In addition, stakeholders are included in the design or review of the process.

Score 1 The Company has allocated clear responsibility for handling concerns/complaints and for overseeing and reviewing the process.

Score 2 The Company provides clear evidence it has robust means of assessing how effective its channel/ mechanism is in including involving stakeholders in the design or review of the performance of the channel/mechanism, assessing levels of satisfaction with it and commissioning independent reviews of the process.

C.3.4. Process for incorporating lessons learnt (D)

The Company seeks to gain insights from the complaints raised through its grievance channel/mechanism. It also explains whether or how these insights might have informed any changes to the Company's own processes and practices.

Score 1 Some description of the process to analyse the frequency, patterns, trends and causes of concerns and complaints (numerical indicators + support with explanatory information to interpret the data).

Score 2 In addition to the above, reporting on changes made to policies and processes based on learning from concerns or complaints.

C.3.5. Remediating any impacts identified (D)

Where the Company has identified negative impacts that have occurred and which it has caused or contributed to, it provides or enables remedies and learns from the experience.

Score 1 The Company describes the approach it has taken to provide or enable remedy for any negative impacts which it has identified (by category or by example) which it has caused or contributed to or (if it has not identified any), the approach it would take if impacts were to be identified

Score 2 As well as describing the immediate remediation, the Company is able to describe changes to systems and procedures or new processes and practices adopted which are designed to prevent a recurrence in relation to impacts that have arisen, or (if it has not yet identified any impacts) the Company is able to

describe the approach it would take to remediation and learning from key impacts (*) should they arise in the future.

(*) We need suggestions for one or more key impacts designed to make score 2 reflect a commitment to particularly thorough remediation and learning in the case where the Company is seeking to qualify for score 2 without giving examples. Guidance on this will be sought during the consultation.

D. PERFORMANCE

This theme focuses on specific human rights related practices. In a first sub-topic, it focuses on good practices to prevent or reduce negative impacts. The second however, focuses on adverse events or severe negative impacts a Company may be alleged or reported to be responsible for by a third party. It also seeks to understand whether a Company has remedied and learnt from such adverse events.

D.1. KPIs & GOOD PRACTICES

GENERAL QUESTIONS/ISSUES

PLEASE NOTE THAT THE BELOW INDICATORS WILL ONLY APPLY IF RELEVANT TO THE ACTIVITIES AND OPERATIONS OF A COMPANY. SECTORS TO WHICH EACH INDICATOR APPLIES ARE INDICATED IN [..].

D.1.1. Forced labour: bonded labour and other unacceptable financial costs [AP, AG, EX]

The Company refrains from imposing financial costs on workers that may indicate or involve forced labour – such as debt bondage, requiring deposits, salary advances or loans, including paying for work-related expenses that should be covered by the Company, withheld wage payments, excessive overtime, or require workers to pay relocation expenses.

Score 1 The Company pays workers regularly and does not require workers to pay deposits or other similar work-related fees or costs.

Score 2 Evidence of the processes in place to implement and check this practice in any relevant (*) parts of its own operations and in its business relationships, particularly with employment agencies and recruitment intermediaries.

AP For each score, the above applies to supply chain

AG For each score, the above applies to supply chain

EX For each score, the above applies to contractors & joint ventures or operating partners

D.1.2. Forced labour: Restrictions on workers [AP, AG, EX]

The Company refrains from restricting workers through the retention of identity cards, passports, training certificates, ATM cards, bankbooks and other important personal documents, restricting freedom of movement outside of working hours or through compulsory use of accommodation provided by the employer or violence or intimidation.

Score 1 The Company does not to retain the workers' personal documents not deny them access to personal documents or provides a secure safeguarding operation that

allows workers free and easy access to their documents. In addition the Company does not restrict workers freedom of movement outside of worker hours, and does not require workers to stay at and pay for accommodation by the Company.

Score 2 Evidence of the processes in place to implement and check this practice in any relevant (*) parts of its own operations and in its business relationships, particularly with employment agencies /labour brokers / recruitment intermediaries.

