

Irish Business and Human Rights

A snapshot of large firms operating in Ireland

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Executive summary

Business and human rights is a topic that has been on the global governance agenda for some time.

Though it found its authoritative grounding in the UN Guiding Principles on Business and Human Rights (UNGPs) almost 10 years ago, uncertainty remains over how far businesses and states have traveled in the interim period to ensure that respect for people is at the heart of business operations.

This report examines the implementation of the UNGPs in Ireland. It analyses published information from the top 50 publicly-listed firms operating in Ireland (20 of whom are domiciled in Ireland, alongside 30 multinational employers), with the goal of providing a comprehensive snapshot of what corporate adherence to the UNGPs looks like in practice.

The report also includes a standalone analysis of the ten largest state-owned enterprises. Given their closer proximity to government, the UNGPs suggest that states should take additional steps to protect against human rights abuses in such businesses. We aim to examine whether this occurs in practice.

Following our pilot of the methodology last year, the research applies the Corporate Human Rights Benchmark Core UNGP Indicator Assessment to benchmark the selected firms. This methodology has been applied in a number of other European jurisdictions, and is based on the established Corporate Human Rights Benchmark methodology of the World Benchmarking Alliance.

As with our pilot study, the findings of the benchmark demonstrate there is a long road to travel to complete fulfilment of the UNGPs by the selected companies. We find that 88% of the Top 50 companies benchmarked score below 50% of the maximum points available, and that half of companies score 20% or below. We also find low scores across the state-owned enterprises included within the research.

In particular, human rights due diligence is the key area where alignment with the UNGPs is found to be severely lacking among the sample.

Business certainly has room for improvement. There are also policy and legislative options which the Irish government should consider, in the absence of an international legally binding treaty. We provide a list of recommendations, which include stepping up awareness-raising among business, taking ownership of the implementation of the UNGPs in state-owned enterprises, and delivering mandatory human rights due diligence legislation at the national and European levels.

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Abbreviations

<u>BHR</u>	<u>Business and human rights</u>
<u>CHRB</u>	<u>Corporate Human Rights Benchmark</u>
<u>CSI</u>	<u>Centre for Social Innovation</u>
<u>ILO</u>	<u>International Labour Organization</u>
<u>NAP</u>	<u>National Action Plan</u>
<u>SOE</u>	<u>State-owned enterprise</u>
<u>UNGPs</u>	<u>UN Guiding Principles on Business and Human Rights</u>

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Introduction

‘An island at the centre of the world’.

So declared *TIME* magazine’s cover on 24 July 2017, quoting an interview with then-Taoiseach Leo Varadkar.¹ This statement was repeated in the Government of Ireland’s *Global Ireland* strategy, launched a year later.²

Ireland is a highly globalised nation. The 2019 KOF Globalisation Index ranked Ireland fourth on its ‘de facto’ metrics, which consider actual international capital flows and activities.^{3, 4}

The country is a base for the top five global software companies, 14 of the top 15 medical technology companies, 18 of the top 25 financial services companies, all of the top ten pharmaceutical companies and eight of the top ten industrial automation companies.⁵ Ireland actively encourages such companies to locate in the country through an industrial strategy which prizes foreign direct investment.⁶

In addition to its relatively large footprint in global business, Ireland also has an outsized role in global governance. The State assumes a seat on the United Nations Security Council for a two-year term from 2021.⁷ Sustainable development is one of the country’s priorities for its term – having been co-chair of the process that developed the UN Sustainable Development Goals in 2015.^{8, 9} Respect for human rights and their advancement is a core value of Irish foreign policy.¹⁰

Because of its political footprint – and its role as a supportive base for many multinationals – Ireland presents an important context in which to examine business and human rights (BHR).

Business and human rights

The potential for business to impact upon the rights of people – both in their own operations and through their supply chains – is significant. The Business and Human Rights Resource Centre is a non-profit that tracks the human rights impacts of business worldwide. It lists over 10,000 companies who have been the subject of at least one article or report on their human rights approach in its online database.¹¹

The global understanding of the role and responsibilities of business in respect of human rights has been anchored by the **UN Guiding Principles on Business and Human Rights** (UNGPs) since their adoption in 2011.¹² The UNGPs clarify expectations of business vis-à-vis human rights. They provide a clear set of actions to operationalise the ‘Protect, Respect, Remedy’ framework adopted by the Human Rights Council in 2008.¹³

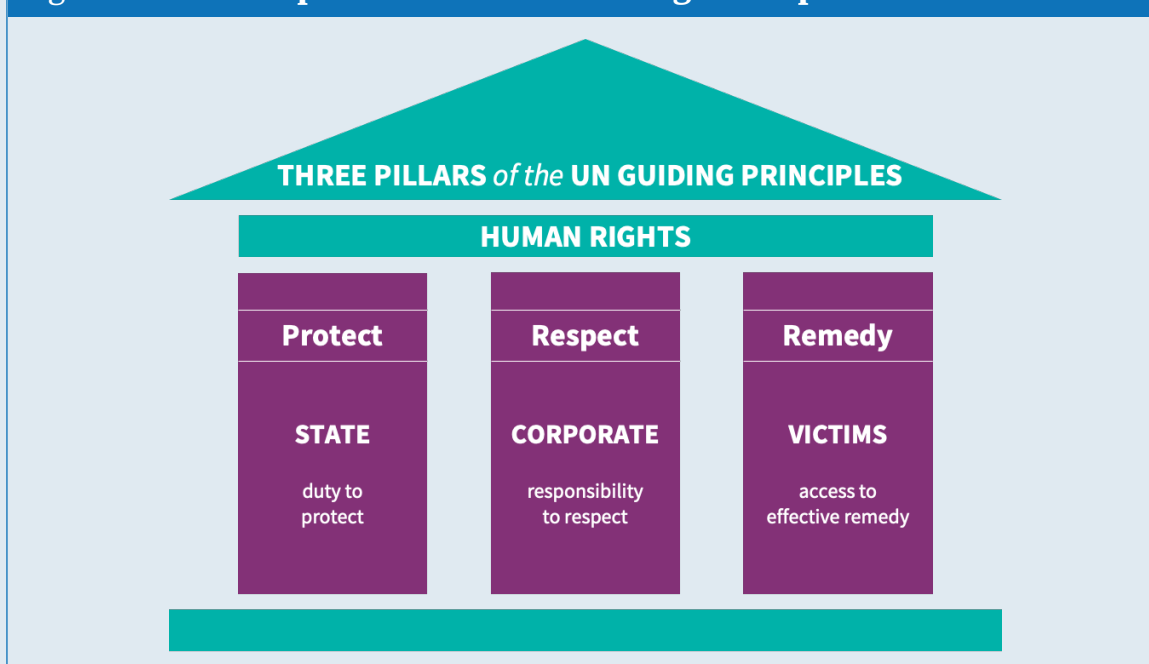
Box A

The UN Guiding Principles on Business and Human Rights

Adopted in 2011, the UN Guiding Principles on Business and Human Rights (UNGPs) provide clear foundations for the relationship between states, business enterprises and human rights.

They are divided into three pillars: the state duty to protect human rights; the corporate responsibility to respect human rights; and access to remedy, as visualised in Figure A.1.

Figure A.1: Three pillars of the UN Guiding Principles



Source: Adapted from Shift.¹⁴

The **corporate responsibility to respect human rights** is the primary focus of this research. UNGP 15 provides that, in meeting its responsibilities under this pillar, a company should have in place:



A **policy commitment** to meet their responsibility to respect human rights.



A **human rights due diligence process** to identify, prevent, mitigate and account for how they address their impacts on human rights.



Processes to enable the **remediation** of any adverse human rights impacts they cause or to which they contribute.

