



Human Rights Due Diligence

Seventh Generation Interfaith
April 17, 2020

Welcome!

- ▶ Participants will be in listen only mode until the Q&A section.
- ▶ We will make recording and slides available and post on our website

Reflection

For all who have contracted coronavirus,
We pray for care and healing.

For those who are particularly vulnerable,
We pray for safety and protection.

For all who experience fear or anxiety,
We pray for peace of mind and spirit.

For affected families who are facing difficult decisions between food on the table or public safety,
We pray for policies that recognize their plight.

For those who do not have adequate health insurance,
We pray that no family will face financial burdens alone.

For those who are afraid to access care due to immigration status,
We pray for recognition of the God-given dignity of all.

For our brothers and sisters around the world,
We pray for shared solidarity.

For public officials and decisionmakers,
We pray for wisdom and guidance.

Oh God, during this time may we be signs of hope, comfort and love to all.
Grant peace.
Grant comfort.
Grant healing.
Be with us, Lord.

Amen.

Our Itinerary

- ▶ Overview
- ▶ CHRB Framework for HRDD
- ▶ Human Rights Abuses in Xinjiang, China: Background and Investor Activities
- ▶ Questions & Answers

Our Companions

- ▶ Anita Dorett, ICCR
- ▶ Camille Le Pors, Corporate Human Rights Benchmark
- ▶ Patricia Jurewicz, Responsible Sourcing Network

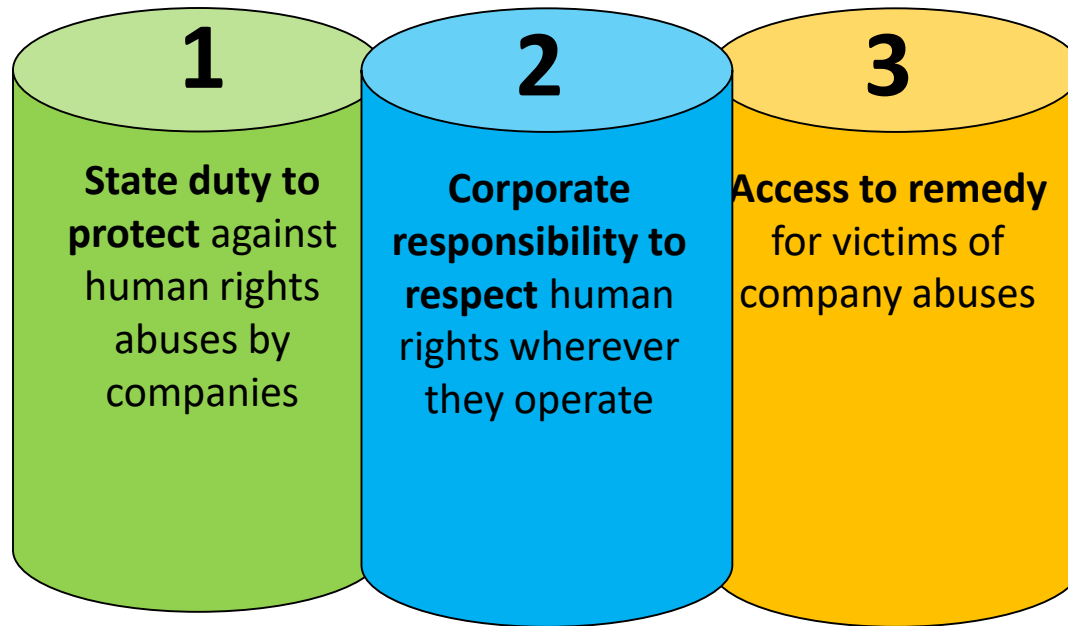
SGI HR Due Diligence Engagements

COMPANY	SGI MEMBER
Kohl's	Tim Dewane (SSND), Dan Tretow (SSSF), Alex Ostrov (OP Racine), Robert Wotypka (Capuchin)
Macy's	Mark Peters (SCJ), Tim Dewane (SSND), Pat Zerega (Mercy)
TJX	Mark Peters (SCJ), Alex Ostrov (OP Racine)
Kraft-Heinz	Robert Wotypka (Capuchin), Ruth Battaglia (CSA), Caroline Boden (Mercy), Reg McKillips (OP Sinsinawa)
Phillips 66	Cindy Bohlen (Riverwater)
McDonald's	Pat Zerega (Mercy), Judy Sinnwell (OSF Dubuque)
Sysco	Dorothy Pagosa (SSJ-TOSF)
Yum	Gwen Farry (BVM)
Wendy's	Robert Wotypka (Capuchin), Reg McKillips (OP Sinsinawa)
Aura Minerals	Pat Zerega (Mercy Investments), John Sealey (Jesuits)
Costco	Sue Ernster (FSPA)
Boeing	Ann Roberts (Dana), Gwen Farry (BVM), Ellette Gibson (Ursuline), Carmen Schnyder (SPB), Caroline Boden (Mercy)
Chevron	Ann Roberts (Dana)
Walt Disney	Ruth Battaglia (CSA), Pat Zerega (Mercy)
Amazon	Sue Ernster (FSPA), Judy Sinnwell (OSF Dubuque)