AP For each score, the above applies to supply chain

AG For each score, the above applies to supply chain

EX For each score, the above applies to contractors & JVs

D.1.3. Direct employment [AP, AG]

The Company favours the use of direct employment relationships, and does not avoid labour and social security obligations by using certain labour types, such as labour-only contracting, excessive use of consecutive short-term or fixed-term contracts of employment, precarious sub-contracting arrangements, piecework contracts, or false apprenticeship schemes, and can report on reduction in number of temporary/contracted workers.

Score 1 The Company discloses workforce composition related to temporary workers (i.e. It provides enough information to calculate the percentage of temporary workers). In addition, the Company explains the results.

Score 2 The Company can report on use of a diminishing percentage of temporary workers except in justified circumstances such as using temporary workers for temporary or seasonal work.

D.1.4. Child labour: Age verification and corrective actions [AP, AG, EX]

The Company has processes in place to verify the age of job applicants and workers. In addition, if the Company learns that it has child workers or school age employees, it ensures that the children are enrolled in a remediation/education programme, rather than simply dismissing them from employment.

Score 1 The Company has processes in place to verify the age of job applicants and workers.

Score 2 If and when child labour is found in operations, the Company has a policy to develop, participate in or contribute to programmes for transition from employment to education, enabling them to attend and remain in education.

AP Companies with large supply chains must ensure their suppliers do the above (with a special focus on avoiding child labour in fields or workshops)

AG Score 1, Companies with large supply chains must ensure their suppliers do the above (with a special focus on avoiding child labour in fields or workshops). For Score 2, for hazardous agricultural occupations the Company verifies that children between the minimum age for work and age 18 are not engaged in tasks that are likely to harm their health, safety or morals.

EX Companies must ensure contractors and JVs do apply the above (with a particular focus on avoiding child labour in mines)

D.1.5. Child labour: Hazardous work [AP, AG, EX]

Young workers, working both directly for the Company or for its relevant business relationships, are not employed at night or in hazardous conditions which compromise their health, safety, moral integrity, physical, mental, spiritual, moral or social development.

Score 1 The Company commits to the issues in policies or documents

Score 2 Evidence that the company has processes in place to implement and check this practice in any relevant (*) parts of its own operations and in its business relationships

D.1.6. Non-discrimination: Workforce composition [AP, AG, EX]

The Company reports on the breakdown of employees per employee category according to gender, age group, minority group membership and other indicators of diversity.

Score 1 The Company has a system for monitoring equal opportunities and is able to provide supporting data on workforce composition. It discloses the breakdown of employees per employee category according to gender, age group, minority group membership and other indicators of diversity (at least 2 sets of data are required to get score 2). The Company provides an explanation of the figures provided.

Score 2 The Company describes the resulting actions (such as training, encouraging actions from under-represented groups) and related targets if relevant.

D.1.7. Non-discrimination: Board composition [AP, AG, EX]

The Company reports on the composition of governance bodies according to gender.

Score 1 Percentage of women within the organisation's governance bodies is equal to or less than 40%, but increasing over time

Score 2 Percentage of women within the organisation's governance bodies is greater than 40%

D.1.8. Freedom of association [AP, AG, EX]

Relevant trade unions are granted access to workers and to carry out trade union functions in the workplace. Where the right is restricted by law, the employer facilitates a parallel

means of engagement. In addition, the Company effectively prohibit intimidation, harassment, retaliation and violence against union members and union representatives.

- Score 1 The Company discloses the percentage of operations (or plants, factories, subsidiaries, as relevant) with a representative union. It also provides an explanation for the results and indicates, where access to independent union might be restricted, that it has provided employees with an alternative for dialogue.
- Score 2 The Company effectively prohibits intimidation, harassment, retaliation and violence against union members and union representatives and is able to give examples of processes and procedures to implement this commitment. For example, it has a safe and effective grievance mechanism for reporting harassment or intimidation in the workplace or a zero tolerance policy against intimidation, harassment and violence against workers and union representatives, particularly during collective bargaining negotiations and strikes.

