

approves high-level targets for assessing progress in addressing salient human rights risks.

GOVERNANCE
NO.

10

Without clear targets for identifying and addressing salient risks to people, it is difficult, if not impossible, for a company to evaluate whether progress is being made, and how respect for human rights is benefiting the company's own success and sustainability. While the assessment of efforts to address impacts on people's human rights is often qualitative in nature, it is both feasible and important to define measurable targets for progress, including through the evaluation of how changes are perceived by affected stakeholders themselves.

Where the governing body approves high-level targets in relation to respect for human rights, it is more likely that these will in turn be reflected in operational targets, indicators and evaluation processes across the business, and that human rights risk management will be treated with similar attention and rigor to other aspects of business performance.

Evidence that the Governing Body engages directly with the setting of high-level targets related to the company's salient human rights risks signals that it views this aspect of the company's performance as important, intends for progress to be measured and that the results should inform future decisions and actions and support continuous improvement.

KEY QUESTIONS FOR LEADERS TO ASK OR BE ASKED

- Does the Governing Body discuss and approve high-level targets related to human rights issues?
- Do the targets focus on the intended outcomes for the stakeholders affected or only on outcomes for the business?
- Do the targets cover the range of the company's salient human rights issues or just some of them? If not, how are decisions made on which to ones to reflect in targets?
- What evidence is there of such progress against the targets?
- How often are such targets reviewed and/or updated?

CONNECTION TO CULTURE



ACCOUNTABILITY



THE MOST SENIOR GOVERNING BODY AND/OR ITS RELEVANT SUB-COMMITTEES...

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OVERVIEW

TYPE OF APPLICATION

The types of use, whether inside a company or by those outside a company, to which this indicator particularly lends itself:

Internal

- Self-assessment / internal audit
- Third party assessment / culture audit

External

- Required disclosure
- Regulatory provision (governance / due diligence)
- Investor engagement

APPLICATIONS

SOURCES OF EVIDENCE



DOCUMENTATION

- Governing Body briefing documents and Minutes
- Record of high-level targets related to the company's salient human rights issues



CONVERSATIONS

- with Board Chair and Company Secretary
- with top management

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ADDRESSING LIMITATIONS

The limits of this indicator lie in the need for progress against targets to be monitored effectively and integrated into accountability structures and learning processes.

This indicator will therefore be strengthened where there is complementary evidence in relation to one or more of the following indicators:

G2

The most senior governing body and/or its relevant subcommittees... regularly discusses progress and challenges in addressing the company's salient human rights risks, informed by related complaints or grievances from the workforce or external stakeholders, root cause analyses of major human rights-related incidents and knowledge of current leading practice.

Where the governing body does this, it is more likely that there is follow-up and accountability for how well targets are being met.

G6

The most senior governing body and/or its relevant subcommittees... ensures that cross-functional processes are in place to share information about human rights risks; agree actions to address human rights risks; and monitor progress against those actions.

Where the governing body does this, it is more likely that relevant data regarding progress in addressing human rights risks is gathered and can provide effective evidence of whether and to what extent high-level targets are being met.

G7

The most senior governing body and/or its relevant subcommittees... requests and reviews a root cause analysis of any incident resulting in severe human rights impacts, in order to ensure that systems, processes and practices are adapted to avoid their recurrence.

Where the governing body does this, it is more likely there is internal accountability for measurable progress against targets approved by the governing body.

L12

Senior leaders at corporate, regional, country and business unit levels... support improved management of human rights risks and impacts.

Where senior leaders do this, it is more likely that results of measuring and evaluating performance against targets will be used to support such improvements.

OVERVIEW

APPLICATIONS

SUPPORTING INDICATOR

RATIONALE

SUPPORTING INDICATORS