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# The Current Use of Metrics in Human Rights Disclosure in the Food and Beverage Sector

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## Introduction

The [Valuing Respect project](#) is a global collaborative platform, led by Shift, to research and co-create better ways of evaluating business respect for human rights. That is, how companies effectively address risks to people's human rights connected to their own operations and value chains. The project's aim is to develop tools and insights that can help both companies and their stakeholders focus their resources on actions that improve outcomes for people.

Building evidence for how businesses *currently* track the progress and effectiveness of their efforts to respect human rights is an important starting point for the Valuing Respect project. It is part of ensuring that the project's research and future products are grounded in an empirical understanding of existing business practice, challenges and innovations.

This fact sheet summarizes findings from research conducted by the University of Fordham Law Clinic into the current use of metrics in the human rights reporting of **fourteen companies in the food and beverage sector included in the UN Guiding Principles Reporting Database**. The research was conducted from mid 2018 to early 2019. It has informed the direction and focus of the Valuing Respect project.

Company disclosures regarding human rights – specifically in the format of public sustainability reports – offer some access to the types of indicators and metrics that companies currently use to track their own performance. They do not necessarily reveal the full gamut of data and information that companies track, just the subset of metrics that feature in reporting. Nonetheless, public reports are the best available source of evidence, especially when seeking to draw conclusions at some level of scale.

To this end, in 2018, project partners conducted analysis of the human rights disclosures of over four hundred listed companies around the world and across diverse sectors. The research teams sought to answer the following questions:

- What types of indicator appear **most typically** in companies' human rights related disclosure? Do companies use indicators of inputs, activities, outputs or outcomes?
- Are efforts to address certain human rights issues **more evolved** than others in terms of the quantitative and qualitative information used to substantiate progress?
- Are there examples of **less typical indicators**, data or metrics in companies' human rights related disclosure that offer interesting or novel insight into companies' human rights performance?

In order to answer the research questions, the research team from the University of Fordham Law Clinic applied the following methodology:



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**STEP ONE:** Researchers identified the primary means through which companies in the [Guiding Principles Reporting Database](#) report on issues relevant to their human rights performance (e.g., through an integrated report or through a sustainability report).

**STEP TWO:** Researchers read the primary sources of disclosure and any relevant written resources that were directly referenced to identify excerpts concerning how the company *assesses the effectiveness* of one or more aspects of its human rights performance. In other words, researchers **highlighted instances where the company used qualitative or quantitative information** to signal change over time.

**STEP THREE:** The teams inserted the highlighted content into an XL database and tagged the information based on whether: a) the indicator being used is an input, activity, output, practice/behavior, outcome for people or outcome for business indicator (see table below); and b) the information provided quantitative or qualitative.

- **Inputs:** The financial, human and material resources used for an activity or set of activities.
- **Activities:** Actions undertaken or work performed through which inputs are mobilized to produce specific outputs or outcomes. These may be, but need not be, part of a formal process or system.
- **Outputs:** The tangible and intangible products that result from the activities.
- **Practices/ Behaviors:** The effect of the activities or outputs on the behaviors of people that are relevant to the achievement of outcomes.
- **Outcomes for People:** The positive or negative effects on affected rights holders that flow from practices and behaviors.
- **Outcome for Business:** The positive or negative effects on the business that flow from: a) the outcomes for people; or b) practices and behaviors.