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UN Guiding Principles Business and Human Rights Framework



Human Rights Due Diligence

Human rights due diligence is an ongoing risk management process in order to identify, prevent, mitigate and account for how a company addresses its adverse human rights impacts.



2. Assessing & Prioritizing

- Enterprise wide risk assessment / gap analysis
 - Identify high risks areas
- Conduct human rights impact assessments (HRIA)
 - Based on high risk areas to identify salient issues
- Assess human rights impacts
 - Internationally recognized human rights laws and standards, and not just to local laws
- Prioritize salient human rights issues
 - Most severe risks to people connected with or impacted by its business
- Assess the human rights risks at regular intervals
 - Not a one-off
- Involvement of internal and external stakeholders in the process of determining the salient issues

HRIAs vs Audits

	Audits	HRIAS
Baseline	Company policies and local laws	International human rights standards and laws
Objective	Compliance	Continuous improvement at corporate HQ and country operational levels
Procedure	Audit protocols verified by audit companies	Self-assessment questionnaire completed by local team with support of corporate HQ, guided by human rights experts
Scope	Different audits target different elements of the value chain e.g. labor rights, safety of facilities, etc.	Takes a 360-degree view of all aspects of a company's value chain in each country
External stakeholder engagement	Usually limited to input from workers	Solicits and is informed by inputs from civil society organizations, trade unions, business associations, government and UN agencies etc.

3. Integrating

- Identify and enable appropriate functions who have responsibility for addressing human rights impacts
- Design programs and processes to address these impacts
- Allocate resources, implement internal decision-making and oversight processes to enable effective responses
- Use and build leverage across different stakeholders to support prevention, mitigation or remedy of impact

4. Tracking

- Integrate into company processes and systems for tracking other issues
- Based on appropriate qualitative and quantitative indicators
- Track effectiveness of company's responses to impacts on affected rights-holders
- Draw on feedback from both internal and external sources
- Use operational-level grievance mechanisms to provide feedback

5. Communicating

- Accessible reporting to affected stakeholders/rights holders
- Public and regular reporting on process and performance in addressing human rights impacts on salient human rights risks
- Provide sufficient information to evaluate adequacy of company's response
- Acknowledge challenges, commitment to continued efforts and steps for improvement

Resources

- [UNGP Reporting Framework](#) by SHIFT and MAZAARS (2015)
- [Doing Business with Respect for Human Rights](#) by SHIFT, Global Compact Network Netherland & Oxfam (2016)
- Investor Alliance Investor Toolkit on Human Rights (coming soon .. May 2020)



