



<input type="checkbox"/>	Bachelor's thesis
<input checked="" type="checkbox"/>	Master's thesis
<input type="checkbox"/>	Licentiate's thesis
<input type="checkbox"/>	Doctoral dissertation

Subject	Operations and Supply Chain Management	Date	23.05.2022
Author	Edona Jetullahi Pepiqi	Number of pages	151+appendices
Title	Human Rights in Finnish Businesses		
Supervisors	D.Sc. Anu Bask, D.Sc. Sini Laari		

The most significant change in the business and human rights debate took place in the 21st century when the Respect, Protect and Remedy -framework, which recognized the link between business and human rights, was introduced in 2008. Three years later the UN Guiding Principles on Business and Human Rights (UNGPs) was developed based on that framework. The UNGPs offer guidance to companies on how they should adopt voluntary corporate social responsibility (CSR) programs and implement their CSR initiatives to respect human rights.

The importance of transparency is strongly highlighted in the UNGPs, and companies are required to disclose transparently about the management of their human rights impacts and risks. Finland published a National Action Plan for the implementation of the UN Guiding Principles on Business and Human Rights in 2014. The objective of this study was to examine how Finnish companies are managing to respect human rights in their supply chains and business activities and how transparently are they reporting about them on their reports, websites and other publications. This study answers the questions “What is the human rights performance of the most sustainable* Finnish companies?” and “Are there differences between industries regarding human rights reporting?”. The study has been conducted as a qualitative multiple case study and as a cross-case study to answer the latter research question. The Corporate Human Rights Benchmark (CHRB) 2020 methodology was used to assess the human rights reporting of 30 Finnish companies, that were selected from the Sustainable Brand Index’s (SBI) ranking.

The results of the study demonstrate that Finnish companies disclose quite little information about their human rights responsibilities. Although most Finnish companies stated the commitment to respect human rights many of them have not yet initiated a due diligence process. Therefore, the practical integration of human rights responsibilities and related monitoring into the core activities of companies, is still largely at an early stage. This reflects the fact that Finnish companies are still at an early stage in the implementation of the UNGPs and have a long way ahead to concretise their human rights responsibilities and internalise what the commitment to respect human rights means in practise. However, comparing to the results of the CHRB’s global assessment, Finnish companies perform approximately the same.

Key words	Business and Human Rights, Human Rights Reporting, UNGPs, Corporate Human Rights Benchmark, CHRB
-----------	--





<input type="checkbox"/>	Kandidaatintutkielma
<input checked="" type="checkbox"/>	Pro gradu -tutkielma
<input type="checkbox"/>	Lisensiaatintutkielma
<input type="checkbox"/>	Väitöskirja

Oppiaine	Toimitusketjujen johtaminen	Päivämäärä	23.05.2022
Tekijä	Edona Jetullahi Pepiqi	Sivumäärä	151+liitteet
Otsikko	Ihmisoikeudet suomalaisissa yrityksissä		
Ohjaajat	KTT Anu Bask, KTT Sini Laari		

Merkittävin muutos yritystoimintaa ja ihmisoikeuksia koskevassa keskustelussa tapahtui 2000-luvulla, kun 2008 otettiin käyttöön suojelua, kunnioitusta ja korjaavia toimia koskeva kehys, jossa tunnustettiin yritystoiminnan ja ihmisoikeuksien välinen yhteys. Kolme vuotta myöhemmin kehitettiin YK:n yrityksiä ja ihmisoikeuksia koskevat periaatteet (UNGP), jotka tarjoavat yrityksille ohjeita siitä, miten heidän tulisi omaksua vapaaehtoisia yhteiskuntavastuuohjelmia ja pantava täytäntöön aloitteita ihmisoikeuksien kunnioittamiseksi.

UNGP:ssä korostetaan voimakkaasti avoimuuden merkitystä, ja yritysten edellytetään kommunikoivan avoimesti ihmisoikeusvaikutustensa ja -riskiensä hallinnasta. Suomi julkaisi vuonna 2014 kansallisen toimintasuunnitelman YK:n yrityksiä ja ihmisoikeuksia koskevien periaatteiden toteuttamiseksi. Tämän tutkimuksen tavoitteena oli selvittää, miten suomalaiset yritykset ovat onnistuneet kunnioittamaan ihmisoikeuksia toimitusketjuissaan ja muussa liiketoiminnassaan ja miten avoimesti ne kommunikoivat niistä raporteissaan, verkkosivuillaan ja muissa julkaisuissaan. Tutkimus vastaa kysymyksiin "Miten vastuullisimmat* suomalaiset yritykset suoriutuvat ihmisoikeuksien kunnioittamisessa?" ja "Onko toimialojen välillä eroja ihmisoikeusraportoinnissa?". Tutkimus on toteutettu kvalitatiivisena monitapaustutkimuksena ja cross-case -tutkimuksena jälkimmäiseen tutkimuskysymykseen vastaamiseksi. Corporate Human Rights Benchmark (CHRB) 2020 -menetelmää käytettiin arvioitaessa 30 suomalaisen yrityksen ihmisoikeusraportointia. Yritykset valittiin Sustainable Brand Index:in (SBI) listalta.

Tutkimuksen tulokset osoittavat, että suomalaiset yritykset julkaisevat melko vähän tietoa ihmisoikeusvastuustaan. Vaikka suurin osa suomalaisista yrityksistä on ilmoittanut sitoutuvansa kunnioittamaan ihmisoikeuksia, monet eivät ole vielä aloittaneet due diligence -prosesia. Näin ollen ihmisoikeusvastuun ja siihen liittyvän seurannan käytännön integrointi yritysten ydintoimintoihin on vielä pitkälti alkuvaiheessa. Tämä kuvastaa sitä, että suomalaiset yritykset ovat vielä alkuvaiheessa YK:n yleisten toimintaperiaatteiden täytäntöönpanossa ja heillä on vielä pitkä matka edessään konkretisoidakseen ihmisoikeusvastuunsa ja sisäistääkseen, mitä ihmisoikeuksien kunnioittamiseen sitoutuminen käytännössä tarkoittaa. Verrattuna CHRB:n maailmanlaajuisen arvioinnin tuloksiin suomalaiset yritykset ovat kuitenkin suunnilleen samalla tasolla.

Avainsanat	Ihmisoikeudet, yritykset ja ihmisoikeudet, ihmisoikeusraportointi, UNGP, CHRB
------------	---





**UNIVERSITY
OF TURKU**

Turku School of
Economics

HUMAN RIGHTS IN FINNISH BUSINESSES

Corporate Human Rights Reporting

Master's Thesis
in Operations and Supply Chain Management

Author:
Edona Jetullahi Pepiqi

Supervisors:
D.Sc. Anu Bask
D.Sc. Sini Laari

23.5.2022
Turku

The originality of this thesis has been checked in accordance with the University of Turku quality assurance system using the Turnitin Originality Check service.

TABLE OF CONTENTS

1	INTRODUCTION.....	9
1.1	Background	9
1.2	Objective of the Study and Research Questions	12
1.3	Structure of the Study	13
2	HUMAN RIGHTS IN BUSINESS.....	14
2.1	Significant Human Rights Movements	14
2.1.1	Universal Declaration of Human Rights.....	14
2.1.2	ILO Declaration on Fundamental Principles and Rights at Work.....	19
2.1.3	The UN Global Compact	20
2.1.4	UN Guiding Principles on Business and Human Rights	22
2.2	Human Rights Responsibility Distinctions	25
2.3	Global Businesses' Effect on Human Rights	28
2.4	Human Rights Due Diligence.....	32
2.5	Drivers and Barriers to Respect Human Rights	35
2.5.1	Drivers to Respect Human Rights	36
2.5.2	Barriers to Respect Human Rights.....	37
3	HUMAN RIGHTS REPORTING	40
3.1	Human Rights Reporting within CSR Reports.....	40
3.2	Human Rights Reporting and Legislation.....	42
3.2.1	Legal requirements in the EU level	42
3.2.2	Legal Requirements for Human Rights Reporting in Finland.....	44
3.3	Motives for Human Rights Reporting.....	45
3.4	Challenges and Critique on Human Rights Reporting	47
3.5	Different Human Rights Reporting Frameworks.....	50
3.5.1	Global Reporting Initiative – GRI Standards	50
3.5.2	UN Guiding Principles Reporting Framework (UNGPRF).....	53
3.5.3	Sustainability Accounting Standards Board – SASB Standards	55

3.5.4	Corporate Human Rights Benchmark – CHR B.....	56
4	METHODOLOGY	61
4.1	Research Method	61
4.2	Data Collection	62
4.3	Data Analysis.....	64
4.4	Evaluation of the Study	66
5	RESULTS	68
5.1	CHR B overall Results and BSI Rating	68
5.2	Theme A – Governance and Policies.....	72
5.2.1	Agricultural Industry	73
5.2.2	Apparel Industry	79
5.3	Theme B – Embedding Respect and Human Rights Due Diligence.....	81
5.3.1	Agricultural Industry	82
5.3.2	Apparel Industry	90
5.4	Theme C – Remedies and Grievance Mechanisms	98
5.4.1	Agricultural Industry	99
5.4.2	Apparel Industry	102
5.5	Theme D – Performance: Company Human Rights Practices	104
5.5.1	Agricultural Industry	105
5.5.2	Apparel Industry	115
5.6	Theme E – Performance: Responses to Serious Allegations.....	123
5.7	Theme F – Transparency	125
5.8	Cross – Case Analysis	127
6	DISCUSSION AND CONCLUSION	130
6.1	Key Findings.....	130
6.2	Theoretical Contributions and Managerial Implications	133
6.3	Limitations and Future Research.....	135
	REFERENCES.....	136

APPENDICES	152
-------------------------	------------

LIST OF FIGURES

Figure 1 The "Protect, Respect and Remedy" Framework (Ruggie, 2008)	23
Figure 2 Four Varieties of Social Responsibility Arising from an Organization's influence (Wood, 2011.)	27
Figure 3 Timeline of the GRI Guidance (GRI, 2020.).....	51
Figure 4 Number of Companies in each Per Cent Groups.....	71

LIST OF TABLES

Table 1 Universal Declaration of Human Rights (All articles below are cited from the United Nations' Universal Declaration of Human Rights (UDHR) to avoid any misconception.) (Universal Declaration of Human Rights, 1948.).....	15
Table 2 Barriers for CSR Reporting (Hossain et al. 2010; Kolk, 2004; O'Rourke, 2004). 48	
Table 3 GRI Social Standards (GRI Standards, 2020.).....	52
Table 4 Finnish companies chosen for the study	63
Table 5 CHR B Overall Results	69
Table 6 The CHR B results compared to SBI ranking.....	71
Table 7 Theme A Scores for Agricultural Products (0-10%)	73
Table 8 Theme A Scores for Apparel (0-10%)	79
Table 9 Theme B Scores for Agricultural Products (0-25%).....	82
Table 10 Theme B Scores for Apparel (0-25%)	90
Table 11 Theme C Scores for Agricultural Products (0-15%).....	99
Table 12 Theme C Scores for Apparel (0-15%)	102
Table 13 Theme D Scores for Agricultural Products (0-20%)	106
Table 14 Theme D Scores for Apparel (0-20%)	116
Table 15 Theme E Scores for Agricultural Products (0-20%).....	123
Table 16 Theme E Scores for Apparel (0-20%)	124
Table 17 Theme F Score for Agricultural Products (0-10%).....	125
Table 18 Theme F Score for Apparel (0-10%)	126
Table 19 Overall results - Agricultural Products	127
Table 20 Overall results - Apparel.....	128

1 INTRODUCTION

1.1 Background

Two decades ago, “human rights” and “business” were rarely addressed in a same sentence. It was states’ responsibility to deal with human rights and companies had nothing to do with it. (FIDH, 2016; Brenkert, 2016.) The most important change in the human right debate happened in the beginning of the 21st century when the recognition of the link between human rights and business increased (OHCHR, 2000). For long, the link between business and human rights enjoyed quite little attention in the academic world as well but it started to change when John Ruggie was assigned as the UN Secretary-General's Special Representative (SGSR) on business and human rights in 2005. In 2008 Ruggie introduced the Respect, Protect and Remedy -Framework that consisted of the states’ duty to respect, corporations’ duty to respect and need for better access to remedy in cases of human rights violations. Ruggie’s framework has become the most significant piece in the debate on business and human rights. (Wettstein, 2012.)

A movement that demands holding businesses accountable for their human rights violations has emerged. The idea that also businesses have human rights responsibilities, not just governments, has attracted a lot of positive attention but unfortunately there is still a lot of scepticism and unresolved questions regarding this view. (Brenkert, 2016.) According to Ruggie (2008) the main reason of the business and human rights dilemma is due to globalization that has created governance gaps. These gaps are formed due to the scope and impact of the actions of companies and the lack of capacity of states to manage their harmful impact. These governance gaps have created and shaped an environment that is allowing companies to commit wrongful acts without sufficient sanctions nor remedies. The main challenge today is how to narrow these gaps and ultimately close them altogether.

Today’s supply chains often consist of multiple tiers of suppliers spreading across the world, which makes them very complex (Mena et al. 2013). To achieve sustainability throughout the whole supply chain, its crucial to manage the sustainability at all the different tiers. Yet, there has not been many initiatives by multi-tier suppliers to implement sustainability or CSR activities in their supply chains. (Govindan et al. 2021.) According to Meinschmidt et al. (2018) serious violations of social and environmental practices

usually happen at tier-2 suppliers or even further upstream and their sub-suppliers. Several cases of unsustainable behaviour as well as violations of labor and environmental laws by direct suppliers or sub-suppliers or multi-national companies have been reported (Seuring and Müller, 2008; Wolf, 2014). Today's customers hold focal companies responsible for irresponsible behaviour in their supply chains (Hartmann and Moeller, 2014). This has had a negative effect on company reputation and financial losses to major brands (Seuring and Müller, 2008). The collapse of Rana Plaza building in Bangladesh in 2013 that killed over a thousand workers received monumental international attention. It also raised serious concerns regarding defects from the supplier side to build and maintain safe working conditions for the workers (Huq et al. 2014).

Increasing shareholder activism and consumer consciousness of how products are produced have focused attention on Corporate Social Responsibility (CSR). Due to globalization people are also more aware of the human rights abuses committed in the transnational corporations (TNCs) (Kinley and Navidi, 2013). A TNC is an enterprise that is involved in global production of products or services by controlling assets of other entities in economies outside its home country, often by owning a specific equity capital stake (UNCTAD, 2004). Businesses are focusing more and more on the impact their actions have on people, communities, and the environment. When it comes to measuring companies' social responsibility, the respect for human rights is one of the key measures. (OHCHR, 2000.)

Various actors like companies, investors, regulators, policy makers, non-governmental organizations, and civil society, all use CSR reporting to support a wide range of decisions. Different standards and frameworks like GRI, SASB and UNGPRF, have evolved to meet the need for non-financial information disclosure. Today, it has become a common practise among listed companies globally, to communicate and report on their sustainability and responsibility practices (Szekely and Brocke 2017; Hetze and Winistörfer 2016). According to a survey by KMPG (2017), over 90% of the 250 largest companies in the world publish a sustainability report. There are many positive outcomes to CSR reporting like increased legitimacy and reputation of organizations (Brusca et al. 2018) and influencing organizational change management to a more sustainable way of operating (Domingues et al. 2017).

Reporting on non-financial issues became a legal requirement in the European Union (EU) for public interest entities with over 500 employees due to EU Directive 2014/95/EU on non-financial reporting (European Commission, 2021a). Even though the Directive

does not oblige small and medium-sized companies to report, it will most likely have consequences for them. Especially for suppliers, since bigger companies must report about sustainability issues in their upstream and down-stream supply chain as well. To this day, there is still a lack of political regulation regarding sustainability reporting, in many countries. Even in places where rules exist, they are usually too ambiguous to provide companies with concrete guidance. For example, the EU Directive 2014/95/EU leaves it to the companies to choose against which reporting guideline they will report. With companies receiving very little orientation, they face significant challenges in finding adequate reporting processes and outputs that are in accordance with the existing guidelines and satisfies the expectations of external stakeholders. (Brand et al. 2018.)

Reporting on human rights is an intimidating task for any business, but it is an increasingly significant aspect of transparency. Companies address human rights issues as well as other social, environmental, and economical practices in their various publications such as annual reports, sustainability reports and social reports. (GRI, 2008.) According to the Global Reporting Initiative (GRI, 2009), since companies have a huge power to affect human rights, the appropriate scope of human rights that they should consider including in their reports are the rights presented in the Universal Declaration of Human Rights and its two implementing instruments: the International Covenant on Civil and Political Rights (ICCPR) and the International Covenant on Economic, Social and Cultural Rights (ICESCR) as well as the core conventions of the International labor Organization (ILO). These instruments are commonly considered the main international reference points for corporate human rights reporting.

In the last two decades the focus has been more on the environment when discussing and reporting sustainability but the social aspect of sustainability is growing its stance as well. There is quite some research on the social aspect of CSR but not as much on human rights and human rights reporting. When it comes to the Finnish market there is very little research on sustainability reporting of Finnish companies (Tuominen et al, 2008; Kotonen, 2009). Yet, they both have a vaguer focus discussing the triple bottom line. This thesis on the other hand focuses specifically on the human rights and how Finnish companies report on those.

1.2 Objective of the Study and Research Questions

The objective of this study is to examine how Finnish companies are managing to respect human rights in their supply chains and business activities and how are they reporting about them on their websites and publications such as annual reports and social responsibility reports. There has been research done about responsibility reporting of Finnish companies (Tuominen et al, 2008; Kotonen, 2009), but not especially on human rights reporting and that is the research gap that this study aims to contribute to.

The research questions of this study are as follows:

1. *What is the Human Rights performance of the most sustainable* Finnish companies?*
2. *Are there differences between industries regarding human rights reporting?*

These research questions will be answered by conducting a qualitative study using the Corporate Human Rights Benchmark (CHRB) 2020 methodology to assess the CSR reporting of 30 Finnish companies with a focus on their human rights reporting. The 30 companies were selected from the Sustainable Brand Index (SBI) rank list. SBI conducts Europe's largest brand studies focusing on sustainability and their ranking shows how sustainable their key stakeholders perceive them to be. There were 195 brands in the Finnish Ranking. In the first phase of the company selection, we linked each brand with the company that owned them. After the conversion of brand ranking to company ranking, the criteria were defined based on which the companies would be selected for this study.

The CHRB methodology was chosen since it is currently the most comprehensive framework with a sole focus on human rights. The CHRB Methodology was developed using a wide range of global and industry-specific standards and initiatives to make sure that the benchmark is based on realistic expectations. When it comes to global standards, the UNGPS are a key part of the CHRB and on top of that it also takes into consideration various UN conventions and declarations concerning human, women's and children's rights. The CHRB methodology has also referenced the OECD Guidelines for Multinational Enterprises, the ILO core labor standards and other ILO conventions, the UN Global Compact, and the UN Sustainable Development Goals. Reporting frameworks and standards it used were previously mentioned UNGPRF, GRI and SASB. (See 2020 CHRB Methodology, Annex 6.) All the above-mentioned standards and frameworks are discussed in this thesis. The CHRB Methodology combines and concludes them all which is why it was used as the theoretical framework of this thesis.

1.3 Structure of the Study

In the second chapter we will discuss human rights and the development and relationship between business and human rights. We will also discuss the debate of business and human rights as well as the four varieties of responsibility. We will go through the due diligence process and finally the challenges and motives for businesses to respect human rights.

The third chapter consist of responsibility reporting. We will go through the development of responsibility reporting, legal requirements, and the motives and challenges, not forgetting the focus on human rights. We will also familiarize ourselves with well-known reporting frameworks like GRI, UNGPRF and SASB and lastly conclude the literature review with the Corporate Human Rights Benchmark that also serves as the theoretical background of this study.

