Human Rights

Performance Indicators

Aspect: Investment and Procurement Practices

CORE **HR1** Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.

CORE **HR2** Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.

ADD **HR3** Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.

Aspect: Non-discrimination

CORE **HR4** Total number of incidents of discrimination and actions taken.

Aspect: Freedom of Association and Collective Bargaining

CORE **HR5** Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.

Aspect: Child Labor

CORE **HR6** Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.

Aspect: Forced and Compulsory Labor

CORE **HR7** Operations identified as having significant risk for incidents of forced or compulsory labor, and measures taken to contribute to the elimination of forced or compulsory labor.

Aspect: Security Practices

ADD **HR8** Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.

Aspect: Indigenous Rights

ADD **HR9** Total number of incidents of violations involving rights of indigenous people and actions taken.

Relevance

Human Rights Performance Indicators elicit disclosures on the impacts and activities an organization has on the civil and political human rights of its stakeholders. The Aspects within these Performance Indicators are based on internationally recognized standards, primarily the United Nations Universal Declaration of Human Rights and the ILO Declaration on the Fundamental Principles and Rights at Work of 1998 (in particular the eight Core Conventions of the ILO). Although closely related, the categories of Human Rights and Labor Practices serve different purposes. Human Rights Indicators focus on how the reporting organization maintains and respects the basic rights of a human being, whereas the Indicators on Labor Practices reflect the quality of the work and the working environment.

The Performance Indicators seek to provide comparable measures of results or outcomes, and therefore focus primarily on incidents relating to core human rights. Incidents typically include 'points of impact' on stakeholder groups as well as risks for the organization where violations have occurred. The Indicator set addresses three general areas:

- Incidents related to basic aspects of human rights (HR4 and HR9);
- The capacity and knowledge enabling the organization to effectively address human rights, including training and internal procedures (HR3, HR5, HR6, HR7, and HR8); and
- The organization's integration of human rights into its external business relationships either through investments or suppliers (HR1 and HR2).

Definitions

Human rights

Generally recognized human rights are defined by the following five conventions and declarations:

1. United Nations Universal Declaration of Human Rights, 1948.
2. United Nations Convention: International Covenant on Civil and Political Rights, 1966.
3. United Nations Convention: International Covenant on Economic, Social and Cultural Rights, 1966.
4. ILO Declaration on Fundamental Principles and Rights at Work, 1998 (in particular the eight Core Conventions of the ILO).
5. Vienna Declaration and Programme of Action, 1993.

General References

- ILO Declaration on Fundamental Principles and Rights at Work, 1998.
- ILO Tripartite Declaration Concerning Multinational Enterprises and Social Policy, 2001, Third Edition.
- OECD Guidelines for Multinational Enterprises, Revision 2000.
- United Nations Universal Declaration of Human Rights, 1948.
- ILO Convention (169) concerning Indigenous and Tribal Peoples in Independent Countries, 1989.

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HR1 Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.

1. Relevance

This measure is one indication of the extent to which human rights are integrated in an organization's economic decisions. This is particularly relevant for organizations that operate within or are partners in ventures in regions where the protection of human rights is of significant concern. Integrating human rights criteria in screening or including human rights in performance requirements can be part of a strategy to reduce the risks of investment. Problems with an organization's human rights record can result in reputational damage for the investing organization and can affect the stability of investments.

2. Compilation

2.1 Count only the agreements that are significant in terms of size or strategic importance. The significance may be determined by the level of approval required within the organization for the investment or other criteria that can be consistently applied to agreements. The reporting organization should disclose their definition of "significant agreements".

2.2 Identify the total number of significant investment agreements finalized during the reporting period that either moved the organization into a position of ownership in another entity or initiated a capital investment project that was material to financial accounts.

2.3 If multiple significant investment agreements are undertaken with the same partner, the number of the agreements should reflect the number of separate projects undertaken or entities created.

2.4 Report the total number and percentage of significant investment agreements that include human rights clauses or that underwent human rights screening.

3. Definitions

Human rights clauses

Specific terms in a written agreement that define minimum expectations of performance with respect to human rights as a requirement for investment.

Human rights screening

A formal or documented process that applies a set of human rights performance criteria as one of the factors in determining whether to proceed with an investment.

4. Documentation

Potential information sources include the reporting organization's legal, investor relations, and financial departments, as well as documentation collected through quality management systems.

5. References

None.

HR2 Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.

1. Relevance

The development of extensive networks of suppliers and contractors to produce products and services has generated interest in how reporting organizations apply their human rights policies to their supply networks. This is particularly relevant for organizations in sectors that rely heavily on outsourcing and global networks.

Processes that screen and monitor human rights performance within the supply chain can provide evidence of an organization's positive impact on the wider business community. Issues with human rights performance on the part of significant suppliers and contractors can result in reputational damage for their business partners and/or create instability in the suppliers' operations. Screening is part of risk management, and the percentage indicated here indicates how regularly an organization takes this particular risk into consideration.

