

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

Date: Wednesday 17th June 2015

Time: 14.00 – 16.00

Place: OECD

1. Opening

Bennett Freeman, representing Calvert Investments and member of the Corporate Human Rights Benchmark (CHRB) Steering Committee opened the meeting with a word of welcome to attendees, before 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 and civil society representatives, some who were new to the process and others who had attended previous meetings. Participants were informed that this meeting was the first of a series of consultation meetings on the CHRB to be held in major global cities during June to September. Finally, the objective of the meeting was reiterated: to obtain participants' first impressions on the overarching CHRB framework and gain feedback on whether the Benchmark is fit for purpose for all stakeholder constituents.

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.

3. Participant Feedback and Questions

Following the presentations, participants were asked for their overarching impressions on the framework. There was a general sense from the participants in the room that a substantial amount of work had been carried out since the launch in December 2014 and the CHRB was commended for this. In addition to this participants raised several important issues and recommendations, which they felt needed further reflection, these are summarised below.

- Need to consider way of determining companies that fall in the top 500. Should these be based on market cap or market size, different market caps (so you have a multiple of sizes)? Important not to always benchmark the same companies. Suggestion to **include small and medium market caps in high-risk sectors to ensure the Benchmark covers more risks.**

- Benchmark is important for developing countries to educate their investors but needs to include companies with small market caps and private companies.
- Consider **reframing the benchmark on companies that have the greatest human rights impacts** rather than on their market size.
- Need to further **define company structures**, factoring in complex corporate groups as well as individual entities.
- **Concern about the approach of not focusing on geographies**, as it appears that this is the lens that companies use to focus on these issues.
- The need to reconsider whether **leaving out human rights that are measured in aggregate (e.g. climate change) undermines the objectivity of the Benchmark**. Possibility of excluding sectors from the benchmark where human rights that are measured in aggregate are a key part of their impacts e.g. Energy companies.
- Strengthen the focus of land water and gender rights in indicators for the Extractive Sector. **Review scoring in high risk sectors** to take this into account.
- **Reconsider the weighting of the measurement themes**. Remedy appears to be very low taking into account that it is the third pillar of the UN Guiding Principles of Business and Human Rights, equally transparency appear low taking into account power of disclosure. However performance at 40% seems high taking into account the challenge of gathering credible information and solely relying on what is in the public domain. Case for Human Rights Due Diligence to be weighted higher as critical to consider whether companies understand their salient risks.
- Stress the importance of getting the methodology right and **ensuring clarity in how results of the ranking have been reached**.
- Make sure that there are not **perverse incentives in the indicators** e.g. amount of training vs. changing behaviour. Ensure that there is a balance between quantitative data and narrative in the information that is assessed.
- Ensure that indicators are effective from **a right holder point of view** yet also be aware of the challenge of translating impacts into indicators and rankings.
- Consider **empowering the online portal to ensure that information from all stakeholders can be considered**.
- Scepticism of the ability of benchmarks to be objective measurements for business and human rights, the **danger of falling into the “Business Case” for human rights** and not focusing on the negative impacts. Need to ensure credibility without falling into CSR trap.
- Need to be clear on what is the main driver of the CHR: is it a tool for investors or is its aim to have real impact on the ground?

4. 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.

Attendee List

Business

- Laura Rubbo, The Walt Disney Company
- Jeanette Ulfshög, Etam Group
- Ariel Meyerstein, United States Council for International Business

Civil Society

- Amelia Knott, twentyfifty, ltd.
- Amol Mehra, ICAR
- Dwight Justice, ITUC
- Filip Gregor, Frank Bold Society
- Gerhard Schuil, SOMO
- Gunhild Oerstavik, ForUM
- Harald Condé Piquer, FIDH
- Hélène De Villiers-Piaget, Responsible Mining Foundation
- Isabelle van Notten, Responsible Mining Foundation
- Joe Zhang, International Institute for Sustainable Development (IISD)
- Serena Lillywhite, Oxfam Australia
- Siri Luthen, ForUM

Government

- John Kellock, European Union Agency for Fundamental Rights

CHRB

- Bennett Freeman, Representing Calvert Investments
- Giuseppe Van der Helm, VBDO
- John Morrison, IHRB
- Margaret Wachenfeld, IHRB
- Peter Webster, EIRIS
- Typhanie de Borne, EIRIS
- Vicky Dodman, CHRB