Ireland's promotion of BHR policies and practices

States have an important role to play in promoting the UNGPs. The UN Working Group on Business and Human Rights has encouraged states to develop National Action Plans (NAPs) to provide for the implementation of the UNGPs in domestic contexts.¹⁵

Ireland adopted its first *National Plan on Business and Human Rights (2017-2020)* in 2017. The Irish NAP recognises the need to 'encourage' companies to 'develop human rights focused policies and reporting initiatives', 'conduct appropriate human rights due diligence', and to consider a range of matters with respect to access to remedy, among other things.¹⁶

As the implementation phase of this NAP comes to a close, this report seeks to provide a baseline analysis of the position of BHR within some of the largest businesses operating in Ireland. This compliments other efforts including the baseline assessment on the legislative and regulatory framework and study on access to remedy that have been commissioned by the Department of Foreign Affairs.^{17, 18}

Moving beyond 'encouragement' towards legislation

The UNGPs envisage a 'smart mix' of voluntary and mandatory measures to support their implementation.¹⁹ Several states have developed approaches to these topics which provide an insight into possible paths forward for BHR in Ireland.

The United Kingdom, Australia and the U.S. state of California have developed transparency in supply chains legislation which requires companies to report on risks of modern slavery and human trafficking in their supply chains.²⁰

Beyond merely requiring reporting, in 2017 France adopted its *Loi de vigilance*, or Vigilance law, which requires companies in its scope to identify human rights, health and safety, and environmental risks and put in place a 'vigilance plan' to address these.²¹

The European Union has announced plans to bring forward a legislative proposal on mandatory human rights and environmental due diligence for companies in early 2021.²² Domestically, the Irish Coalition on Business and Human Rights is advocating for mandatory, gender responsive human rights and environmental due diligence legislation.²³

Though there are pitfalls to seeking an empirical evaluation of the corporate respect for human rights (see 'Limitations' below), we nevertheless believe the benchmark serves as a useful tool to raise awareness of the topic in Ireland. It further offers a baseline against which policy options to address the findings may be considered.

Methodology

Company selection

This research reports on the **50 largest public companies operating in Ireland** as measured by turnover. This includes the 20 largest Irish-listed public limited companies, as well as the 30 largest publicly-traded multinationals operating in the state, as identified from *The Irish Times Top 1000 Index* in May 2020.²⁴

Given the focus of the methodology on publicly available information, we excluded private companies that were not subsidiaries of a publicly-traded entity.²⁵ We excluded companies which operate solely in Northern Ireland, as our intention was to focus on companies within the legislative remit of the Oireachtas (Irish legislature).²⁶ We also excluded companies that were owned, in whole or in part, by another company already included in the sample,²⁷ and a further company for lack of English language data.²⁸

Selecting companies on the basis of turnover creates a more stable dataset than doing so on the basis of stock market capitalisation, and follows the approach taken in similar studies using this methodology in Finland, Germany and Denmark.^{29, 30, 31} Nevertheless, our sample is highly diverse in its relation to turnover levels and industries covered. Per the *Top 1000* methodology, all multinational companies included employ staff in Ireland through one or more subsidiaries.



















The largest company by turnover and number of employees is Amazon.com, Inc., which had a global turnover of €239.4 billion in 2019,³² and 798,000 employees. Paradoxically, it was the final company to be included in our analysis, ranking at 66 in the *Irish Times Top 1000 Index*, which ranks companies based on their actual or estimated turnover on the island of Ireland alone.³³























The smallest company by turnover is Origin Enterprises plc, with a turnover of €1.798 billion, while the smallest company by number of employees is Jazz Pharmaceuticals plc, with 1,620 people employed.

A table of key statistics on the companies included can be found at Table 1.

The companies come from a range of sectors, though health care and technology companies make up over half of the sample, reflecting Ireland's status as a European base for many companies in these sectors. A full breakdown is available at Table 2.

Table 1: Top 50 public companies by turnover

#	Company	Sector	Turnover (EUR m)	Number of Employees
1	 Apple Inc.	Technology	€ 222,070	137,000
2	 Alphabet Inc. (Google)	Communications	€ 138,152	118,899
3	 Microsoft Corporation	Technology	€ 122,070	163,000
4	 Johnson Controls International plc	Industrials	€ 20,458	104,000
5	 Medtronic plc	Health Care	€ 24,679	104,950
6	 Facebook Inc.	Communications	€ 60,343	44,942
7	 CRH plc	Materials	€ 25,129	80,251
8	 Eaton Corporation plc	Industrials	€ 18,257	101,000
9	 DCC plc	Energy	€ 16,384	12,773
10	 Trane Technologies plc	Industrials	€ 14,168	50,000
11	 AbbVie Inc.*	Health Care	€ 28,394	30,000
13	 Takeda Pharmaceutical Company Limited†	Health Care	€ 14,740	47,495
14	 Dell Technologies Inc.	Technology	€ 78,658	165,000
15	 Merck & Co., Inc. (MSD)	Health Care	€ 39,980	71,000
16	 Smurfit Kappa Group plc	Materials	€ 9,048	46,563
17	 Ardagh Group S.A.	Materials	€ 5,685	16,300
18	 Oracle Corporation	Technology	€ 33,346	135,000
19	 Ryanair Holdings plc	Consumer Disc.	€ 8,495	17,942
20	 Pfizer Inc.	Health Care	€ 44,171	88,300
21	 Kerry Group plc	Consumer Staples	€ 7,241	26,090
23	 Total Produce plc	Consumer Staples	€ 6,173	6,005
24	 Western Digital Corporation	Technology	€ 14,285	63,800
26	 Associated British Foods plc (Primark/Penneys)	Consumer Staples	€ 17,571	138,097
27	 Kingspan Group plc	Materials	€ 4,659	14,529
28	 Experian plc	Technology	€ 4,421	17,324
29	 Perrigo Company plc	Health Care	€ 4,129	11,200
31	 Boston Scientific Corporation	Health Care	€ 9,163	36,000
32	 Glanbia plc	Consumer Staples	€ 3,876	4,542

34		Adobe Inc.	Technology	€	9,535	22,634
36		Microchip Technology Inc.	Technology	€	4,502	18,000
38		Applegreen plc	Energy	€	3,073	11,069
39		Grafton Group plc	Consumer Disc.	€	2,967	12,961
41		Abbott Laboratories	Health Care	€	27,231	107,000
42		Intel Corporation	Technology	€	61,425	110,800
43		Mallinckrodt Pharmaceuticals plc	Health Care	€	2,700	3,400
44		Tesco plc	Consumer Staples	€	71,908	293,963
45		Alimentation Couche-Tard Inc. (Circle K Ireland Energy Group)	Consumer Staples	€	46,204	131,000
46		Icon plc	Health Care	€	2,395	14,650
47		Flutter Entertainment plc	Consumer Disc.	€	2,376	8,890
49		Alexion Pharmaceuticals Inc.	Health Care	€	4,259	3,082
51		Maxim Integrated Products Inc.†	Technology	€	1,870	7,115
53		Gilead Sciences Inc.	Health Care	€	19,161	11,800
54	 	International Consolidated Airlines Group S.A. (IAG) (Aer Lingus)	Consumer Staples	€	25,506	66,034
58		Jazz Pharmaceuticals plc	Health Care	€	1,845	1,620
59		Becton, Dickinson and Company (BD)	Health Care	€	14,758	70,093
61		Valero Energy Corporation	Energy	€	92,459	10,222
62		Origin Enterprises plc	Consumer Staples	€	1,798	2,535
63		Diageo plc	Consumer Staples	€	21,424	28,420
65		Salesforce.com, Inc.	Technology	€	14,594	49,000
66		Amazon.com, Inc.	Technology	€	239,438	798,000

Notes:

Company's position in the *Irish Times Top 1000 Index* as of May 2020. Gaps in the numbering refer to companies excluded from the sample, owing to their being private companies, or subsidiaries of other companies already included.

