About the 2020 Methodology Review

In 2020, the CHRB is conducting a year-long review of its Methodology, in parallel to the 2020 assessment. A cornerstone of both the WBA and the CHRB’s approach is actively listening and responding to stakeholders as part of an ongoing engagement process to ensure relevance and credibility. For this reason, the 2020 methodology review will include two rounds of multi-stakeholder consultations through which we are hoping to receive inputs representing a diverse set of stakeholders from across the world.

Through the first round of consultation (May–July 2020), the CHRB team is looking to gather comments and suggestions from stakeholders with minimum framing so as to not restrict the inputs we receive. The second round of consultations will take place later on in the year and will be looking to gather more focused feedback on a draft revised methodology and a set of specific suggestions to be applied from 2021 onwards.

Framing Questions to Support the Consultation

In order to support discussions in the first round of consultations, the CHRB team identified possible questions grouped under four topics:

(A) Methodology
   (B) Scope of a) industry activities b) business relations c) industries
   (C) Benchmark process
   (D) Presentation of the results.

These draw on learnings and discussions from the past three years of benchmarking. They are meant to support the consultation discussions but should not be seen as exhaustive, as we welcome additional topics and suggestions.

A. Methodology

Context:

Grounded in international and industry-specific standards on human rights and responsible business conduct, the CHRB Methodology focuses on companies’ policies, processes, practices, and how they respond to serious allegations. This is done through the application of specific indicators across 6 Measurement Themes of different weights:

Measurement Theme A - Governance and Policy Commitments (10%)
Measurement Theme B - Embedding Respect and Human Rights Due Diligence (25%)
Measurement Theme C - Remedies and Grievance Mechanisms (15%)
Measurement Theme D - Performance: Company Human Rights Practices (20%)
Measurement Theme E - Responses to Serious Allegations (20%)
Measurement Theme F - Transparency (10%)

The CHRB assessment is based on publicly available information; these are mostly company disclosures but also include third party publications for certain indicators. The 2020 CHRB methodology covers five industries: agricultural products, apparel, extractives, ICT manufacturing and automotive manufacturing.
Discussion questions:

1. Do you have comments or concerns regarding the overall structure of the CHRB Methodology? Should certain measurement themes be given more or less weight?
2. We have observed an increase in focus from various stakeholders on performance and impact on the ground, as opposed to policies and management systems. Do you have any comments on this or views on whether and how this could be reflected in the CHRB Methodology going forward, and/or recommendations for integrating more impact-based targets going forward?
3. Do you have comments or concerns on any of the specific indicators of the CHRB Methodology?
4. Is the CHRB Methodology currently missing important topics or risks which should be added? For example, should we add requirements relating to insecure work or to business models?
5. Do you have comments or concerns regarding Measurement Theme E, Responses to Serious Allegations? In the past some have argued that this measurement theme should be given more weight whilst others have argued it should be removed. CHRB has also received comments that the current framework relies too much on company disclosure and does not give enough space for the perspective of (potentially) affected individuals and communities or other stakeholders that are close to impacts on the ground. Do you agree with this statement and, if so, how would you suggest we incorporate the perspective of affected communities into the assessment?
6. We are considering removing Measurement Theme F – Transparency, on the basis that transparency is already assessed throughout as we only look at publicly available information. Do you have comments or concerns related to this?

B. Scope

This theme is divided into three topics: (a) scope of industry activities, (b) scope of business relationships and (c) scope of industries.

a) Scope of Industry Activities (upstream vs. downstream)

Context:

The CHRB methodology currently looks at companies as a whole (including all sites, operations and offices) when assessing policy commitments. However, for the rest of the assessment the CHRB currently focuses on the production end of the value chain of each industry, rather than on the impacts linked to the distribution, retailing, end-use or consumption of products and services. For example, food safety issues such as sugar content and obesity related to agricultural products or the consumption of gasoline in consumer vehicles are currently excluded. For each industry covered, the focus is as follows:

