



Third UN Human Rights Council Intersessional Meeting for Dialogue and Cooperation on Human Rights and the 2030 Agenda for Sustainable Development: 14 January 2021

Stakeholder Submission: Submitted 21 January 2021

The World Benchmarking Alliance¹ is an NGO that aims to build a movement to measure and incentivize business impact towards a sustainable future that works for everyone. It envisions a society that values the success of business by what it contributes to the world. WBA commends the UN Human Rights Council for passing Resolution 43/19, “Promotion and protection of human rights and the implementation of the 2030 Agenda for Sustainable Development” by consensus. For WBA, “Only when companies eliminate the human rights risks in their operations and value chains can they deliver the people-centered sustainable development to which the SDGs aspire.”² This is more vital than ever following the cross-cutting implications of the COVID-19 pandemic as the decisions that business make stand to impact billions of people globally.

Advancing corporate transparency, accountability, and leadership on the SDGs, along with transformation at the systems level, is fundamental to WBA’s strategic approach. This involves a focus on seven systems including Digital; Financial; Decarbonization & Energy; Food & Agriculture; Circular; Urban, and Social. The Social Transformation – encompassing human rights, equality, and empowerment – undergirds and is prerequisite for the six other systems transformations.

Recent Analysis and Benchmark Findings

In line with the intersessional theme of “Building Back Better: Integrating Human Rights in Sustainable and Resilient Recovery from the COVID-19 pandemic,” WBA is finalizing a **new study on COVID-19, human rights, business, and the SDGs**. Assessing 230 companies across five sectors (agricultural products, apparel, automotive manufacturing, extractives, and ICT manufacturing), the study has mixed findings. For example, on governance and policy commitments it is encouraging that half of the companies that were reviewed indicated that they prohibited retaliation against workers or other stakeholders for raising human rights complaints or concerns during the COVID-19 crisis. Also, 69% of companies described how they facilitate remote working where possible. The study also finds that specific companies that conduct effective human rights due diligence processes are more likely to track shifts in their operating environment and adapt their response to the pandemic.

However, only 6.5% of companies stated that their risk identification and assessment processes consider the risks and impacts on local communities and vulnerable groups in their supply chains and business partners’ operations. Moreover, only 4% of companies indicate that they consult with workers’ representatives, communities, and vulnerable groups in their own operations when identifying and assessing COVID-19 related human rights risks and impacts. The study also found that too many companies fail to demonstrate responsible purchasing decisions to mitigate the negative impacts on workers in supply chains.³

¹ For more information, please see, <https://www.worldbenchmarkingalliance.org/>. WBA’s benchmarks and research are free and publicly available for all to view and use. For more information, please contact Ryan Kaminski, Global Public Policy Lead at r.kaminski@worldbenchmarkingalliance.org.

² World Benchmarking Alliance, “Social Transformation: Scoping Report, April 2020. Available: https://assets.worldbenchmarkingalliance.org/app/uploads/2020/09/Social-transformation_Scoping-report.pdf

³ For the complete results of the study please click here. <https://www.worldbenchmarkingalliance.org/social-transformation-benchmark/>.

Similarly, the results of the **2020 Corporate Human Rights Benchmark**⁴ (CHRB), which assesses the same companies, are troubling in terms of building forward stronger from COVID-19. For example, the CHRB found too many companies are failing to meet investor expectations on due diligence. Moreover, there is no apparent correlation between the performance of companies assessed on the WBA Automotive Benchmark and the CHRB, creating a disconnect on a just transition on decarbonization and human rights. While many companies are improving on fundamentals associated with the UN Guiding Principles on Business and Human Rights, there is heightened urgency in shifting from commitments and processes to tangible impacts on the ground. This includes ensuring that reforms extend to companies' supply chains.

Updated Tools for Stakeholders, Businesses, Investors and Governments

In January 2021, WBA will release the finalized **framework for the Social Transformation**, including the core social indicators that will ultimately be used to assess 2,000 of the world's most influential companies with combined annual revenue of \$46 trillion and headquarters in more than 70 countries.⁵ Based on a global series of multi-stakeholder consultations, the indicators range from human rights due diligence; to promoting healthy and safe workplaces; to eliminating bribery and corruption. WBA's aim is that the final core social indicators and assessment of companies will be useful to all stakeholders – including the world's most influential businesses – seeking to build forward stronger from COVID-19.⁶

Recommendations

- Governments should lead by example and be standard bearers for integrating respect for human rights in business practices. They should also encourage other governments to put in place the necessary measures to ensure that the context in which businesses operate is conducive to responsible business practices. They can do this with WBA data to find gaps in corporate behavior that policy or regulatory action can address.
- Governments and regional bodies should introduce more and tougher mandatory measures, including human rights due diligence, and bring consistency to expectations across jurisdictions.
- Investors should take action when companies do not disclose sufficient information on their management of human rights risks and impacts, and when companies are responsible for severe negative impacts on individuals and communities. Investors can do this by exerting their influence through voting, shareholder resolutions, and capital allocation.
- WBA encourages civil society to use these resources to advocate for reforms from the business community as well as advance the case for regulation in cases in which reliance on a voluntary approach to promote corporate respect for human rights in different legal contexts has proven insufficient.
- Global and regional multilateral organizations should continue to promote the harmonization of sustainability standards as well as transparency, reporting, and disclosure from the business community.
- Businesses should ensure their policies and practices – including in supply chains – are transparent; recognize the intersection of human rights and Agenda 2030 for a sustainable and just recovery; and constructively engage stakeholders from civil society.

⁴ World Benchmarking Alliance, "Corporate Human Rights Benchmark: 2020." Available:

<https://assets.worldbenchmarkingalliance.org/app/uploads/2020/11/WBA-2020-CHRB-Key-Findings-Report.pdf>.

⁵ The WBA "SDG 2,000 database" is located here: <https://www.worldbenchmarkingalliance.org/sdg2000/>.

⁶ The Social Transformation framework will be available here <https://www.worldbenchmarkingalliance.org/social-transformation-benchmark/>.