



CHR

Corporate Human
Rights Benchmark

**Report on the
development of
the CHR
Methodology for
ICT
Manufacturing:**

**Drafting and
Public
Consultations**

**CORPORATE HUMAN RIGHTS
BENCHMARK**

April 2019

Report on the development of the CHRB Methodology for ICT Manufacturing: Drafting and Public Consultations

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Why ICT Manufacturing?

During multi-stakeholder consultations on the development of the CHRB Methodology four industries were identified as the highest priority for assessment and benchmarking; Agricultural Products, Apparel, Extractives and Information and Communications Technology ('ICT'). They were selected because of:

- The severity of human rights impacts of the industry,
- The extent of previous work on human rights in the industry, including through industry-specific initiatives,
- The existence of other human rights-related benchmarks covering the industry, and
- The global economic significance by size or "connecting" influence.

Each of these industries has a wide range of human rights risks and impacts at every step of its value chain and the largest companies in the world covered by the Benchmark have particularly complex operations.

Because of resource and capacity constraints, the first two Benchmarks, published in 2017 and 2018, focused on only three of these four industries, namely Agricultural Products, Apparel and Extractives. In 2019 the CHRB was able to add a fourth sector to this list, and decided to include the ICT manufacturing industry, in line with the initial list of sectors identified in 2014.

Development of ICT Indicators

The CHRB Methodology for ICT Manufacturing is based on the existing CHRB Methodology for the Agricultural Products, Apparel and Extractive industries, which was first published in 2016 and subsequently revised in 2018 and 2019.

To enable comparisons between companies in different sectors, the CHRB Methodology for the ICT Manufacturing industry is therefore aligned with the CHRB Methodology for the Agricultural Products, Apparel and Extractive industries, where relevant. It also features indicators that were specifically drafted to consider responses to human rights risks that are specific to the ICT Manufacturing industry.

These indicators were developed through extensive research, engagement and public consultations, which covered a variety of stakeholders and sources (see Annex 1).

Public consultations

After this initial research and drafting phase, CHRB published the draft indicators on its website and sought comments on the proposed indicators from 1st November to 15th December 2018. A number of stakeholders provided feedback through these public consultations (see Annex 1).

At the end of the consultation phase, the CHRB collated all the feedback received, including general observations as well as indicator-specific comments and suggestions.

If comments were on indicators that were not open for consultation (i.e. non ICT-specific indicators), the CHRB saved them to be taken into consideration in the next Methodology review, due to take place in 2020. This was to maintain the focus of the consultations on ICT-specific indicators and to maintain consistency between the ICT Methodology and the existing Methodology for other sectors.

If comments were on ICT-specific indicators, the CHRB Methodology Committee went through every suggestion and decided whether or not to edit the draft indicators based on the different comments received.

When deciding whether to implement the suggested edits, the CHRB Methodology Committee took into account a variety of factors. These included:

- Alignment with the requirements and spirit of the UNGPs and other international instruments.
- Alignment with the existing CHRB Methodology for the Agricultural Products, Apparel and Extractives industries.
- Input from other stakeholders who contributed to the initial indicator drafting (e.g. OECD).
- Other input received through the public consultation.

The two boxes below provide an example of a suggestion that led to a change in the drafting and an example of a suggestion that did not lead to a change in the drafting, along with an explanation for the Methodology Committee's decision:

Example of a suggestion that led to a change in the drafting

Indicator: D.4.4 Prohibition on child labour

Suggestion: The CHRB should clarify the requirements in relation to child labour, to reflect the ILO distinction between child workers and young workers.

CHRB Methodology Committee decision: The CHRB Methodology Committee agreed with the recommendation and added a table with Relevant Definitions on Child Labour in the Methodology. The wording of the indicator description was also updated to reflect these clarifications:

The Company does not use child labour (...). It verifies the age of job applicants and workers in its own operations to ensure they comply with the ILO requirements for minimum age for admission to employment and are therefore entitled to work. If the Company learns that it has child labour in its operations, it ensures that the child/children are enrolled in a remediation/education programme, rather than just dismissing them from employment. The objective is to ensure that children are not pushed into more dangerous survival strategies. If young workers are found to be involved in hazardous work, they are removed immediately from the situation and provided alternative work that is not hazardous and age appropriate and therefore not child labour. The objective is to ensure that no workers under the age of 18 are required to perform hazardous work.

Example of a suggestion that did not lead to a change in the drafting

Indicator: D.4.1 Living wage

Suggestion: The CHRB requirements should look at the provision of a minimum wage instead of a living wage.

CHRB Methodology Committee decision & justification: The CHRB Methodology Committee decided to maintain the indicator on living wage, on the basis that:

- This ensures alignment with the Methodology for the Agricultural Products, Apparel and Extractives industries, which looks at living wage and was used in the 2017 and 2018 CHRB assessments.
- Living wage is considered to be an enabling factor that can help to enable rights-respecting outcomes within company activities.
- The provision of a decent living for a worker and his or her family is expected under Article 7 of the ICESCR (a reference to which was added in the indicator description).