**INVESTOR ALLIANCE
FOR HUMAN RIGHTS**

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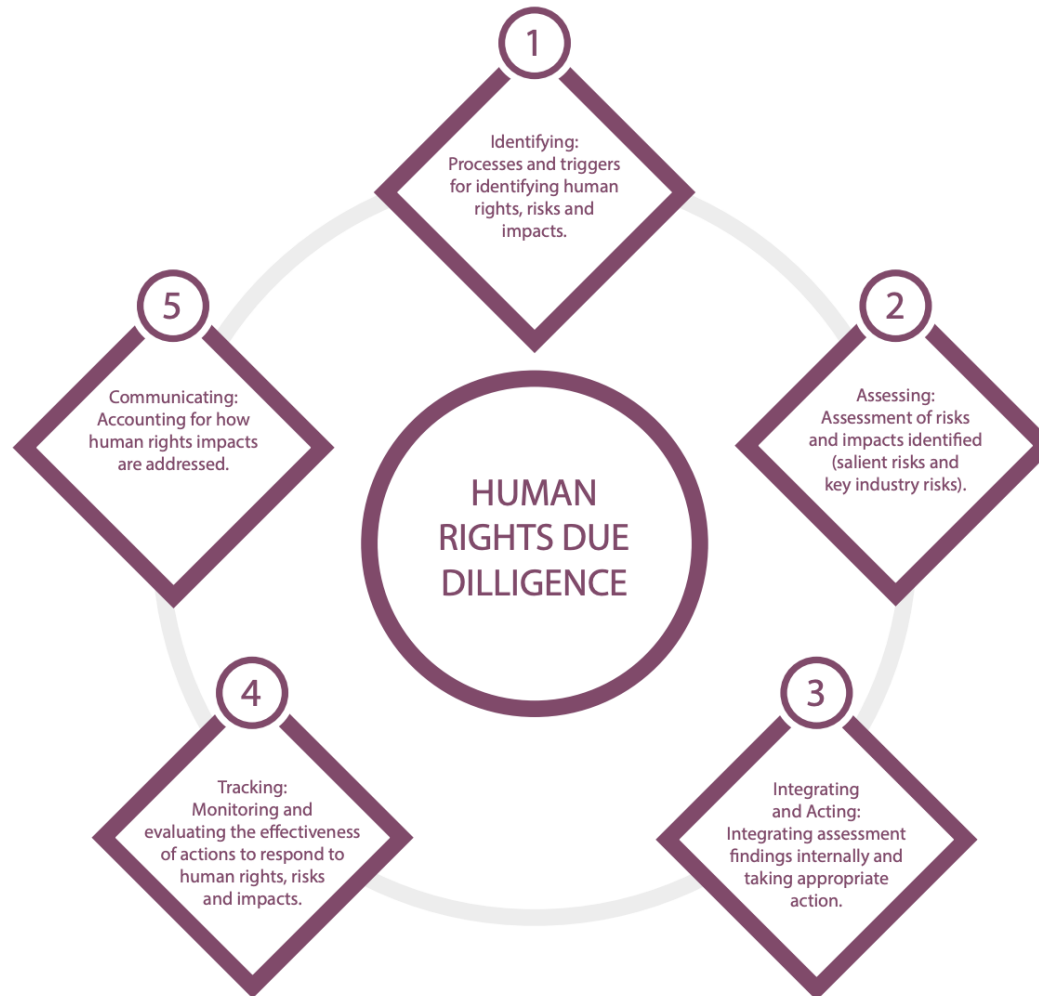
CHRB Assessment Framework

- Methodology grounded in the UNGPs
- 6 Measurement Themes
- Publicly available information
- High-risk sectors
- CHRB Process



Human Rights Due Diligence in the CHRB Assessment

- Measurement Area: B.2.2
- 5 indicators
- What a score of 0 means
- Why it matters



CHRB Results & Tools

All the CHRB results are available publicly on the website:
www.corporatebenchmark.org

What is available:

- Banding tables, Bar graphs and other infographics that show the results
- Key Findings Report
- Individual company scorecards
- Master data sheet

These can be used to:

- Get an overview of a company's performance
- Identify strengths and weaknesses that can inform discussions with companies
- Compare companies and identify best practice