2. Compilation

2.1 Identify the total number of the reporting organization's significant suppliers and contractors.

2.2 Report the percentage of contracts with significant suppliers and contractors that included criteria or screening on human rights. See HR1 for definitions of 'criteria' or 'screening'.

2.3 Report the percentage of contracts with significant suppliers and contractors that were either declined or imposed performance conditions, or were subject to other actions as a result of human rights screening.

3. Definitions

Significant suppliers and contractors

External parties from whom products or services are obtained or with whom contracts are concluded for the provision of such products and services. In the context of this Indicator, 'significant' refers to suppliers and contractors who are:

- The primary providers of a given type of good or service and overall comprise the majority of the organization's purchases; or
- Identified as having the highest risk of incidents related to human rights.

4. Documentation

Potential information sources include the reporting organization's procurement or purchasing and legal departments.

5. References

None.

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HR3 Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.

1. Relevance

Information generated from this Indicator offers insight into an organization's capacity to implement its human rights policies and procedures. Human rights have become well-established in international standards and laws, and this has obligated organizations to implement specialized training that equips employees to address human rights in the course of their regular work. The number of employees trained and the amount of training they receive both contribute to an assessment of an organization's depth of knowledge about human rights.

2. Compilation

2.1 Identify the total number of hours devoted to employee training, using data from LA10.

2.2 Identify the total number of employees, using data from LA1.

2.3 Identify employees who have received formal training in the organization's policies and procedures on human rights issues and their applicability to the employees' work. This can refer either to training dedicated to the topic of human rights or to a human rights module within a general training program.

2.4 Report the total number of hours in the reporting period devoted to training on policies and procedures concerning aspects of human rights that are relevant to operations.

2.5 Report the percentage of employees in the reporting period trained in policies and procedures concerning aspects of human rights that are relevant to operations.

3. Definitions

None

4. Documentation

Potential sources of information include employee records of training and training schedules.

5. References

None.

HR4 Total number of incidents of discrimination and actions taken.

1. Relevance

Human rights extend beyond the rights of employees in the workplace. Anti-discrimination policy is a key requirement of international conventions and social legislation and guidelines. The issue of discrimination is also addressed by ILO Core Conventions 100 & 111. An effective monitoring system is necessary to ensure compliance throughout the reporting organization's operations. Stakeholders will seek assurance that such policies and monitoring are effective.

2. Compilation

2.1 Identify incidents of discrimination on grounds of race, color, sex, religion, political opinion, national extraction, or social origin as defined by the ILO, or other relevant forms of discrimination involving internal and/or external stakeholders across operations in the reporting period.

'Incidents' refer to legal actions, complaints registered with the organization or competent authorities through a formal process, or instances of non-compliance identified by the organization through established procedures such as management system audits or formal monitoring programs.

2.2 Report the total number of incidents of discrimination during the reporting period.

2.3 Report the status of the incidents and the actions taken with reference to the following:

- Organization has reviewed the incident;
- Remediation plan is being implemented;
- Remediation plan has been implemented and results reviewed through routine internal management review processes; and
- Incident is no longer subject to action (i.e., resolved, case completed, no further by action by company, etc.).

3. Definitions

Discrimination

The act and the result of treating a person unequally by imposing unequal burdens or denying benefits rather than treating the person fairly on the basis of individual merit. Discrimination can also include harassment, defined as a course of comments or actions that are unwelcome, or should reasonably be known to be unwelcome, to the person towards whom they are addressed.

4. Documentation

Potential information sources include the reporting organization's legal and compliance departments.

5. References

- Declaration on the Elimination of All Forms of Intolerance and of Discrimination based on Religion or Belief, UN General Assembly Resolution 36/55 of 26 November 1981.
- Declaration on Race and Racial Prejudice: General Conference UNESCO 20th session on 27 November 1978.
- Declaration on the Rights of Persons Belonging to National or Ethnic, Religious and Linguistic Minorities: UN GA Resolution 47/135 of 18 December 1992.
- ILO Convention 100, 'Equal Remuneration Convention', 1951.
- ILO Convention 111, 'Discrimination in Respect of Employment and Occupation Convention', 1958.
- International Convention on Civil and Political Rights: GA Resolution 2200 A XX1 of 16 December 1966.
- International Convention on the Elimination of All Forms of Racial Discrimination GA Resolution 1904 (XV111) of 20 November 1963.
- United Nations Convention on the Elimination of all forms of Discrimination Against Women: UN, GA: Resolution 34/180 of 18 December 1979.
- United Nations Declaration on the Elimination of All Forms of Racial Discrimination: GA Resolution 1904 (XVlll) of 20 November 1963.