In chapter 4 we will discuss the methodology of the study and get into more specifics with the CHRB methodology. We will also discuss data collection and analysis as well as the quality of the study.

In chapter 5 the results of the study will be discussed by first providing an overall picture of how Finnish companies performed against the framework and then going into more detail with each theme A-F separating companies in agricultural and apparel industry.

In the last chapter we will discuss the results and reflect them on exciting literature. We will also answer our research questions, provide managerial and theoretical contributions as well as disclose the limits of the study and propose ideas for future research.

2 HUMAN RIGHTS IN BUSINESS

This chapter discusses the significant movements that shaped and developed human rights to the way they are to this day. This includes the Universal Declaration of Human Rights, the International Labor Organization's Declaration on Fundamental Principles and Rights at Work, the United Nation's Global Compact and the UN Guiding Principles on Business and Human Rights. Next, we will discuss businesses' obligations regarding human rights dividing them into negative duties to respect and positive duties to protect and realize human rights. Then we will disclose the effect that businesses have on human rights, how human rights due diligence has developed and lastly what are the barriers and drivers for companies to respect human rights.

2.1 Significant Human Rights Movements

2.1.1 Universal Declaration of Human Rights

Human rights are basic rights that belong to every individual in the world, regardless of their sex, colour, religion, ethnic origin, place of residence or any other status, from birth till death. All human beings are equally entitled to their human rights without any discrimination. These rights are all parallel, interdependent, and indivisible. Human rights can never be taken away, yet they can be restricted for example in case an individual breaks the law. (OHCHR, 2020; EHRC, 2019.) Another good example in which people's human rights can be restricted is when national security is at stake, which is the situation in many countries today due to Covid-19. During this global pandemic the government in many countries has made the decision to forbid its citizens from going out unless in compelling reasons which means that they are denying their citizens' right to freedom of movement (article 13) (United Nations, 2020).

Human rights are based on common values shared by all such as dignity, equality, respect, fairness, and independence and all these values are defined and protected by law. A massive scale of human rights violations took place in the Second World War. The cruelty that occurred led to making the protection of human rights a global priority. This led to the founding of United Nations in 1945. A few years after, in 1948 the Universal Declaration of Human Rights (UDHR) was adopted with an objective to establish fundamental rights and freedoms shared by all human beings on a global level. (EHCR, 2019.)

Since adopting the UDHR, the world has seen the development of significant human rights movements from global to regional and national level. Even though the Declaration was not a legally binding treaty when it was first introduced in 1948, it was still described as “*a common standard of achievement for all people and nations*”. Nonetheless its immense significance as an instrument for human rights is almost unmatched. (Keane and McDermott, 2012.) Today, universal human rights are generally communicated and ensured by law in the form of treaties, general principles, and customary international law as well as other sources of international law. International human rights law dictates governments’ responsibilities to act in certain ways or to refrain from certain acts with a goal to protect and promote human rights as well as the fundamental freedoms of the people. (OHCHR, 2020.) In the UDHR there are 30 rights and freedoms that all human beings are entitled to (Table 1).

Table 1 Universal Declaration of Human Rights (All articles below are cited from the United Nations’ Universal Declaration of Human Rights (UDHR) to avoid any misconception.) (Universal Declaration of Human Rights, 1948.)

Article number	Definition
Article 1	All human beings are born free and equal in dignity and rights. They are endowed with reason and conscience and should act towards one another in a spirit of brotherhood
Article 2	Everyone is entitled to all the rights and freedoms set forth in this Declaration, without distinction of any kind, such as race, colour, sex, language, religion, political or other opinion, national or social origin, property, birth or other status. Furthermore, no distinction shall be made on the basis of the political, jurisdictional or international status of the country or territory to which a person belongs, whether it be independent, trust, non-self-governing or under any other limitation of sovereignty.
Article 3	Everyone has the right to life, liberty and the security of person.
Article 4	No one shall be held in slavery or servitude; slavery and the slave trade shall be prohibited in all their forms.
Article 5	No one shall be subjected to torture or to cruel, inhuman or degrading treatment or punishment.
Article 6	Everyone has the right to recognition everywhere as a person before the law.
Article 7	All are equal before the law and are entitled without any discrimination to equal protection of the law. All are entitled to equal protection against any discrimination in violation of this Declaration and against any incitement to such discrimination.
Article 8	Everyone has the right to an effective remedy by the competent national tribunals for acts violating the fundamental rights granted him by the constitution or by law.

Article 9	No one shall be subjected to arbitrary arrest, detention or exile
Article 10	Everyone is entitled in full equality to a fair and public hearing by an independent and impartial tribunal, in the determination of his rights and obligations and of any criminal charge against him.
Article 11	<ol style="list-style-type: none"> 1. Everyone charged with a penal offence has the right to be presumed innocent until proved guilty according to law in a public trial at which he has had all the guarantees necessary for his defence. 2. No one shall be held guilty of any penal offence on account of any act or omission which did not constitute a penal offence, under national or international law, at the time when it was committed. Nor shall a heavier penalty be imposed than the one that was applicable at the time the penal offence was committed.
Article 12	No one shall be subjected to arbitrary interference with his privacy, family, home or correspondence, nor to attacks upon his honour and reputation. Everyone has the right to the protection of the law against such interference or attacks.
Article 13	<ol style="list-style-type: none"> 1. Everyone has the right to freedom of movement and residence within the borders of each State. 2. Everyone has the right to leave any country, including his own, and to return to his country.
Article 14	<ol style="list-style-type: none"> 1. Everyone has the right to seek and to enjoy in other countries asylum from persecution. 2. This right may not be invoked in the case of prosecutions genuinely arising from non-political crimes or from acts contrary to the purposes and principles of the United Nations.
Article 15	<ol style="list-style-type: none"> 1. Everyone has the right to a nationality. 2. No one shall be arbitrarily deprived of his nationality nor denied the right to change his nationality.
Article 16	<ol style="list-style-type: none"> 1. Men and women of full age, without any limitation due to race, nationality or religion, have the right to marry and to found a family. They are entitled to equal rights as to marriage, during marriage and at its dissolution. 2. Marriage shall be entered into only with the free and full consent of the intending spouses. 3. The family is the natural and fundamental group unit of society and is entitled to protection by society and the State.
Article 17	<ol style="list-style-type: none"> 1. Everyone has the right to own property alone as well as in association with others. 2. No one shall be arbitrarily deprived of his property.
Article 18	Everyone has the right to freedom of thought, conscience and religion; this right includes freedom to change his religion or belief, and freedom, either alone or in community with others and in public or private, to manifest his religion or belief in teaching, practice, worship and observance.

Article 19	Everyone has the right to freedom of opinion and expression; this right includes freedom to hold opinions without interference and to seek, receive and impart information and ideas through any media and regardless of frontiers.
Article 20	<ol style="list-style-type: none"> 1. Everyone has the right to freedom of peaceful assembly and association. 2. No one may be compelled to belong to an association.
Article 21	<ol style="list-style-type: none"> 1. Everyone has the right to take part in the government of his country, directly or through freely chosen representatives. 2. Everyone has the right to equal access to public service in his country. 3. The will of the people shall be the basis of the authority of government; this will shall be expressed in periodic and genuine elections which shall be by universal and equal suffrage and shall be held by secret vote or by equivalent free voting procedures.
Article 22	Everyone, as a member of society, has the right to social security and is entitled to realization, through national effort and international co-operation and in accordance with the organization and resources of each State, of the economic, social and cultural rights indispensable for his dignity and the free development of his personality.
Article 23	<ol style="list-style-type: none"> 1. Everyone has the right to work, to free choice of employment, to just and favorable conditions of work and to protection against unemployment. 2. Everyone, without any discrimination, has the right to equal pay for equal work. 3. Everyone who works has the right to just and favourable remuneration ensuring for himself and his family an existence worthy of human dignity, and supplemented, if necessary, by other means of social protection. 4. Everyone has the right to form and to join trade unions for the protection of his interests.
Article 24	Everyone has the right to rest and leisure, including reasonable limitation of working hours and periodic holidays with pay.
Article 25	<ol style="list-style-type: none"> 1. Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control. 2. Motherhood and childhood are entitled to special care and assistance. All children, whether born in or out of wedlock, shall enjoy the same social protection.
Article 26	<ol style="list-style-type: none"> 1. Everyone has the right to education. Education shall be free, at least in the elementary and fundamental stages. Elementary education shall be compulsory. Technical and professional education shall be made generally available and higher education shall be equally accessible to all on the basis of merit. 2. Education shall be directed to the full development of the human personality and to the strengthening of respect for human rights and fundamental freedoms. It shall promote understanding, tolerance and friendship among all nations, racial or religious

	<p>groups, and shall further the activities of the United Nations for the maintenance of peace.</p> <p>3. Parents have a prior right to choose the kind of education that shall be given to their children.</p>
Article 27	<p>1. Everyone has the right freely to participate in the cultural life of the community, to enjoy the arts and to share in scientific advancement and its benefits.</p> <p>2. Everyone has the right to the protection of the moral and material interests resulting from any scientific, literary or artistic production of which he is the author.</p>
Article 28	<p>Everyone is entitled to a social and international order in which the rights and freedoms set forth in this Declaration can be fully realized.</p>
Article 29	<p>1. Everyone has duties to the community in which alone the free and full development of his personality is possible.</p> <p>2. In the exercise of his rights and freedoms, everyone shall be subject only to such limitations as are determined by law solely for the purpose of securing due recognition and respect for the rights and freedoms of others and of meeting the just requirements of morality, public order and the general welfare in a democratic society.</p> <p>3. These rights and freedoms may in no case be exercised contrary to the purposes and principles of the United Nations.</p>
Article 30	<p>Nothing in this Declaration may be interpreted as implying for any State, group or person any right to engage in any activity or to perform any act aimed at the destruction of any of the rights and freedoms set forth herein.</p>

The Universal Declaration of Human Rights (UDHR) was the first global international human rights instrument (Gardbaum, 2008). Publishing and adopting the UDHR did not mean the end of all human rights abuses, but it has led to greater freedom for many people. It has made possible to prevent certain violations and attain independence and autonomy. (United Nations: UDHR, 2015.) Since the UDHR is not a treaty, it does not create direct legal obligations to any country. Yet, it's an expression of the fundamental values that every member of the international community shares and influences the development of international human rights law. Even though the UDHR itself is not legally binding, it has influenced other international agreements that in fact are binding legally on the countries that ratify them. These include e.g., the International Covenant on Civil and Political Rights (ICCPR) and the International Covenant on Economics, Social and Cultural Rights (ICESCR). (Australian Human Rights Commission, 2020.) Together the three have collectively come to be known as the "International Bill of Rights" (Gardbaum, 2008).

2.1.2 ILO Declaration on Fundamental Principles and Rights at Work

The International Labor Organization (ILO) is one of the first international organizations in the world and today it has 187 member States. ILO promotes rights at work by setting international labor standards. It strives to strengthen the discussion on work-related issues and encourages decent employment opportunities and the enhancement of social protection. (ILO, 2019.) ILO was founded in 1919, after the First World War during huge industrial unrest and the emerging of worker's movements so it is now more than 100 years old. The ILO became a part of the UN "family" as a specialized agency after the Second World War in 1946 and in 1969 ILO won the Nobel Prize for Peace in recognition of its activities. (Heijden, 2018.)

In 1998, The Declaration on Fundamental Principles and Rights at Work (DFPRW) was adopted. The Declaration commits ILO member states to respect and promote a set of principles and rights in four categories: 1) freedom of association and the right to collective bargaining, 2) elimination of forced or compulsory labor, 3) abolition of child labor and 4) Elimination of discrimination in respect of employment and occupation. The ILO's Governing Body has identified 8 conventions that cover the subjects that are considered as fundamental rights and principles in the work life. These fundamental conventions are:

1. Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87)
2. Right to Organise and Collective Bargaining Convention, 1949 (No. 98)
3. Forced Labor Convention, 1930 (No. 29)
4. Abolition of Forced Labor Convention, 1957 (No. 105)
5. Minimum Age Convention, 1973 (No. 138)
6. Worst Forms of Child Labor Convention, 1999 (No. 182)
7. Equal Remuneration Convention, 1951 (No. 100)
8. Discrimination (Employment and Occupation) Convention, 1958 (No. 111) (International Labor Organization)

Since the ILO has great importance in the international labor rights regime, there has been a lot of research done on various aspects of ILO conventions. Research has shown that confirmation of the ILO conventions can partially better labor conditions by e.g. increasing manufacturing wages (Rodrik, 1996), increasing unemployment benefits (Kim,

2010), decreasing gender wage gaps (Weichselbaumer and Winter-Ember, 2007) and increasing welfare spending (Strang and Chang, 1993). Research has also been made about the determinants of convention ratification. Boockmann (2001) states that for industrialized countries internal political factors and for developing countries the economic factors have a significant effect in whether a country ratifies the conventions. In addition to a country's internal factors, ratification decisions are influenced by external factors. These factors can be that a country's regional peer or an economic rival has ratified a certain convention. (Chau and Kanbar, 2001; Baccini and Koenig-Archibugi, 2014.) Besides the research on factors and effects of ratifying the ILO convention, Peksen and Blanton (2017) conducted a comprehensive impact assessment on how these conventions truly affect the labor rights they seek to improve. Findings from their analysis suggested that the ratification of the core ILO conventions correlates negatively with the level of respect for worker rights. Even though the adoption of core conventions is crucial in recognizing primary rights of workers, they might also paradoxically serve to undercut those rights. Hafner-Burton and Tsutsui (2005) and Hathaway (2002) also argue that the ratification treaties concerning human rights result in a twisted outcome of countries' increasing oppression after ratifying a treaty. This is due to two factors: 1) being rewarded for treaty ratification and 2) the lack of treaty enforcement. In other words, human rights treaties provide significant benefits to states since they are being awarded just by taking a position on human rights. Yet, there is no mechanism to enforce the wanted goals of the treaties which are to actually improve the human rights conditions which makes the cost for violating their commitments extremely low. Same goes with ILO core conventions: even though ILO has grown its power and influence globally its enforcement powers are still limited to just publishing reports on labor rights abuses (Anner and Caraway, 2010).

2.1.3 The UN Global Compact

The UN Global Compact (UNGC) is the world's largest voluntary initiative concerning corporate social responsibility (CSR) (Kimbrow and Cao, 2011). The UNGC was first presented in the Davos World Economic Forum in January 1999 in by the secretary-general of the United Nations, Kofi Annan. With this voluntary initiative it was intended to increase and diffuse the benefits of international economic development. Annan argued that sharing common values will provide a more stable market environment and on the contrary without these values businesses could expect challenges and hardship due to protectionism, populism, fanaticism, and terrorism. After the Davos meeting, nine principles

were formulated with the contribution of Annan and a group of business leaders. Those principles came to be known as the UNGC. In 2004 the last principle against corruption was added with a total of 10 principles. (Williams, 2007.)

The UNGC has two objectives: 1) to adopt the ten principles in business activities globally with collaborative solutions to solve the most fundamental challenges that face both our societies and businesses with the moral authority and convening power of the UN and the private sector's solution-finding skills, and 2) to present a forum that provides its signatories with access to the capacities and expertise of the UNGC networks and participants. (Clapp, 2005.) The United Nations Global Compact focuses on human rights, labor rights, environmental concern and corruption. It consists of ten principles that are derived from the following four declarations: 1) the Universal Declaration of Human Rights in 1948, 2) the Rio Declaration on Environment and Development in 1992, 3) the International Labor Organization's Declaration on Fundamental Principles and Rights at Work in 1998 and 4) the United Nations Convention Against Corruption in 2003. (Williams, 2007). The principles are:

Human Rights

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
- Principle 2: make sure that they are not complicit in human rights abuses.

Labor

- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4: the elimination of all forms of forced and compulsory labor;
- Principle 5: the effective abolition of child labor; and
- Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

- Principle 7: Businesses should support a precautionary approach to environmental challenges;
- Principle 8: undertake initiatives to promote greater environmental responsibility; and
- Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

- Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery (UNGC, 2020a).

In 2004, the concept of *Communication on Progress* (COP) was introduced by the UNGC. Signatory companies agree to voluntarily abide with the ten principles listed above and declare explicit compliance with the social and human rights, environmental protection, and anti-corruption practices. Companies also commit to CSR and must publish a COP report each year elaborating how they are internalizing the principles in their operations. The yearly COP provides evidence that the company has internal policies in place to support the UNGC, that they have measured impacts and outcomes and that progress was made. The COP can be a part of their annual report or other documents that are open to the public. In a situation where a company fails to provide a COP, they are labelled “non-communicating”. If this happens two years in a row, they will be delisted from the UNGC or labelled inactive. (Kimbrow and Cao, 2011.) Today, UNGC has more than 12 000 signatories in over 160 countries. Signatories come from both developed and undeveloped countries and represent almost every sector and size. (UNGC, 2020b.)

2.1.4 UN Guiding Principles on Business and Human Rights

The United Nations Human Rights Council (HRC) is the main intergovernmental body responsible in promoting and protecting human rights. In June 2011, the HRC endorsed the Guiding Principles on Business and Human Rights (UNGPs or GPs). The UNGPs were developed by John Ruggie who was then the *Special Representative of the United Nations Secretary-General* on the issue of human rights and transnational corporations (TCs) and other business enterprises. The aim of the UNGPs is to provide an authoritative international standard for preventing and addressing the risk of adverse human rights impacts linked to business activity. They apply to all States as well as businesses, whether they operate transnationally or locally, regardless of their location, sector, size, ownership and structure. (OHCHR, 2011.)

The UNGPs have been endorsed by numerous companies and business organizations, civil society organizations, trade unions, regional and national institutions as well as other stakeholder groups. This support further solidified their position as the *key global norma-*

tive framework for human rights in business. (OHCHR, 2011.) Finland published a *National Action Plan for the implementation of the UN Guiding Principles on Business and Human Rights* in 2014 (See MEAE, 2014; MAEA, 2018).

The UNGPs are a soft-law document which offers guidance to companies on how they should adopt voluntary corporate social responsibility (CSR) programs and implement their CSR initiatives to respect human rights. In other words, it is no longer enough for companies to claim they respect human rights, but they must have policies and processes in place that are appropriate to their size and circumstances. This includes 1) a **policy commitment** to respect human rights, 2) a human rights **due-diligence process** to *identify, prevent, mitigate, and account for* how they address their impacts on human rights, and 3) a **process to enable the remediation** of any adverse human rights impacts that contribute to or cause themselves. (Felice, 2015b; Ruggie, 2008.)

The “Protect, Respect and Remedy” framework proposed by Ruggie (2008) rests on three pillars:

1. the **state duty to protect** against human rights abuses by third parties, (including business),
2. the **corporate responsibility to respect** human rights, and
3. greater **access to effective remedy**, both judicial and non-judicial (Figure 1).



Figure 1 The "Protect, Respect and Remedy" Framework (Ruggie, 2008)

The United Nations’ Guiding Principles on Business and Human Rights consists of 31 principles based on three pillars. The first pillar is the *State Duty to Protect*. This means that the States are responsible to protecting individuals against human rights abuse within their country borders by third parties, such as businesses. They must take appropriate

measures through policies, regulations, legislation, and adjudication to prevent, investigate, punish and redress such abuse. States must communicate clearly to all businesses located in their territory or/and jurisdiction that they must respect human rights in all their operations. There are different approaches that States have adopted concerning this topic. Some countries require the “parent” company to report on the global operations of the whole enterprise; multilateral soft-law instruments such as the Guidelines for Multinational Enterprises of the Organization for Economic Co-operation and Development (OECD). On the other hand, some States require performance standards by institutions that support overseas investments. Alternative approaches amount to direct extraterritorial legislation and enforcement such as criminal regimes that make possible for prosecutions based on the nationality of the perpetrator no matter where the offence occurs. (OHCHR, 2011.)