Letters to CHRB B.2 Laggards

- ▶ Ahold Delhaize
- ▶ Alimentation Couche-Tard
- ▶ Amphenol Corporation
- ▶ Analog Devices
- ▶ Anhui Conch Cement Company
- ▶ ANTA Sports Products
- ▶ Applied Materials
- ▶ ArcelorMittal
- ▶ ASML Holding
- ▶ BOE Technology Group
- ▶ BRF
- ▶ Broadcom
- ▶ Brown-Forman Corporation
- ▶ Canadian Natural Resources
- ▶ Canon Inc.
- ▶ Capri Holdings
- ▶ Carlsberg
- ▶ Carter's
- ▶ China Petroleum & Chemical
- ▶ China Shenhua Energy
- ▶ CNOOC
- ▶ Conagra Brands
- ▶ Constellation Brands
- ▶ Costco Wholesale
- ▶ Devon Energy
- ▶ EOG Resources
- ▶ Falabella
- ▶ FamilyMart Co., Ltd
- ▶ Foot Locker
- ▶ Gazprom
- ▶ Gildan Activewear
- ▶ Grupo Mexico
- ▶ Heilan Home
- ▶ Hon Hai Precision Industry Co., Ltd. (Foxconn)
- ▶ Hormel Foods Corporation
- ▶ HOYA Corporation
- ▶ Infineon Technologies AG
- ▶ INPEX Corporation
- ▶ JXTG Holdings
- ▶ Keyence Corp.
- ▶ Kohl's
- ▶ Kraft Heinz
- ▶ Kweichow Moutai
- ▶ Kyocera
- ▶ Largan Precision
- ▶ Loblaw Companies
- ▶ LPP
- ▶ Lukoil
- ▶ Macy's
- ▶ Marathon Petroleum
- ▶ McCormick & Company
- ▶ Microchip Technology
- ▶ Monster Beverage
- ▶ Mr Price
- ▶ Nippon Steel Corporation
- ▶ Norilsk Nickel
- ▶ Novolipetsk Steel
- ▶ NVIDIA Corporation
- ▶ Oil & Natural Gas Corporation
- ▶ Page Industries
- ▶ PetroChina
- ▶ Phillips 66
- ▶ Prada
- ▶ PVH
- ▶ Qualcomm
- ▶ Ralph Lauren
- ▶ Rosneft Oil
- ▶ Ross Stores
- ▶ Salvatore Ferragamo
- ▶ Sasol
- ▶ Seven & I Holdings
- ▶ Severstal
- ▶ Shenzhou International Group Holdings
- ▶ Shoprite
- ▶ SK Hynix
- ▶ Skechers
- ▶ Skyworks Solutions
- ▶ Starbucks
- ▶ Suncor Energy
- ▶ Suntory Beverage & Food
- ▶ Surgutneftegas
- ▶ Tapestry
- ▶ Target
- ▶ TATNEFT
- ▶ TE Connectivity
- ▶ TJX Companies
- ▶ Tyson Foods
- ▶ Vulcan Materials
- ▶ Western Digital
- ▶ Woodside Petroleum
- ▶ Yili Group
- ▶ Youngor
- ▶ Yue Yuen
- ▶ Yum! Brands
- ▶ Zhejian Semir Garment

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Source: Laixi United Front, 1 July 2019

Overview of the Problem

23

- ❑ Largest organized detention of an ethno-religious minority since WWII
 - ❑ Uyghur, Zazakhs, Kyrgyz, and Hui; all Muslim minorities
 - ❑ All native to the Xinjiang Uyghur Autonomous Region (XUAR)
 - ❑ Over one million detained
- ❑ Crime against humanity
 - ❑ Systemic forced labor in detention camps, prisons, factories
 - ❑ Work under constant surveillance and have “minders”
- ❑ All goods produced in XUAR contain forced labor
- ❑ Over 80,000 Uyghurs were transferred to factories throughout China
 - ❑ Transferred during COVID-19 outbreak in China

Western Companies Profiting from Exploitation

24

- ❑ 84% of China's cotton is grown in XUAR (about 18% of all global cotton)
- ❑ Large volume of cotton yarn and fabric is produced in XUAR
- ❑ Besides apparel and home goods, other industries include: footwear, electronics, and food
- ❑ 83 companies documented to be profiting from forced labor
 - ❑ [Uyghurs for Sale](#)
- ❑ U.S. technology used for surveillance
- ❑ Costco had children's pajamas produced at the factory now on WRO list (Hetian Taida Apparel)

Increased Pressure on Companies

25

- ❑ [CBP's WRO](#) for Hetian Taida Apparel (Sep 2019); Letter sent by human rights defenders to CBP (Oct 2019)
- ❑ Bills introduced by Sen Rubbio and Rep Smith: Uyghur Human Rights Policy Act of 2019; [CECC Hearing](#) (Oct 2019)
- ❑ Lawsuit being introduced in UK (Apr 2020)
- ❑ UN High Commissioner for Human Rights investigating
- ❑ Numerous reports, video stories, media clips
 - ❑ [Resource List](#) (thanks Anita!)
- ❑ Public outcry: [Avaaz](#) and [Freedom United](#)
- ❑ XUAR Coalition – Call to Action

Activities for Investors

26

- ❑ Join ICCR XUAR Working Group; Investor Guidance document from ICCR available in May
- ❑ Support Avaaz, Freedom United, and XUAR coalition sign-on letters/Call to Action
- ❑ Encourage [named companies](#) to take action to divest from the region, address/remediate the abuses, sign the Call to Action Commitment
- ❑ Include XUAR issues with other company dialogues on topics such as: COVID-19, CHRB, human rights policies, privacy and surveillance
- ❑ Engage policy-makers

Questions



Thank you to our guests!

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- ▶ Camille Le Pors, Corporate Human Rights Benchmark
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- ▶ Patricia Jurewicz, Responsible Sourcing Network
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Thank You

SeventhGenerationInterfaith.org