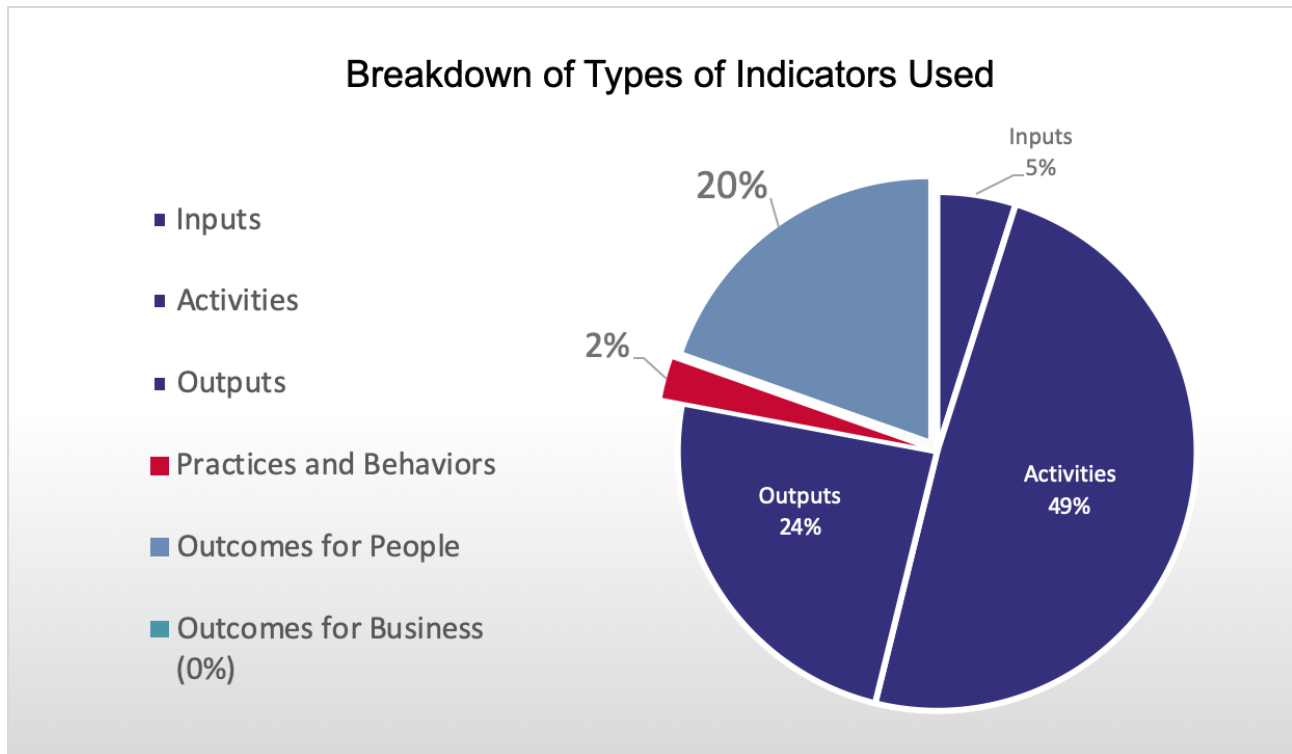
**STEP FOUR:** Once the databases had been completed, reviewed and updated, researchers then sought to address the research questions by identifying:

- The types of information most prevalent in the disclosure;
- Any patterns or trends in the types of information disclosed (e.g., related to the type of issue or industry sector)
- Types of information that are less typical, but provide some valuable insight into the company's human rights performance.



## Overview

After reviewing fourteen food and beverage companies in the database, the analysis revealed that such companies were transparent in their reporting, and that **activities were the most frequently reported type of indicator** with companies often disclosing information about training programs, audits and assessments. Additionally, the reports disclosed a fair amount of information about the *outputs* of activities (e.g., plans for further investigations, resolutions and initiatives). A lot of the information provided was focused on road safety and vehicle accidents. No data was provided on the *outcomes for business* indicator.





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## Observations

**Observation One: A small number of companies reported data on the resources invested (inputs) into human rights issues. This generally focused on designated teams, committees and personnel.**

Some companies reported on *inputs* invested into establishing, maintaining, and using teams, committees and personnel designated to human rights issues. For example, Mondelez International reported, "[t]o support the right behaviors throughout the company, we have a **Chief Business Integrity Officer and other members of our Business Integrity group** to ensure that employees have the knowledge and tools needed to conduct business in a lawful and ethical manner."<sup>1</sup> Similarly, Unilever reported, "[t]o reinforce our safety governance, in 2013 we **established a Global Safety and Health Executive Committee (GSHEC)**, which is chaired by our **Chief Executive Officer** and consists of our **Cluster Operations Performance team**."<sup>2</sup>

Mondelēz International reported that, "In 2012, we launched Cocoa Life with a \$400 million USD 10-year commitment to empower over 200,000 farmers and more than one million people in our six key cocoa growing origins by 2022. The program takes a holistic approach to empower cocoa farming communities by tailoring action plans to the specific needs of those in Côte d'Ivoire, Ghana, Indonesia, India, Dominican Republic and Brazil."<sup>3</sup>

In a few instances, this was accompanied by descriptions of the activities undertaken by the teams or committee. One company reported its level of investment into a long-term program.