In the “Protect Respect and Remedy” framework there are following requirements for States to meet their duty to protect individuals from human rights abuse: 1) States must enforce laws that put pressure on businesses to respect human rights and they must assess the adequacy of those laws from time to time, 2) States must make sure that existing laws and policies (e.g. corporate law) that govern the operations of businesses do not constrain businesses in respecting human rights but on the contrary enable it. 3) States must provide businesses with effective guidance on how to respect human rights in all their operations, and lastly 4) States must encourage and /or require businesses to communicate on their human rights impacts. (OHCHR, 2011.)

The second pillar in the “Protect, Respect and Remedy” framework is the *Corporate Duty to Respect*. This means that businesses have the responsibility to respect human rights and that they should avoid violating the human rights of others. If a company is involved in a situation where they caused adverse human rights impacts, they should at the least address them. The human rights that the businesses are held responsible to respect are understood as those expressed in the International Bill of Human Rights and concerning worker rights in the International Labor Organization’s Declaration on Fundamental Principles and Rights at Work. (OHCHR, 2011.)

The requirement to respect human rights means that businesses must first try and avoid causing or contributing to adverse human right impacts altogether but if such impacts occur, they must address them. In addition to this, businesses must seek to prevent or at least mitigate negative human rights impacts that are directly linked to their own operations, products, or services by their business partners. As mentioned before, for

companies to meet their responsibilities on human rights, they must have policies and processes in place. These include a public statement of a policy commitment to respect human rights. This statement must be approved at the highest level of the business enterprise and it should be communicated to all internal and external stakeholders. A due diligence process must be carried out to identify, prevent, mitigate and account for how they address their impacts on human rights. The process should be ongoing, and it should include elaboration on how the business assesses actual and potential human rights impacts, how they integrate and act upon those findings, how they track responses and lastly they should communicate how they have addressed their human rights impacts. Lastly, businesses should have a process to remediate of any negative human rights impacts they have caused or contributed to. (OHCHR, 2011.)

The last pillar of the framework is *Access to Effective Remedy*. As it is the States' duty to protect individuals against business-related human rights abuse, they must take appropriate steps to ensure that when such abuse happens within their territory and/or jurisdiction the people affected will have access to remedy. The States' means to do that can be judicial, administrative, legislative, or other. States should take into consideration ways to reduce practical, legal, and other relevant barriers to denying of access to remedy. In addition to judicial grievance mechanisms States should also provide non-judicial mechanisms that are effective and appropriate for business-related human rights abuse. Business enterprises need to work alongside the States for it to be possible for grievances to be addressed and remediated directly. They should either establish their own grievance mechanisms or take part in effective operational-level grievance mechanisms to remedy individuals and/or communities who may be adversely impacted by their operations. Lastly, to ensure the effectiveness of these non-judicial grievance mechanisms, they should be legitimate, accessible, predictable, equitable, transparent and rights-compatible. (OHCHR, 2011.)

2.2 Human Rights Responsibility Distinctions

Looking at the business and human rights debate there are two distinctions that play a crucial role: 1) *the distinctions between positive vs negative duties* and 2) *influence as impact vs influence as leverage*. Businesses' obligations regarding human rights can be divided into negative duties to respect and positive duties to protect and realize human rights (Wood 2011, 63; Wettstein 2009, 290; Wettstein and Waddock, 2005, 314; Shue

1996, 52.) Negative (also called passive) duties are generally phrased in terms of reducing, avoiding, or preventing. When it comes to human rights this refers to businesses not doing any harm as well as refraining from violating human rights. The main negative duty businesses have is the responsibility to respect human rights and to obey the law regarding human rights in their everyday operations. Still nothing obligates them to actively protect human rights.

Positive (also called active) duties, on the other hand, have to do with improving, supporting, contributing, or fulfilling. These duties are based on proactiveness to realize, promote, and protect human rights and are especially expected from institutions equipped with superior powers, capabilities or leverage-influences. (Kobrin, 2009; Wettstein 2009; Wood, 2011.) Institutions can be state as well as non-state actors and specifically transnational companies (TNCs) which have incomparable capabilities and opportunities to realize and protect human rights in their supply chains.

‘Influence as impact’ or ‘influence as leverage’ is another significant distinction in the business and human rights debate. The former refers to the consequences and outcomes that are the result of organizations’ direct or indirect decisions and activities. The latter on the other hand refers to corporations’ abilities to influence its business partners’ activities and decisions through their partnership. (Wörsdörfer, 2015.)

Wood (2011) characterizes four varieties of influence-based social responsibility based on the above-mentioned distinctions: impact vs leverage and positive vs negative (Figure 2). The horizontal axis represents the type of responsibility a company has: the negative meaning “do no harm” and positive meaning “do good”. The vertical axis represents the operative influence a company has, which is defined either “as impact” or “as leverage”. In the top left cell, the potential scope of social responsibility is the smallest. When moving to the cells below or on the right the scope expands and in the bottom right cell the scope of social responsibility is the greatest.

		Character of Responsibility	
		Negative	Positive
Character of Influence	Impact	An organization has a responsibility to avoid contributing to negative social and environmental impacts directly or through its relationships.	An organization has a responsibility to contribute to positive social and environmental impacts directly or through its relationships.
	Leverage	An organization has a responsibility to use its leverage to avoid or minimize the negative social and environmental impacts of other actors with whom it has relationships regardless of whether it contributes to such impacts.	An organization has a responsibility to use its leverage to increase or maximize the positive social and actors with whom it has relationships.

Figure 2 Four Varieties of Social Responsibility Arising from an Organization's influence (Wood, 2011.)

Impact-based negative responsibility (upper left) corresponds with the Protect, Respect and Remedy framework since its approach is that an organization has the responsibility to avoid or minimize its activities' negative social and environmental impacts. In other words, an organization should not contribute negatively to social or environmental issues neither directly nor through its relationships with other actors. An example about impact-based negative responsibility is that an organization has the responsibility to not do business with a third party that abuses human rights. (Wood, 2011.)

In the *leverage-based negative responsibility* (bottom left) an organization has the responsibility to avoid or minimize negative social and environmental impacts of the activities and decisions of *other actors* with whom it has a relationship with by *using its leverage*, even though the organization itself does not contribute to such issues. Clearly, it also has the responsibility not to use its power or leverage over others to force or encourage unethical behaviour. An example of this type of responsibility is an organization's responsibility to take action to encourage other parties to avoid corruption or minimize pollution even though the organization itself is not making any contributions to those issues. (Wood, 2011.)

When it comes to the *impact-based positive responsibility* (top right), an organization has the responsibility to contribute to positive social and environmental impacts. It can do it directly or through its relationships with other actors. In other words, the organization is responsible for increasing or maximizing its own actions' positive impacts for example by the fulfilment of human rights. Lastly, *leverage-based positive responsibility* (bottom right): an organization has the responsibility to maximize or increase positive social and environmental impacts of the activities and decisions of *other actors* with whom it has a relationship with by *using its leverage*. In this last variety a good example is a responsibility to urge the development of public policies to benefit society at large. The difference between the two positive varieties of responsibility is quite subtle and challenging to detect because both require the promotion of positive outcomes through organization's relationships. Yet, with impact-based positive responsibility the focus is on the organization's true contribution to wanted outcomes, and as a distinction with leverage-based positive responsibility the focus is on the effort to achieve those outcomes. (Wood, 2011.)

2.3 Global Businesses' Effect on Human Rights

Businesses can impact in significant ways how people live their lives and enjoy their human rights. The decisions businesses make affects its employees, customers as well as people who live alongside companies that share their surroundings. (EHRC, 2019.) Decades ago, businesses' responsibility for human rights was just a minor topic in the discussion of business ethics and some even doubted if businesses could have ethical responsibilities at all. Many people in business believed that human rights were government's responsibility, not theirs. This led to attributions of human rights responsibilities to businesses to face numerous challenges and obstacles. (Brenkert, 2016.)

At the end of the 20th century the situation changed due to globalization of businesses which raised new questions regarding human rights. Globalization led to business organizations increasing in size and power and the extent of their activities grew rapidly. (Brenkert, 2016.) Companies going global had to adopt to a situation where they had multiple operating units spread across and within countries. This organizational form of networks has required corporations to give up some of their direct control over significant operations which has made it harder for companies to manage their global supply chains. This means that the more the number of participating units in the supply chain increases the more vulnerable the global organization becomes. (Ruggie, 2007.) Global value

chains have continued to grow and have a great impact in the economies and societies of both the developed world and the emerging economies. Even though there have been many efforts at reform there is still a lot of evidence of unresolved dilemmas in the operations of those value chains. (Clarke and Boersma, 2017.) Violations of human rights and other social problems are prevalent in companies' business practices even though corporate social responsibility (CSR) has grown in success in the last 20 years (Arnold, 2010). According to Hofmann et al. (2015) it even seems that human rights abuses and social conflicts caused by companies' actions are rather a rule than an exception. Since supply chains are growingly internationally connected and highly outsourced the risk of companies benefitting from the use of forced slave labor somewhere in their supply chain is present in almost every industry from automotive, electronics, steel and high-tech to mining, seafood, agriculture, garment, and textiles (David et al. 2012).

Supply chain management research has grown in the past 20 years. A part of this growth has been the growing awareness that the research community needs to research the broader social and ethical implications of business practice. (Gereffi and Lee, 2012.) Clarke and Boersma (2017) researched the governance of global value chains with the focus on unresolved human rights, environmental and ethical dilemmas in the Apple supply chain. Hofmann et al. (2018) focus on the conflict minerals and supply chain due diligence. Conflict minerals are often connected to human rights violations inside the country of extraction as well as surrounding areas and their exploratory study of 27 semi-structured interviews within five European industries, aims to provide insights into patterns of implementation, key motivational factors, barriers and enablers, and impacts of supply chain due diligence (SCDD) in mineral supply chains. More broadly, Maloni and Brown (2006) have researched corporate social responsibility in the supply chain from a food industry focus and develop a comprehensive framework of supply chain CSR in the industry. According to them, CSR consists of 8 dimensions: environment, community, fair trade, health and safety, labor and human rights, procurement, biotechnology and animal welfare. Even though CSR is a broader aspect than what this thesis focuses on, health and safety of workers and labor and human rights are a critical part of the social side of CSR.

A specific topic that has gotten attention concerning human rights in supply chains is modern slavery. Modern slavery refers to situations of exploitation in which a person cannot refuse or leave a situation, because of threats, coercion, deception, violence, or

abuse of power. Modern slavery is broader term that consists of human trafficking, slavery, and slavery-like practices, forced labor, debt bondage, forced marriage and worst form of child labor. (Walk Free Foundation, 2021.) According to The Global Slavery Index – GSI (2018) there were 40,3 million people living in modern slavery in 2016 and more than half (24,9 million) were cases of forced labor. Gold et al (2015) define slavery in supply chains as *“the exploitation of a person who is deprived of individual liberty anywhere along the supply chain, from raw material extraction to the final customer, for the purpose of service provision or production”*. Today, slavery takes mainly form in the three following ways:

- 1) Chattel slavery – a person is born, captured, or sold into permanent slavery;
- 2) Debt bondage slavery – a person pledges themselves against loans for an undefined length of time but unfortunately their labor never diminishes their debt because of extortionate interest rates or false accounting; and lastly.
- 3) Contract slavery – where workers are lured into the trafficking and enslavement process with fake employment contracts. (Bales and Trodd, 2013.)

Out of the three above mentioned forms of slavery, debt bondage slavery and contract slavery can be hard to spot by supply chain managers even if they are doing audits, since slaveholders will use commonly occurring business mechanisms, such as loans and contracts, to hide the enslavement (Gold et al. 2015). Forced labor is most common form of modern slavery which explains why it has been the subject of much recent concern. Examples include the Malaysian electronics sector (Verité, 2014) and the Thai seafood industry (Hodal et al. 2014; Sylwester, 2014).

On a positive side, the globalization of production has led to increased employment and economic growth in many developing countries, especially in Asia and in some cases, international corporations have supported human rights by providing jobs with fair wages, safe and healthy work conditions and products and services that are beneficial to humanity. Yet companies that operate in a global scale also violate human rights on a great scale by providing a wage that is not enough for a decent standard of living and unsafe working conditions, by causing environmental pollution, by engaging in bribery and harming indigenous people, and by ignoring host countries' laws. (Arnold, 2010.)

There are numerous examples of human rights violations in supply chains. We have witnessed many tragedies due to neglect in health and safety of workers. An example that many are familiar with is the collapse of the Rana Plaza building in Dhaka in 2013, which killed at least 1 132 people and left more than 2 500 injured. (ILO.org, 2021.) Textile

industry is only one of the industries known for human rights and worker rights violations. Same violations are also seen in other industries such as the mining industry (e.g., conflict minerals, blood diamonds) and agriculture (e.g., cocoa, coffee, palm oil). According to International Trade Union Confederation – ITUC (2020) the violations of workers’ rights is at a seven-year high. ITUC Global Rights Index documents violations of internationally recognized labor rights by employers and government. They even disclose a list of companies that violate workers’ rights. Some of the more known companies listed are Chiquita, Lidl, and Coca Cola. In their latest report there is a trend of worsening workers’ rights:

- 89 countries impeded the registration of unions in 2020 (86 in 2019).
- 123 out of 144 countries (85%) violated the right to strike.
- 115 out of 144 (80%) countries violated the right to collective bargaining.
- 106 out of 144 (74%) countries excluded workers from the right to establish or join a trade union.
- In 103 out of 144 (72%) countries workers had no or restricted access to justice.
- Workers were arrested and detained in 61 countries.
- Countries where freedom of speech and assembly was denied or constrained increased to 56 in 2020 (54 in 2019).
- Workers experienced violence in 51 countries.
- Workers were murdered, including at trade union protests, in nine different countries: Brazil, Colombia, Bolivia, Chile, Honduras, Ecuador, Iraq, South Africa and the Philippines.

One of the fundamental controversies in social responsibility (incl. human rights) discussion is in what should an organization’s responsibility be based on. Should it be based on its capacity and power to influence other parties in its value chain or only on its factual contribution to social and environmental issues? There are those who argue that the stronger the influence that the organization has the bigger is the responsibility to act (Sphere of Influence: SOI). And on the other side are those who criticize and reject the SOI approach saying it is ambiguous and misleading and these characteristics makes it prone to strategic manipulation. (Wood, 2011.) Right now, the state of affairs in the business and human rights field is the Protect, Respect and Remedy framework developed by John Ruggie in 2008. Unfortunately, the issue with Ruggie’s framework and the U.N.

Guiding Principles on Business and Human Rights is that their logic must be classified as impact-based negative responsibility. (Wörsdörfer, 2015.)

2.4 Human Rights Due Diligence

According to Guiding Principles of Business and Human Rights (GP) (2011) companies should be able to verify that adverse human rights impacts are being addressed. Also, tracking must be based on correct quantitative and qualitative indicators. What is needed is a process that helps companies make sure that they comply with national laws and helps them manage the risk of human rights violations and ideally avoid it: *Human rights due diligence (HRDD)*. Generally, the point of a HRDD process is to assess the actual and potential impacts that a company can cause to human rights. The aim is to raise their awareness, identify, prevent, address, and lastly mitigate adverse human rights impacts and risks. (Wörsdörfer, 2015.) The scope of HRDD varies based on 1) the context in which the company operates, 2) company's activities and 3) company's relationships associated with its activities. (Ruggie, 2008.)

According to Ruggie (2008), when it come to the content of the HRDD process, businesses should consider the core conventions of the ILO and the international bill of human rights. Ruggie introduced the following four points that should be included in the companies' HRDD process:

1. Policies
2. Impact Assessments
3. Integration
4. Tracking Performance (Ruggie, 2008.)

And later Wörsdörfer (2015) complemented the list with the following two:

5. Periodic Reporting
6. Stakeholder Dialogue and Engagement.

Companies must develop and adopt **a human rights policy**. Companies must also publish a public moral commitment to respecting human rights and it must be communicated in dialogue with internal stake holders (employees, suppliers, clients, business partners and investors), and external stakeholders (non-governmental organizations (NGOs), civil society organizations and project-affected communities. Companies must provide their employees and other stakeholders with a Code of Conduct (CoC) which provides personnel with guidance in situation that are ethically complicated. Company's human rights policy is what fosters a corporate culture that respects human rights both at home

and abroad and which sees respecting human rights as a key part of doing business. This also includes business partners and subsidiaries in their supply chain. (Ruggie, 2008.)

Human rights impact assessment (HRIA) is a critical part in making sure a company respects human rights. In addition to that a company should conduct human rights risk mapping and a human rights action plan. A company must regularly assess actual and potential adverse human rights risks and impacts of its activities as well as its stakeholder relationships. In human rights risk mapping process, a company identifies significant risks, their scope and severity, and the degree of leverage and influence. This includes e.g. the countries where you operate, what types of clients you have, in what industry you are (products and services), client and governmental characteristics, and the nature of the business relationships. In addition to those, it involves prioritization of key human rights risks, mitigation, and action plans, and lastly a mitigation hierarchy that includes the mitigation means of compensation, restoration, reduction, avoidance and remediation. (Torrance, 2012.)

Integration stands for integrating the human rights perspective into company's governance structures, their decision-making, and operational processes. A company should integrate HRDD in their core business activities, general risk management routines and broader enterprise risk management system. In other words, it would be most ideal if HRDD would be on an equal footing and interconnected with other due diligence processes such as legal or financial. This also includes the need to establish clear accountabilities inside and out, the allocation of responsibilities, and the means to confidentially report any witnessed non-compliance such as an ethics hotline, ombudspersons and whistle blowing. (Ruggie 2008.)

Tracking performance includes integrating the commitments and assessments made into internal control and mechanisms to oversee performance, as well as auditing and monitoring. Companies must use both qualitative and quantitative indicators to track the effectiveness of responses, such as external standards and already established tools like the Global Reporting Initiative (GRI) and the Principles for Responsible Investment (PRI) can possibly assist in benchmarking client performance. Also, expertise and feedback gotten from internal and external sources such as human rights specialists, independent consultants and stakeholders affected by a project will help track effectiveness of HRDD process. For auditing and monitoring a company must conduct regular reviews, audits, and consultations with relevant stakeholders like potentially affected groups. They

must also review existing policies and procedures, identify potential gaps in addressing human rights risks and define the right measures to close those gaps. (Wörsdörfer, 2015.)

Periodic reporting on company's human rights performance is fundamental when it comes to public disclosure and transparency requirements. Thus, they should be available to the public. A company should for example publish a human rights performance report together with their sustainability report. With a human rights performance report a company should aim to communicate to external stakeholders and the public on how they have addressed and mitigated human rights risks and impacts. This naturally also includes information on the conducted risk assessment and risk mitigation. (Wörsdörfer, 2015.)

According to Wörsdörfer (2015) **stakeholder dialogue and engagement** is not often included in the main elements of HRDD, yet it is crucial from a business and human rights perspective. Multinational companies should follow the principles laid down in various international standards that ask for inclusive and regular stakeholder dialogue process. This process can be either in the form of *informed consultation and participation* or in the form of *Free, Prior and Informed Consent* (FPIC) – in a situation where indigenous communities are involved.