Flags refer to country of domicile: Ardagh Group is registered in Luxembourg, Experian is domiciled in Jersey, IAG is jointly registered in England and Wales (U.K.) and Spain, and Takeda is registered in Japan.³⁴

Names in brackets refer to the primary brand under which the company in question operates in Ireland.

'Consumer Disc.' Is an abbreviation for the Consumer Discretionary sector.

* On 8 May 2020, AbbVie Inc. acquired Allergan plc.³⁵ The latter company is included at #11 on the *Irish Times Top 1000 Index*. As the new owner of Allergan, AbbVie was included in the analysis.

† On 8 January 2019, Takeda Pharmaceutical Company Limited ('Takeda') acquired Shire plc.³⁶ The latter company is included at #13 on the *Irish Times Top 1000 Index*. The latest accounts filed by Shire Pharmaceuticals Ireland Limited (whose ultimate owner is Takeda) showed a turnover of €1,797.9 million, placing the company within the scope of this research.

‡ On 13 July 2020, Analog Devices, Inc. announced its intention to acquire Maxim Integrated Products, Inc. The transaction is expected to close in summer 2021, subject to regulatory and shareholder approval.³⁷

Table 2: Sectors included in ‘Top 50’ sample

Sectoral classification	# of companies	Sectoral classification	# of companies
Communications	2	Health Care	14
Consumer Discretionary	3	Industrials	3
Consumer Staples	9	Materials	4
Energy	3	Technology	12

Research methodology

Following the research pilot completed in 2019,³⁸ we utilised the Corporate Human Rights Benchmark’s (CHRB) Core UNGP Indicator Assessment methodology.³⁹

This methodology was selected – following a review of a range of benchmarking approaches – due to its transparency, relative simplicity and comparability worldwide.⁴⁰

The methodology is drawn from the ‘full’ CHRB benchmarking methodology, which was first applied in 2017 following a two year multi-stakeholder development and piloting process.⁴¹

The Centre for Social Innovation (CSI) has been utilising pilot versions of the Core UNGP Indicator Assessment since 2018, and have benefited from substantial engagement with the CHRB research team over that period. This year, the CHRB facilitated initial training on the methodology and provided opportunities to engage with other researchers across the EU who were also applying the methodology.

The indicators used in this assessment are focused on the UNGPs. They rely on publicly available information disclosed by companies, across three thematic areas: Governance and Policy Commitments; Embedding Respect and Human Rights Due Diligence; and Remedies and Grievance Mechanisms. These three themes cover the UNGPs’ three key ‘asks’ of business (see Box A, above).

Applying the Core UNGP Indicator Assessment

An overview of the thirteen indicators which form part of the Core UNGP Indicator Assessment, including the scores available for each indicator, can be found in Table 3. Gaps in the indicator numbering reflect the fact these indicators are a subset of the ‘full’ CHRB methodology.

For each indicator, a company may score between 0 and 2. A score of 1 indicates that a company has met the basic requirements of the indicator; a score of 2 means that the company has gone beyond these.

Partial scores are also available where the scoring requirements are partially achieved, as detailed in Table 3. Where a company has not met all the criteria for Score One but has met at least one or more of the requirements for Score Two, a half point may be awarded in all instances.

Table 3: List of indicators

		Available scores				
Theme A: Governance and Policy Commitments		Maximum score: 8				
A.1.1	Commitment to respect human rights	0		1		2
A.1.2	Commitment to respect the human rights of workers	0	0.5	1	1.5	2
A.1.4	Commitment to engage with stakeholders	0		1		2
A.1.5	Commitment to remedy	0		1	1.5	2
Theme B: Embedding Respect and Human Rights Due Diligence		Maximum score: 12				
B.1.1	Embedding - Responsibility and resources for day-to-day human rights functions	0		1	1.5	2
B.2.1	HRDD - Identifying: Processes and triggers for identifying human rights risks and impacts	0	0.5	1	1.5	2
B.2.2	HRDD - Assessing: Assessment of risks and impacts identified (salient risks and key industry risks)	0	0.5	1		2
B.2.3	HRDD - Integrating and Acting: Integrating assessment findings internally and taking appropriate action	0	0.5	1		2
B.2.4	HRDD - Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts	0		1		2
B.2.5	HRDD - Communicating: Accounting for how human rights impacts are addressed	0	0.5	1	1.5	2
Theme C: Remedies and Grievance Mechanisms		Maximum score: 6				
C.1	Grievance channels/mechanisms to receive complaints or concerns from workers	0		1	1.5	2
C.2	Grievance channels/mechanisms to receive complaints or concerns from external individuals and communities	0		1	1.5	2
C.7	Remediating adverse impacts and incorporating lessons learned	0		1	1.5	2

Source: Corporate Human Rights Benchmark.⁴²

Quality assurance and engagement

All companies benchmarked by the CSI were assessed against the methodology by the research team between June and August 2020. The researchers held weekly meetings to discuss progress and review borderline cases.

Twelve companies in the sample overlapped with the CHRB's own benchmark sample for 2020. The research team capitalised on this overlap, using it to ensure alignment between the present study and the CHRB's own benchmark of 230 global companies.⁴³

Five of the overlapping companies were jointly assessed, and the respective results were compared to identify areas where there was a divergence in the application of the methodology. The scores for all companies were then aligned to ensure consistency.

All companies included within the scope of the benchmark were contacted by either the CSI or the CHRB to inform them of their inclusion in the study, and to provide them with an opportunity to comment on their draft scorecard and/or identify publicly available information that may not have been located by the research team.

In the case of the sample benchmarked by the CSI, we received responses from and/or engaged with 39% of companies. In all, when the companies who engaged with the CHRB are included, 52% of companies in the 'Top 50' sample engaged with researchers. Information received through this process was used to refine the assessment and produce the final results presented in this report.

The CSI also participated in a collaborative session with members of other national snapshot research teams across the EU to identify common trends and challenges.

Box B

State-owned enterprises

The UNGPs recognise that states have ‘greatest means within their powers to ensure that relevant policies, legislation and regulation regarding respect for human rights are implemented’ within state-owned enterprises (SOEs).⁴⁴ Guiding Principle 4 states this in clear terms:

“4. States should take additional steps to protect against human rights abuses by business enterprises that are owned or controlled by the State, or that receive substantial support and services from State agencies such as export credit agencies and official investment insurance or guarantee agencies, including, where appropriate, by requiring human rights due diligence.”

Accordingly, in order to provide a benchmark for the State in this regard, we have also included the **top 10 state-owned enterprises by turnover**. These companies are different in scale and structure to the Top 50 publicly-listed companies operating in Ireland, given their operations are, by and large, within the State. We report results for these companies separately.