- **Agricultural Products**: The CHRB focuses on agricultural production (from farm production up to processing), but not distribution and retailing of agricultural products.
- **Apparel**: The CHRB focuses on production and manufacturing, but not on the distribution and retailing of apparel products.
- **Extractives**: The CHRB focuses on exploration, development, production, decommissioning and closure, but not processing, refining, marketing or end-use of extractive resources.
- **ICT Manufacturing**: The CHRB focuses on the production and manufacturing, but not on the distribution and retailing of ICT products.
- **Automotive Manufacturing**: The CHRB focuses on the production and manufacturing, but not on the distribution and retailing of automobiles.
This approach was determined as an attempt to (i) prioritise activities with high human rights risks and (ii) not replicate the work that other organisations were already doing in these other areas. This is not to imply that human rights impacts from other activities in the value chain are less important or not relevant, but this scope was prioritised in light of resources available and in line with CHRB’s global consultations.

Discussion question:

7. Do you have any comments or concerns with this approach?
8. Should the CHRB continue to focus on production and manufacturing or should new requirements be added to cover more parts of the value chain?
9. Key industry risks currently do not cover retailing and transport operations. Do you think that this should change and if so, what should be highlighted?

b) Scope of Business Relationships

Context:
The CHRB methodology currently focuses on certain business relationships key to each industry, as follows:

Agricultural Products, Apparel, ICT and Automotive Manufacturing: The focus varies in individual indicators, between direct suppliers with which the company has formal and contractual relationships on the one hand and all those within and beyond the first tier on the other.

Extractives: The focus is on extractive business partners, defined as operational level contractors (including on-site and off-site contractors involved in operations, such as those involved in resettlement operations or other similar operations off-site, contracted security providers, etc.) and joint ventures or similar contractual arrangements with multiple parties to carry out exploration and/or production.

This is not to say that other types of business relationships are not important or may not involve human rights impacts, but the CHRB decided to focus on business relationships that, if not managed at all or not managed well, entail particular risks to human rights and often to the company being benchmarked.

Discussion question:

10. Do you have any comments or concerns with this approach?

C) Scope of Industries

Context:
The 2020 CHRB methodology covers five industries: agricultural products, apparel, extractives, ICT manufacturing and automotive manufacturing.

Discussion questions:

11. Should the CHRB continue to benchmark the same sectors?
12. Should new sectors be added instead, and if so, which ones?
13. Should the CHRB be a ‘moving spotlight’, looking at a sector for a few years and then move on to another sector?
C. Benchmark Process

Context:

The CHRB produces annual benchmarks, publishing all results across different industry at the same time. The benchmark process includes several phases and allows companies to review their draft scorecard and provide comments before the results are finalised and published. The CHRB encourages companies to include relevant information in their own documentation and websites, and in their formal reporting, however, companies can make any new statements or information publicly available through the CHRB Disclosure Platform.

Discussion questions:

14. Should CHRB continue to be an annual benchmark or move to a two-year publication cycle?
15. Would you have any concerns with industry-specific benchmarks published at different times in the year?
   Do you have a preference for all results to be published at the same time?
16. Do you have any comments or concerns with the CHRB’s benchmark process?
17. Should the option of making additional information public through the Disclosure Platform be removed going forward?

D. Presentation of the results

Context:

One of the CHRB’s main objectives is making corporate human rights performance easier to see and simpler to understand for a wide range of audiences, inside and outside of companies. The Methodology and benchmarks are public goods and the results are available in a variety of formats to meet the needs of different users:

- Individual company scorecards
- Full dataset
- Key findings report
- Banding table
- Charts and infographics (including at measurement theme and industry level)

Discussion questions:

18. Do you use the CHRB methodology and/or data? If so, how do you use them? What would be the key data points that you share?
19. Are the results presented in a useful way to you? If so, which tool(s) do you find most valuable?
20. Do you have any suggestions for improving the presentation of the results going forward?