FPIC allows indigenous people to either give or withhold consent to a project that potentially affects them and their territories. Given consent is not final and they still have the possibility to withdraw their consent at any stage of the project. Naturally, FPIC also enables indigenous people to negotiate the conditions of the project concerning the design, implementation, monitoring, and evaluation. (FAO, 2016.) The elements of FPIC (free, prior, and informed) set the conditions of consent as a decision-making process. *Free* stands for a consent that is given voluntarily, free of coercion, intimidation, or manipulation. In addition to that, for a process to be considered free, it must be self-directed by the affected community from whom consent is being asked, without any coercion, expectations, or timelines from external actors. *Prior* requires that consent be sought early in advance before any authorization or commencement of activities by a company affecting communities' lands, territories, or resources. This means that consent should be asked in the stages of development or investment planning, not only when there comes a need to ask for approval from the community. Lastly, consent must be *informed*. Affected communities must be provided with a full public disclosure of all relevant information concerning the potential project by actors involved in the project like the company, financier and the authority that gives permits for projects. Local communities must also have access

to independent information, not just from the government, financiers, or project developers. The information has to be in local language, and it should be delivered in a culturally appropriate way. To be considered informed the information must be objective and both positive and negative potential of the project must be covered. Most importantly, the communities must be a key participant in the discussions of the project and must be consulted on an ongoing manner. *Consent* itself means that a collective decision has been made by the rights-holders such as indigenous people or local community members and that they have reached that decision with a customary decision-making process. Affected communities have the right to seek professional and independent legal and technical advice to get the best information. They have the right to say “Yes” or “No” or even “Yes with conditions” to any project as a whole and at any given stage of the project. The process of getting consent cannot be rushed and affected communities must have enough time to consider all relevant information before making a decision. Indigenous peoples and local communities must have the opportunity to choose freely their own representatives and the participation of most vulnerable groups such as the youth, women, elderly, and individuals with disabilities must be ensured. Lastly, we must point out that FPIC is a continuous and repetitive process that seeks ongoing approval, not just a one-time agreement. (FOA, 2016; Wörsdörfer, 2015; Rumler, 2011.)

Risks and threats to human rights change over time as activities and contexts evolve which is why HRDD is a process that should be carried out on an ongoing basis. Local legislation and human rights environments differ depending on the region and sector so there is no one-size-fits-all approach to HRDD, but it should be adapted specific risks of a country or a sector. Especially in conflict zones, sectors with strong human rights sensitivities and situations where vulnerable or marginalized groups, such as indigenous people that were mentioned before, are affected, HRDD is very important. (Thun Group of Banks, 2013.)

2.5 Drivers and Barriers to Respect Human Rights

Human and labor rights play a fundamental role in social sustainability and social responsibility discussions (Govindan et al, 2021; Maloni and Brown, 2006). Several social issues are reported in the literature of supply chain management. The most common topics are on violations of human and labor rights, these include child labor, forced labor, discrimination, low wages, forced overtime, health and safety concerns, sexual harassment, and the safety of female workers. (Govindan et al. 2021.) In this chapter we will discuss

the drivers and barriers for companies to respect human rights in their supply chains through sustainable supply chain management (SSCM).

2.5.1 Drivers to Respect Human Rights

Drivers are specific factors that assist an organization to achieve their goals on sustainability (Panigrahi et al. 2019). The most important drivers that pushes a company to adopt socially sustainable policies are:

- stakeholder pressure,
- government pressure,
- top management commitment of focal firm,
- pressure from middle management,
- supplier collaboration,
- manager's or owner's own values, and lastly
- the potential competitive advantage of being socially sustainable. (Meixell and Luoma, 2015; Walker and Jones, 2012; Ehrgott et al. 2011; Goworek, 2011.)

Kumar and Rahman (2017) researched business relationships as one of the factors that enables SSCM. Many other researchers have also pointed out the role of stakeholders on adoption of social sustainability (Govindan et al, 2021). According to Meixell and Luoma (2015) stakeholder pressure is a strong driver since it makes businesses more aware on concepts of sustainability which potentially leads to the adoption of better practices. Pressure from stakeholders like workers' unions, competitors, and customers are powerful drivers as well (Mani et al. 2015). Later, Mani and Gunasekaran (2018) suggested four forces for adoption of social sustainability: customers, compliance with regulations, culture of sustainability, and external stakeholders.

Government pressure is another critical driver for social sustainability. Yet, there is some researchers who believe that governments cannot pressure companies to significantly adopt social sustainability (Ehrgott et al. 2011) and Huq and Stevenson (2018) revealed that pressure from institutions do not always lead to truthful implementation of social sustainability. On the other hands there are others who opine that growing government pressure with consistent pressure from local community and consumers indeed drive adaptation of social sustainability (Golicic et al. 2019).

Commitment and trust between business partners, sharing resources and information, monitoring, and auditing suppliers as well as joint efforts and planning are contributing

factors to social sustainability (Kumar and Rahman, 2017; Panigrahi and Nune, 2018; Govindan et al. 2020a). According to Hou et al. (2019) incentives and sharing profit have a great impact in the diffusion social (as well as environmental) sustainability within the supply chain. Those incentives can be tax refunds from the government, assistance from the company's brand, financial assistance from the stakeholders, motivational programs from governmental or other agencies, and long-term partnerships (Govindan et al, 2021). Companies who commit to sustainability culture to gain competitive advantage in their strategies drive adoption of social sustainability (Marshall et al. 2015). In addition to organization's ethical culture, managers' moral values and ethics help to implement social sustainability practices (Zorzini et al. 2015.)

Huq et al. (2014) found various new drivers for social sustainability: a uniform single code of conduct (CoC), lack of skilled labor, understanding of socio-economic context while implementing sustainability CoC. A single CoC will bring uniform understanding of how suppliers are expected to conduct their activities and so companies will not have to conduct multiple inspections and will avoid audit costs. To hold onto existing skilled labor (especially in situations where its scarce and losing them costs a company a lot of money), the suppliers must provide them with proper salaries and other benefits as well.

Reward, penalty, sharing costs, and committing to long-term partnerships by the focal company drives social sustainability practices. In some situations, procurement should penalize supplier who do not comply with sustainable practices and reward those who do by increasing their order amount or frequency. Yet, we must understand that the adaptation of social sustainability practices cost suppliers a lot of money and it is not certain to them that they will gain any financial benefits from their investment so the focal firm offering to share costs would make supplier more confident and motivated to adopt those practices. (Huq and Stevenson, 2018.)

2.5.2 Barriers to Respect Human Rights

Barriers, be it internal or external, are factors that prevent the implementation and success of sustainability practices (Köksal et al. 2017). These salient factors can be financial such as:

- buyers pressuring to reduce costs (Shen et al. 2015),
- absence of financial support from the government or industrial associations (Chi, 2011) and

- lack of available bank loans for activities related to sustainability (Panigrahi and Nune, 2018)

In addition to above mentioned, barriers to adopting social sustainability practices, in this case respecting human rights, can also be organizational, such as:

- lack of stakeholder pressure (Mani et al. 2016) and
- lack of commitment by top management (Shen et al. 2015; Akbar and Ahsan, 2019; Walker and Jones, 2012).

Absence of strong government structure, lack of strict government laws and their negligent enforcement makes it possible for supplier to escape their responsibility social sustainability practices (Panigrahi et al. 2019; Mani et al. 2016; Majumdar and Sinha, 2019). From a more specific perspective, when it comes to human rights, states have the duty to establish a regulatory framework that protects the human rights of its people and naturally TNCs have the responsibility to respect such frameworks and must comply with the laws and regulations set by the government they have business in. In situations where TNCs or other businesses fail to comply with set regulations, the victims of their illegal business practices must be remediated. Unfortunately, many of the states where TNCs operate are missing strong democratic legislative entities, regulatory protection of human rights or a sufficient enforcement regime and judicial system. (Arnold, 2010.) To this date, legal government regimes that target human rights violations across global supply chains have been rather limited and relatively inefficient at providing proper remedies or even providing proper incentives to proactively mitigate human rights impacts (Kinley and Navidi, 2013). Businesses only have the responsibility to “respect” human rights, which in other words means “to do no harm” and still there is no reference in international law about direct international human rights obligations. At the international level, soft law instruments like UNGPs have still not evolved to legal requirements for businesses, despite the recent work in the UN Human Rights Council on the Draft Convention on Business and Human Rights. (Jakulevičienė and Gailiūtė-Janušonė, 2020.) In addition to that, TNCs often seem to operate in countries with corrupt, weak, and autocratic government where there are no more than few national laws that regulate labor or environmental practices, bribery, or the ownership and use of natural resources in indigenous territories. Another reason is that many countries simply do not have the economic resources required to implement human rights protections and enforce them. In many instances a TNC will be more able to deploy the needed economic resources to avoid human rights violations of workers and local communities. (Arnold, 2010.)

A study done by Koster et al. (2019) revealed that there is an inherent drive to observe the condition of the workers. Suppliers in multi-tier supply chains are often small or medium size enterprises (SMEs) and they often lack in terms of resources. Due to resource constraints or insufficient competencies, it makes it extremely difficult to implement sustainable practices even in situations where top management is interested to do so (Lion et al. 2016). Other relevant barriers to social sustainability are lack of values and moral (Movahedipour et al. 2017); lack of awareness (Mani et al. 2016; Köksal et al. 2017); cultural mismatch (Huq et al. 2014); lack of training and education (Zorzini et al. 2015; Ali et al. 2018); a lack of competitive pressure (Mani et al. 2016). lack of willingness and initiatives of political parties (Carlson and Bitsch, 2018); and bribery and corruption (Carlson and Bitsch, 2018; Huq et al. 2014). According to Barkhouse et al. (2018) corruption has major negative impacts on how people enjoy human rights. Vice versa the most effective way to fight against corruption is to strengthen protection, respect, and promotion of human rights. Corruption as well as the worst instances of human rights violations like the killing of environmental human rights defenders (EHRDs) seem to always happen at the crossroads of government and businesses or commercial interests. Even though the country has the responsibility to protect and promote human rights within its jurisdiction, when corruption prevails, people in public position are tempted not to make decisions with the interest of their citizens and society in mind. This causes the state to violate its obligations under the core United Nations human rights treaties. At the least, corruption threatens a country's ability to provide public services such as health, education, and welfare, which are all crucial for the realisation of social, cultural, and economic rights. At worst, corruption risks people's rights to dignity, security and even the most important, the right to life. (Barkhouse et al, 2018.)

3 HUMAN RIGHTS REPORTING

In this chapter the focus is shift to human rights reporting. First, the development of non-financial reporting and what is the role of human rights in these non-financial or sustainability reports will be discussed. Then we will go more specifically to human rights reporting and how has the legislation affected its development. Then different motives for companies to reporting on human rights as well the challenges they face and the external critique on the reporting itself will be disclosed. Lastly, we will introduce different human rights reporting frameworks, including the one used to assess the companies in this thesis, the Corporate Human Rights Benchmark.

3.1 Human Rights Reporting within CSR Reports

Today's trend of sustainability reporting developed in the 1990s due to civil-society groups, governments and other stakeholders calling on businesses to take accountability for their impact on the environment and communities they operated in. In 2000, the *Global Reporting Initiative* (GRI) published its first guidelines for sustainability-reporting. The year after that, the *World Resources Institute* and the *World Business Council for Sustainable Development* released the Greenhouse Gas Protocol. During that same time, voluntary initiative like the *UN Global Compact* (UNGC) and *Carbon Disclosure Project* (CDP) were created to encourage corporations to report on their sustainability issues. After the financial crisis, complementary frameworks and standards have emerged to assist companies and investors to develop better understanding of the benefits and the risks of Environmental, Social and Governance (ESG) and non-financial factors. To give few examples, the *International Integrated Reporting Council* (IIRC) advocates integrating companies' financial and nonfinancial reports. On the other hand, the *Sustainability Accounting Standards Board* (SASB) works to identify material sustainability factors across all industries. And lastly, the Embankment Project for Inclusive Capitalism brings together companies and investors to define a pragmatic set of metrics to measure and demonstrate long-term value to financial markets. (McKinsey, 2019.)

With increasing stakeholder expectations and pressure for companies to be more transparent and accountable, measuring and disclosing the social and environmental impact of business decisions is becoming more common (Amran et al. 2014). Especially among large companies, the policy of publicly reporting CSR information is becoming more and more popular (Habek, 2014; GRI, 2012). In the last three decades, the number

of companies publishing reports has increased substantially. At the global level this number has increased from almost zero in 1992 to almost 140 000 in 2021. (Corporate Register, 2021.)

The terminology used for non-financial reports varies in literature and business practice. A study conducted by KPMG (2013) found that the most commonly used terms by companies were “Sustainability Report” (43%), “Corporate Social Responsibility (CSR) Report” (25%) and “Corporate Responsibility Report” (14%). In this thesis we chose to use CSR report. CSR reporting refers to the disclosing of information concerning company’s economic, environmental, and social impacts to their external and internal stakeholders. Usually, the reported information is provided in a form of a CSR report, which is a document that gives information on company’s current and planned responsible business activities, all while taking into account stakeholder expectations. (Borga et al. 2009; Dagiliene et al. 2014). Many companies just include CSR related information in their annual reports, but some companies publish standalone CSR reports or announce CSR information through a sustainability website (Habek and Wolniak, 2015). Current initiatives for CSR reporting disclose information on environmental performance, labor rights, human rights, health and safety practices, stakeholder engagement, community economic development and social impacts, corporate governance, corporate payments to governments, supply chain management, and corporate planning and policies (O’Rourke, 2004). Also, according to a study by KPMG (2016) most companies report on human rights activity in their CSR reports and only a small number publishes also independent human rights reports. Based on these we will discuss human right reporting with the help of CSR reporting literature.

Currently, companies publish mostly qualitative reporting with a focus on describing the process they use to identify human rights issues and actions taken to manage them. In their reports, they elaborate how they comply with relevant legislation and explain how their human rights approaches align with international standards and frameworks like the UNGPs. Many companies also include case studies of human-rights related project they conducted or took part in to support their reports. Since most human rights commitments and objectives are qualitative, the reporting is largely qualitative. Common objectives reported in companies’ CSR reports are continuing to advance respect for human rights in their operations, ensuring that human rights issues are well understood and managed along their supply chain, implementing of the UNGPs, and doing no harm to their workers. (KMPG, 2016.)

3.2 Human Rights Reporting and Legislation

Reporting on human rights is a critical part of the human rights monitoring cycle which is a strategic tool to help record and analyse information, present what was found in the monitoring activities, speak out about concerns regarding human rights, engage in dialogue with stakeholders, promote positive change and recommend ways for corrective action. (OHCHR, 2011.) Human rights reporting is growing and evolving continually with more and more companies making public commitments to respect human rights, undertaking due diligence processes, and implementing needed management tools and monitoring systems to assure improvement. (GRI – Human Rights Analysis Trends, 2021.) The companies assessed in this thesis are all under the EU jurisdiction and more specifically under Finland’s jurisdiction so in the following section we will discuss the development of legal requirements concerning companies and human rights within the EU and Finland.

3.2.1 Legal requirements in the EU level

There has been development on the legal requirements concerning businesses and human rights in the recent years. Looking at the European Union (EU) level, these requirements are due diligence, investments, and non-financial reporting. When it comes to non-financial reporting, mandatory requirements were released in 2014 and they continue to develop further. The adoption of **EU Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014** – amending Directive 2013/34/EU as regards the disclosure of non-financial and diversity information by certain large undertakings and groups – (also referred the EU ‘Non-Financial Reporting Directive’, NFRD) set a clearer course for transparency and accountability regarding businesses and their human rights impact. (Jakulevičienė and Gailiūtė-Janušonė, 2020; EPRS, 2021.)

The NFRD applies to large public-interest companies with over 500 employees. With this criterion it still covers about 11 700 large companies and groups in the EU including listed companies, insurance companies, banks and other companies designated by national authorities as public-interest entities. Under the directive companies must publish information regarding social matters and treatment of employees, environmental matters, respect for human rights, anti-corruption and bribery and diversity on company boards. The first CSR reports executed according to the NFRD terms were published in 2018 and they covered the financial year 2017. (European Commission, 2021a.) When it comes to

the reporting on human rights, they must include the risk of negative impact related to their products, services, activities, and business relations (Jakulevičienė and Gailiūtė-Janušonė, 2020).

Unfortunately, currently the information that companies report under the NFRD does not meet the need of affected stakeholders like investors, civil society, and others. There are also many companies that stakeholders would want information from, but they are not required to report according to the NFRD. When it comes to those companies that report, the information is often not relevant, comparable, or reliable enough nor is it easy to access and utilize. With stakeholder demand for non-financial information expected to increase these issues will only get bigger. The lack of proper non-financial information creates investment risks, limits financial flows to activities addressing the sustainability crisis and causes an accountability gap between businesses and society. On the other side, companies seem to be uncertain about what they should report on and stakeholders keep demanding that they disclose more information than what companies publicly report, which causes them to suffer unnecessary costs. Since there are many overlapping reporting standards and frameworks that has led to no consensus on what companies should report. (European Commission, 2021b.)

Due to the flexibility and lack of specification in the NFRD, on the 21st of April 2021, the European Commission approved a proposal for a **Corporate Sustainability Reporting Directive (CSRD)** which would enhance the already existing reporting requirements of the NFRD:

- The CSRD would extend the scope to every large company and every company listed on regulated markets, excluding micro-enterprises.
- It would require that the reported information would be audited.
- It would introduce more specific requirements on reporting, and it would be mandatory to report according to EU sustainability reporting standards.
- It would require companies to 'tag' the reported information digitally, so it can be read by a machine and so feed into the European single access point envisaged in the capital markets union action plan.

The Commission's proposal for CSRD envisions adopting EU sustainability reporting standards. The European Financial Reporting Advisory Group (EFRAG) would be

crafting draft standards which will be tailored to EU policies while simultaneously contributing and building on international standardization initiatives. By October 2022, the first set of standards should be adopted. (European Commission, 2021a.)

3.2.2 Legal Requirements for Human Rights Reporting in Finland

Since Finland is an EU member, the legislation related to CSR, and more specifically human rights reporting, is based on the EU directive and it obligates companies in Finland to report on their policies and actions regarding the environment, social issues, employees, human rights and their fight against corruption and bribery. Additionally, the reported information should include a short description of the company's business model and disclose the risks relate to their policies and how they are managing those risks. (MEE 2021.)

On the 29th of December 2016, an Accounting Act amendment was approved which requires certain types of companies to report on their CSR. The obligation to report applies to large companies which are entities of public interest. This includes listed companies, credit institutions and insurance companies with:

- an average of more than 500 employees,
- a turnover bigger than 40 million euros, or
- a balance sheet total more than 20 million euros. (MEE 2021.)

Yet, the legislation is rather flexible. Even though it requires that certain information must be presented, companies can still decide the form in which it is presented. Due to the aim that the legislation should work well in different sectors with different CSR challenges, the legislation does not specify the information or figures that companies should disclose on different subjects, nor does it specify a particular reporting format to be followed. Companies can either publish a statement on human rights as a part of their report on operations, or they can report on their CSR on an independent statement. They can also provide a separate report that follows guidelines of an international reporting framework, but it should meet the legal requirements of what must be disclosed. The first CSR reports are to be published in 2018 for the 2017 financial year. Since the Accounting Act amendment, companies have had an obligation to report on their CSR, but they still have quite free hands in how they meet that obligation.

3.3 Motives for Human Rights Reporting

Human and labor rights are a critical part of CSR which means that they have a crucial part in the CSR reports companies publish as well. Therefore, looking at motives and incentives to report we look at wider literature regarding CSR reporting. Today, reporting on CSR is an important and fast-growing trend in the world. There are various reasons why CSR reporting among companies is growing, including:

- stakeholder pressure,
- financial performance,
- economic crisis,
- growing awareness of sustainability issues,
- reputational risks,
- organizational legitimacy and
- the growing number of new regulation and requirements in reporting, initiated either by the government or stock exchanges. (Unerman, 2008; Hossain et al, 2012; Gallear et al, 2012; Bonsón and Bednárová, 2015, Chen et al, 2015; Habek and Wolniak, 2015; Kuo et al, 2016; Marano et al. 2017.)

