



Report on Corporate Human Rights Benchmark Multi-Stakeholder Consultation in Johannesburg

Date: Thursday 13th August 2015

Time: 09.30 – 13.00

Place: Johannesburg Stock Exchange (JSE), Gwen Lane, Sandton, Johannesburg,

1. Opening

Corli Le Roux (JSE), the host of the day, opened the meeting welcoming participants, and highlighted how in South Africa human rights are not seen as a separate area but as part of the business as a whole. Giuseppe Van Der Helm, Executive Director of VBDO and member of the Corporate Human Rights Benchmark (CHRB) Steering Committee chaired the meeting. He began by providing an overview of the work undertaken to date including initial meetings and discussions held in 2013 and 2014 to discuss the demand for the benchmark and its feasibility and the Benchmark's subsequent launch in December 2014. The audience included a mixture of business, investors and civil society representatives. Participants were informed that this meeting was the part of a series of consultation meetings on the CHRB to be held in major global cities during June to September and CHRB's desire to hear everyone's opinion in order to improve the Benchmark. The objective of the meeting was reiterated: to obtain participants' first impressions on the overarching CHRB framework and if the Benchmark is fit for purpose for all stakeholder constituents. Finally, Giuseppe Van Der Helm asked all participants to introduce themselves and state how the benchmark could help participants in their daily work:

- Explore social responsible investment issues relevant to Economic, Social and Governance areas.
- Engage on Human Rights issues in capital markets.
- Interested to see a true multi-stakeholder approach.
- Tool to provide support for Human Rights defenders, and counter act negative corporate agendas.
- Greater transparency and access to data from Extractive companies.
- Accountability and inspections mechanisms.
- Bring community perspectives.
- Explore how the benchmark can interact with local tools on business and human rights.
- Use to add value to our human rights approach.
- Use to embed human rights in my organisation.
- Explore how the benchmark sits along other guidelines for community development.
- Explore how the benchmark takes into account other reporting frameworks.

2. Presentation on CHRB Overarching Framework

Margaret Wachenfeld, Director of Research and Legal Affairs IHRB and member of the CHRB Steering Committee presented CHRB's overarching framework. This presentation mirrored the CHRB Framework Paper Multi-stakeholder Consultations that was distributed to participants in advance of the meeting, and focused on the rationale and aims for the Benchmark as well as highlighting its design principles, scope and measurement themes. Subsequently, Peter Webster, CEO of Eiris, and member of the CHRB Steering Committee elaborated on the specific measurement themes and sub-headings and gave the audience



an indication of the possible indicators for each measurement theme. Examples of the sector-specific additional criteria were also highlighted to demonstrate the balance in ensuring a comprehensive benchmark with sector specificity. Finally, participants were familiarised with the online consultation page and shown the list of indicators document.

3. Participant Reflections and Questions

Following the presentations, participants were asked to individually write down on post-its their initial questions and impressions of the Benchmark. These are summarised below.

Questions

Indicators

- How exactly will the benchmark define human rights? (What are excluded?)
- What does 'internationally accepted human rights' mean in this context? Does it include regional normative / legal frameworks or instruments?
- Will specific focus on sectors bring out human rights links to other impact areas not covered by your generic tool? i.e. impact on communities, environment etc.
- How to measure commitments when these are already enabled by law and thus not stated publically? (e.g. freedom of association)
- Measurement of compliance with the benchmark e.g. how do you assess good faith engagement with stakeholders?
- Social Incidents are also important – have you incorporated learning from social incidents? E.g. Relocation, Mining, Ownership etc.
- How will you measure the practice? (now that you can measure the policy?)
- Will there also be some kind of public perceptions indicators?
- If you already only look at public information how will you measure Reporting? Is this content- or quality based? Do you not risk double counting?
- How to meet Multi-stakeholder initiatives where no such exists?