D.1.9. Workers covered by collective bargaining agreements [AP, AG, EX]

Percentage of total workers covered by collective bargaining agreements (or equivalent) that stem from negotiations between the Company and independent and freely elected workers representatives and/or trade unions.

- Score 1 The Company discloses the percentage of total workers covered by collective bargaining agreements. In addition, it provides qualitative explanation for the percentage.
- Score 2 The Company remains neutral as regards employees' membership in any particular trade union and allows trade unions to operate independently. In particular, the Company does not provide financial support to or have a financial interest in any trade union nor does it interfere with union voting processes and internal union business.

D.1.10. Health and Safety: fatalities, lost days, injury rates [AP, AG, EX]

The Company discloses the types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work related fatalities.

- Score 1 The Company discloses quantitative information on health and safety. In addition, it provides the related explanation of the figures provided.
- Score 2 The Company sets targets related to injury and rates of injury, occupational diseases, lost days, fatalities and absenteeism. In addition, it provides an explanation of the figures provided and briefly describes the resulting corrective actions or action plans. Alternatively, if the Company had already sets targets related to the reporting period, it either has met the targets or provides an explanation of why these were not met.

EX For score 1, the Company must disclose at least 3 sets of information (amongst: fatalities, injury rates, lost days). In addition, the data has to cover contractors and/or Joint Venture employees.

D.1.11. Working hours [AP, AG]

The Company follows applicable international standards and national laws and regulations concerning maximum working hours and minimum breaks and rest periods, ensuring that overtime is limited, infrequent, voluntary and compensated at a premium rate. The Company assesses the ability of workers to comply with the requirement on working hours when allocating work or setting targets.

Score 1 The Company allocates work or sets targets based on a realistic assessment of the tasks and resources available. For example, it ensures overtime is used only infrequently and is not used as a regular solution to meeting production demands that are predictable. In addition, managers do not pressure, encourage, or allow employees to give up their minimum holiday requirement or violate overtime provisions.

Score 2 The Company monitors trends in overtime throughout its activities and operations. **Or**, the Company provides examples of how it makes sure workers are not required to work overtime on a frequent basis or involuntarily. **Or** compliance is regularly monitored as part of ongoing evaluation (through self-assessment, visits, and/or audits).

AG For score 1, the Company has a requirement to ensure respect for maximum working hours and overtime restrictions is included in the Company's terms of contract with suppliers and sub-contractors. For score 2, the Company assesses the ability of suppliers/sub-contractors to comply with the requirement during qualification and selection of new suppliers and sub-contractors **or** compliance by suppliers/sub-contractors is regularly monitored as part of ongoing evaluation of suppliers and sub-contractors through self-assessment, site-visits, and/or audits.

AP For score 1, the Company has a requirement to ensure respect for maximum working hours and overtime restrictions is included in the Company's terms of contract with suppliers and sub-contractors. For score 2, the Company assesses the ability of suppliers/sub-contractors to comply with the requirement during qualification and selection of new suppliers and sub-contractors **or** compliance by suppliers/sub-contractors is regularly monitored as part of ongoing evaluation of suppliers and sub-contractors through self-assessment, site-visits, and/or audits.

EX For score 1, the Company has a requirement to ensure respect for maximum working hours and overtime restrictions is included in the Company's terms of contract with contractors and/or joint ventures. For score 2, the Company assesses the ability of contractors/joint ventures to comply with the requirement during qualification and selection of new suppliers and contractors **or** compliance by contractors/joint ventures is regularly monitored as part of ongoing evaluation of contractors/joint ventures through self-assessment, site-visits, and/or audits.

D.1.12. Living wage [AP, AG, EX]

The Company provides all workers with a wage that is sufficient to cover food and housing expenses and all other basic needs for themselves and their entitled official dependents (clothing, transport, education, health care, unemployment insurance, pension, etc.) and provide discretionary income. This is verified by an independent third party.