When it comes to *stakeholder pressure*, consumers and investors are increasingly demanding that companies report on their CSR activities to be able to make informed consumer choices and rational investment decisions (Berglof & Pajuste, 2005). The pressure for increased transparency and accountability of company actions from various stakeholders has forced large, listed companies to report beyond the mandatory income statement and publicly disclose information on their social and environmental impacts on society (Amran et al. 2014; Bonsón and Bednárová, 2015). According to Kolk (2008), the increased call for transparency comes from two different, yet overlapping angles. In the corporate governance context, accountability requirements have expanded and are starting to cover staff-related, ethical aspects (like codes) as well. On a different angle, sustainability reporting has emerged. In the beginning sustainability reporting was more focused on environmental issues, but today the scope has broadened to usually also include social and ethical matters that are related to employees and communities.

In a different point of view, Amran and Keat Ooi (2014) state that the most essential reason for businesses to disclose non-financial information is *to protect their brand and reputation*. Since the development of information technology everything has become public. Businesses are driven to appropriate and responsible responses by stakeholders

that are better-informed than they used to be. Today's mass media platforms are more advanced, and they have raised people's awareness by exposing businesses on their misconduct. One of the most known examples is the Nike Sweatshops case. The problems for Nike started in 1991 when it was reported that employees manufacturing Nike products were suffering from poor working conditions and low wages. In the following years, more misconduct, like paying below minimum wages, using child labor and not providing workers with proper working equipment. In 1997 college students begin to protest Nike which has a negative impact on Nike's bottom line, due to Nike facing weak demand and unrelenting criticism that forces them to even lay off workers. Nike starts to make changes and in 2005 they become the first company in its industry to publish a complete list of all its contractors and they also publish a report where they reveal conditions and pay in their factories and acknowledge widespread issues, especially in their factories in south Asia. (Business Insider, 2013.)

In most countries companies are *legally required to report* non-financial information like social and environmental impacts of their actions. According to Pedersen et al. (2013) government regulation has a clear impact on companies' CSR reporting practices. In addition to firm specific factors, CSR reporting is also influenced by pressures from the regulatory environment they operate in. According to the KPMG Survey of Corporate Responsibility Reporting (2017) governments, regulators and stock exchanges continue have a crucial impact in the increase of non-financial reporting rates around the world. In 2017 nine countries with a CSR reporting rate of over 90 percent or above have mandatory reporting requirements. This list includes the UK, Japan, India, Malaysia, France, Denmark, South Africa, The US and Mexico. In all the countries reporting legislation has been introduced by governments, and in Malaysia, Denmark, South Africa and the US, the mandatory requirements came also from stock exchanges. (KPMG, 2017.) Mexico (+32%), New Zealand (+17%) and Taiwan (+11%) experienced the greatest increase in reporting compared to 2015. Their growth was influenced with new regulation, requirements from the stock exchange and investor pressure. CSR reporting has also grown strongly in many EU countries with Finland, Greece, Ireland and the Check Republic recording an 8 percent increase since 2015.

Discussing *organizational legitimacy*, Morhardt (2010) found that the institutional perspective of organizational legitimacy is one of the main reasons for CSR disclosure. Institutional theory highlights that systems have a great influence in shaping social and organizational behaviour (Scott, 1995). Organizational legitimacy can be defined as a

common understanding that the actions of an entity are proper, desirable, or appropriate inside a wider socially constructed system of norms, values, beliefs and definitions of which the entity is a part of (Suchman, 1995). Mitigating corporate risk is a main focus and companies' CSR disclosures play a significant role to mitigate legitimacy threats or reduce the legitimacy gap (Deegan, 2002; Nikolaeva and Bicho, 2011). According to Marano et al. (2017) there is a positive relationship between institutional voids and CSR reporting. Home-country institutional voids push companies from developed countries to globalize so that they can escape the institutional inefficiencies and constraints in their markets but simultaneously they create legitimacy challenge for companies in the emerging markets. Particularly companies from emerging markets that are less institutionally developed are likely to face liabilities of origin which means that in the host country, people have a negative perception about these firms' ability and willingness to conduct legitimate business. Globalization, being listed on developed country's stock exchange and time further amplifies the legitimacy challenges so for these companies, CSR reporting is a way to overcome those liabilities and barriers to legitimation.

All the above-mentioned motives to report on CSR are either directly or indirectly linked to company's financial performance. Several studies claim that reporting on CSR can help companies to evaluate their weaknesses and continue to improve their CSR practices which consequentially will have positive impact on financial performance ((Gond and Herrbach, 2006; Swarnapali and Le, 2018). According to Tang et al. (2012) When a company reports and improves its CSR work, they are seen as good company citizens and that good reputation will then attract investors and other stakeholders. In other words, good CSR performance helps companies to achieve good financial performance. According to Chen et al. (2015) the profitable companies have additional resources to report and improve CSR performance, yet in the meantime publicly reporting and improving CSR has the potential to bring significant competitive advantage for a company and therefore complement its the economic objectives in a short-term perspective.

3.4 Challenges and Critique on Human Rights Reporting

Many researchers have emphasized barriers to reporting information related to CSR. There are numerous challenges when a company tries to determine what to report, the form of the report, the level of detail, to what audience and for what uses. (O'Rourke, 2004). A critical issue of reporting CSR progress is designing information systems that are accessible, understandable, and rigorous. This is something that many companies have

difficulty doing. Another issue companies have difficulties with, is defining and forecasting how much information they should disclose. The information published should be detailed enough that the stakeholders will be satisfied but on the other hand if they would be wasting their employees' efforts by preparing information that is not necessary. Hossain et al. (2010) studied barriers for CSR reporting in Bangladesh which is an emerging market. They found out that the barriers for CSR disclosure were a lack government initiatives and regulatory framework, non-compliance with laws, socioeconomic issues and a lack education and awareness in sustainable development.

Kolk (2004) also suggested various reasons that discourage companies from disclosing CSR information. These included: doubts on the potential advantage of the CSR report, competitors not reporting on their CSR, no interest or attention on CSR from their customers, lack of CSR disclosure not affecting customer buying behavior, already good company reputation due to solely good environmental performance, communicating environmental and social issues in a different way, making a CSR report being too costly, having difficulties to collect the needed information and select the right indicators, and potential to in fact damage company's current reputation or attract attention to issues that need improvement that might cause financial and legal implications. On the table below we have concluded the barriers for CSR reporting (Table 2).

Table 2 Barriers for CSR Reporting (Hossain et al. 2010; Kolk, 2004; O'Rourke, 2004).

Information related issues	Defining the scope of the report
	Data measurement and selection
	Dealing with sensitive or adverse information
	Collecting credible information
Strategic and financial issues	Lack of CSR strategy
	Need for a budget
	Analysis on costs and benefits
	Justifying the value of the CSR report
	Confirming the plan to publish the report
Resource issues	Ability to hire CSR experts
	Communication with related departments
	Time consuming
	Fulfillment of resource

In addition to existing barriers to report, there is also critique concerning the truthfulness of these reports. According to Habek (2014) reporting on CSR is especially popular among larger companies. Concerning the firm size and CSR, Baumann-Pauly et al. (2013) and Wickert et al. (2016) claim that size usually matter for the true implementation status of CSR. For bigger firms, embedding CSR practices within all its operations is a very costly task, while the costs of preparing a CSR report can be rather low. On the contrary, for smaller companies with less employees and bureaucracy, integrating CSR practices does not cost much. Yet, reporting on those CSR practices publicly can be rather costly since they probably use informal communication channels for dialogue with their stakeholders. This suggests that larger firms seem to have a “CSR implementation gap” and smaller firms have a “communication gap”. Ting (2020) supports this conclusion with his more recent study where he also found that larger companies invest in “CSR talk” by communicating their commitments to CSR by reporting their activities but do less to implement them in practice.

There are also major problems concerning the content of sustainability reports. There is evidence in literature of partial reporting, where companies only include positive or minor topics in their reports, greenwashing, where companies promise more than they can keep or give a “greener” picture of themselves, weak corporate sustainability data and lastly the lack of comparability of sustainability performance between companies. (Eccles et al, 2012; Boiral and Henri, 2017.)

Focusing more on human rights reporting, Alliance for Corporate Transparency (2020, 4) assessed sustainability reports of 1000 companies in 2019. Even though the number of companies reporting non-financial information, the most significant critique pointed out was that majority of the companies are only reporting on their policies, fewer on their targets and very few on actual outcomes. According to their study, almost 57 % of assessed companies report on human rights risks related to their operations, but only as little as 3,6% disclose examples or indicators that illustrate management of their human rights issues. This great gap implies that general requirements concerning human right reporting are currently not an effective tool to evaluate if the company is properly managing risks of human rights impacts nor does it help to ensure whether a company’s business conduct is responsible. To achieve actual corporate accountability, we need to take a different approach. An approach that would specify companies’ legal responsibilities based on human rights due diligence. This way reporting can only have a supportive role,

where it would ensure disclosure of useful information. (Alliance for Corporate Transparency, 2020, 70.)

3.5 Different Human Rights Reporting Frameworks

Reporting on social sustainability practises tends to support social measurement efforts but there are only few regulatory requirements that mandate consistency in what companies disclose. Due to this, company reporting is very individualized and the content of what is reported varies between companies and even within a company from year to year. In addition to that, companies have the freedom to choose what and how to report. They determine themselves what they deem “material” and therefore should be reported. This often happens without validation of the accuracy or completeness of their disclosures from an external party. Company reporting frameworks were developed to provide standards that guide company disclosures. The two dominating frameworks are GRI with the generalist standards and SASB with the industry-specific standards. The UNGPRF has a specific focus on human rights, but it has not yet reached the same numbers of adaptors. (O’Connor and Labowitz, 2017.) The reason behind choosing the following three frameworks is that the UNGPs are one of the key standards in the CHRB methodology and that it specifically mentions the following frameworks (GRI, SASB and UNGPRF) in the transparency section and companies will get points in transparency if they report against one of those frameworks.

3.5.1 Global Reporting Initiative – GRI Standards

Global Reporting Initiative (GRI) was founded in 1997 and today it is the leading organization in promoting sustainability and responsibility reporting. It is an independent, international organization with a mission to standardize non-financial reporting in companies and organizations around the world, regardless of their industry, size, or location. GRI wants to help businesses and other organizations take responsibility for their impacts by providing a common global language to communicate those impacts. GRI standards provide a way for all companies and organizations to publicly report on their economic, environmental, and social impacts, and also show how they contribute to sustainable development in practise. (GRI, 2020.)

GRI works together with thousands of organizations and experts from business field and society. They cooperate with the United Nations Global Compact (UNGC), the Organization for Economic Co-Operation and Development (OECD) and International Organization for Standardization (IOS), to name a few. The GRI framework consists of the Reporting Guidelines and Sector Guidance, and it also includes other resources to support CSR reporting. The Guidelines, which are the core element of GRI framework, were first published in 2000. Over the years, they have been revised a couple of times and in 2013 the latest edition of the guidelines (G4) was launched. The most recent development for GRI happened in 2016, when they set the first global reporting standards for sustainability reporting – *the GRI Standards* (Figure 3). (GRI, 2020.)

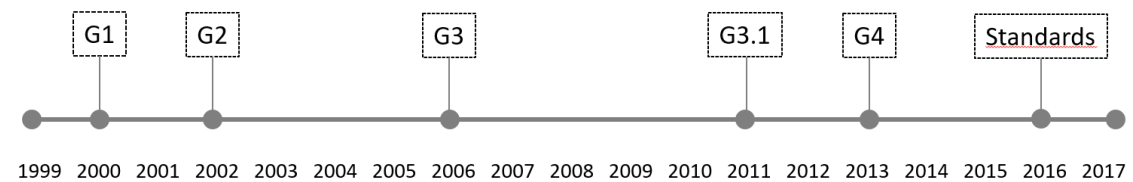


Figure 3 Timeline of the GRI Guidance (GRI, 2020.)

GRI guidelines have been the most widely used reporting framework for many years now (Ballou et al. 2006; Roca & Searcy, 2012; KPMG, 2017). In fact, 75% of the world’s largest 250 corporations (G250) and 63% companies from a sample of the top 100 companies by revenue in 49 countries (N100) report on their sustainability performance with GRI. Out of these companies who report using GRI, two thirds are using G4 guidelines. When it comes to solely on the N100 sample, the number is even higher (88%). Concerning the new GRI standards, just after a year they were published, already 10% of N100 companies were using them. (KPMG, 2017).

The GRI standards released in 2016, are the actual latest guidance available, yet they do not differ from G4 guidelines content wise, only changes were made to the structure. The GRI standards include three universal standards that are applicable to every type of organization. These are GRI 101, 102 and 103. Then there are 33 topic-specific standards that are divided into three sections: economic (GRI 200), environmental (GRI 300), and social (GRI 400). There are 19 standards in the GRI 400, from GRI 401 to GRI 419 (Table 3). (GRI Standards, 2020.)

Table 3 GRI Social Standards (GRI Standards, 2020.)

GRI social standard	What it concerns
GRI 401	Employment 2016
GRI 402	Labor/ Management Relations 2016
GRI 403	Occupational Health and Safety 2018
GRI 404	Training and Education 2016
GRI 405	Diversity and Equal Opportunity 2016
GRI 406	Non-discrimination 2016
GRI 407	Freedom of Association and Collective Bargaining 2016
GRI 408	Child labor 2016
GRI 409	Forced or Compulsory labor 2016
GRI 410	Security Practices 2016
GRI 411	Rights of Indigenous Peoples 2016
GRI 412	Human Rights Assessment 2016
GRI 413	Local Communities 2016
GRI 414	Supplier Social Assessment 2016
GRI 415	Public Policy 2016
GRI 416	Customer Health and Safety 2016
GRI 417	Marketing and Labeling 2016
GRI 418	Customer Privacy 2016
GRI 419	Socioeconomic Compliance 2016

The GRI Social Standards include labor rights and human rights in their reporting framework. Even though many sub-categories already discuss rather many human and labor rights, GRI has also included a section specifically for human rights since the G4 Sustainability Reporting Guidelines. The human rights category consists of 12 indicators and covers the implementation of due diligence process, human rights violations, and stakeholder ability to enjoy and exercise their human rights. Other human right issues included in G4 are freedom of association and collective bargaining, non-discrimination, gender equality, child labor, forced or compulsory labor, and indigenous rights. (Felice, 2015a.)

Even though GRI reporting has spread all around the globe, there is still criticism regarding the number of proposed indicators (84) which is rather large, and that it is quite

expensive for companies to report in accordance with GRI standards. This is speculated to be the reason why many companies are still reluctant to adopt it as a reporting framework. (Bonsón and Bednárová, 2015.)

3.5.2 UN Guiding Principles Reporting Framework (UNGPRF)

The UN Guiding Principles Reporting Framework (UNGPRF) was launched in 2015 making it the first comprehensive framework that guides companies wanting to report on their human rights performance in line with the UNGPs *corporate duty to respect* human rights. The UNGPRF was developed through the Human Rights Reporting and Assurance Frameworks Initiative (RAFI). RAFI is co-facilitated by a human rights non-governmental organization (NGO) Shift and an accounting firm called Mazars. Like GRI, the UNGPRF identifies the relationship that it has with other reporting frameworks like the GRI G4 Framework. (UNGP Reporting Framework, 2017).

The UNGPRF consists of 31 questions that help companies to report on their human rights performance. To encourage companies of different sizes and different stages of implementing respect for human rights, companies who just begin to use the Framework need only to respond to eight questions (and information requirements under part B) to meet the minimum criteria for using the UNGPRF. This phase-by-phase approach is designed to incentivize companies to improve their performance and reporting over time. (UNGPreporting.org/ Framework & Guidance.) The UNGPRF is divided into three sections. Part A focuses on the governance of respect for human rights. It has two questions in regards of company's commitment to and governance of human rights risk management. Questions asked in Part A are:

- A1: “What does the company say publicly about its commitment to respect human rights?”
- A2: “How does the company demonstrate the importance it attaches to the implementation of its human rights commitment?”

In Part B, the reporting company can narrow the range of human rights issues to those that are salient within its business operations and relationships. Information requirements in Part B include:

- Statement of salient issues
- Determination of salient issues
- Choice of focal geographies, and

- Additional severe impacts

Part C then focuses on the effective management the salient human rights issues disclosed in Part B. Part C consists of six questions concerning policies, stakeholder engagement, impact assessment, integration of findings and action, performance tracking and remediation:

- C1: “Does the company have any specific policies that address its salient human rights issues and, if so, what are they?”
- C2: “What is the company’s approach to engagement with stakeholders in relation to each salient human rights issue?”
- C3: “How does the company identify any changes in the nature of each salient human rights issue over time?”
- C4: “How does the company integrate its findings about each salient human rights issue into its decision-making processes and actions?”
- C5: “How does the company know if its efforts to address each salient human rights issue are effective in practice?”
- C6: “How does the company enable effective remedy if people are harmed by its actions or decisions in relation to a salient human rights issue?” (UNGP Reporting Framework, 2017.)

The key concept of the UNGPRF is identifying salient human rights in Part B. Salient issues can be described as those human rights issues that stand out the most due to the severe risk of being negatively impacted by the company’s actions and business relationships. The concept of severity is then defined by scale, scope and remediability which in other words means how big would the impact be, how widespread it would be and how difficult would it be to make right the resulting harm. (UNGPReporting.org/ Salient Human Rights Issues.)

In addition to the reporting framework, the UNGPRF webpage contains a Reporting Database, developed by Shift. All the information in the Reporting Database has to be publicly available. All information included in the Reporting Database must be publicly available so it will not take into consideration internal firm documents or other information. By this means, the disclosures in the Reporting Database are taken from annual report, CSR reports or standalone human rights reports. Afterwards, every company will be asked for feedback, which is included solely based on its alignment with the Reporting Database’s methodology. Currently, the Reporting Database consists of 124 companies

from 11 different sectors: apparel and footwear, banking and financial services, food and beverage, ICT, infrastructure, construction and building materials, oil equipment and services, oil, gas and extractives, palm oil, personal care, tobacco, transportation, and transport operators. (UNGP reporting – Database & Analysis of Company Reporting.)

3.5.3 Sustainability Accounting Standards Board – SASB Standards

SASB is a non-profit and it was launched in 2011 to provide guidance for sustainability reporting in 77 identified industries among the registrants of Securities Exchange Commission (SEC). In 2018, the SASB announced that its standards had been approved by its Standards Board. SASB developed market-informed and industry-specific standards to identify environmental, social and governance (ESG) issues that affect the financial performance of companies and therefore are financially material for investors. (Busco et al, 2020.) SASB recognized from the beginning that in fact “one size does not fit all” so they focused on material risks and opportunities by industry. (Rupley et al, 2017.) SASB Standards are very helpful since they provide a well-founded prioritization of the most critical issues for different sectors which is based on an extensive stakeholder involvement (Brand et al. 2018).

SASB standards can be used independently, together with other reporting frameworks, or as a part of an integrated report. In all ways they provide companies means to communicate with investors in a comprehensive way. SASB works together with various organization with a common goal: to advance reporting and corporate disclosure on sustainability issues. SASB complements other global initiatives like the GRI, the International Integrated Reporting Committee (IIRC), the CDP, and the Task Force on Climate-Related Financial Disclosures (TCFD). The work in late 2020 SASB, together with GRI, IIRC, CDP and CDSB, announced a shared vision: the five organizations intend to work together to develop a *comprehensive corporate reporting system* that includes financial accounting and sustainability disclosure, both connected by integrated reporting. (SASB.org/ SASB & Other ESG Frameworks.)

Each one of the 77-industry specific SASB standards, describes the industry that is the subject of the standard. Each Standard includes:

1. *Disclosure topics*: “A minimum set of industry-specific disclosure topics reasonably likely to constitute material information, and a brief description of how management or mismanagement of each topic may affect value creation.”

2. *Accounting Metrics*: “A set of quantitative and/or qualitative accounting metrics intended to measure performance on each topic.”
3. *Technical protocols*: “Each accounting metric is accompanied by a technical protocol that provides guidance on definitions, scope, implementation, compilation, and presentation, all of which are intended to constitute suitable criteria for third-party assurance.”, and,
4. *Activity metrics*: “A set of metrics that quantify the scale of a company’s business and are intended for use in conjunction with accounting metrics to normalize data and facilitate comparison.” (SASB Industry Standard – Apparel, 2018.)