Benchmark process

- Who is the information of the benchmarking targeted at? Is it investors?
- How do you plan to make this matter to traditional investors (rather than SRI funds), which still have more influence on corporate behaviour today given that they have more money to invest?
- How were the indicators for each sector in each scope decided upon?
- How and why were the Extractive, Agriculture and Apparel sectors selected?
- In a case that is not (easily) objectively measured, who decides? Which one of the project partners?
- Who exactly will do the measuring? External Company? Internally? Submit a report for feedback?
- Implications for companies if they score negatively? (Fined? Publically shamed?)
- Involvement of the companies - are outcomes sent to them for reactions? If they don't agree with the findings what happens?
- How do you plan to deal with companies who do not wish to disclose information or certain information?
- How are you going to get companies to make policies/ board agendas available?
- How will you establish whether a company is participating in good faith/providing accurate information?

- What process is followed to ensure data/information integrity.
- How many people will be involved in the tabulation of the results?
- How do you plan to deal with information gaps? (E.g. where there is no available data on a particular human rights practice does this result in a low score for the company?)
- Can you tell us a little more about how you will obtain information that is not publically available?
- Human rights is not a new topic in the eyes of communities. Communities see human rights violations as a constitutional issue and therefore well regulated. How do you correlate this exercise to constitutional stands? Is there a reason to involve communities in this exercise?
- What is the role (if any) that you foresee civil society to play in this process?
- How will governments and civil society be supported in interpretation of the final reports ... in context where reading of formal reports is challenging?
- Is the benchmarking process sufficiently consultative and inclusive?

Scope

- Why exclude products from scope of benchmarks? Adverse human rights impact of product could outweigh positive human rights policies, processes and practices of a company (e.g. Tobacco).
- Will the companies (Top 100) outside the 3 identified sectors potentially influence future sectors to be included in the scope?
- How will the relationship between parent companies and their subsidiaries be captured or play out in the benchmarking exercise?
- Why have positive impacts been excluded if we want the benchmark to ensure a race to the top?

Consultation process

- Should consultations not be sector specific to get more detail/depth questions on implications of the benchmark?

General

- What are the foreseen challenges? How will it be mitigated?
- What is the difference between RAFI & CHRB?
- How does the benchmark go beyond rhetoric from corporate reporting?

Impressions

Scope

- This is a good and important initiative – 500 companies is a good start but it needs to be broader
- The focus on scale of companies (“largest”) might exclude smaller but more innovative companies with comprehensive human rights practices and policies.
- Understand logic and practicalities of focusing on largest public traded companies but this can have a distorting effect in regards to smaller companies.
- Why rank companies? This might create a problem in the market
- Should include supply/ value chain guidance
- Not looking at supply chain may misinform ranking of company. (negatively and positively)

- More work must be done to include communities, as these are ultimately the best judges on Human Rights. The courts need to be involved too.
- Lack of geographical coverage and limitation to global Top 500 may exclude emerging market companies where a lot of issues reside.

General

- Very helpful in developing definitions for better understanding and implementation. I.e. what does leadership for human rights mean?
- Great initiative and a good start indeed.
- Really interesting – curious how it will work out.
- Informative.
- Provide clear direction for companies.

4. Break out Groups on Broad Critical Issues

Phil Bloomer, Executive Director of Business & Human Rights Resource Centre and member of the CHRB Steering Committee introduced the breakout groups to discuss broad critical issues that were highlighted in initial consultations in 2013 & 2014.

The three broad critical issues identified were:

- Have we got the principles behind the weighting right? Ensuring a balance between policy vs. performance
- Have we covered the top issues in the key sectors?
- Is the benchmark fit for purpose (for all stakeholders)

For each issue participants were asked to focus on: 1) Whether the issue has been resolved, 2) Challenges, 3) Opportunities, 4) Next Steps & 5) Network need to take this forward.

4.1 Have we got the principles behind the weighting right?

- “Leadership” – should be better defined to say that it is outward facing leadership; shift focus to internal leadership. At present very ambiguous concept.
- Leadership should be less – add it instead to internal governance – so putting more weight on internal leadership
- More on internal governance – need visible internal governance, without this won’t get the rest of the management systems to work.
- Reporting – long discussion because of the number of external requirements (IRIS, FTSE4Good – all ask about human rights) on companies propose 15 % increase
- With more “maturity” option to shift more toward weighting performance and less on management systems
- Should shift away from leadership to having new section on engagement with communities

4.2 Have we covered the top issues in the key sectors?

Additional Top issues proposed per sector:

Extractive:

- Workers housing (migrant workers) even though it does not apply to all geographic areas; housing should be provided and standard quality.
- Gender dimension – sex workers.
- Water, labour and community relations, artisanal miners.