**Observation Two: Nearly every company disclosed information related to audits and assessments, focusing on both internal audits and third-party audits. Reporting often included information about the audits, such as where the audits were located, who was audited, what operation was audited and the audits' length.**

Nearly every company reports on audit/assessment *inputs* and *activities*. Such *activities* are conducted by both the companies internally and by hiring third parties. The majority of companies not only reported on the fact of conducting an audit, but also disclosed details on the audits such as their location, how long the audit was, who was involved or surveyed, what business operations were monitored and what areas or topics were audited. For example, PepsiCo reported that it "engaged an independent third party, Control Union, to perform audits at three sites in Brazil starting in August and ending in September with results reported in October of 2014...Each audit took approximately 3 days, and included detailed site

<sup>1</sup> The Call for Well-Being: Mondelēz International Progress Report 2014, p. 45, <http://www.mondelezinternational.com/~media/mondelezcorporate/uploads/downloads/cfwb2014progressreport.pdf> [Emphasis added]

<sup>2</sup> Human Rights Report 2015, p. 39, [https://www.unilever.com/Images/unilever-human-rights-report-2015\\_tcm244-437226\\_en.pdf](https://www.unilever.com/Images/unilever-human-rights-report-2015_tcm244-437226_en.pdf)

<sup>3</sup> The Call for Well-Being: Mondelēz International Progress Report 2014, p. 10, <http://www.mondelezinternational.com/~media/mondelezcorporate/uploads/downloads/cfwb2014progressreport.pdf>

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observations, review of relevant documents, and interviews with responsible managers and with workers at both the mills and the farms that supply them.”

One trend among the companies was transparency in reporting audits’ and assessments’ *outputs*. For example, Nestlé reported that “[i]n the Tier 1 audits carried out in 2014, **66 instances of potential impacts on indigenous peoples, resulting from [suppliers’] own operations, were identified.**”<sup>4</sup>

Coca Cola also reported in general terms on their corrective action *practices* in response to *output* findings from its audits, resulting in specific *outcomes for people*: “**our 14,000 supply chain audits uncovered the need for changes, and we’ve already made essential improvements that have benefitted over 1 million people. For many, this has meant: Getting a day off from work that they otherwise would not have had, working in a safer environment, No longer experiencing gender discrimination, getting a 50% to 60% increase in income once their employer complied with the law.**”<sup>5</sup>

Furthermore, Mondelez International published *outputs* from assessments that reflect trends across the cocoa industry, through a mix of quantitative and qualitative data: “[i]n early 2014, we published third-party assessments done by Harvard University and CARE International, which revealed striking gaps in income and opportunities for female cocoa farmers. For example, in Ghana, **female cocoa farmers earn 25 percent to 30 percent less than their male counterparts. And in Côte d’Ivoire, women in cocoa communities earn up to 70 percent less than men. In both countries, women struggle with lower farm productivity, smaller farms and less access to financing and farm inputs.**”<sup>6</sup>

**Observation Three: Data about training focuses on the number of employees trained, the number of hours of training and the training topics addressed.**

The majority of companies report on training *activities*. Frequently such reporting includes the number of employees trained, which employees are trained and how many hours of training occurred. In addition to in-person training, a trend across many companies is to report on online training *activities*. Additionally, many companies disclose and specify the topics addressed in training. For example, Monsanto reported that, “[i]n 2015, **more than 1,900 new employees, representing 99 percent of new employees, completed computer-based training on Monsanto’s Human Rights Policy. We also required all full-time employees in our research and development business functions to complete a more in-depth computer-based training focused on four Policy elements where field laborers may be particularly vulnerable to**

<sup>4</sup> Land rights, [http://www.nestle.com/csv/rural-development-responsible-sourcing/responsible-sourcing/land-rights\\_1048/1adbaf0f4813875e6647647b0f4c/2013-global-workplace-rights-brochure.pdf](http://www.nestle.com/csv/rural-development-responsible-sourcing/responsible-sourcing/land-rights_1048/1adbaf0f4813875e6647647b0f4c/2013-global-workplace-rights-brochure.pdf)

<sup>6</sup> The Call for Well-Being: Mondelēz International Progress Report 2014, p. 12, <http://www.mondelezinternational.com/~media/mondelezcorporate/uploads/downloads/cfwb2014progressreport.pdf>

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issues such as working hours, compensation, discrimination, harassment and violence. Including the new hire training, **this represents 2,392 hours of human rights training completed by Monsanto employees in 2015.**<sup>7</sup> Furthermore, Nestle reported that “**more than 67,780 drivers in 61 countries** were registered for training on [the] VRM [Virtual Risk Manager] e-learning platform in 2015.”<sup>8</sup>