Currently, there is 91 companies that use SASB standards for ESG reporting. While the number is rather small, the quality seems to be, on average, “good” to “very good”. This gives evidence that reporting on SASB standards is not an overwhelming task to companies. (Busco et al, 2020.) Even though the quality of SASB reports seems to be good, according to O’Connor and Labowitz (2017) the use of industry-specific measurements does not translate into improved coverage of labor and other human rights issues in supply chains. The majority of SASB indicators in their analysis focused on social issues concerning customers (data security, privacy, product safety etc.), labor issues concerning company’s core workforce or very vaguely on human right, social, or ESG issues without further definition. For example, when it comes to the food and beverage industry, issues like threats to the land and labor rights of vulnerable populations, like women, children, and migrants, are rather common but they were not reflected in SASB’s recommended indicators for food retailers and distributors at all. In 2019, SASB Standards Board approved the *Human Capital Research Project* with the purpose of assessing the scope and prevalence of different human capital management themes within the 77 industries to develop an evidence-based view on the cross-cutting theme (SASB – Human Capital).

3.5.4 Corporate Human Rights Benchmark – CHRB

Recently, there is a growing trend of public ratings and ranking with a focus on social issues created by labor and human rights experts. With these rankings they aim to highlight the leading companies, and more importantly the companies not performing well on certain social issues. Usually, they evaluate a smaller number of companies with indicators covering a range of labor and human rights issues. Being established together by experts and other stakeholders, these ratings and rankings cover labor and human rights

issues more deeply, and contrary to other initiatives, they are transparent when it comes to their methodologies and the indicators, they use in making their evaluations. (O'Connor and Labowitz, 2017.)

One of these public rating and ranking frameworks is Corporate Human Rights Benchmark (CHRB) that was launched in 2013 with the aim to create the world's first open and public benchmark of corporate human rights performance. CHRB was developed in consultation with a comprehensive set of stakeholders from companies, governments and civil society organizations, investors, academics, and legal experts around the world. The first, the 2017 CHRB focused on agricultural products, apparel, and extractives and assessed 98 companies. Same focus was in the 2018 CHRB as well, with 100 companies assessed. In the 2019 CHRB, ICT manufacturing was added to the list and in total 200 companies were assessed. In the latest report, the 2020 CHRB, they assessed 230 companies within 5 different sectors: agricultural products, apparel, extractives, ICT manufacturing and, for the first time, automotive manufacturing. (corporatebenchmark.org.)

The UN Guiding principles are a key standard for CHRB. The CHRB uses companies' publicly available information like company websites, annual and sustainability reports, policies, statements, and other public documents to evaluate and determine a total score based on the following six with various weights (For a more detailed disclosure see appendix 1):

- *Theme A – Governance and Policy Commitments:* Theme A discusses human rights related policy commitments and their governance. It consists of two sub-themes: Policy Commitments and Board Level Accountability. It accounts for 10% of overall score.
- *Theme B – Embedding Respect and Human Rights Due Diligence:* Theme B evaluates to what extent the policy commitments are put into practice. It is divided into two sub-themes: Embedding Respect for Human Rights in Company Culture and Management and, Human Rights Due Diligence. This theme accounts for 25% of overall score.
- *Theme C – Remedies and Grievance Mechanisms:* Theme C focuses on the extent to which companies provide remedy when addressing their actual adverse impacts on human rights. It accounts for 15% of overall score.

- *Theme D – Performance: Company Human Rights Practices:* Theme D focuses on company practices concerning selected human rights issues that are salient in each industry. It evaluates companies based on the use of living wages, aligning purchasing decisions with human rights, disclosing their supply chain, and transparency and accountability. The most salient risks are forced labor, child labor, freedom of association, women’s rights, health and safety, water and sanitation, indigenous rights and working hours. Theme D accounts for 20% of overall score.
- *Theme E – Performance: Responses to Serious Allegations:* Theme E focuses on serious allegation responses. To be more explicit, theme E focuses only on the response to an allegation, not the legitimacy of the allegations. This is the only measurement theme in CHRB that utilizes external sources, and it also accounts for 20% of overall score.
- *Theme F – Transparency:* Theme F concludes the previous themes A-E. Companies score points on transparency based on the information published concerning other themes. In addition to that, companies get credit if they are reporting against existing, internationally recognized good-practice reporting frameworks like GRI, UNGPRF or SASB. Theme F accounts for the remaining 20% of total score. (CHRB 2020 Methodology.)

Since CHRB has been conducting the benchmark for a few years now, we already have some data on the development of the company score. The overall average across all industries has in fact declined between 2017 and 2019. There are two key reasons for this. Firstly, in the pilot benchmark 2017 CHRB methodology, companies with no serious allegation charges were automatically given 20/20 score from theme E. This was changed for the newer benchmarks and theme E score was calculated based on the score from themes A-D. Secondly, between benchmarks 2018 and 2019, 100 companies were added to the benchmark which lowered the 2019 overall score. If we look separately at the scores of repeat companies and new companies, there was a big difference. Overall average for repeat companies was 31.4% and overall average for the new companies was 17.2%. (CHRB Key Findings 2017; CHRB Key Findings 2018; CHRB Key Findings 2019.)

According to O’Connor and Labowitz (2017) even though these types of human rights -focused frameworks usually cover the broadest scope of relevant issues and company operations, they are rather weak in assessing actual performance. This is because these frameworks, like CHRB, are the most restricted to measuring company efforts –

their policies, procedures, and governance structures. This means that even though we can see some progress in the company scores over time, they are still only proxy for human rights performance and not at all an absolute measure of performance. This is something that the CHRB discloses as well in all their reports of companies. In addition to that, Maher (2020) argues that initiatives like CHRB fail to include the voices of the affected right-holders by the companies they rank highly. Due to the qualitative nature of human rights, it is impossible to fully measure them in statistics. Yet, CHRB might give this image that it ranks companies based on their performance, but what it actually measures, is corporate *self-reported* practices, policies, controls and procedures. Consequently, it disregards the outcomes as perceived by the rights holders. Maher (2020) suggests that adding a new segment regarding community conflicts or resistance to corporate projects would lend substantial credibility to benchmarks like CHRB and potentially encourage engagement from civil society organizations which would make the benchmark more inclusive of rights-holders.

The Corporate Human Rights Benchmark brings together the whole literature review. The CHRB Methodology was developed using a wide range of global and industry-specific standards and initiatives to make sure that the benchmark is based on realistic expectations. When it comes to global standards, the UNGPS are a key part of the CHRB. In addition to that we have elemental UN conventions and declarations like:

- Universal Declaration of Human Rights (UDHR), 1948
- International Covenant on Civil and Political Rights (ICCPR), 1966
- International Covenant on Economic, Social and Cultural Rights (ICESCR), 1966
- The Convention on the Rights of the Child (CRC), 1989
- The Convention on the Elimination of All Forms of Racial Discrimination (CERD), 1965
- The Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW), 1979
- The Convention on the Rights of Persons with Disabilities (CRPD), 2006
- The Convention on the Protection of the Rights of All Migrant Workers and Members of their Families (ICMW), 1990
- The Declaration on the Rights of Indigenous Peoples (UNDRIP), 2007
- The Declaration on the Rights of Persons Belonging to National or Ethnic, Religious and Linguistic Minorities 1981.

The CHRB methodology has also referenced the OECD Guidelines for Multinational Enterprises, the ILO core labor standards and other ILO conventions, the UN Global Compact, and the UN Sustainable Development Goals. Reporting frameworks and standards it used were previously mentioned UNGPRF, GRI and SASB. (See 2020 CHRB Methodology, Annex 6.) All the above-mentioned standards and frameworks were discussed in the thesis and the CHRB Methodology combines and concludes them all which is why it was used as the theoretical framework of this thesis.

4 METHODOLOGY

4.1 Research Method

Qualitative research is used to gain a holistic understanding of a topic (Eriksson & Kovalainen 2008, 5). The starting point for qualitative research is describing real life. A qualitative approach has been chosen for this study due to the purpose of this study which was to understand, gain insight and potentially discover unstructured issues. This study by nature was more exploratory and flexible as qualitative research usually tends to be. (Ghuri and Gronhaug, 2005, 202). There is various approaches to qualitative research but there are also common characteristics that have been identified: 1) research consists of comprehensive data collection in the real world, 2) complete objectivity is never achieved since the values of the researcher affect the results to some extent, 3) data collection consists of people and qualitative methods supported by the observations of the researcher rather than measurement instruments, 4) target group or case is not decided randomly but advisedly, 5) data collection and analysis are continuous and the research plan keeps shaping as the research process goes on, and lastly 6) each case is treated and data is interpreted uniquely. (Hirsjärvi et al. 2007, 157 – 160.) The purpose of this study was to gain understanding and in-depth information on the human rights monitoring and reporting of Finnish companies, a topic of which no detailed literature can be found. The objective is supported by a framework which is used to analyse companies' public reports with a focus on human rights. Additionally, companies' impact on human rights and their efforts and duty to monitor, report, and improve them is a real-life issue, which makes qualitative research a fit choice for this thesis.

Hirsjärvi et al. (2007, 130–131) divide research strategies into three categories: experimental research, survey-research and case study. A case study provides detailed information on a single case or a group of interrelated cases using qualitative research methods like interviews, questionnaires, observations, and document analysis. Case study was adopted as a research strategy for this thesis. A case study was chosen as the research method. Case studies are used to study real-life phenomena and to seek information about an individual, a group, or organizational, social or political phenomena. The case study seeks to respond to descriptive (how) and explanatory (why) questions (Yin 2009, 4, 9-10) and aims to gain an in-depth understanding of one or more cases in their real-life context (Yin 2012, 4–5).

A case study can be divided into an intensive (single) or extensive (multiple) case study. Intensive case study aims to understand a unique, individual case from within and extensive case study aims to generalize new theories and to find similarities by comparing several cases. (Eriksson & Kovalainen 2008, 118.) Since 30 companies were analysed in this study, a multiple case study was chosen as a research strategy for this thesis. The aim is not to identify or study the target organizations development targets or problems, but to gain insight on how companies communicate about their human rights issues and topics within their own operations as well as in their supply chains to external stakeholders and see whether there are differences depending on the industry of the company or company size.

First, all cases were analysed as a stand-alone entity so that all unique patterns of each case emerge and after that we aimed to identify common features and generalise patterns across cases. This gave a comprehensive familiarity with each case which in turn accelerates cross-case comparison. (Eisenhardt, 1989.) A cross-case analysis examines themes, similarities or/and differences across different cases. The unit of analysis in a cross-case analysis is a case, which can be an any bounded unit, like an individual, a group, an artifact, a place, an organization, or an interaction. In this thesis the unit of analysis is a company. Cross-case analysis is usually the second level of analysis that is associated with the case study approach. A cross-case analysis is a way of generalizing or aggregating across cases. The focus of a cross-case analysis in evaluation is often times particular common outcomes for a number of different cases. (Encyclopedia, 2014.)

Additionally, a content analysis was conducted in this thesis, when analysing the content of each case individually. Content analysis is a form of data analysis in which data is verbally analysed with a systematic and objective approach (Tuomi & Sarajärvi 2018, 117). In this thesis all the publicly available data was looked through and the content was analysed and scored based on the comprehensiveness of the content and the criteria of the CHRB methodology. In chapter 5 the content of companies' information on human rights is presented and their differences are compared.

4.2 Data Collection

To answer the research questions, the Sustainable Brand Index (SBI) rank list was used to choose the suitable companies to analyse. Sustainable Brand Index conducts Europe's largest brand studies focusing on sustainability. Their ranking show how sustainable the brands are perceived by their key stakeholders in the respective countries. The Ranking

scores are defined by two parts: environmental and social responsibilities. Each brand is selected as its own based on market share, turnover, and general brand awareness. (SBI, 2020.)

The Finnish Ranking of the most sustainable brands for 2020 consists of 195 brands in total. In the first phase of the company selection, we linked each brand with what company owned them. The companies were ranked based on the ranking of their brand. If a company had multiple brands, their rank score was the rank of their highest-ranking brand.

After the conversion of brand ranking to company ranking, we started to define the criteria based on which the companies would be selected for this study. The criteria are as follows:

1. The company must have a responsibility/sustainability report.
 - a. This can be either a part of the annual report or its own report. Can be in pdf form or a page in their website.
 - b. If the company does not report itself, it must have a link from their website to their mother company's responsibility pages.
 - i. E.g. Sinebrychoff and Hartwall (Both are old Finnish owned brands that have a strong market position in Finland).
2. The company must be either in agricultural or in apparel business.
 - a. Based on this we excluded companies in the 1) service industry (hotel, banks, insurance companies etc.), 2) transportation industry (automotive, aviation, railway etc.) and 3) extractives business.
 - b. Exception:
 - i. Neste: Is in the extractives business but has also agricultural business.
 - ii. Kesko and S Group are in both apparel and agricultural business.
 - iii. Verkkokauppa.com is in the ICT field.

Based on the criteria mentioned above, the company list is as follows:

Table 4 Finnish companies chosen for the study

Agricultural Companies	Apparel Companies
Valio	Fiskars
S Group*	Partioaitta

Raisio	Finlayson
Kesko*	Marimekko
Fazer	Arvid Nordquist
Yliopiston Apteekki	Tokmanni
Paulig	Verkkokauppa.com*
Saarioinen	Stockmann
Vaasan	Stadium
HKScan	S Group
Atria	Kesko
Alko	
Neste**	
Apetit	
Lumene	
Lidl Suomi	
Hartwall	
Hesburger	
Meira	
Altia	
Sinebrychoff	

Data used in the research was publicly available data in each of the chosen companies' websites. This included annual reports, sustainability report and sustainability pages and news. We analysed the latest reports published which were for the year 2019. In addition to that all the other relevant data used from the company websites was collected on a separate document for each company. Data collection and analysis happened between July 2020 and January 2021.

4.3 Data Analysis

Analysing of the data and drawing conclusions from it is the fundamental goal of research. Qualitative research does not have strict rules on how to analyse data, but it's recommended to do simultaneously during the research process and not wait until after all the data has been collected. (Hirsijärvi et al. 1997, 216–219.) There are two types of strategies for analysis in qualitative research: deduction and induction. Deduction means that the

primary source of knowledge is a theory that the study is built from, and induction means that the theory arises from empirical research (Eriksson & Kovalainen 2008, 21–23.) Usually, qualitative research uses inductive analysis, because the purpose is not to test the theory or hypotheses but to examine the material comprehensively (Hirsjärvi et al. 2007, 160). Inductive logic is also used in this qualitative study since there is no prior theory on how Finnish companies perform regarding human rights and how comprehensively they report on them, and if there are differences between apparel and agricultural businesses.

There are various methods of analysis in qualitative research, such as quantitative analysis techniques, thematic design, typing, content analysis, discursive analysis methods, and discussion analysis (Eskola and Suoranta 1998, 160; Hirsjärvi et al 2007, 219). According to Eskola and Suoranta (1998, 174), qualitative material is often approached through thematic design. Thematic design means that the research material is grouped according to different topics (Tuomi & Sarajärvi 2018, 105). In thematic design, themes related to the research question and problem are raised from the material, the occurrence of which can be compared and recommended for solving practical problems (Eskola & Suoranta 1998, 174–178).

In this study we use the latest CHRB methodology: the 2020 Methodology for the Agricultural Products, Apparel, ICT manufacturing and Extractive industries. Each company was assessed using the CHRB 2020 methodology company scoresheet (see Appendix 1). The scoresheet consists of 6 themes A-F. Theme A consists of policy commitments and board level accountability, theme B consists of two sub-themes: embedding respect and human rights due diligence, theme C focuses on the extent to which companies provide remedy when addressing their actual adverse impacts on human rights, theme D focuses on selected human rights related practices specific to each industry, theme E focuses on serious allegation responses, and more explicitly, on the response to an allegation, not the legitimacy of the allegations, and lastly theme F concludes the previous themes A-E and companies score points on transparency based on the information published concerning other themes. We will discuss the themes in more detail in chapter 5.

The process that the founders of CHRB method uses consists also of a phase where companies are asked to provide any additional information they want to provide on each topic or point of the methodology to better their score. In this thesis that part was not included, and the companies were assessed solely on the information and data that they had publicly stated. In accordance with the CHRB methodology, the implementation of corporate human rights responsibility was assessed in the report solely using publicly

available information which is based on the principle of transparency contained in the UNGPs, which requires companies to communicate about their commitment to human rights, their human rights risks and impacts, and related actions openly and actively. The sources that were used for information included annual reports, non-financial reports, company's public documents or statements e.g., policy commitment documents such as CoC, SCoC, and human rights commitments, company values, guidelines, news or other relevant information from the last two years. Analysing of the companies was started in June 2021. After the companies were assessed using the CHRB methodology, a cross-case analysis was conducted, and two industries were compared on their results.

4.4 Evaluation of the Study

The assessment of the quality of a study focuses on whether the study is reliable, objective and unbiased, as the researcher's interpretations may be influenced by personal experiences (Tuomi & Sarajärvi 2018, 158-). 160). The decisions made in qualitative research should be reflected upon throughout the project and thus the reliability of the research should be assessed (Eskola & Suoranta 1998, 210-211; Eriksson & Kovalainen 2008, 290-292).

Traditionally, the quality of research is evaluated by reliability and validity. Reliability indicates whether a study is repeatable and aims to minimise errors and biases. The purpose is that if the study is repeated in the same way, it is possible for another researcher to obtain the same results. It is therefore important that the survey procedures are documented (Hirsjärvi et al. 2007, 226-228; Yin 2009, 40, 45; Hirsjärvi & Hurme 2008, 186.)

To strengthen the reliability of the study the research process is explained as transparently and in detail as possible. The selection criteria of companies analysed in this study were documented in detail. In the beginning of the study, the researched analysed a company that was already analysed by the CHRB specialists to see if the same score is obtained and to see if there were differences in the way they scored different themes. After that, the first Finnish companies (Paulig and Fazer) were assessed for this study using the CHRB methodology also by two other researchers to see if we come to the same score. We went through each theme and topic within the theme and discussed topics that were scored differently until we came to a consensus on what level of transparency needs to be to win a certain score from 0 to 2. Based on these we now had a better understanding and a ready policy on how the researcher will continue with the rest of the company analysis.

Validity answers to the question whether the study results are true. It indicates the validity of the study, i.e. whether the study has investigated what was promised and whether the results provide a sufficiently comprehensive description of the event (Hirsjärvi et al. 2007, 226-227; Eriksson & Kovalainen 2008, 292; Tuomi & Sarajärvi 2018, 160). Validity can be divided into construct, internal and external validity. Construct validity can be increased by using multiple sources and establishing a chain of evidence. Internal validity is often used in explanatory studies when the researcher aims to explain the cause and effect of events. Internal validity demonstrates the scientific approach of the researcher when theoretical, conceptual and methodological decisions are logically justified. External validity confirms the generalisability of research findings, when the researcher seeks to generalise the results to wider theory. (Eskola & Suoranta 1998, 213; Yin 2009, 40-43).

One way to assess validity is triangulation, which increases the validity of a study (Tuomi & Sarajärvi 2018, 166). Triangulation refers to the process of using multiple perspectives to refine and clarify findings (Eriksson & According to Denzin (see Tuomi & Sarajärvi 2018, 168). There are four types of triangulations: 1) data, 2) researcher, 3) theory, and 4) method. Data triangulation means that data is collected from several different sources. In researcher triangulation, there are several researchers in the study. Theory triangulation, on the other hand, involves using multiple theories to explain phenomena. Methodological triangulation is the combination of several methods in a study. (Denzin 1978, after Tuomi & Sarajärvi 2018, 168.) In this study, three researchers analysed the first companies and discussed their differences and commonalities to come to a conclusion regarding the methodology. Additionally, the publicly available data collected from the companies was very comprehensive. In addition to company reports, SCoCs, CoCs, employee handbooks, other policies and published news were all analysed. Data was collected from 30 different companies. The CHRB methodology itself is also rather comprehensive since it is based on such a wide range of human rights related global and industry-specific standards and initiatives such as GRI, SASB, UNGPRG as well as others (see chapter 3.5.4).

