

has systems in place to regularly hear the experiences and views of people across the workforce about how they are affected by the business, and informs the workforce about how these inputs have influenced company decision-making.

There can be many reasons why impacts on people within a company's own workforce may not be identified, including a lack of effective processes for assessing potential impacts, limits on workers organizing, or other disincentives for people to raise concerns. Such disincentives may be particularly strong for groups whose jobs are vulnerable, such as those on temporary contract, without guaranteed work hours, or who otherwise fear for their positions.

Where the governing body engages directly with a representative cross-section of the workforce, they can gain an unfiltered view of whether practices within the company reflect respect for people regardless of their rank or contract terms. Moreover, where the governing body provides the workforce with evidence that such feedback is taken seriously and can shape decisions, it is more likely that individuals will feel it is safe and worthwhile to surface issues.

Evidence of these practices provides a signal that the organization is interested in understanding how people across the organization perceive the company to affect their lives, care about their experience and understands its importance to the success of the company.

KEY QUESTIONS FOR LEADERS TO ASK OR BE ASKED

- Does the Governing Body have a formalized or ad hoc means of hearing directly from the workforce on their experience of the company and how working there affects them?
- How widespread a cross-section of the workforce does the Governing Body engage with and how substantively?
- How does the content of these discussions relay back into discussions of the Governing Body about how well the company understands and addresses significant risks to people?
- Does the Governing Body have a means of informing the workforce of how these interactions play into its discussions and company decisions?

CONNECTION TO CULTURE



AUTHENTICITY



LEARNING



EMPATHY



ACCOUNTABILITY



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

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GOVERNANCE
NO.

4

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

- Investor engagement

APPLICATIONS

SOURCES OF EVIDENCE



DOCUMENTATION

- Governing Body briefing documents and Minutes including action points
- Records of who attended meetings with the Governing Body



CONVERSATIONS

- with Board Chair; Company Secretary; Other Board Reps
- with Worker Representatives / Unions / Committees
- with any internal networks for specific groups within the workforce e.g. women, disabled individuals, LGBTQ+ people etc.

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APPLICATIONS

SUPPORTING INDICATORS

ADDRESSING LIMITATIONS

The limits of this indicator lie in the need for members of the workforce to feel able to speak freely about their views and experience, and for insights that the governing body identifies as requiring further action to be taken forward within the company.

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

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 that insights gained by the board regarding workforce concerns will be reflected in leaders' decision-making.

L5

Senior leaders at corporate, regional, country and business unit levels... routinely engage with external stakeholders to understand their experiences and views about how they are affected by the business, and inform them of how their inputs have influenced company decision-making.

Where senior leaders do this, it is more likely that leaders will ensure that feedback received by the board is also translated into action.

L10

Senior leaders at corporate, regional, country and business unit levels... praise actions and decisions that advance the company's commitment to respect human rights, and call out any that run counter to it.

Where senior leaders do this, it is more likely that the workforce will feel able and empowered also to raise concerns about impacts they experience themselves.

L11

Senior leaders at corporate, regional, country and business unit levels... collaborate with business peers and other stakeholders to address systemic issues underpinning the company's salient human rights risks, based on clear action plans, agreed targets and accountability measures.

Where senior leaders do this, it is more likely that the workforce will feel able and empowered to raise concerns about impacts they experience.