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HR5 Operations identified in which the right to exercise freedom of association or collective bargaining may be at significant risk, and actions taken to support these rights.

1. Relevance

Inherent in the right to freedom of association and collective bargaining is the protection of the right of workers (and employers) to organize collectively in organizations of their own choice. The Right to Freedom of Association is a fundamental provision of the UN Universal Declaration of Human Rights and is defined by ILO Core Conventions 87 & 98.

This Indicator aims to reveal actions that the reporting organization has taken to evaluate whether opportunities exist for workers to exercise their rights to freedom of association and collective bargaining. It also aims to reveal actions that have been taken to support these rights across the organization's range of operations. This Indicator does not require the reporting organization to express a specific opinion on the quality of national legal systems.

2. Compilation

2.1 Identify operations in which employee rights to exercise freedom of association or collective bargaining may be at risk. The process of identification should reflect the organization's approach to risk assessment on this issue and can draw from recognized international data sources such as ILO reports (yearly report of ILO Committee of Experts on the implementation of ratified conventions and recommendations, as well as the Governing Body's reports on freedom of association).

2.2 Report operations identified in which employee rights to exercise freedom of association or collective bargaining may be at risk either in terms of:

- Type of operations (e.g., manufacturing plant); or
- Countries or geographical areas with operations considered at risk.

2.3 Report on any measures taken by the organization in the reporting period intended to support rights to freedom of association and collective bargaining. See the ILO Tripartite Declaration and OECD Guidelines for further guidance.

3. Definitions

Freedom of association

Workers and employers may establish and join organizations of their own choosing without the need for prior authorization.

4. Documentation

Potential information sources include the reporting organization's legal, compliance, and human resources departments.

5. References

- ILO Convention 87, 'Freedom of Association and Protection of the Right to Organise Convention', 1948.
- ILO Convention 98, 'Right to Organise and Collective Bargaining Convention', 1949
- United Nations Universal Declaration of Human Rights, 1948.
- International Covenant on Economic, Social and Cultural Rights, 1966.

HR6 Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.

1. Relevance

The abolition of child labor is a key principle and objective of major human rights declarations and legislation, and is subject to ILO Conventions 138 and 182. The presence and effective implementation of policies on child labor are a basic expectation of socially responsible conduct.

2. Compilation

2.1 Identify operations considered to have significant risk for incidents of:

- Child labor; and/or
- Young workers exposed to hazardous work.

The process of identification should reflect the organization's approach to risk assessment on this issue and can draw from recognized international data sources such as ILO reports.

2.2 Report operations considered to have significant risk for incidents of child labor either in terms of:

- Type of operations (e.g., manufacturing plant); or
- Countries or geographical areas with operations considered at risk.

2.3 Report on any measures taken by the organization in the reporting period intended to contribute to the elimination of child labor. See the ILO Tripartite Declaration and OECD Guidelines for further guidance.

3. Definitions

Child

This term applies to all persons under the age of 15 years or under the age of completion of compulsory schooling (whichever is higher), except in certain countries where economies and educational facilities are insufficiently developed and a minimum age of 14 years might apply. These countries of exception are specified by the ILO in response to special application by the country concerned and consultation with representative organizations of employers and workers.

Note: ILO Convention 138 refers to both child labor and young workers. See below for the definition of 'young worker'.

Young worker

A person who is above the applicable minimum working age and younger than 18 years of age.

4. Documentation

Potential information sources include the reporting organization's legal, compliance, and human resources departments.

5. References

- ILO Convention 138, 'Minimum Age Convention', 1973.
- ILO Convention 182, 'Worst Forms of Child Labour Convention', 1999.
- ILO Declaration on Fundamental Principles and Rights at Work, 86th Session, 1998.

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HR7 Operations identified as having significant risk for incidents of forced or compulsory labor, and measures taken to contribute to the elimination of forced or compulsory labor.

1. Relevance

Not to be subjected to forced or compulsory labor is considered a fundamental human right and is a provision of the UN Universal Declaration of Human Rights and subject to ILO Core Conventions 29 & 105. This type of labor can exist in a variety of forms and the data provided will indicate the reporting organization's challenges in contributing to the abolition of forced and compulsory labor.

2. Compilation

2.1 Identify operations considered to have significant risk for incidents of forced or compulsory labor. The process of identification should reflect the organization's approach to risk assessment on this issue and can draw from recognized international data sources such as ILO reports.

2.2 Report operations considered to have significant risk for incidents of compulsory labor either in terms of:

- Type of operations (e.g. manufacturing plant); or
- Countries or geographical areas with operations considered at risk.

2.3 Report on any measures taken by the organization in the reporting period intended to contribute to the elimination of forced or compulsory labor. See the ILO Tripartite Declaration and OECD Guidelines for further guidance.