5 RESULTS

In this chapter we will present the results of the study. The companies chosen for the study were taken from the Sustainable Brand Index's (SBI) Official Report 2020. SBI has ranked B2C brands based on how sustainable consumers perceive them to be. Since we are assessing companies, we replaced the brands on the list with the companies they belong to. Human Rights disclosure of 30 Finnish companies was assessed using the 2020 CHRB methodology. The Analysis were conducted between June 2020 and January 2021. First, we will present the overall results of the two industries and companies. We will also present their ranking using the CHRB methodology and compare it to the SBI ranking. Then we will discuss each theme A to F in more detail with examples of some scoring criteria. There we will also divide companies into Agricultural and Apparel based on CHRB Methodology and see if we can find differences between the two industries.

5.1 CHRB overall Results and BSI Rating

In this chapter we will look at the overall picture of how Finnish companies scored using the 2020 CHRB methodology and compared company CHRB ranking to SBI ranking (see table 4 and table 5). The overall average score was 27,8% out of 100%, which is a rather low score. In our analysis, some companies scored zero on all the indicators within a whole measurement theme. This means that we were unable to find enough publicly available information to award them even half a point on any of the indicators regarding:

- *A.1 Commitments to respect human rights* – 1 company scored 0 on all indicators across this theme.
- *A.2 Board level accountability for human rights* – 8 companies scored 0 on all indicators across this theme.
- *B.1 Embedding respect for human rights in company management systems* – 5 companies scored 0 on all indicators across this theme.
- *B.2 Human rights due diligence* – 7 companies scored 0 on all indicators across this theme.
- *C. Remedy and grievance mechanisms* – 4 companies scored 0 on all indicators across this theme.
- *D. Performance: Dealing with key risks and enabling factors for human rights* – 4 companies scored 0 on all indicators across this theme.

- *E. Performance: Responses to serious allegations* – 1 company scored 0 on all indicators across this theme.
- *F. Transparency* – 1 company scored 0 on all indicators across this theme.

The rather high number of companies scoring zero in some indicators within the themes A-D is quite alarming since it is an indication that some companies in Finland are missing fundamental commitments and procedures that are required to avoid causing human rights impacts or to provide remedy after a violation of human rights has occurred. Human Rights Due Diligence (HRDD) is a fundamental part of UNGPs. Yet, 7 out of 30 Finnish companies analysed, scored 0 points on theme B.2. Only one company scored 0 on all the indicators across all themes – Yliopiston Apteekki. The best scoring companies were Neste, S Group, Stockmann and Kesko. On a positive note, none of the companies had any serious allegation charges regarding human rights violations within the 2-year timeframe set by the CHRB.

Table 5 CHRB Overall Results

<i>Company name</i>	<i>Theme A Score</i>	<i>Theme B Score</i>	<i>Theme C Score</i>	<i>Theme D Score</i>	<i>Theme E Score</i>	<i>Theme F Score</i>	<i>Total Score</i>
<i>Neste</i>	6,2	21,0	7,9	7,4	12,3	6,6	61,4
<i>S Group</i>	6,9	20,5	2,9	8,0	11,2	6,6	56,1
<i>Stockmann</i>	5,3	17,1	5,0	10,7	11,0	5,8	54,8
<i>Kesko</i>	6,5	18,3	3,8	7,7	10,6	6,0	51,5
<i>Tokmanni</i>	6,7	18,6	0,6	5,9	9,2	5,0	46,0
<i>Alko</i>	6,3	16,4	1,7	5,0	8,6	5,3	43,3
<i>Lidl Suomi</i>	4,7	16,4	4,2	5,3	8,2	2,4	41,2
<i>Paulig</i>	4,8	15,1	1,7	6,4	8,1	4,5	40,6
<i>Marimekko</i>	3,5	17,3	1,7	4,4	7,8	4,3	39,0
<i>Meira</i>	3,6	14,0	0,8	7,0	7,5	4,7	37,6
<i>Fiskars</i>	4,6	11,3	2,1	6,1	7,2	4,5	35,8
<i>Stadium</i>	0,9	14,1	2,5	6,7	7,1	4,1	35,4
<i>Vaasan</i>	4,3	11,9	1,7	4,4	6,6	4,4	33,3
<i>Valio</i>	3,8	12,9	2,5	2,0	6,3	3,9	31,4
<i>HKScan</i>	5,6	4,5	4,2	3,4	5,8	5,4	28,9
<i>Fazer</i>	4,3	6,3	5,0	2,5	5,1	2,5	25,7
<i>Altia</i>	3,0	7,8	3,3	2,0	5,0	4,0	25,1

Company name	Theme A Score	Theme B Score	Theme C Score	Theme D Score	Theme E Score	Theme F Score	Total Score
<i>Raisio</i>	3,9	7,7	1,3	2,0	4,6	3,7	23,2
<i>Atria</i>	4,8	6,3	1,3	2,3	4,6	3,8	23,1
<i>Apetit</i>	4,4	6,5	1,7	1,0	4,4	4,0	22,0
<i>Finlayson</i>	1,4	5,4	0,8	5,6	3,7	1,6	18,5
<i>Arvid Nordquist</i>	2,6	6,6	0,0	2,5	3,2	1,3	16,1
<i>Partioaitta</i>	2,5	2,5	0,0	5,0	2,8	1,2	14,0
<i>Saarioinen</i>	1,5	4,6	1,7	1,3	2,5	1,1	12,7
<i>Lumene</i>	1,5	0,0	0,0	0,0	0,9	2,2	4,6
<i>Verkko- kauppa.com</i>	0,6	0,7	1,3	0,0	0,7	0,4	3,7
<i>Hartwall</i>	0,8	0,0	0,8	1,0	0,7	0,3	3,6
<i>Sinebrychoff</i>	0,8	0,0	0,8	0,8	0,7	0,3	3,4
<i>Hesburger</i>	0,3	0,0	1,7	0,0	0,6	0,3	2,9
<i>Yliopiston Apteekki</i>	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Total Score	3,5	9,5	2,1	3,9	5,6	3,3	27,8

Looking at the scoring distribution below, we can see that the majority of the companies assessed are failing to demonstrate their respect for human rights. Six companies scored less than 10% and more than half of the companies (53%) scored less than 30%. Close to 9 out of 10 companies scored less than 50%. Only 4 companies scored more than 50% and Neste was the only company scoring more than 60%. (Figure 4.)

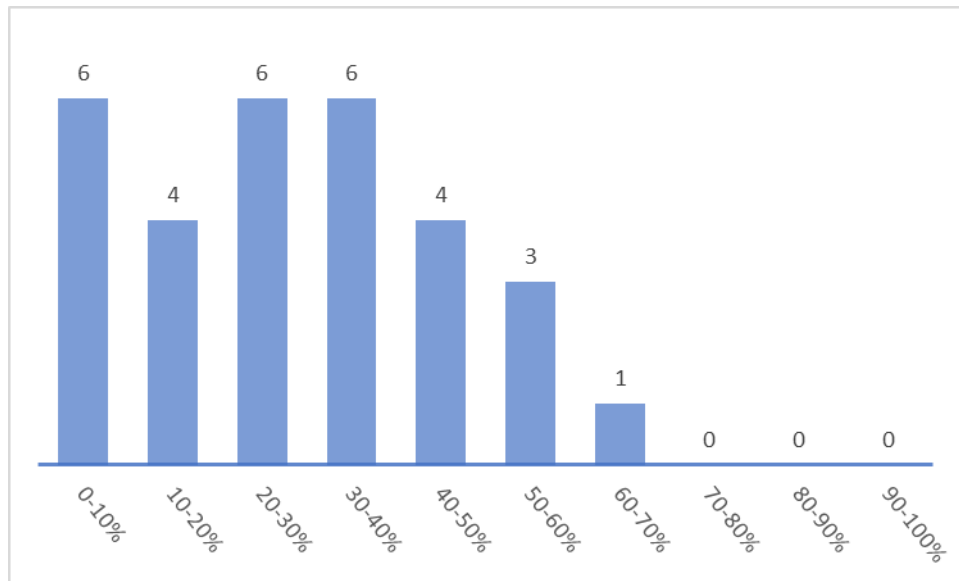


Figure 4 Number of Companies in each Per Cent Groups

The companies chosen for the study were taken from the Sustainable Brand Index's (SBI) Official Report 2020. SBI has ranked B2C brands based on how sustainable consumers perceive them to be. Since we are assessing companies, we replaced the brands on the list with the companies they belong to. This way it was possible to compare the SBI ranking to the CHR B ranking. (Table 5).

Table 6 The CHR B results compared to SBI ranking.

<i>COMPANY NAME</i>	<i>CHR B Rank</i>	<i>SBI Rank</i>
<i>Neste</i>	1	37
<i>S Group*</i>	2	2
<i>Stockmann</i>	3	116
<i>Kesko*</i>	4	8
<i>Tokmanni</i>	5	83
<i>Alko</i>	6	34
<i>Lidl Suomi</i>	7	42
<i>Paulig</i>	8	20
<i>Marimekko</i>	9	30
<i>Meira</i>	10	65
<i>Fiskars</i>	11	10
<i>Stadium</i>	12	118
<i>Vaasan</i>	13	24

COMPANY NAME	CHRB Rank	SBI Rank
<i>Valio</i>	14	1
<i>HKScan</i>	15	27
<i>Fazer</i>	16	9
<i>Altia</i>	17	68
<i>Raisio</i>	18	3
<i>Atria</i>	19	28
<i>Apetit</i>	20	39
<i>Finlayson</i>	21	15
<i>Arvid Nordquist</i>	22	63
<i>Partioaitta</i>	23	14
<i>Saarioinen</i>	24	22
<i>Lumene</i>	25	40
<i>Verkkokauppa.com</i>	26	84
<i>Hartwall</i>	27	46
<i>Sinebrychoff</i>	28	75
<i>Hesburger</i>	29	47
<i>Yliopiston Apteekki</i>	30	11

The first impression was that there was a lot of differences between the company ranks. In fact, only one company, S Group (S Market in SBI) ranked second in both rankings. Valio has been voted as the most sustainable brand for the last 7 years now, but in only ranks at 14 on CHRB with a score of 31,4%. The company with biggest difference between CHRB and SBI was Stockmann which ranked 116 on SBI but is the third on CHRB with a score of 53,6%. Also, Tokmanni and Lidl Suomi scored rather low on SBI (83 and 42), yet in CHRB ranking they are 5 and 7. Another company to point out is Yliopiston Apteekki that ranked 11 on the SBI, but it was the last company in CHRB ranking, scoring zero on all indicators.

5.2 Theme A – Governance and Policies

Theme A consists of policy commitments and board level accountability with both having a 5% weighting. The sub-themes are split into the following indicators:

- A.1 Policy commitments

- A.1.1 Commitment to respect human rights
- A.1.2 Commitment to respect the human rights of workers
- A.1.3 Commitment to respect human rights particularly relevant to the industry
 - A.1.3.a Land and natural resources - Agricultural products industry
 - A.1.3.b People's rights - Agricultural products industry
 - A.1.3 Apparel industry
 - A.1.3 Extractives industry
- A.1.4 Commitment to engage with stakeholders
- A.1.5 Commitment to remedy
- A.1.6 Commitment to respect the rights of human rights defenders
- A.2 Board level accountability
 - A.2.1 Commitment from the top
 - A.2.2 Board discussions
 - A.2.3 Incentives and performance management

5.2.1 Agricultural Industry

Agricultural industry average for theme A was 3,8% which is rather low. Top score for theme A was 10% and scores of companies in agricultural industry varied from 6,9% (S Group) to 0% (Yliopiston Apteekki). (Table 6.)

Table 7 Theme A Scores for Agricultural Products (0-10%)

Company Name	A.1.1	A.1.2	A.1.3.a	A.1.3.b	A.1.4	A.1.5	A.1.6	A.2.1	A.2.2.	A.2.3	A TOTAL
S Group*	2,0	2,0	0,0	2,0	2,0	2,0	2,0	1,0	2,0	0,0	6,9
Kesko*	2,0	2,0	0,0	2,0	2,0	0,0	0,0	1,0	2,0	1,0	6,5
Alko	2,0	2,0	1,0	2,0	2,0	1,0	0,0	1,0	2,0	0,0	6,3
Neste**	2,0	2,0	2,0	2,0	2,0	1,5	0,0	1,0	2,0	0,0	6,2
HKScan	2,0	2,0	0,0	2,0	2,0	0,0	0,0	1,0	2,0	0,0	5,6
Paulig	2,0	2,0	1,0	2,0	1,0	0,0	0,0	1,0	1,0	0,0	4,8
Atria	2,0	2,0	0,0	2,0	2,0	0,0	0,0	1,0	1,0	0,0	4,8
Lidl Suomi*	2,0	2,0	0,0	2,0	2,0	1,0	0,0	0,5	1,0	0,0	4,7
Apetit	1,0	2,0	0,0	0,0	2,0	0,0	0,0	1,0	2,0	0,0	4,4
Fazer	2,0	2,0	0,0	1,0	1,0	1,0	2,0	1,0	0,0	0,0	4,3

Company Name	A.1.1	A.1.2	A.1.3.a	A.1.3.b	A.1.4	A.1.5	A.1.6	A.2.1	A.2.2.	A.2.3	A TOTAL
Vaasan	2,0	2,0	1,0	1,5	0,0	0,0	0,0	1,0	1,0	0,0	4,3
Raisio	1,0	2,0	0,0	1,0	2,0	0,0	0,0	1,0	1,0	0,0	3,9
Valio	2,0	0,0	0,0	1,0	2,0	0,0	0,0	1,0	1,0	0,0	3,8
Meira	1,0	0,5	0,5	0,5	2,0	0,0	2,0	0,5	1,0	0,0	3,6
Altia	2,0	2,0	0,0	1,0	0,0	0,0	0,0	1,0	0,0	0,0	3,0
Arvid Nordquist	2,0	2,0	0,0	1,0	1,0	0,0	0,0	0,0	0,0	0,0	2,6
Saarioinen	1,0	1,5	0,0	0,0	0,0	0,0	0,0	0,5	0,0	0,0	1,5
Lumene	1,0	0,0	0,0	0,0	0,0	0,0	0,0	1,0	0,0	0,0	1,5
Hartwall	1,0	0,5	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,8
Sinebrychhoff	1,0	0,5	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,8
Hesburger	0,0	0,0	0,0	0,0	1,0	0,0	0,0	0,0	0,0	0,0	0,3
Yliopiston Apteekki	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Total average											3,8

Most of the companies scored 2 or 1 points from the first indicator which is the commitment to respect human rights. Only two companies (Hesburger and Yliopiston Apteekki) failed to express commitment to the most fundamental requirement for companies regarding human rights. The only mention on this matter in Hesburger's website is:

We require our supply chain to respect human rights in accordance with the Universal Declaration of Human Rights of the United Nations. (Hesburger – Ethical Principles, 2021.)

There is no clear commitment of themselves committing to the UDHR and even the wording used to require suppliers to respect human rights is considered insufficient by CHRB methodology which is why Hesburger did not score even a half point on that indicator. On the contrary, S Group was awarded 2 points from the following disclosures on their website:

We are committed to respecting all internationally recognised human rights and promoting them in our operations. We expect the same of our partners.

S Group is committed to respecting all internationally recognised human rights. We promote the fulfilment of human rights in everything we do, and we expect the same from our partners. We avoid causing or contributing to any adverse impact on human rights by observing proper caution in accordance with the UN Guiding Principles on Business and Human Rights. (S Group's human rights principles, 2021.)

The second indicator concerning the fundamental rights at work by ILO is the best scored indicator with 14 companies disclosing information to win a full score. For example, Kesko disclosed very thoroughly its commitment to labor rights:

*Kesko has committed to several international declarations and conventions, the most important of which are: The UN Universal Declaration of Human Rights and the UN Convention of the Rights of the Child, **The ILO convention on the Fundamental Rights and Principles at Work** –.*

We treat our employees equally and comply with applicable labor laws. We respect the individual's worth, privacy and freedom of religion and conscience. We do not tolerate discrimination, harassment, threats, or insults. We respect the freedom of association and employees' right to organise professionally. We actively ensure safe working conditions. We build a better society together. We create partnerships and participate in the development of local communities. Kesko requires that its partners respect all internationally recognised human rights. We do not tolerate the use of child labor, any form of forced labor nor other human rights violations in our supply chain. (Kesko CoC, 2016.)

Even the best scoring companies has issues in committing to respect the right to water, and ownership of land and natural resources (A.1.3.a). Neste was the only company that got a full score on that indicator with the following disclosure:

The following defines Neste's conduct and business decisions on responsible sourcing. Neste expects its suppliers to comply with and share Neste's ambition and commitments with regards to this principle. For suppliers, these principles, where applicable, are to be read by replacing "Neste" with "suppliers" and applying them to their own production processes and relevant suppliers.

Neste commits to not source from areas where renewable feedstock production has led to adverse land use change and habitat conversion after 19 December 2007. Such land use change can be the conversion of forested areas, wetlands or grasslands into cultivation areas; and other natural eco-systems where High Conservation Values (HCV) or High Carbon Stock (HCS) are present, or where the Free, Prior and Informed Consent (FPIC)1617 of local communities and traditional land rights holders have not been given. i. Forests - Neste does not accept the conversion of forested land to biomass production where HCV and HCS values are found. ii. Wetlands or peatlands - Neste does not accept new development of wetlands or peatlands immaterial of size and depth of organic substrates. Neste requires that current cultivation areas on wetlands and peatlands are responsibly managed, safeguarding HCV and HCS values. Neste encourages, and will monitor, peat restoration where it is feasible or required. iii. Grasslands - Neste will not source feedstocks originating from areas where HCV and HCS values are found or that have been converted from highly biodiverse natural grasslands after 19 December 2007. (Neste Responsible Sourcing (Principle), 2021.)

Neste recognizes the growing pressures on global water supplies caused by land use change, crop production and global climate change. Neste monitors its supply chain's water scarcity, consumption and related risks. Neste suppliers are required to develop water management and monitoring plans that will include actions and targets for reducing impacts on water quality and water consumption. (Neste Responsible Sourcing (Principle), 2021.)

What was also disappointing to see is that only 5 companies in the agricultural sector disclosed any commitment to remedy. The indicator with the worst success in sub-theme A.1 was A.1.6 with only one company not scoring a zero on that indicator. This means that Finnish companies are failing miserably at respecting the rights of human rights defenders. Only S Group discloses any information on their approach to human rights defender deserving a full score on the indicator:

We do not interfere with the work of defenders of human rights or the functioning of the civil society, including campaigns related to S Group. We expect that our partners also respect the work of defenders of human rights and the functioning of the civil society, and we do not accept any type of interference from our partners. In situations where there is clear evidence of one of our partners interfering with or preventing the work of defenders of

human rights or the functioning of the civil society, we aim to exert pressure within the scope of our influence on our partner to stop this interference.

If this situation is associated directly with S Group's activities, legal and financial measures are also possible. These situations will be investigated on a case-by-case basis. Improving legal protection at a national level is a key method in supporting the work of defenders of human rights, and their legal activities should not be impeded by legal means. (S Group's human rights principles, 2021.)