Agriculture:

- Should be a focus on products quality of food and nutritional value.
- Health & Safety – Fire safety.

Concern that products and services are not included in the Benchmark.

For example: What about water, think about beverage companies, they do a lot on water conservation however their products have a lot of negative water consequences. It could look like a good water company but its products and its very raison d'être is undermining water.

4.3 Is the benchmark fit for purpose (for all stakeholders)

- Will it be useful for communities if it is aimed at investors?
- Want investors to care as much about impacts and not just about profit – reach out to top shareholders of companies.
- Not leave the purpose up to the stakeholders to, CHRB could put out there a document about what they hope the Benchmark will be used for
- Is the principal Do No Harm – if so, must put communities at the centre of the initiative. At present seems to focus on better compliance of human rights
- Outcome of the work – who is the target audience?
- Question whether communities will really benefit – what does it mean that communities really will use it? Will they read reports? How to communicate with communities?
- Empower communities as stakeholders – unpack this what does this mean? Empowering a challenging word
- Should be modest about the objectives of CHRB – too overambitious in targeting use by community groups
- Must be realistic and modest about what will get out of it – 1st round – will be investors and companies to get most out of it; to make it more useful to communities, must focus on them.
- 7 Core Human rights Treaties must be included

5. Next Steps

Prior to closing the meeting, Vicky Dodman, Programme Manager of the CHRB, outlined the next steps in developing the Benchmark and highlighted the on-going multi-stakeholder consultation process and the online consultation where participants could contribute additional feedback.



Agenda Corporate Human Rights Benchmark Multi-Stakeholder Consultation in Johannesburg

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1. Welcome

Corli Le Roux (JSE)

2. Welcome, Objective of session and tour de table

Giuseppe van der Helm

3. Presentation on the general framework of the CHRB

Margaret Wachenfeld & Peter Webster

Linked to CHRB Framework Paper sent in advance to participants

4. Overarching impressions & Q&A from participants

Facilitated by Giuseppe van der Helm

5. Break out sessions on broad critical issues

Facilitated by Margaret Wachenfeld

- Ensuring a balance between Policy and Performance – Have we got the weighting of the measurement areas right?
- Have we covered the top issues in the key sectors?
- Is the benchmark fit for purpose (for all stakeholders)?

6. Report back to Plenary - the main suggestions from the group discussion

Facilitated by Giuseppe van der Helm

7. Next Steps – where to add more feedback and process going forwards

Vicky Dodman

8. Closing Remarks

Peter Webster



Attendee List

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Business

Denise Van Zyl	Nedbank Group Ltd
Geralda Wildschutt	Anglo American
Julie Arndt	Vodacom
Tshepo Kgasago	Anglo American

Investors / Stock Exchange

Corli Le Roux	Johannesburg Stock Exchange
Makhiba Mollo	Johannesburg Stock Exchange
Manas Bapela	Argon Asset Management

Government

Benthe Beijens	Embassy of the Kingdom of The Netherlands
Marina Reyskens	Embassy of the Kingdom of The Netherlands

Civil Society

Achieng Ojwang	UNGC Network South Africa
Danny Bradlow	University of Pretoria
Fola Adeleke	University of Witwatersrand
Jessica Lawrence	Lawyers for Human Rights
Josua Loots	University of Pretoria, Centre for Human Rights
Mandeep Tiwana	Civicus
Michael Clements	Lawyers for Human Rights
Nomonde Nyembe	University of Witwatersrand

Research Providers

Tendai Matika	GRI
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Corporate Human Rights Benchmark

Giuseppe Van der Helm	VBDO
Khanya Mncwabe	BHRRRC
Margaret Wachenfeld	IHRB
Peter Webster	EIRIS
Vicky Dodman	Corporate Human Rights Benchmark