Relevant organisations were identified through the April 2020 *CSO Register of Public Sector Bodies*,⁴⁵ and turnover was taken from the last published annual report of each body as of April 2020. The following SOEs are included:

Table 4: State-owned enterprise sample

#	Company	Turnover (EUR m)	Number of Employees
1	Electricity Supply Board	€ 3,432	7,974
2	Allied Irish Banks plc	€ 2,874	9,520
3	VHI	€ 1,564	1,451
4	Córas Iompair Éireann	€ 1,315	10,046
5	An Post	€ 897	9,751
6	DAA plc	€ 897	4,139
7	Eirgrid plc	€ 758	516
8	Ervia	€ 487	1,144
9	Permanent TSB plc	€ 442	2,386
10	Bord na Móna	€ 395	1,831

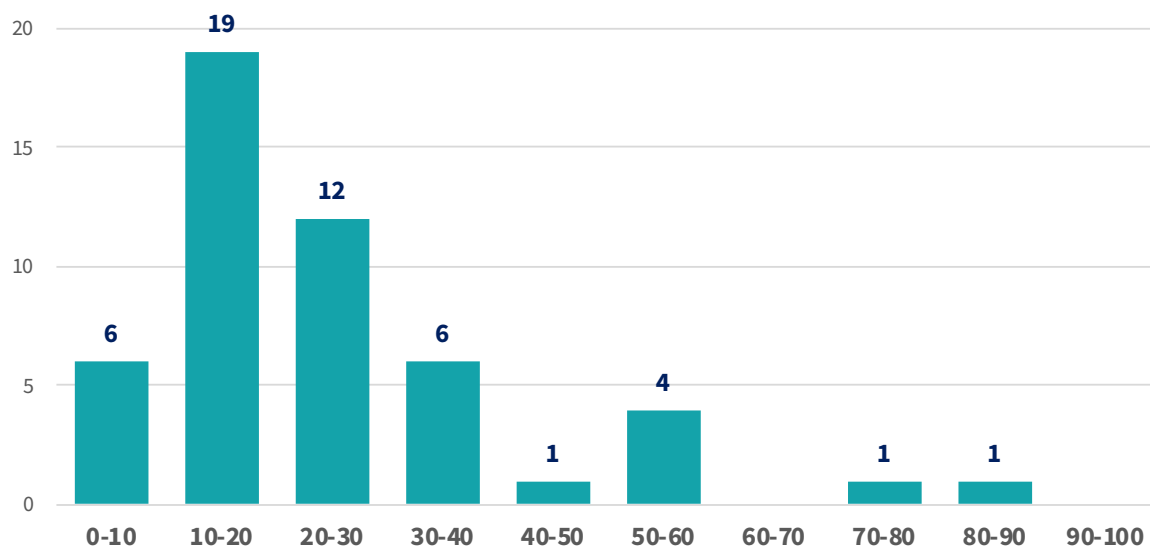
Findings

Company results

While there are some notable outliers, 88% of the companies benchmarked achieved a score below 50% of the maximum available. Half of the companies achieved a benchmark score of 20% or below.

Two companies – Tesco plc and Diageo plc – led the way, scoring 83% and 71% respectively. Two Irish-registered companies – Kerry Group plc and CRH plc – join U.S.-domiciled technology companies Intel Corporation and Microsoft Corporation in the 50-60% band. The full distribution of companies is shown in Figure 1.

Figure 1: Company scores, by percentage band



The scores achieved on a company-by-company basis can be found in Table 3. A full table showing the scores achieved on each theme is included in the Annex.

Table 3: Company scores

Company	Theme A [8]	Theme B [12]	Theme C [6]	Total [26]
Tesco				21.5
Diageo				18.5
Kerry Group				15
CRH				13.5
Intel				13.5
Microsoft				13
Medtronic				11.5
Johnson Controls International				9.5
Smurfit Kappa Group				9.5
Associated British Foods				9
Takeda				9
Western Digital				9
Dell Technologies				8
Boston Scientific				7.5
Eaton Corporation				7.5
Apple				7
Merck & Co. (MSD)				7
Salesforce.com				7
Pfizer				6.5
Alphabet				6
Amazon.com				6
Ardagh Group				6
Glanbia				6
Maxim Integrated Products				6
Abbott Laboratories				5.5
BD				5
IAG				5
Trane Technologies				5
AbbVie				4.5

Origin Enterprises		4.5
Alexion Pharmaceuticals		4
DCC		4
Facebook		4
Flutter Entertainment		4
Jazz Pharmaceuticals		4
Mallinckrodt Pharmaceuticals		4
Oracle		4
Adobe		3.5
Alimentation Couche-Tard		3.5
Experian		3.5
Grafton Group		3.5
Icon		3
Microchip Technology		3
Perrigo Company		3
Gilead Sciences		2.5
Total Produce		2.5
Valero Energy		2.5
Kingspan Group		2
Ryanair Holdings		1.5
Applegreen		1

Notes:

! Company scored zero on the human rights due diligence indicators, B.2.1–B.2.5.

Results by indicator

At the sample level, average scores by indicator were low across the board, with the highest average scores being for Theme C – Remedy & Grievance Mechanisms, and the lowest for Theme B – Embedding Respect & Human Rights Due Diligence. Figure 2 shows average scores across all indicators.

Figure 2: Average scores by theme

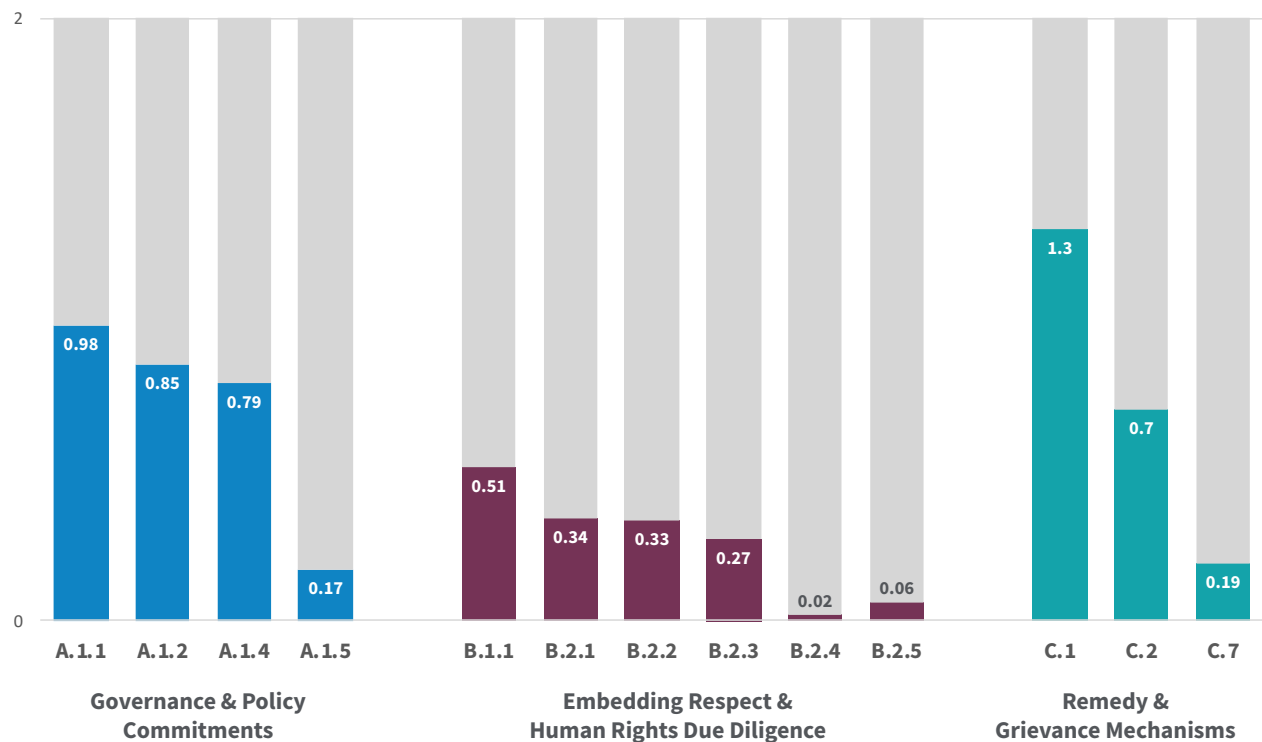


Table 4 presents the full distribution of scores by indicator. There are just three indicators on which the majority of companies scored 1 or above. These are the commitment to respect human rights (A.1.1), the commitment to engage with stakeholders (A.1.4), and the indicator tracking grievance mechanisms or channels to receive complaints from workers (C.1). A majority of companies scored 0.5 for the commitment to respect the human rights of workers (A.1.2). This primarily relates to scores obtained by companies for commitments in relation to health and safety.

