



Response to consultation on the draft Corporate Human Rights Benchmark

The UN Global Compact Network UK is pleased to note the development of the Corporate Human Rights Benchmark (CHRB), a joint collaboration of the Institute for Human Rights and Business, Calvert Investments, Business and Human Rights Resource Centre, VBDO, EIRIS and Aviva Investors.

We have read the June 2015 draft with great interest and believe that the concept and rationale is sound. In our view, a publicly accessible benchmark will incentivise companies to improve their approach to managing human rights challenges. While we acknowledge the many benefactors of the benchmark (e.g. investors, communities, civil society, regulators and policy-makers), we believe that the main beneficiary will be the companies that will be able to quickly identify how they compare to their peers in relation to addressing human rights issues.

While we recognise that the focus of the benchmark for many may be the ranking, in our view, the CHRB will also have a dual role of being an indirect repository of relevant information regarding how companies incorporate and embed human rights in their business, given that the relevant information to demonstrate adherence to the indicator will be required. We believe that there will be as much value in reviewing the various documents and other forms of evidence that will be used to review the company's performance, in addition to understanding where the company is ranked within the benchmark.

With this in mind, we hope that the developers will consider such potential positive spin-offs and will spend the necessary time required to design an online portal that will be easy for the user (company uploading the information) and audience (other stakeholders) to access and navigate.

Our response is divided into two parts. Below, we provide commentary on presentation and positioning of the benchmark. Overleaf, we address a specific point within the methodology.

Presentation and positioning of the CHRB

While we recognise the usefulness of a public benchmark, which would require a public repository of some sort, we are mindful that a lot of human rights-related information concerning company policies, processes and practices could be deemed as commercially sensitive.

We recently embarked on a review of the FTSE indices (100, 250 and 350) and analysed the respective companies' adherence to the Women's Empowerment Principles, a joint UN Global Compact and UN Women initiative launched in 2010.

Our project was divided into two phases. Phase I comprised of desk research; we developed indicators and completed an assessment of the companies' performance reactions to advance gender equality and women's empowerment. Phase II comprised of semi-structured interviews with 25 individuals (over 50 were contacted). The interviews provided an opportunity for us to "dig a little deeper" and understand what and to what extent the company was doing to advance women's empowerment within its business.

In spite of diversity issues, and within that, gender diversity being addressed in the Equalities Act 2010, in relation to many of our indicators, we found very little 'evidence' to underscore commitment by the company, demonstrating adherence to a particular indicator.



However, the interview stage often revealed information and thus 'evidence' that signalled, for example, that the company was actively pursuing an activity which would demonstrate adherence to a particular indicator.

Evidence is the lynchpin for any benchmark based on publicly accessible information. During our WEPs project, we comprised of a team of five, and ensured we had regular meetings to discuss respective interpretations and align our thinking. This was essential to ensure robust findings.

We would recommend that the team charged with conducting the CHRB considers and refines how evidence should be interpreted to ensure consistency during the assessment process. We encourage the developers to factor in a significant amount of time into your budget for such meetings, as they can be very time consuming!¹.

Following our recent WEPs project, we are aware that many companies do not publish human rights-related information for a variety of reasons. We believe that such acknowledgement will be important to strongly convey to the CHRB audience that will undoubtedly have high expectations.

In our experience, a review project or a benchmark that is based on publicly accessible information more ably reflects the level of transparency of the company, rather than true performance, as many companies may be working to advance certain areas but for a host of reasons, may not be willing or able to provide information on what they are doing.

Specific comments on the methodology (June 2015)

Our specific comments are brief and limited to a reference on page 5 where it states that the CHRB will ensure that companies from different sectors can be benchmarked against each other.

We are not sure of the value of benchmarking different sectors against each other. In our view, there is more merit in understanding the comparison within a sector than across different sectors.

We wish not to add to your workload, but do feel that there would be more merit in having concurrent benchmarks per industry sector.

For further elaboration on any of the aforementioned points, please contact:

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2nd October 2015

¹ We would be very happy to meet your team and explain how we approached our research project if you so wish.