Score 1 The Company provides evidence that it has calculated living wages in the countries where it operates and commits to paying no less. The Company discloses the proportion of its operations and /or workers this covers.

Score 2 This is verified by an independent third party.

AG For score 1, where the Company does not employ farmers as labour but instead has some form of contractual relationship, payment is at a level that would provide a living income to support an adequate standard of living. For score 2, this is verified by an independent third party.

D.1.13. Land use and acquisition [AG, EX]

When acquiring, leasing or making other arrangements to use (or restrict the use of) land, the Company recognises the rights of formal and customary land and resource owners and users.

Score 1 The Company identifies formal and customary land and resources owners and users through its assessment process. It negotiates directly with them about compensation (or other contractual arrangements) on a voluntary basis, which means that it has obtained the consent of the relevant individuals or communities (this may be expressed as free, prior and informed consent (FPIC) or a commitment to zero tolerance for land grabs).

Score 2 The Company provides fair compensation for land acquired or used (or where it restricts existing use of land) where land markets are not functioning, (covering direct financial costs of land affected and economic and social impacts resulting from projects that effect land or natural resource use or rights or structures compensation to provide longer-term income streams for those with land based livelihoods (ex: land-based compensation or compensation-in-kind in lieu of cash compensation where feasible, lease arrangements or other benefit sharing)).

AG For Score 2, compensation arrangements with farmers for use of land are structured to share risks with farmers with a view to respecting the right to an adequate standard of living (ex, offer stable and long-term sourcing relationships to farmers and particularly to small-scale farmers, help them gain access to resources, knowledge, inputs, technologies or insurance that increase their resilience against external shocks).

EX For score 1, there is an explicit commitment to obtain FPIC for lands and resources of indigenous peoples. For score 2, the Company reports on the sites where involuntary resettlement took place, the number of households resettled in each and how their livelihoods were affected in the process. **Or** the Company reports on the number and description of significant disputes relating to land use, customary right of local communities and indigenous peoples. (Source: GRI G4 – Mining and Oil & Gas Sector Disclosures)

D.1.14. Land use and acquisition: Resettlement [AG, EX]

If the Company is involved in resettlement, it conducts or participates in resettlement that is aligned with international standards and discloses related information. Resettlement is considered involuntary when affected persons or communities do not have the right to refuse land acquisition or restrictions on land use that result in physical or economic displacement. (Source: GRI G4 – Mining and Oil & Gas Sector Disclosures, IFC Performance Standard 5)

Score 1 The Company has practices in place to guarantee that, where resettlement is carried out, it is voluntary, with a documented resettlement plan developed with those to be resettled that focuses on livelihood restoration, providing land based compensation as first priority and covers both physical and economic displacement, with appropriate measures to mitigate adverse impacts on displaced persons and host communities. **Or** commits to applying international standards

Score 2 The Company commits not to be involved in or benefit from concessions or other contractual or permitting arrangements that involve forced evictions or actions characterised as involuntary resettlement that do not meet international standards (IFC Performance Standard 5 or the OHCHR Guidelines on Development Induced Displacement).

AG For score 2, this includes a specific commitment around farmland or land used by local communities for livelihoods.

EX For score 1, there is an explicit commitment not to be involved in involuntary resettlement of indigenous peoples without FPIC.

FOOTNOTE

(*) Relevant parts of the Company's operations include: supply chain for those with agriculture or apparel supply chains; and subcontractors, joint ventures and arrangements around the use of migrant labour in the case of extractives.

D.2. ADVERSE EVENTS

Adverse events under this sector stem from a multitude of sources including the global press, multilateral organisations, trade unions and relevant NGOs.