Table 4: **Distribution of scores by indicator**

Indicator	Score attained				
	0	0.5	1	1.5	2
A.1.1	26%	–	50%	–	24%
A.1.2	8%	64%	2%	2%	24%
A.1.4	28%	2%	62%	–	8%
A.1.5	84%	2%	10%	4%	–
B.1.1	54%	20%	8%	6%	12%
B.2.1	54%	36%	2%	4%	4%
B.2.2	72%	2%	20%	–	6%
B.2.3	76%	6%	12%	–	6%
B.2.4	98%	–	2%	–	–
B.2.5	88%	12%	–	–	–
C.1	10%	–	16%	68%	6%
C.2	58%	2%	4%	14%	22%
C.7	82%	6%	4%	8%	–

Theme A:

Governance and policy commitments

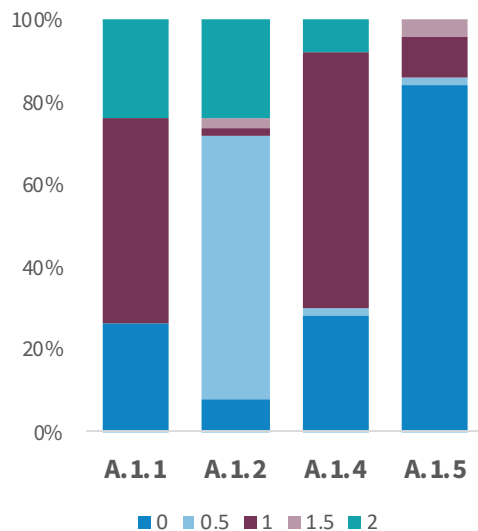
Theme A consists of four indicators, which consider specific commitments made by companies to respect human rights; respect the human rights of workers; engage with stakeholders; and to provide remedy for adverse impacts the company causes, contributes, or is directly linked to.

Developing a policy commitment is the first operational principle of the corporate responsibility to respect human rights articulated in the UNGPs.⁴⁶

The average score for this theme was 2.79 of a possible 8 points (34.9%).

Figure 3 visualises the distribution of scores across the indicators in this theme. Higher scores are noted on A.1.1 (commitment to respect human rights) and A.1.4 (commitment to stakeholder engagement). However, the majority of companies scored 0.5 or below in the case of A.1.2 (commitment to respect the human rights of workers), and 0 in the case of A.1.5 (commitment to remedy).

Figure 3: Distribution of scores for Theme A



A.1.1: Commitment to respect human rights

Score One requires a company to have in place a publicly available statement committing it to respect human rights. Score Two requires a specific commitment to the UNGPs or the OECD Guidelines for Multinational Enterprises.

A.1.1 was the second-highest scoring indicator in the analysis as a whole; 74% of companies scored 1 or above.

The methodology has strict requirements around what constitutes wording sufficient to amount to a commitment. 13 companies did not meet any of the requirements of this indicator, either because no human rights commitment was identified, or because the wording of the statement identified was not sufficiently robust to be considered a commitment according to the methodology.

A.1.2: Commitment to respect the human rights of workers

Score One requires a publicly available statement of policy committing the company to respect the human rights of workers detailed in the International Labour Organization's (ILO) Core Labour Standards. Score Two is prefaced on the explicit listing of these standards in the company's commitment, and further requires commitments to respect ILO standards on working hours and the health and safety of workers. In both instances, the company should expect similar commitments from its suppliers.

While 92% of companies gained a score on this indicator, 64% of these earned just 0.5 points, with the majority of these scores relating to the presence of health and safety commitments.

A.1.4: Commitment to engage with stakeholders

A.1.4 requires a public commitment from the company to engage with its stakeholders, including potentially and actually affected stakeholders, and/or their legitimate representatives. Evidence of regular engagement may also be sufficient to award a score. To gain the full 2 points available, the company must also commit to (or demonstrate) engagement on the development or monitoring of its human rights approach.

70% of companies scored one or above, with a majority gaining a score through evidence of engagement with potentially and actually affected stakeholders on human rights issues, most commonly employees and workers.

A.1.5: Commitment to remedy

The final indicator in Theme A seeks a public commitment to remedy adverse impacts where a company causes or contributes to them.

A full 2 points can be awarded where the company further commits to work with its suppliers to remedy adverse impacts which are directly linked to its operations, products or services, alongside a commitment to the non-obstruction of access to other remediation options.

This indicator focuses on a core element of the UNGPs: access to remedy. It is closely related to C.7 (Remedying adverse impacts and incorporating lessons learned).

Just 8 companies scored any points on this indicator, with no company obtaining the maximum 2 points.

Theme B:

Embedding respect and human rights due diligence

Human rights due diligence is a cornerstone of the UNGPs.⁴⁷ Guiding Principle 17 outlines four components of the human rights due diligence process (emphasis added):

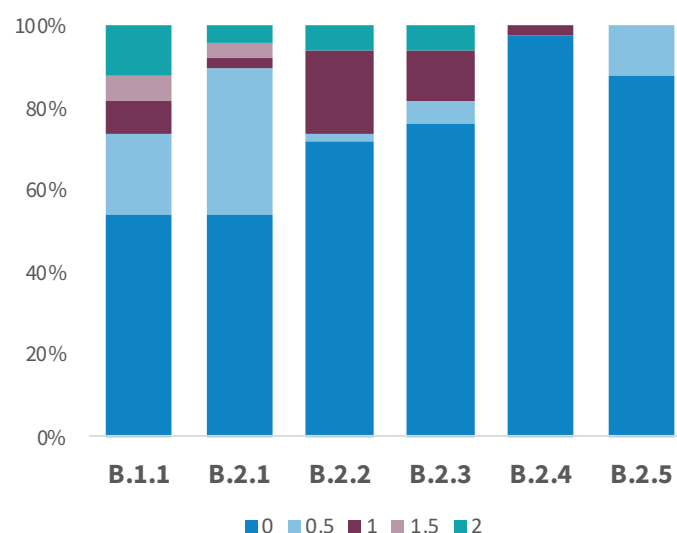
*“17. In order to identify, prevent, mitigate and account for how they address their adverse human rights impacts, business enterprises should carry out human rights due diligence. The process should include **assessing actual and potential human rights impacts, integrating and acting upon the findings, tracking responses, and communicating how impacts are addressed...**”*

The UNGPs provide further clarification on how each of these steps should be approached.⁴⁸ Theme B seeks to capture corporate compliance with this essential component of the corporate responsibility to respect human rights.

The first indicator, B.1.1, considers the allocation of responsibility and resources for day-to-day human rights functions, reflecting how the due diligence process is resourced and managed. The remaining five indicators track the four essential elements of human rights due diligence process.

Theme B was the lowest-scoring of the three themes, with the average company scoring just 1.53 of a possible 12 points (12.75%). 17 companies (34%) scored a zero overall on the theme. Figure 4 shows the distribution of scores across each indicator, demonstrating that more than half of companies scored zero on each indicator.

Figure 4: Distribution of scores for Theme B



B.1.1: Responsibility and resources for day-to-day human rights functions

Score One of this indicator considers the presence of senior management roles responsible for human rights within the company, with responsibility for the ILO Core Labour Standards being a minimum baseline. Score Two looks for a description of how day-to-day responsibility is allocated across relevant functions, as well as how responsibility for issues within the supply chain is assigned.

As with all indicators on this theme, a majority of companies scored zero, 54% in this case.

B.2.1: Identifying: Processes and triggers for identifying human rights risks and impacts

B.2.1 looks for a company to proactively identify its human rights risks and impacts on an ongoing basis. To meet the Score One requirements, a company must describe the process(es) it has in place to identify its human rights risks and impacts. These processes should refer to specific locations or activities, and should cover its own operations and relevant business relationships, including the company's supply chain.

