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**INVESTORS HEARTENED BY RESULTS OF 2022 CHRB ASSESSMENT INDICATING SLOW BUT STEADY PROGRESS BY COMPANIES ON HUMAN RIGHTS**

***Latest scores from the Corporate Human Rights Benchmark (CHRB) tie corporate human rights performance to needed regulatory frameworks, robust board oversight, and regular stakeholder consultation.***

**NEW YORK, NY, MONDAY, NOVEMBER 21, 2022** – The Investor Alliance for Human Rights welcomed today’s release of the [2022 Corporate Human Rights Benchmark](https://www.worldbenchmarkingalliance.org/publication/chrb/) which showedimproved scores by several companies in spite of methodology changes that raised the bar in terms of requirements.

Now in its fifth year, the CHRB, an initiative of the World Benchmarking Alliance (WBA) assesses companies on a set of [human rights indicators](https://www.worldbenchmarkingalliance.org/research/the-methodology-for-the-2022-corporate-human-rights-benchmark/) in five areas measuring overall human rights performance. The indicators are derived from the [**UN Guiding Principles on Business and Human Rights**](https://www.ohchr.org/documents/publications/guidingprinciplesbusinesshr_en.pdf) and the **OECD Due Diligence Guidance for Responsible Business Conduct** considered the leading global standards for best-practice corporate human rights performance.

The assessment measured 127 companies across the food and agricultural products, ICT manufacturing, and automotive manufacturing sectors.

In the last [**CHRB ranking in 2020,**](https://www.worldbenchmarkingalliance.org/publication/chrb/) nearly half of the companies scored zero on all five human rights due diligence-related indicators, a strong indictment of their human rights performance. Two years later and despite methodology changes that raised the bar, 66% of food and agricultural products companies, 65% of ICT companies, and 57% of automotive companies improved their scores on key human rights indicators such as commitments to human rights, the first steps of an HRDD process, and establishing grievance mechanisms for workers and external individuals.

While investors view this as evidence of building momentum for corporate respect for human rights, the data that more progress is needed. Of the 58 companies in these three sectors that scored zero on due diligence indicators in 2020, only 12 have improved with 46 still failing to score any points on the related indicators.

Talya Swissa, CHRB Engagement Manager at the WBA noted that ***''Having robust due diligence processes in place, as well as assigning board level oversight are essential to human rights and enterprise risk management and resilience over the long term. Of the companies that improved the most on human rights due diligence, three-quarters have a process in place at the board level to discuss and address human rights issues. As with previous benchmark iterations, we expect to see investors using this year’s benchmark results to better assess which companies make for sound ESG investments and engage with those who need to improve performance.’’***

One of the key findings of the 2022 assessment points to the need for legislation to level the playing field and expedite progress on business and human rights. Investors have [stated their support](https://investorsforhumanrights.org/investor-statement-support-mandated-human-rights-and-environmental-due-diligence-european-union) for robust mandated human rights and environmental due diligence in the EU as laid out in the proposed Corporate Sustainability Due Diligence Directive (CSDDD), and more recently are pushing to include financial institutions within its scope.

According to Vaidehee Sachdev, Social Lead, Aviva Investors, ***“Regulatory action could provide the needed final push for companies to move more rapidly to respect the human rights of all affected stakeholders. We support the extension of the CSDDD to require robust and ongoing due diligence from both financial and non-financial companies, accompanied by greater responsibility for directors for oversight of due diligence processes. Mandatory requirements are necessary for enabling investors to understand and effectively manage the human rights risks and impacts in their portfolios.”***

In May 2021, 208 global investors organized by the Investor Alliance for Human Rights representing US$5.8 trillion in assets under management sent letters to 106 companies, 58 of them in the food and agricultural products, ICT manufacturing, and automotive manufacturing sectors, that scored zero on the human rights due diligence indicators in the 2020 CHRB assessment calling for urgent improvement. As a result of investor pressure, in this most recent assessment, the CHRB saw an increased number of companies engaging with their team during the research and assessment phase.

Another key finding points to the importance of board involvement/oversight to make progress on human rights. According to the CHRB assessment, there is a strong positive correlation between companies' scores on assigning board responsibility for human rights and responsibility and resources for day-to-day human rights functions and overall human rights due diligence scores. Of the companies that improved the most on due diligence, the majority (75%) have a board-level process to discuss and address human rights issues.

Magdalena Kettis, Active Ownership Director at Nordea Asset Management remarked, ***“As investors, we believe that proper management of ESG risks and opportunities is built from the top. The results show how important strong board oversight of human rights risks is.”***

The need for stakeholder engagement throughout all stages of businesses’ operations was also called out as a key finding in the assessment. While 66% of companies committed to engaging with stakeholders on human rights in 2020, this year the CHRB found that 71% of companies scored zero on their approach to engaging with affected stakeholders on a regular basis.

Investor Alliance Associate Director Rebecca DeWinter-Schmitt welcomed the 2022 CHRB report and noted, “***Investors will be unpacking the findings to inform Alliance members’ ongoing engagements, with particular emphasis on companies assessed to be lagging in their human rights due diligence performance. Investors will explore escalating their collective leverage to pressure companies that repeatedly scored zero over multiple years, with some investors indicating that sustained poor performance will shape their Board voting decisions.”***

**About the Investor Alliance for Human Rights**

The Investor Alliance for Human Rights is a collective action platform for responsible investment that is grounded in respect for people’s fundamental rights. The Investor Alliance’s over 200 members include asset management firms, public pension funds, trade union funds, faith-based institutions, family funds, and endowments. Collectively, they represent nearly US$12T in assets under management and 19 countries. The Investor Alliance is an initiative of the [Interfaith Center on Corporate Responsibility](https://www.iccr.org/).

Visit our [website](https://investorsforhumanrights.org/) and follow us on [Twitter](https://twitter.com/InvestForRights) and [LinkedIn](https://www.linkedin.com/company/investor-alliance-for-human-rights/?viewAsMember=true).

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