**Observation Four: For human rights issues that have been a spotlight focus for the sector such as child labor and warehouse and road safety, evidence provided is more spread across the full pathway of indicators. This tends to happen when companies are reporting on specific examples in specific locations or operations.**

### **Child Labor**

Many companies disclose *inputs, activities, outputs and practices* involving child labor. Companies are transparent when *activities* such as an audit or investigation find instances of child labor, and report on such *outputs*. For example, Coca Cola reported, “[d]uring the field assessments, **UL found a minor of 16 years of age cutting sugarcane on one of the farms that is part of TCCC’s supply chain. Beyond this confirmed case of child labor, the researchers also witnessed a possible, unconfirmed case of child labor. During the farm manager interview, the researcher witnessed a young sugarcane cutter that was swiftly removed from the farm being visited. The researcher was unable to confirm if this was a child labor situation given that he was unable to find the young worker after interviewing the farm manager. Beyond these two instances encountered during the field assessments, no systematic child labor was observed in sampled farms of the TCCC supply chain.**”<sup>9</sup>

Another example is Nestle, that reported “*The CLMRS [Nestle’s Child Labor Monitoring and Remediation System] has helped us **identify 2,965 children (around 13% of children surveyed) who were involved in hazardous tasks; classified as child labor.**”*<sup>10</sup> Furthermore, Nestle reported on its resulting *practices*, “[w]e have ensured a **systematic follow-up with 1,677 children so far and 616 of them have already benefited from remediation work, including providing school kits, securing birth certificates, and developing income-generating activities for 312 families of identified children, with the remaining cases being investigated further.**”<sup>11</sup> In addition, Nestle reported activities, outputs and practices achieved: “[b]y 2015 – Complete action plans to reduce child labor in our cocoa, hazelnut and vanilla supply chains, **with 60,000**

<sup>7</sup> Sustainability Report 2015, p. 48, <http://www.monsanto.com/sustainability/documents/monsanto-2015-sustainability-report.pdf>

<sup>8</sup> Nestlé in society Creating Shared Value and meeting our commitments 2015, p. 263, [http://www.nestle.com/asset-library/documents/library/documents/corporate\\_social\\_responsibility/nestle-csv-full-report-2015-en.pdf](http://www.nestle.com/asset-library/documents/library/documents/corporate_social_responsibility/nestle-csv-full-report-2015-en.pdf)

<sup>9</sup> Review of Child and Forced Labor and Land Rights in Guatemala’s Sugar Industry, p. 3, <http://assets.coca-colacompany.com/d4/6b/1e57d9b9486092555db4aa983b43/review-on-child-and-forced-labor-and-land-rights-in-guatemalas-sugar-industry.pdf>

<sup>10</sup> Nestle in society Creating Shared Value and meeting our commitments 2014 Full report, p. 211, [http://www.nestle.com/asset-library/documents/library/documents/corporate\\_social\\_responsibility/nestle-csv-full-report-2014-en.pdf](http://www.nestle.com/asset-library/documents/library/documents/corporate_social_responsibility/nestle-csv-full-report-2014-en.pdf)

<sup>11</sup> *ibid*, p. 211.

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**farmers trained on child work/labour practices, 60 schools built or renovated and 80% of co-operatives covered by a child labour monitoring and remediation system (100% by 2016)."<sup>12</sup>**

While simultaneously reporting on child labor instances, companies report on *inputs* and *activities* designed to reduce child labor. Additionally, Monsanto reported on the *practices* and *outcomes* advanced through its Social Mobilizer program. *"Social Mobilizers are women trained in social work who we hire to follow up on reported instances of child labor and meet with farmers, families, women's groups, school officials and local leaders to promote the benefits of sending children to school rather than the fields...Our Social Mobilizers met with the families of these children and conducted follow-up visits at schools to record how many parents sent their children back to school. **Eight of the families refused to enroll their children in school in 2015.**"<sup>13</sup>*

### **Warehouse and Road Safety**

Some companies report on *inputs* for warehouse safety. For example, Anheuser-Busch reported on its *inputs*, **"[safety] teams are made up of Global Safety Directors, Zone and facility-specific safety support personnel. The teams are responsible for supporting our facilities as they implement safety policies and play an important role in improving our overall safety performance and ensuring compliance with local legal requirements....Safety committees are mandatory in all our facilities to ensure compliance and formalize an ongoing dialogue between the company and employee representatives."**<sup>14</sup>