D.2.1. HIGH SEVERITY - There are allegations of severe breaches of ILO standards or the right to security of persons against the Company or the Company's supply chain (Identified, quantified and analysed by EIRIS)

The allegations covered under this indicator relate to: Child Labour/ Forced Labour/ Discrimination/ Freedom of association and Collective Bargaining / Working Hours/ Health and Safety/ Right to security of persons / Right to human health /freedom from torture, inhumane or degrading treatment

In order to appear under this indicator, there has to be enough details to substantiate and link the Company or its Business Relationships to the allegations. In addition, it has to include a mix of the following indicators: severity (see below for each area), the Legal/regulatory framework, sources from main newspapers (high profile case), systemic and prior warning.

Examples related severity:

- Non-discrimination: degrading discriminatory treatment (verbal or physical abuse) or harassment or forced pregnancy testing or other forced medical tests OR any allegations that also include allegations of violence against those affected or serious, substantial threats of violence such as death threats
- Forced Labour: allegations of coercion against those affected
- Child labour: allegations that involve hazardous work or children under the age of 12 or children working excessive hours or that result in the death of a child
- FoA and CB: allegations involving a clear indication that the Company actively and systematically opposes employees or other workers from forming or joining unions, or threatens those who do join; refusal to recognise or bargain with a union, unless for reasons recognised as reasonable ; interferes in the union's activities or administration; repeated refusal to recognise a union over a period of time (two years) in one location or allegations that it has refused to recognise a union in multiple locations (ie. allegations that a company has refused to recognise or bargain with a union or interfered in a union's activities if it is only one instance occurring over a short period of time are not covered).
- Working hours: allegations that involve forced overtime (the allegations must explicitly detail the forced overtime) OR allegations that result in the death of a worker
- Health and Safety: Accidents involving 5 or more deaths or serious injuries of employees or contractors or other persons outside the workforce where there are allegations that the Company failed to apply health & safety principles (in the Company). In the Company's supply chain, the threshold is 10+ deaths or serious injuries. Major accidents that do not result in this level of deaths or serious injuries if on the basis of the information available it seems likely to EIRIS that such deaths or injuries were only avoided by chance.
- right to security of persons (violations by security forces linked to companies, violence used in forced relocations): minimum threshold implies that violence has resulted in at least one fatality.
- Right to human health: serious allegations of pollution to air, water or land which have serious negative impact on human health

Scores will be based on the number of severe allegations the Company faces and on a combination sub-indicators related to 1) acknowledgment of the issue, 2) learning from the event and improving processes to prevent the recurrence of such an event in future, and 3) providing satisfactory remedy(ies) in relation to those affected.

D.2.2. MEDIUM SEVERITY – The Company faces criticism or negative news stories related to Labour and Human Rights (Identified, quantified and analysed by RepRisk and Business & Human Rights Resource Centre)

This indicator is based on negative news stories from independent third party sources such as print media, NGOs, news sites, governmental agencies, blog and social media. The negative news covers the negative human rights related news on company activity. It seeks to assess whether the Company disclosed any response related to the negative news.

E. REPORTING / TRANSPARENCY

This topic focuses on how the Company reports on its human rights policies, practices and performance as well as impacts. When this involves quantitative details, it is balanced with qualitative explanations of the results to keep in sight that human rights may not be easily reported in a quantitative format.

E.1.1. Public policy available

The Company is made publicly available and it reports on whether and how the public human rights commitment is communicated in an accessible form to external stakeholders, in particular potentially affected stakeholders.

Score 1 The Company's human rights policy is publicly available or indexed in a central location.

Score 2 The policy is communicated to other external stakeholders (i.e. Other than employees or business relationships which are dealt with in the next indicator).

AG In addition, for each score, the Company this must also be the case for the supplier's policy.

AP In addition, for each score, the Company this must also be the case for the supplier's policy.

E.1.2. Reporting on human rights training

The Company reports details on training workers on human rights issues (who, how, when, etc.). It also reports the total number of employees trained and the amount of training on Human Rights they receive.

Score 1 Any details on training (training procurement, or internal auditors trained on HRs, etc. **Or** absolute figure of employees trained).