3. Definitions

Forced or compulsory labor

All work and service which is exacted from any person under the menace of any penalty and for which the said person has not offered her/himself voluntarily (ILO Convention 29, Forced Labour Convention, 1930). The most extreme examples are slave labor, prison labor, and bonded labor, but debts can also be used as a means of maintaining workers in a state of forced labor. Withholding identity papers, requiring compulsory deposits, or compelling workers, under threat of firing, to work extra hours to which they have not previously agreed, are all examples of forced labor.

4. Documentation

Potential information sources include the reporting organization's legal, compliance, and human resources departments.

5. References

- ILO Conventions 29, 'Forced Labour Convention', 1930.
- ILO Convention 105, 'Abolition of Forced Labour', 1957.
- League of Nations (later UN) Slavery Convention, 1927.
- United Nations Supplementary Convention on the Abolition of Slavery, the Slave Trade, and Institutions and Practices Similar to Slavery, 226 U.N.T.S.3, 1957.
- Universal Declaration of Human Rights (United Nations General Assembly Resolution 217 A (III) of 10 December 1948), Articles 4 & 5.
- ILO Declaration on Fundamental Principles and Rights at Work, 86th Session, 1998.

HR8 Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.

1. Relevance

The conduct of security personnel towards third parties is underpinned by their training in human rights issues, particularly regarding the use of force. Training security personnel can help prevent reputational and litigation risks arising from inappropriate actions or approaches not condoned by the reporting organization. Information provided under this Indicator helps to demonstrate the extent to which management systems pertaining to human rights are implemented. This measure indicates the proportion of the security force that can reasonably be assumed to be aware of the organization's expectations of human rights performance.

2. Compilation

2.1 Identify the total number of security personnel the reporting organization employs directly.

2.2 Report the percentage of security personnel who have received formal training in the organization's policies on, or specific procedures for, human rights issues and their application to security. This can refer either to training dedicated to the topic or a module within a more general training program.

2.3 Report whether training requirements also apply to third party organizations providing security personnel.

3. Definitions

Security personnel

Individuals employed for the purposes of guarding property of the organization, crowd control, loss prevention, and escorting persons, goods, and valuables.

4. Documentation

Potential information sources include the reporting organization's human resources department and training records received by internal security personnel. Contractors may hold similar information with respect to their employees.

5. References

- Commentary on the Norms on the Responsibilities of Transnational Corporations and Other Business Enterprises with Regard to Human Rights U.N. Doc. E/CN.4/ Sub.2/2003/38/Rev.2 (2003) Section C Right to security of persons para 4.
- ILO Convention 29, 'Forced Labour Convention', 1930.
- ILO Convention 105, 'Abolition of Forced Labour Convention', 1957.

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HR9 Total number of incidents of violations involving rights of indigenous people and actions taken.

1. Relevance

The number of recorded incidents involving the rights of indigenous peoples provides information about the implementation of an organization's policies relating to indigenous peoples. This information will help indicate the state of relations with these stakeholder communities, particularly in regions where indigenous people reside or have interests near operations of the reporting organization. The information also provides an additional entry point for support groups. ILO Conventions 107 and 169 address the rights of indigenous peoples.

2. Compilation

2.1 Identify incidents involving indigenous rights among the organization's own employees, and in communities near existing operations that are likely to be affected by planned or proposed future operations of the reporting organization.

'Incidents' refer to legal actions, complaints registered with the organization or competent authorities through a formal process, or instances of non-compliance identified by the organization through established procedures such as management system audits or formal monitoring programs.

2.2 Report the total number of identified incidents involving indigenous rights during the reporting period.

2.3 Report the status of the incidents and actions taken with reference to the following:

- Organization has reviewed the incident;
- Remediation plan is being implemented;
- Remediation plan has been implemented and results reviewed through routine internal management review processes; and
- Incident is no longer subject to action (i.e., resolved, case completed, no further by action by company, etc.).

3. Definitions

Indigenous peoples

Indigenous peoples are those whose social, cultural, political, and economic conditions distinguish them from other sections of the dominant national community, or who are regarded as indigenous on account of their descent from the populations which inhabited the country, or a geographical region to which the country belongs, at the time of conquest or colonization or the establishment of present state boundaries and who, irrespective of their legal status, retain some or all of their own social, economic, cultural, and political institutions.

4. Documentation

Potential information sources include the reporting organization's operating procedures and guidelines on the issue. Other information may be supplied by country managers and by legal specialists of the reporting organization. Data on indigenous people within the workforce may be obtainable from employee records.

5. References

- Charter of the United Nations, Preamble, San Francisco, 1945.
- ILO Convention (107) Indigenous and Tribal Populations Convention, 1957.
- ILO Convention (169) Concerning Indigenous and Tribal Peoples in Independent Countries, 1991.