Various companies report on the number of fatalities and accidents at warehouses and on the roads. Many companies also report on their *inputs* and *activities* to reduce such injuries and measure the resulting *behaviors*. For example, Anheuser-Busch reported that **"[m]ore than 85% of [our] truck fleets have been fitted with telemetry systems to track driver behaviors while on the road, such as speed, rapid acceleration/deceleration, quick turns and seatbelt use. Through the real-time data that these telemetry systems provide, our managers know immediately when someone on their teams is exhibiting unsafe behaviors. This level of accountability has resulted in significant reductions in speeding and safer fleet operations."**<sup>15</sup>

Additionally, AbinBev reported *inputs* and *activities*, along with related *outputs* and *behaviors* in its distribution centers and warehouses: *"... for example, the company has developed a radiofrequency identification system which deactivates the accelerator on forklift trucks when it detects the approach of a pedestrian, eliminating potential accidents. The company*

<sup>12</sup> Nestlé in society Creating Shared Value and meeting our commitments 2015, p. 239, [http://www.nestle.com/asset-library/documents/library/documents/corporate\\_social\\_responsibility/nestle-csv-full-report-2015-en.pdf](http://www.nestle.com/asset-library/documents/library/documents/corporate_social_responsibility/nestle-csv-full-report-2015-en.pdf)

<sup>13</sup> Sustainability Report 2015, p. 50, <http://www.monsanto.com/sustainability/documents/monsanto-2015-sustainability-report.pdf>

<sup>14</sup> Health and Safety - Safety Organization, <http://www.ab-inbev.com/social-responsibility/people/health-and-safety.html>

<sup>15</sup> 2015 Global Citizenship Report, p. 27, [http://www.ab-inbev.com/social-responsibility/global-citizenship-report/\\_jcr\\_content/contentPar/download/file.res/Download%20our%202015%20Global%20Citizenship%20Report](http://www.ab-inbev.com/social-responsibility/global-citizenship-report/_jcr_content/contentPar/download/file.res/Download%20our%202015%20Global%20Citizenship%20Report)

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has also **modified more than 800 forklifts used in its warehouses by installing 20 new safety features**. For the Ambev motorcycle fleet, which numbers 4,500, the company formed a partnership with the manufacturer Honda to create safer models for the Sales area. One of the differentials is the installation of disk brakes on the front wheel, reducing braking times and distances. The company has also adopted a telematics system called Tech Safety, which can track how the motorcyclist rides, drafting a profile of the rider's performance. The system generates daily reports on the motorcyclist's behavior, enabling the identification of problems and providing inputs for training to help prevent accidents."<sup>16</sup>

An example of a reported outcome for people was from Coca Cola, where "[i]n partnership with the Network of Employers for Traffic Safety (NETS), ...and the National Highway Transportation Safety Administration (NHTSA), Coke's Bismarck N.D. facility... **piloted a six-week campaign** to encourage employees to buckle up. Results showed that **seat belt usage increased from 50 percent to near 90 percent among Bismarck employees**."<sup>17</sup>

**Observation Five: Some data is provided about grievance mechanisms and complaints received. One reviewed company provided information on an output.**

Only a few companies reported on the number of complaints received, and the activities involved in their grievance mechanisms, and the issue areas complained about. However, an outlier was Unilever, reporting on the output, "We know that a culture of sexual harassment is endemic in agriculture in many parts of the world and therefore that the likelihood of this existing in our own locations and our extended supply chain is high. In 2014, **harassment was our highest internally reported salient issue with a high number of recorded code breaches coming from East Africa and Brazil** with substantially more women reporting harassment than men... it is important to note that an increase in the number of grievances was an essential indicator of our progress, demonstrating growing trust in the effectiveness of the grievance mechanism."<sup>18</sup>

<sup>16</sup> Ambev 2014 Annual Report, p. 43-44, [http://ir.ambev.com.br/ambev2012/web/download\\_arquivos.asp?id\\_arquivo=A7DD9BF0-0594-4496-B0C4-232FAA601221](http://ir.ambev.com.br/ambev2012/web/download_arquivos.asp?id_arquivo=A7DD9BF0-0594-4496-B0C4-232FAA601221)

<sup>17</sup> Promoting Seat Belt Usage, <http://www.coca-colacompany.com/coca-cola-unbottled/buckling-up-how-coke-promotes-seat-belt-usage>

<sup>18</sup> Human Rights Report 2015, p. 35, [https://www.unilever.com/Images/unilever-human-rights-report-2015\\_tcm244-437226\\_en.pdf](https://www.unilever.com/Images/unilever-human-rights-report-2015_tcm244-437226_en.pdf)

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