Publication of the 2019 CHRB Methodology for ICT Manufacturing

The ICT indicators were then finalised and the CHRB 2019 Methodology for ITC Manufacturing was published in March 2019. It is downloadable from the Methodology section of the CHRB website (www.corporatebenchmark.org/methodology).

Next steps

The CHRB 2019 Methodology for ICT Manufacturing is being used as the basis for the 2019 Benchmark assessment for ICT Manufacturing, which looks at 40 companies in the ICT Manufacturing industry (see Annex 2 for the full list of companies)¹.

The Pilot ICT Benchmark will be published in November 2019. After the publication, the CHRB will review the ICT indicators based on learnings from the Pilot. This review will coincide with the review of the CHRB Methodology for the Agricultural Products, Apparel and Extractives industries, to ensure continued alignment between the various CHRB Methodologies.

Acknowledgements

The CHRB would like to thank all the stakeholders who have contributed to the development of the CHRB Methodology for ICT Manufacturing, either through direct input on the draft indicators or because their work – research, reports, blogs, etc. – was used in developing the methodology.

For more information, you can email the CHRB Team at info@corporatebenchmark.org.

¹ Please note that in 2019 the CHRB is also benchmarking companies in the Agricultural Products, Apparel and Extractives industries, bringing the total number of companies selected to be benchmarked in 2019 to 200 (barring any mergers, acquisitions or other corporate restructurings).

Annex 1 - Stakeholders involvement in the CHRB Methodology for ICT Manufacturing

The CHRB is grateful to all the stakeholders listed below, who have contributed to the development of the CHRB Methodology for ICT Manufacturing either through direct input on the draft indicators or because their work – research, reports, blogs, etc. – was used in developing the methodology.

- Amfori
- Amnesty International
- Ban Toxics
- Business for Social Responsibility (BSR)
- Business and Human Rights Resource Centre (BHRRC)
- Center for International Environmental Law
- Centre for Research on Multinational Corporations (SOMO)
- China Chamber of Commerce of Metals, Minerals and Chemicals Importers and Exporters
- Consumer Goods Forum
- Danish Institute for Human Rights
- DanWatch
- Digital Europe
- Electronics Frontier Foundation
- Electronics Watch
- Enough Project
- Ericsson
- Ethical Corporation
- Ethical Trading Initiative (ETI)
- EU Conflict Mineral Regulation
- Ernest & Young
- FinnWatch
- German Federal Ministry for Economic Cooperation and Development (BMZ)
- German Watch
- Global E-Sustainability Initiative (GeSI)
- Global Witness
- Good Electronics
- Green Electronics Council
- Global Reporting Initiative (GRI)
- Hitachi
- HP Inc.
- International Labour Organisation (ILO)
- Infineon Technologies AG
- Institute for Human Rights and Business (IHRB)
- International Telecommunication Union (ITU)
- Investor Alliance for Human Rights
- Japanese Business Council in Europe
- Know the Chain
- Lam Research
- Microsoft
- Murata Manufacturing
- OECD Responsible Business Conduct Unit
- Oxfam
- Ranking Digital Rights
- Responsible Business Alliance (RBA)
- Responsible Cobalt Initiative
- Responsible Mining Initiative
- Responsible Raw Materials Initiative
- Responsible Recruitment Initiative
- Responsible Sourcing Network
- Samsung Electronics
- Swedish Society for Nature Conservation
- TE Connectivity
- TechUK
- UNICEF
- United Nations Global Compact
- Verité

Annex 2 – Companies selected for the 2019 ICT Manufacturing Benchmark

- Amazon.com, Inc.
- Amphenol Corporation
- Analog Devices
- Apple Inc
- Applied Materials
- ASML Holding NV
- BOE Technology Group
- Broadcom
- Canon Inc.
- Cisco Systems, Inc.
- Corning Inc
- Ericsson
- Hewlett Packard Enterprise
- Hitachi Ltd.
- Hon Hai Precision Industry Co., Ltd.
(Foxconn)
- HOYA Corporation
- HP Inc.
- Infineon Technologies AG
- Intel Corporation
- Keyence Corp.
- Kyocera
- Lam Research
- Largan Precision
- Microchip Technology
- Micron Technology
- Microsoft Corporation
- Murata Manufacturing
- Nintendo
- Nokia
- NVIDIA Corporation
- NXP Semiconductors
- Qualcomm
- Samsung Electronics
- SK Hynix
- Skyworks Solutions
- Taiwan Semiconductor Manufacturing
- TE Connectivity
- Texas Instruments Inc.
- Tokyo Electron
- Western Digital