For Score Two, the company's process should include consultation with affected or potentially affected stakeholders and human rights experts. Detail should be provided on how the company's process is triggered by key moments, including new country operations, new business relationships or changes in context. Finally, the company's process should include an explanation of when human rights impact assessments or similar assessments are carried out.

Similar to B.1.1, a majority of companies (54%) scored zero. Of the remainder, just 5 companies (10%) scored higher than 0.5. The 36% that scored 0.5 included companies who disclosed processes which applied only to their supply chain, or were solely triggered by new relationships. Effective human rights due diligence must go further than this.

B.2.2: Assessing: Assessment of risks and impacts identified (salient risks and key industry risks)

This indicator follows on from B.2.1, requiring the company to describe the process(es) it has in place for assessing the human rights risks and salient human rights issues it identifies. The process(es) should describe how relevant factors are taken into account, for example geographical, economic and social factors.

A company may also gain a point for publicly disclosing the results of its assessments. For a full 2 points, both the process description and results are required.

72% of companies did not earn a score on this indicator. 10 companies (20%) gained a score of 1, while just 3 companies (6%) scored the full 2 points available.

B.2.3: Integrating and Acting: Integrating assessment findings internally and taking appropriate action

Building on the previous two indicators, B.2.3 seeks to account for how the company integrates the findings of its assessments into internal functions and processes.

Score One requires a company to describe a global system (i.e. a system in place across the company) to take action to prevent, mitigate or remediate its salient human rights issues. The company should also describe how this system applies to its supply chain. In the alternate, the company should provide an example of specific conclusions reached or actions taken on a salient human rights issue as a result of its assessment processes.

Score Two is achieved if the company meets both of the Score One requirements.

For this indicator, 76% of companies scored zero. 6 companies (12%) scored 1, while 3 companies each (6%) scored 0.5 and 2, respectively.

B.2.4: Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts

B.2.4 considers how the company tracks and evaluates the effectiveness of actions taken, which are themselves assessed under B.2.3.

Score One can be awarded if the company describes the system(s) it has in place for tracking actions taken in response to human rights risks and impacts, and for evaluating whether the actions have been effective or not. The requirements of Score One can also be fulfilled if the company provides an example of the lessons learned while tracking the effectiveness of actions taken as a result of the due diligence process.

Similar to B.2.2 and B.2.3, fulfilment of both of the above requirements is required to achieve Score Two.

Tesco plc was the only company to earn a score on this indicator. Tesco identified gender equality as a salient issue within its supply chain. It details a collaboration which resulted in ‘increases in yields [that] were 15-20% higher for women trained in agricultural practices’ by the programme.⁴⁹

B.2.5: Communicating: Accounting for how human rights impacts are addressed

The final indicator in the theme, B.2.5 assesses how companies ensure meaningful information on their human rights due diligence process is available to external stakeholders.

For Score One, a company must describe or demonstrate how it communicates externally about its human rights impacts, and its effectiveness in addressing these. The description should also cover the company's supply chain.

For Score Two, the company should describe how it has responded to specific concerns raised by affected stakeholders or their representatives. It should also describe how it ensures affected or potentially affected stakeholders have access to the company's communications on the matter.

88% of companies scored zero on this indicator. The remaining six companies (12%) scored 0.5, which was awarded on the basis of their communications surrounding the other steps in the human rights due diligence process.

Theme C:

Remedies and grievance mechanisms

The UNGPs expect companies to cooperate in – or provide for – remediation where they have caused or contributed to negative human rights impacts.⁵⁰

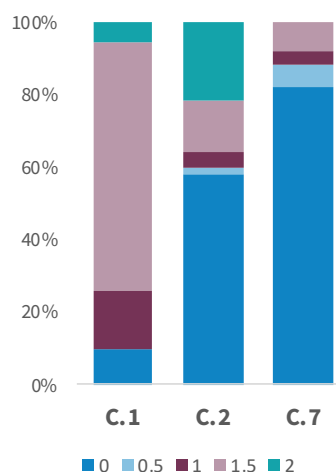
The third pillar of the UNGPs is devoted to access to remedy. Aside from duties for States, this includes an expectation that businesses ‘establish or participate in effective operational-level grievance mechanisms for individuals and communities who may be adversely impacted’ by the businesses’ operations.⁵¹ The UNGPs also provide a set of effectiveness criteria against which to baseline non-judicial grievance mechanisms.⁵²

This theme consists of three indicators, the first two of which focus on the presence of grievance channels or mechanisms through which a company can receive complaints or concerns. The final indicator considers whether the company provides remediation (or would do so) where it has caused or contributed to adverse human rights impacts.

The average company scored 2.19 of a possible 6 points on this theme (36.5%).

The distribution scores across these indicators is demonstrated in Figure 5.

Figure 5: Distribution of scores for Theme C



C.1: Grievance channels/mechanisms to receive complaints or concerns from workers

Score One of this indicator requires the company to indicate that it provides a channel through which workers can raise complaints or concerns related to the company. Score Two is awarded where the channel is available in all appropriate languages, supply chain workers have access to the channel or a similar one, and the company discloses data about the channel’s practical operation.

The average score on this indicator was 1.3, the highest average score across the indicator set. 90% of companies scored 1 or above on the indicator. Companies typically gained a score on this indicator through the presence of a multilingual hotline service which could be used to report grievances.

C.2: Grievance channels/mechanisms to receive complaints or concerns from external individuals and communities

Building on C.1, C.2 considers whether a channel is available to external individuals and communities who may be adversely impacted by the company's operations. Score One requires the presence of such a channel.

Score Two may be awarded if the company also describes how it ensures the channel is accessible to all potentially affected external stakeholders, including in local languages, and that similar provisions are in place for external individuals and communities affected by the company's suppliers.

40% of companies scored above 1 on this indicator.

C.7: Remedying adverse impacts and incorporating lessons learned

The final indicator assesses whether the company provides for – or cooperates in – remediation for victims where it has identified that it has caused or contributed to adverse human rights impacts. A description of the company's approach in this respect will earn a point under Score One.

Score Two aims to assess whether the company incorporates the lessons learned from remediation into its systems and procedures to prevent future impacts, and whether the company evaluates the effectiveness of its grievance channels or mechanisms.

This indicator was the lowest scoring in Theme C, with 82% of companies scoring zero. A combined 18% of companies gained a partial score, though no company was awarded the full 2 points available.

Box C

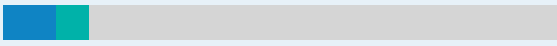
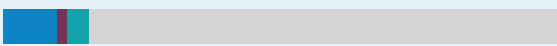
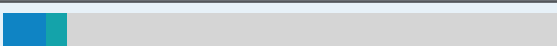

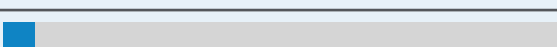

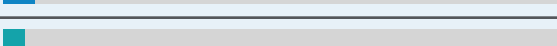
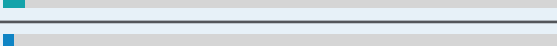
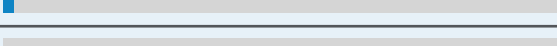
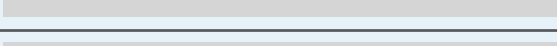
Findings: State-owned enterprises

Findings for SOEs are outlined in Table 5.

Low scores are a consistent feature, with no SOE scoring above the 10-20% band. This is perhaps unsurprising given the results of the ‘Top 50’ sample, where 50% of companies similarly did not score above this threshold.

However, given the potential for SOEs to act as ‘role models’ for other sectors of the economy, the low scores are nevertheless of particular concern.