Score 2 The Company reports on training and also discloses the total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.

EX In addition, for score 1, the Company also reports on training security personnel. For score 2, it reports the percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.

E.1.3. Reporting on the implementation of human rights management system

The Company reports details on implementing its human rights management systems. It also informs about the percentage of operations subject to the organization's human rights management processes during the last reporting year.

Score 1 The Company provides details on monitoring the implementation of its human rights management system in its operations.

Score 2 Total number and percentage of operations that have been subject to human rights reviews and/or impact assessments by country.

AP For score 1, the Company also reports on supplier facilities monitored/audited. For score 2, the Company reports on the proportion of supply chain monitored/audited (for example percentage of workers in the supply chain, or of suppliers factories, of supplied goods, etc.).

AG For score 1, the Company also reports on supplier facilities monitored/audited. For score 2, the Company reports on the proportion of supply chain monitored/audited (for example percentage of workers in the supply chain, or of suppliers factories, of supplied goods, etc.).

E.1.4. Disclosure of human rights risk/impact assessments

The Company reports on the outcomes of the risk/impact assessments it has carried out to identify human rights issues and also identifies where those assessments have been publicly disclosed.

Score 1 The Company provides an overview of salient human rights risks and impacts identified at an aggregate level and/or provides information on where to find the publicly disclosed versions of the risk/impact assessment reports.

Score 2 The Company provides an overview of its management/responses to the salient issues identified and/or provides information on where to find the publicly disclosed versions of the management /response plans or reports.

AP For score 1, the Company reports on targeting monitoring through risk assessment. For score 2, the Company reports on supply chain performance: e.g. Provides examples of the non-compliances found with its policy **Or** reports on the amount of non-compliances found with its policy **Or** Provides data on supplier performance – for example the numbers of suppliers which are of a poor/good standard or the numbers of suppliers which it has stopped using because of persistent non-compliance with its policy or suppliers it is working with on rectifying non-compliance.

AG For score 1, the Company reports on targeting monitoring through risk assessment. For score 2, the Company reports on supply chain performance: e.g. Provides examples of the non-compliances found with its policy **Or** reports on the amount of non-compliances found with its policy **Or** Provides data on supplier performance – for example the numbers of suppliers which are of a poor/good standard or the numbers of suppliers which it has stopped using because of persistent non-compliance with its policy or suppliers it is working with on rectifying non-compliance. Also reports on land rights assessments carried out by the Company or in its supply chain.

EX For score 1, it must include the publication of at least the summary of key company human rights related responses to it (unless none conducted and good explanation given). **Or** the results of monitoring of implementation of management plan (or other

HRs impacts not anticipated in management plan) in an understandable format and language for selected operations. For score 2, public disclosure of ESIA/HRIA and management plans (or other HRs impacts not anticipated in management plan) in an understandable format and language for a majority of operations.

E.1.5. Detailed reporting on stakeholder engagement on human rights issues, including salient human rights issues

The Company provides details of stakeholder engagement on human rights issues.

Score 1 The Company provides details of stakeholder dialogue/engagement (providing actual examples). Or the Company reports the percentage of operations with implemented local community engagement.

Score 2 The Company reports on corrective actions taken / improvements made / lessons learnt from stakeholder engagement.

EX Must include indigenous peoples where relevant and reports on joint assessments and/or monitoring with local communities.

AP Must include details of stakeholder engagement carried out in the supply chain.

AG Must include details of stakeholder engagement carried out in the supply chain.

E.1.6. Human rights screening / investments or contracts including human rights clauses

This Indicator is one measure of the extent to which human rights considerations are integrated in an organization's economic decisions.

Score 1 Total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.

Score 2 Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.

E.1.7. Reporting on some ILO standards

The Company provides quantitative data related to ILO standards on collective bargaining, non-discrimination and health and safety.

Score 1 Some of: Reports the percentage of total employees covered by collective bargaining agreements. Reports the total number of permanent employees by employment type (manager / non-manager) and gender. Reports absenteeism, injury rate, fatality rate and lost day rate.

