

Ratcheting up Corporate Responsibility on Human Rights



An estimated 20.9 million people are victims of human trafficking. Learning to spot human rights violations, including human trafficking and slavery, requires attention, time and training and without this, it is easy to miss the crimes that may lurk right under our noses. The same is true of companies: unless attention, time and training are brought to bear on these insidious crimes, companies can easily find themselves embroiled in legal and public relations quagmires with long-term financial impacts.

For this reason, in our engagements with companies, ICCR has always insisted that strong policies and reporting are key to eradicating human rights risks in complex and often extensive global supply chains. For years we have argued in favor of human rights impact assessments that include due diligence mechanisms such as auditing, reporting, and verification. Now, there is progress being made on two critical fronts: legislation and reporting, that will help companies and their investors better address these risks.

The Business Supply Chain Transparency on Trafficking and Slavery Act of 2015

ICCR is leading a global coalition of 112 faith-based and socially responsible investors, pension funds and research organizations with collective assets valued at over \$1 trillion in voicing strong support for The Business Supply Chain Transparency on Trafficking and Slavery Act of 2015 (H.R.3226/S.1968) — legislation that will require companies to disclose their policies and practices to address human rights-related risks.

If enacted, The Act would require companies with over \$100 million in worldwide

gross receipts to disclose measures they have taken to identify and address the risks of forced labor, human trafficking and child labor throughout their supply chains. Because the bill, would require all publicly traded or private entities across all sectors to report to the Securities and Exchange Commission, this legislation is intended to have broad international impact and will set new standards for corporate disclosure of human rights risks. ICCR has launched a campaign urging investors, NGOs and individuals to write letters to members of Congress to increase the number of co-sponsors of this critical legislation. Visit <http://www.iccr.org/how-you-can-help-fight-human-trafficking-modern-day-slavery> to lend your support.

The International Reporting Framework and the Corporate Human Rights Benchmark

The authoritative road map for understanding a company's responsibilities regarding human rights due diligence is the UN Guiding Principles on Business and Human Rights (UNGP), adopted by the UN Human Rights Council in 2011.

Launched last year, the UN **Guiding Principles Reporting Framework** is the first comprehensive guidance for companies

to report on human rights issues in line with the UNGP. According to its website: *the Reporting Framework provides a concise set of questions to which any company should strive to have answers in order to know and show that it is meeting its responsibility to respect human rights in practice.* The investor coalition supporting the UN Guiding Principles Reporting Framework is led by Lauren Compere of Boston Common Asset Management, and has grown to include 82 investors representing \$4.8 trillion in assets under management.

Another reporting initiative, the **Corporate Human Rights Benchmark (CHRB)** will rank the top 500 globally listed companies according to their human rights policies, processes and performance. Its intention is to facilitate evaluation of corporate performance on key human rights KPIs, exposing where companies are excelling and where they need improvement. ICCR members provided input on the KPIs in February. A voluntary initiative, the CHRB initiative exploits the competitive nature of markets and corporate management by fostering a "race to the top" to drive improved human rights performance and build best practice standards. Initially focusing on a list of companies in three high-risk sectors — apparel, food/beverage/agriculture and extractives — the CHRB will measure company performance against a set of targets, and benchmark that performance against sector peers. Developed by Aviva, Eiris, VBDO, The Business and Human Rights Resource Center, Calvert Investments and the Institute for Human Rights and Business, the CHRB will be launched in a pilot this coming spring.