Table 5: State owned enterprise sample

Company	Theme A [8]	Theme B [12]	Theme C [6]	Total [26]
Electricity Supply Board				4
Ervia				4
Allied Irish Banks plc				3
Bord na Móna				1.5
Permanent TSB plc				1.5
An Post				1.5
VHI				1
Eirgrid plc				0.5
Córas Iompair Éireann*				0
DAA plc				0

Notes:

The methodology states that Theme A indicators aim to assess the ‘tone at the top’ of the company. Accordingly, scores on this theme were not awarded unless either a commitment was identified at group level or commitments were identified for all operating subsidiaries.

* A number of CIÉ operating companies have published statements which would meet some of the requirements of Theme A if they were assessed on a standalone basis.

! Company scored zero on the human rights due diligence indicators, B.2.1–B.2.5.

Theme A: Governance and policy commitments

Scores were low across all SOEs benchmarked, with the average score being 1.2 of a possible 8 points (15%). Notably, no SOE benchmarked had a dedicated human rights policy in place.

Theme B: Embedding respect and human rights due diligence

Theme B was the lowest scoring theme for SOEs. Just one SOE gained any points on this theme in our analysis. Although there was insufficient evidence to award a score

at this stage, we noted that Allied Irish Banks plc stated it was seeking to put such a system in place for suppliers in 2020 in its 2019 UK Modern Slavery Act Statement.⁵³

Low scores among SOEs were consistent with the scores obtained on this theme by a majority of companies in the *Top 50* sample. However, SOEs have a statutory duty to protect human rights.

Section 42(1) of the Irish Human Rights and Equality Commission Act 2014 requires public bodies (which includes SOEs) to, *inter alia*, ‘have regard of the need to...protect the human rights of its members, staff, and the persons to whom it provides services’.⁵⁴

SOEs are expected to give effect to this duty by assessing, addressing and reporting on human rights issues relevant to their purpose and function.⁵⁵ The Irish Human Rights and Equality Commission has developed guidance and tools to assist public bodies in implementing this duty.⁵⁶

This statutory duty to assess, address and report on human rights issues is, on its face, not dissimilar from the human rights due diligence expected by the UNGPs, and indicators B.2.1-B.2.5 of the Core UNGP Indicator Methodology. The statutory duty could therefore provide an effective entry point for SOEs to engage with business and human rights and the UNGPs.

Theme C: Remedies and Grievance Mechanisms

The average score on this theme was 0.45 of a possible 6 points (7.5%), with just 4 SOEs earning a score across the three indicators.

SOEs are subject to the Protected Disclosures Act 2014, which requires them to have a policy and procedure in place through which workers can report ‘relevant wrongdoings’.⁵⁷

The Act does not expressly include human rights concerns within its definition of a ‘relevant wrongdoing’, though it does cover certain related matters.⁵⁸ The Code of Practice on Protected Disclosures Act 2014 provides a definition of the distinction between a protected disclosure and a grievance, though the two may overlap.^{59, 60}

Applying a strict definition, protected disclosure policies were not considered by the research team to be an acceptable demonstration of a human rights grievance mechanism or channel to report concerns for the purposes of indicators C.1 and C.2.

However, we note that conversations with state-owned entities suggested that a wide range of grievances can be brought forward and dealt with under their protected disclosure policies.

Discussion

The findings of our research demonstrate that there is a long journey ahead for companies operating in Ireland to ensure they are adhering in spirit and in letter to the UNGPs.

As the UNGPs approach their tenth anniversary in 2021, our research suggests that corporate adherence to their tenets remains a work in progress, if that work has indeed started at all.

Where evidence of progress was noted, there were a number of key distinguishing factors relating to the types of information disclosed by the companies concerned.

Common features

Human rights policies

Notably, all companies scoring over 40% on the benchmark had a human rights policy in place. That having such a policy aligns with a higher score is not surprising, as developing a human rights policy is a core ‘ask’ of business articulated by the UNGPs.

We held conversations with a number of companies included within the scope of the research. Some who did not have human rights policies in place pointed out that they operated only in countries (like Ireland) which provide protection for the labour rights set out in the ILO Core Labour Standards within domestic law. They voiced frustration at the presence of indicators such as A.1.2, which expressly seeks out commitments to these international standards.

However, no matter the geographic limits of a company’s own operations, suppliers and customers may often traverse these boundaries. Setting a human rights policy is a core expectation of the UNGPs, which apply to all companies, regardless of size, sector or geographic reach. Accordingly, policy commitments are afforded a central role in the methodology, accounting for 30% of the available score.

Subject to existing reporting requirements

The requirement to report under the UK Modern Slavery Act similarly provided additional disclosures of relevance.

While the EU Non-Financial Reporting Directive requires companies to report on human rights, the relevance and quality of disclosure in non-financial reports varied across the sample. The European Commission is preparing to bring forward a revised Directive in early 2021, which may include more detailed reporting requirements.⁶¹ Disclosure is vital for investors and civil society to assess corporate progress.

Industry initiatives

Companies who disclosed greater levels of information were often part of industry initiatives focused on relevant issues. In particular, while it is not rewarded under the methodology, we noted that industry initiatives in relation to audit were common.

Shared model codes of conduct were a notable feature of several industries within the sample.⁶² Such industry groupings may usefully work together to develop policy, human rights due diligence protocols and ensure access to remedy. However, the methodology places the obligations on businesses to disclose detail of how they apply such tools to their own operations and supply chains – for this is a crucial step in ensuring that policy moves to practice.

State owned entities

The inclusion of an analysis of the ten largest SOEs by turnover in this report is novel: this research represents the first application of the methodology to this sector of the economy. There is strong justification for their inclusion, grounded in the recognition of the importance of the state-business nexus in the UNGPs.⁶³

Scores obtained by SOEs were notably and consistently low. No SOE scored above 4 points (15.4%). No SOE had an explicit human rights policy, and just one company gained any points at all on Theme B. The low scores stand in stark contrast to the model role envisaged for such enterprises by the UNGPs.

Limitations

In conversations with companies included within the scope of the research, we learned of internal policies and practices which may go some way towards addressing aspects of what the methodology seeks to uncover.

The public data approach that underlies the CHRB is a distinguishing feature from related sustainability benchmarks, which often rely on companies to complete questionnaires which can provide access to relevant information.⁶⁴ The CHRB contends that the use of public information drives greater transparency.⁶⁵

However, as the CHRB Core UNGP Indicators track policy and public commitments—and not actual behaviour—it can yield results which may not fully reflect corporate practice, in both positive and negative senses.

Accordingly, the findings drawn from the present research must be interpreted with a degree of caution: they reflect the status of ‘company inputs towards achieving human rights respect and responsibility’,⁶⁶ which can only ever be a proxy for corporate impacts on the rights of actually or potentially affected people.

The CHRB acknowledges its position as a proxy,⁶⁷ which has been underscored by the need to issue clarificatory statements and retractions following adverse impacts on rights holders in Australia and Brazil by companies benchmarked by the CHRB.⁶⁸

Finally, it should be noted that, owing to the nature of the sample, the findings cannot be generalised to the entire population of Irish companies.

A call for accelerated progress

The low scores obtained by companies in this analysis find common ground with other company snapshots and with the CHRB's 2020 analysis.⁶⁹ While we find some correlation between the score obtained and company size, defined by turnover or by number of employees, the UNGPs apply to all businesses, regardless of their size. This underscores that much remains to be done to ensure corporate respect for human rights.

How best to address this? The UNGPs envisage a 'smart mix' of regulation to foster business respect for human rights, combining voluntary and mandatory measures.⁷⁰ Though there have been some successes over the past decade – including the development of methodologies such as the one employed here to greater understand corporate policy in the space – much remains to be done.