Score 2 All of.

EX For Score 1, H&S data must include injury rate, fatality rate and lost day rate and must cover Group and contractor employees. For score 2, data must include the percentage of workers (or of group companies) that are being offered regular medical check-ups.

E.1.8. Number of human rights related incidents and corrective actions

Number of ILO or human rights related incidents in the Company's owned operations or in its supply chain if relevant. These are incidents related to child labour, forced labour, non-discrimination, freedom of association and collective bargaining or indigenous rights for companies exposed to this type of risks.

Score 1 Total number of incidents related to at least one of the following ILO conventions: child labour, forced labour non-discrimination, freedom of association and collective bargaining or indigenous rights for companies exposed to this type of risks

Score 2 Reports on the corrective actions taken.

EX For score 1 - The total number of incidents of violations involving rights of indigenous people is required. For score 2, corrective actions taken in the event of incidents involving rights of Indigenous Peoples are required.

AP For score 1 - Reports the number of suppliers identified as having significant actual and potential negative human rights impacts. **Or** Reports the significant actual and potential negative human rights impacts identified in the supply chain. For score 2 - Reports the percentage of suppliers identified as having significant actual and potential negative human rights impacts with which improvements were agreed upon as a result of assessment. **Or** Reports the percentage of suppliers identified as having significant actual and potential negative human rights impacts with which relationships were terminated as a result of assessment after failure to correct, and why.

AG For score 1 - Reports the number of suppliers identified as having significant actual and potential negative human rights impacts. **Or** Reports the significant actual and potential negative human rights impacts identified in the supply chain. For score 2 - Reports the percentage of suppliers identified as having significant actual and potential negative human rights impacts with which improvements were agreed upon as a result of assessment. **Or** Reports the percentage of suppliers identified as having significant actual and potential negative human rights impacts with which relationships were terminated as a result of assessment after failure to correct, and why.

E.1.9. Number of grievances

The Company reports the number of grievances about human rights adverse impacts that it had to deal with during the previous reporting year. It reports the number of grievances filed,

addressed, and resolved through its channel(s)/mechanism(s) to raise with human rights complaints and concerns.

Score 1 The Company discloses details related to monitoring its channel(s)/mechanism(s) to raise human rights complaints and concerns (outcomes, improvements made, feedback given by users/stakeholders/NGOs disclosed). **Or** the Company discloses the number of grievances related to human rights filed, addressed, and resolved through its channel(s)/mechanism(s) to deal with human rights complaints and concerns.

Score 2 The Company discloses information on both monitoring its channel(s)/mechanism(s) to raise human rights complaints and concerns and the number of grievances. In addition, it includes trends in number of concerns, types, location and satisfaction of concerns (including the interpretation of it).

EX In addition to the above, for score 2, companies have to report the number of grievances about indigenous rights and security guards filed, addressed and resolved through its channel/mechanism(s) during the reporting period.

AP In addition to the above, for score 2, companies have to report the number of grievances about labour practices in their supply chains filed, addressed and resolved through its channel/mechanism(s) during the reporting period.

AG In addition to the above, for score 2, companies have to report the number of grievances about labour practices in their supply chains filed, addressed and resolved through its channel/mechanism(s) during the reporting period.

E.1.10. Reporting is verified and informed - Stakeholder verification and input

The narrative as well as the quantitative data related to human rights has been independently verified by a third party. In addition, stakeholder engagement has informed report writing.

Score 1 Independent verification of report by an independent third party **or** by stakeholders.

Score 2 Stakeholder verification of report **and** evidence that stakeholder engagement has informed report writing.

AP For score 1, data on supply chain has also been verified by an independent third party. For score 2, stakeholder engagement related to the supply chain has also informed report writing.

AG For score 1, data on supply chain has also been verified by an independent third party. For score 2, stakeholder engagement related to the supply chain has also informed report writing.