Civil society groups across Europe – including the Irish Coalition for Business and Human Rights, of which the CSI is a member – have been calling for mandatory rules, be that in the form of a legally binding treaty or domestic legislation implementing a mandatory human rights due diligence obligation.

Human rights due diligence is at the core of translating the UNGPs into action, and the low scores on this particular theme in the benchmark demonstrate a real need to consider alternative approaches to ensure corporate compliance with the UNGPs that move beyond voluntary action.

The European Commission has announced its intention to bring forward mandatory human rights and environmental due diligence legislation as part of the Commission's sustainable corporate governance initiative.⁷¹ Similar national measures are being advanced in a number of EU member states, though Ireland has yet to join their number.⁷²

Companies who act now to integrate the UNGPs into their operations and supply chains will be well positioned to respond to these legislative developments, all of which are based upon the UNGPs' fundamental tenets.

Recommendations

As an ‘island at the centre of the world’, Ireland has an important role in global value chains. Irish businesses, and other businesses operating in Ireland, have global reach. If Irish foreign policy and industrial policy are to be coherent, this global reach needs to be matched by responsible business conduct among those businesses which play a major role in the Irish economy.

Our findings suggest that there is a lack of awareness of the UNGPs among companies operating in Ireland and/or a lack of explicit compliance with the key asks therein, as evidenced by the low scores achieved by the majority of companies.

Companies are, with a few notable exceptions, weak across all areas examined by the methodology. Particular weaknesses in the area of human rights due diligence suggest that, even where companies have appropriate high-level policies in place, there are challenges in translating commitments into practical action, and disclosure thereon.

With these challenges in mind, we make the following recommendations to companies and the Irish Government aimed at ensuring that the corporate responsibility to respect human rights is clearly demonstrated by Irish businesses.

Companies should:

- Implement the UNGPs in their business operations and supply chains by:
 - setting a policy;
 - establishing human rights due diligence programmes that identify and prioritise salient human rights issues; and
 - ensuring access to remedy.

The Irish Government should:

- Commit to the development of a second NAP, which includes practical actions to scale up awareness and implementation of the UNGPs among businesses operating in Ireland;
- Pay particular attention to the role of SOEs as role models for other businesses, and seek to embed respect for the UNGPs within these enterprises.
- Bring forward mandatory human rights due diligence legislation;
- Support the progress of the sustainable corporate governance initiative of the European Commission, in particular the establishment of mandatory human rights and environmental due diligence;
- Support increased disclosure on human rights in a revised European Non-Financial Reporting Directive; and
- Seek to track and assess corporate progress on implementing the UNGPs through continued benchmarking and related analysis.

Annex

Companies who responded to and/or engaged with the CSI research team are marked in the below tables with a blue check mark (✓).

Those companies included in both the CSI and CHRB research who formally engaged with the CHRB process are indicated by a maroon check mark (✓); the CSI did not contact these companies.

Companies who scored zero on the human rights due diligence indicators, B.2.1-B.2.5, are indicated by an exclamation mark (!).

‘Top 50’ company scores by indicator theme

Company	✓	Theme A [8]	Theme B [12]	Theme C [6]	Total [26]
Tesco	✓	7.5	9.5	4.5	21.5
Diageo	✓	6	8.5	4	18.5
Kerry Group	✓	6.5	4.5	4	15
CRH	✓	5	4.5	4	13.5
Intel	✓	2.5	6	5	13.5
Microsoft	✓	5.5	3.5	4	13
Medtronic		3	6	2.5	11.5
Johnson Controls International		5	1 !	3.5	9.5
Smurfit Kappa Group		5	1.5 !	3	9.5
Associated British Foods	✓	2.5	3.5	3	9
Takeda	✓	4	1	4	9
Western Digital	✓	3.5	1.5	4	9
Dell Technologies	✓	2.5	1.5	4	8
Boston Scientific		3.5	0.5	3.5	7.5
Eaton Corporation	✓	4	0 !	3.5	7.5
Apple	✓	1.5	2	3.5	7
Merck & Co. (MSD)	✓	1.5	2	3.5	7
Salesforce.com	✓	5	0.5 !	1.5	7
Pfizer	✓	2.5	2.5	1.5	6.5
Alphabet		2.5	2	1.5	6

Amazon.com	✓	2.5	2	1.5	6
Ardagh Group	✓	3.5	1 !	1.5	6
Glanbia		3.5	1.5	1	6
Maxim Integrated Products	✓	3	1.5 !	1.5	6
Abbott Laboratories		3.5	0.5 !	1.5	5.5
BD	✓	3	0.5 !	1.5	5
IAG		2.5	1	1.5	5
Trane Technologies	✓	1.5	0.5	3	5
AbbVie		3.5	0 !	1	4.5
Origin Enterprises	✓	3	0.5	1	4.5
Alexion Pharmaceuticals	✓	0.5	0 !	3.5	4
DCC	✓	1.5	1	1.5	4
Facebook		1	1.5	1.5	4
Flutter Entertainment		2.5	0 !	1.5	4
Jazz Pharmaceuticals		1	0 !	3	4
Mallinckrodt Pharmaceuticals		2.5	0 !	1.5	4
Oracle		2.5	0 !	1.5	4
Adobe		0.5	0 !	3	3.5
Alimentation Couche-Tard		2.5	0 !	1	3.5
Experian	✓	2.5	0 !	1	3.5
Grafton Group		2.5	0 !	1	3.5
Icon		1.5	0 !	1.5	3
Microchip Technology	✓	1.5	0 !	1.5	3
Perrigo Company		1.5	0.5	1	3
Gilead Sciences		1.5	0 !	1	2.5
Total Produce	✓	1	1.5	0	2.5
Valero Energy		1.5	1 !	0	2.5
Kingspan Group		0.5	0 !	1.5	2
Ryanair Holdings		1.5	0 !	0	1.5
Applegreen		1	0 !	0	1

Notes:

! Company scored zero on the human rights due diligence indicators, B.2.1–B.2.5.

SOE scores by indicator theme

Company	✓	Theme A [8]	Theme B [12]	Theme C [6]	Total [26]
Electricity Supply Board	✓	2.5	0 !	1.5	4
Ervia	✓	2.5	0.5	1	4
Allied Irish Banks plc	✓	2	0 !	1	3
Bord na Móna	✓	1.5	0 !	0	1.5
Permanent TSB plc	✓	1.5	0 !	0	1.5
An Post	✓	1.5	0 !	0	1.5
VHI		0	0 !	1	1
Eirgrid plc	✓	0.5	0 !	0	0.5
Córas Iompair Éireann*	✓	0	0 !	0	0
DAA plc		0	0 !	0	0

Notes:

The methodology states that Theme A indicators aim to assess the ‘tone at the top’ of the company. Accordingly, scores on this theme were not awarded unless either a commitment was identified at group level or commitments were identified for all operating subsidiaries.

* A number of CIÉ operating companies have published statements which would meet some of the requirements of Theme A if they were assessed on a standalone basis.

! Company scored zero on the human rights due diligence indicators, B.2.1–B.2.5.

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We want to emphasise that the results will always be a proxy for good human rights management, and not an absolute measure of performance. This is because there are no fundamental units of measurement for human rights. Human rights assessments are therefore necessarily more subjective than objective. A score of zero for a particular indicator does not mean that bad practices are present. Rather it means that we have been unable to identify the required information in public documentation. The assessment also captures only a snapshot in time.

We therefore want to encourage companies, investors, civil society and governments to look at the broad performance bands that companies are ranked within rather than their precise score because, as with all measurements, there is a reasonably wide margin of error possible in interpretation. We also want to encourage a greater analytical focus on how scores improve over time rather than upon how a company compares to other companies in the same industry today. The spirit of the exercise is to promote continual improvement via an open assessment process and a common understanding of the importance of the UN Guiding Principles on Business and Human Rights.

Endnotes

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