When it comes to board level accountability, many companies have their commitments approved by their Board of Directors or CEO, but none have published any speeches or presentations on human rights by their CEO, so no company scored 2 points in indicator A.2.1. Indicator A.2.2 had better success with 13 companies disclosing enough information for a 1 or higher score. Alko disclosed information regarding these indicators very simply. A.2.1:

President & CEO Leena Laitinen signed Alko's declaration of human rights in December 2017. (Alko – Prioritizing Ethics, 2021.)

The responsibility working group discusses any developmental measures related to responsibility and sustainability. The Sustainability Manager chairs the group. It is owned by the Executive Vice President, Communication, who makes progress and action reports to Alko's Management Team. The Board's Responsibility Committee prepares matters for presentation to the Board of Directors. The Board of Directors regularly discusses responsibility issues. The Supervisory Board approves the responsibility plan for the following year and annually reviews the responsibility measures that have been implemented. The Annual General Meeting decides on the recipients and maximum sum of Alko's annual donations, and also reviews a summary of responsibility measures and their success. (Alko Annual Report 2019.)

And A.2.2:

The responsibility working group handled responsibility development projects and measures. The working group is chaired by the Sustainability Manager, who reports to the Executive Vice President, Communications. The Management Team reviews responsibility issues that are of key relevance to the strategy and action plan. The leader of each business unit and

support function bears responsibility for operative management. The Board of Directors regularly reviews responsibility issues that are prepared by the Board's Responsibility Committee. The Supervisory Board approves a plan for responsibility measures for one calendar year at a time and presents a report on the actions carried out during the previous year. The President & CEO reports on the responsibility actions at Alko's Annual General Meeting. The AGM decides on the maximum amount of donations to be granted by the company. (Alko Annual Report 2019.)

The most significant human rights risks identified in the alcoholic beverage industry's international supply chain relate to the primary production of ingredients and seasonal labor. Agricultural harvests are very labor intensive, and the use of leased labor is very common. Problems identified in the industry include ambiguous management practices, exceeding statutory working hours, and compromising on occupational health and safety. Seasonal workers in particular are subject to violations of human rights and labor rights. With regard to Alko's operations, the high-risk regions for wine production are South Africa, Chile, Argentina, and Mediterranean coastal regions. For other product groups, the human rights violations identified in sugar cane cultivation are currently one of Alko's focal points. Human rights risk assessment is part of Alko's operating model for indirect procurements. (Alko Annual Report 2019.)

Most companies fail to report any incentives to the Board linked to the implementation of its human rights policy commitments or targets. Only Kesko managed to score 1 out of 2 points in the indicator with the following disclosure:

Kesko's Board of Directors and Group Management Board discuss the key sustainability principles and reporting. The corporate responsibility function is headed by the Executive Vice President for human resources, corporate responsibility and regional relations, who is a member of Kesko's Group Management Board. Corporate responsibility is one of the target indicators of his performance bonus. (Kesko – Sustainable Governance, 2021.)

5.2.2 Apparel Industry

Looking at the companies in the apparel industry, the total industry average was 2,8% which is slightly smaller than for agricultural industry. In this industry, scores vary from 6,7% to 0,6%. (Table 7.)

Table 8 Theme A Scores for Apparel (0-10%)

Company Name	A.1.1	A.1.2	A.1.3. AP	A.1.4	A.1.5	A.1.6	A.2.1	A.2.2.	A.2.3	A TOTAL
Tokmanni	2,0	2,0	2,0	0,0	1,5	0,0	2,0	2,0	0,0	6,7
Stockmann	2,0	2,0	2,0	0,0	1,5	0,0	1,0	1,0	0,0	5,3
Fiskars	2,0	2,0	1,0	2,0	0,0	0,0	1,0	1,0	0,0	4,6
Marimekko	2,0	1,5	0,5	2,0	0,0	0,0	1,0	0,0	0,0	3,5
Partioaitta	1,0	2,0	2,0	0,0	0,0	0,0	0,0	0,0	0,0	2,5
Finlayson	0,0	0,5	1,0	2,0	0,0	0,0	0,0	0,0	0,0	1,4
Stadium	0,0	0,5	0,5	0,0	0,0	0,0	0,5	0,0	0,0	0,9
Verkko- kauppa.com	1,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,6
Total average										2,8

The same trend is seen for apparel industry as well. Most companies have stated to commit to respecting human and labor rights, with only Finlayson and Stadium failing to publicly state that. When it comes to A.1.1 most companies score 2 points but for example Partioaitta scored one point since even though they commit to respecting human rights, they did not commit to the UNGPs nor OECD guidelines which were a criteria to get two points. Below we quoted disclosures from Fiskars and Partioaitta as a comparison.

Respect for people and protection of human rights is paramount. In particular, Fiskars is committed to: -- Supporting and respecting the protection of internationally proclaimed human rights as defined in the United Nations' Universal Declaration of Human Rights. (Fiskars Group CoC, 2020.)

As a participant in the United Nations Global Compact (UNGC), Fiskars Group is committed to mitigating adverse human rights impacts and to working against corruption and bribery.

Topics covered in the SCOC include important topics such as health and safety, environmental protection, and human and labor rights. It also describes Fiskars Group's commitment to international conventions such as

the United Nations Guiding Principles on Business and Human Rights, the fundamental conventions of the International Labor Organization (ILO), OECD Guidelines for Multinational Enterprises and the 10 principles of the UN Global Compact. (Fiskars Group Sustainability Report, 2019.)

Partioaitta's is a part of Fenix Outdoor AB:

As a first visible step, Fenix Outdoor AB has signed the United Nations Global Compact and fully supports its principles. We are striving to incorporate them in all our business undertakings and we expect our business partners to do the same should they not yet have done so. (Fenix Outdoor Group – Fenix Way (CoC), 2012.)

Same as in the agricultural industry, an alarmingly low number of companies (only Tokmanni and Stockmann) are committed to remediate their negative human rights impacts (A.1.5). For example, Stockmann stated the following:

In the case of a human rights violation, we work together with the supplier to remediate the victim. No new orders are placed until the violation has been corrected and the victim has been compensated. (Stockmann Corporate Social Responsibility, 2019.)

Stockmann is committed to procedures enabling the company to remediate adverse human rights impacts that it may cause or contribute to. In circumstances where human rights are infringed upon by third parties with links to Stockmann, we strive to use our leverage together with relevant stakeholders to ensure that those impacts are remedied, and future impacts are prevented. (Stockmann Human Rights Policy, 2021.)

Also in the apparel industry, companies are failing to the rights of human rights defenders with all companies scoring zero points on indicator A.1.6. When it comes to board level accountability, same trends are seen in the apparel industry as in the agricultural. The only exception is that Tokmanni is the only company scoring 2 points in the indicator A.2.1. Board discussions (A.2.2) were reported only by 3 companies and zero companies reported any incentive programs relates to human rights. For example, Tokmanni stated that:

Key personnel are covered by an incentive system that is based on the company's success and the system includes a monetary reward and share-based reward. (Tokmanni Group Corporation Sustainability Report, 2019.)

However, there is no disclosure about incentives related to Human Rights.

5.3 Theme B – Embedding Respect and Human Rights Due Diligence

Theme B consists of two sub-themes: embedding respect (10% weighting) and human rights due diligence (15% weighting). The two themes are split into the following indicators:

- B.1 Embedding respect for human rights in company culture and management systems.
 - B.1.1 Responsibility and resources for day-to-day human rights functions
 - B.1.2 Incentives and performance management
 - B.1.3 Integration with enterprise risk management
 - B.1.4 Communication/dissemination of policy commitment(s)
 - B.1.4.a Communication/dissemination of policy commitment(s) within Company's own operations
 - B.1.4.b Communication/dissemination of policy commitment(s) to business relationships
 - B.1.5 Training on human rights
 - B.1.6 Monitoring and corrective actions
 - B.1.7 Engaging business relationships
 - B.1.8 Approach to engagement with potentially affected stakeholders
- B.2 Human rights due diligence
 - B.2.1 Identifying: Processes and triggers for identifying human rights risks and impacts
 - B.2.2 Assessing: Assessment of risks and impacts identified (salient risks and key industry risks)
 - B.2.3 Integrating and Acting: Integrating assessment findings internally and taking appropriate action
 - B.2.4 Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts

Company Name	B.1.1	B.1.2	B.1.3	B.1.4.a	B.1.4.b	B.1.5	B.1.6	B.1.7	B.1.8	B.2.1	B.2.2	B.2.3	B.2.4	B.2.5	B TOTAL
Hesburger	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Sinebrychhoff	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Total average															9,4

The first indicator in theme B is responsibility and resources for day-to-day human rights functions. Only two companies, Neste and Paulig) score 2 points on this indicator. For example, Paulig states on its website that:

At Paulig, sustainability is part of our daily work, and practical actions are a responsibility of the business management. Finally, the responsibility for our sustainable development work is with the Group Management Team where the sustainability work is led by the SVP, Communications & Sustainability. The Group CEO and Board review and approve the policies and key projects and objectives related to sustainable development.

The sustainability team led by the Director, Sustainability and Public Affairs guides our actions towards our aim of being a sustainable frontrunner of the food industry. The sustainability team identifies key development areas and creates shared objectives for all Group functions, monitors the progress of the plans and measures the results. They support the rest of the organisation in their joint sustainability work and linking it with daily business operations. In addition, they manage stakeholder cooperation and reporting.

Our sustainability work is based on Paulig's common values and mission, and it is steered by management systems, ethical principles and Paulig Group's Code of Conduct for Suppliers. Sustainability topics are reviewed regularly throughout the organisation. (Paulig – Managing Sustainability, 2020.)

In comparison we have Fazer who scored only one point on the indicator B.1.1 since we were unable to find information on day-to-day human rights functions:

Fazer's Group Management Team (GMT) approves this policy, while Fazer Group's Head of Corporate Responsibility is responsible for reviewing com-

pliance with the Human Rights Policy on an annual basis. Any non-compliance with this policy will be brought to the attention of the GMT. The Group Corporate Responsibility Team reviews and updates the Human Rights Policy. (Fazer Human Rights Policy, 2021.)

All companies fail to report any incentives to senior managers linked to implementation of company's human rights policy commitments or goals so all score zero points on indicator B.1.2. Only seven companies integrate attention to human rights risks into their enterprise risk management systems and assess the adequacy of that system in managing human rights (B.1.3). For example, HKScan considers human rights risks as operational risks and states that it is Audit committees' task to monitor the efficiency of their risk management system and HR risk management is included in operational risk in the risk management system:

HKScan's risk management has identified risks related to human rights in work safety management and in inappropriate treatment of employees. Work safety risks are managed through work safety campaigns, training, and by ensuring that work guidelines are followed. HKScan has zero tolerance for any kind of inappropriate treatment of employees and has in place guidelines related to inappropriate treatment. Ethical risks in the supply chain are managed in the risk evaluation of the sourcing process. (HKScan - Risk management and risks, 2020.)

The tasks of the Audit Committee of HKScan's Board of Directors include, among other things, the following: • to monitor the reporting process of financial statements; • to supervise the financial reporting process; • to monitor the efficiency of the Company's internal control, internal auditing and risk management system. (HKScan Annual Report 2019)

Indicators B.1.4.a and B.1.4.b have to do with how companies communicate their human rights policy commitments within companies' own operations and to business relationships. HKScan is the only company that scored 2 in B.1.4.a, with the following disclosure:

In 2018 HKScan updated its Code of Conduct, which covers human rights, employee rights, ethical business principles, such as the prevention of corruption and bribery, open and credible communications, and responsibility for the environment, animals and product safety. The Code of Conduct was

communicated to personnel in all of the company's operating countries, but the additional training was moved from 2019 to 2020 because of the rollout of the organizational changes.

We engage in active and transparent collaboration with our stakeholders. Open dialogue ensures that we are aware of our stakeholders' expectations and that we also develop our own business operations actively. The figure above summarises examples of the expectations of HKScan's stakeholders. HKScan's key stakeholder groups are consumers, customers, producers, employees, shareholders, investors, financiers, business partners, authorities, media and opinion leaders. HKScan has well-established practices for conducting dialogue with its stakeholders, making it easy for representatives of various groups to pose questions, make proposals, and give feedback to the company. Examples of interaction channels include customer and other stakeholder meetings and country-specific consumer services. HKScan also gains valuable insights through customer satisfaction surveys and brand reputation surveys. -- We have a whistle-blower channel through which both internal and external parties can report, for example, any suspected violations of the Code of Conduct. (HKScan Annual Report 2019.)

HKScan's code of conduct was available in 8 languages which are all the languages of countries they have operations in. Companies scoring 1,5 or 1 did not mention either local communities or potentially affected stakeholders or they did not disclose how they ensure that their policies are communicated to the intended audience. For example, **Apetit:**

The Apetit Group Code of Conduct guides operations in all Group business segments and all operating countries. Apetit requires that all of its employees comply with the Code of Conduct and suppliers comply with the Supplier Code of Conduct.

Our goal is to: -- Increase employees' knowledge of the company's Code of Conduct with training and to require all employees to approve the ethical operating principles in writing and to operate in accordance with them.

(Apetit – Code of Conduct, 2020.)

Companies were better on average better at communicating their policies to their business partners than to their own employees or other stakeholders within their operations. 12 companies scored 1,5 or more in indicator B.1.4.b compared to just 3 in B.1.4.a.

In indicator B.1.4.b the most common reason of companies not scoring 2 points was that companies failed to require their suppliers to cascade the contractual or other binding requirements down the supply chain. For example, Vaasan (Lantmännen) stated the following:

Enforcement of this Supplier Code of Conduct is important to Lantmännen's business.

- *It is the supplier's responsibility to ensure that the content of this Supplier Code of Conduct is implemented. We also expect all suppliers to have appropriate procedures to ensure that their own suppliers of products and services are in compliance with the content of our Supplier Code of Conduct.*

(Lantmännen Supplier Code of Conduct, 2016.)

The Supplier Code of Conduct is an integrated part of the purchase process.

Our suppliers commit to comply with the Code of Conduct by having it attached as an appendix in our supplier agreements and it must be included as a contract clause when a new agreement is signed or when the conditions of the existing agreement is renegotiated. (Lantmännen – Supplier Portal,

2020.)

On indicator B.1.5 Training on human rights, we required than companies must imply that all workers are being trained on human rights to gain a score. With this strict criterion, only 3 companies scored 2 points on this indicator which means that they train their workers and relevant AG managers including procurement on human rights issues. Below you can find Neste's disclosure:

During 2019, all new employees were required to complete Code of Conduct online training. Trainings on anti-corruption, competition law compliance, and trade sanction compliance were conducted with defined target groups, such as sales and procurement teams."

In 2020, to have all new suppliers to commit to the requirements of the renewed SCoC, all renewable raw material suppliers assessed against the requirements of the new SCoC, and all purchasing personnel trained on the new SCoC requirements. Long-term target: Everyone supplying raw materials or services to us will meet the Neste Supplier Code of Conduct or similar requirements. (Neste Annual Report 2019.)

In comparison, Atria scored only 1 point with this disclosure since there was no information found about training relevant managers like procurement on human rights issues:

The Code of Conduct concerns all Atria employees in all business areas. Employees are provided with training to comply with the Code of Conduct in line with a training plan.” – “...as well as by preparing an annual training plan covering the whole of our personnel. (Atria Annual Report 2019.)

A total of 17 companies disclosed information on corrective actions to score at least 0,5 points on indicator B.1.6. The indicator required information on how the company monitors implementation of its human rights policies covering their suppliers as well. Companies must also describe their corrective action process and number of incidences and provide an example and disclose the proportion of the supply chain monitored. S Group gave the most comprehensive disclosure on this indicator scoring 2 points:

According to the management model, the SOK Responsibility unit regularly reports key risks related to human rights, key figures and the most significant selected projects to SOK’s Executive Board and senior management. SOK’s Executive Board approves principles and commitments related to human rights. SOK’s units and subsidiaries evaluate key risks related to each business area and preventive measures. The units are also responsible for key preventive and corrective measures related to human rights. Human rights are one of the four main themes of our sustainability programme. The goals, measures and projects related to human rights are determined in cooperation with the business operations. The most important goals have been integrated into our sustainability programme

When monitoring our goods suppliers, we pay special attention to countries with the most significant risk of labor and human rights violations. According to the amfori BSCI, such high-risk countries include several countries in Africa, Asia and South and Central America, as well as certain European countries. We purchase from audited suppliers in high-risk countries. Audits refer to factory inspections, such as amfori BSCI audits or equivalent third-party audits. In the amfori BSCI system, independent auditors inspect production plants to ensure that the criteria of the Code of Conduct are met in practice. Audits cover, for example, working time and occupational safety practices, as well as the payment of the statutory minimum wage.

In 2019, the most significant development needs detected during the amfori BSCI audits were related to management and working time practices and safety at work. If the audit score is low, the factory will draw up a plan for corrective measures. A new audit will be performed to monitor compliance with the plan. Cooperation with the partner will not be discontinued, as doing so would not help the workers' situation at the factories and on the farms. Cooperation is the best way to improve operations. This is also backed by the results of the initial and follow-up audits. To help goods suppliers improve their operations, the amfori BSCI provides training on correcting typical issues detected during audits. We encourage our suppliers to participate in such training.

There was one Zero Tolerance observation in the 2019 audits – that is, an observation of child labor, forced labor or bribery, or safety defects causing immediate danger. The Zero Tolerance observation concerned attempted bribery in connection with a BSCI audit. The audit was discontinued, and the amfori BSCI started an investigation in line with its Zero Tolerance Protocol. S Group participated in the investigation. After the incident, the factory has prepared guidelines concerning bribery and has provided its employees with training on the guidelines. In addition, representatives of the factory participated in training provided by the amfori BSCI on ethical business operations in the autumn of 2019. A new audit has been conducted at the factory, and the score was C.

Of the direct purchases of S Group's private label and import products from high-risk countries, 98% (2018: 94%) are audited. Because of the coronavirus epidemic, we have not received the latest updated audit results for a few factories from our Chinese partners. This missing information is included in purchases from non-audited suppliers. Our goal is to audit all high-risk country suppliers of private label products through amfori BSCI audits or equivalent third-party audits. (S Group and Responsibility 2019.)

13 companies score 1,5 or more points in indicator B.1.7 which means that 13 companies take human rights considerations into account when deciding to engage or terminate supplier relationships. Indicator B.1.8 requires company disclosure on an approach to engaging with affected stakeholders on a regular basis. For this indicator it is critical that the engagement includes workers or local communities in company's supply chain to gain any points. Majority of companies score 0 or 0,5 points which is due to the fact

that almost all companies fail to either tell how they have identified their key stakeholders, or they do not include workers or local communities in their supply chains as key stakeholders.

The latter sub-theme of theme B is about due diligence. The indicators in theme B.2 consists of identifying the human rights risks, assessing those risks and their impact, integrating the findings and taking action and then monitoring and tracking the effectiveness of actions taken. In addition to that, the last indicator is about how companies communicate externally the ways they have addresses their human rights impacts. Its score is basically determined based on scores in indicators B.2.1 to B.2.4. Meira (part of MZGB) is one of the companies scoring 2 points in the first due diligence indicator B.2.1 with the following disclosures:

Safety in the workplace, employee health and maintenance and improvements to working environments have always been guiding principles for the policies of companies belonging to the Group, particularly as regards production companies. -- To monitor health and safety issues, Meira has created a Health and Safety Committee, chaired by an external Safety Manager, who coordinates the activities and processes of the company from a health and safety point of view and prepares a risk assessment report.

To ensure ongoing improvement, Meira has updated its supplier assessment and monitoring systems to take into account some social issues concerning labor practices, human rights and social impact. In particular, the company has integrated the BSCI principles (Business Social Compliance Initiative), one of the most important supply chain management systems that support companies in the process of assessing the social compliance of their supply chains. The assessment for coffee suppliers is standardised on the basis of the certification criteria of the European Coffee Federation global platform. Finally, Finnish subsidiary Meira has also developed guidelines relating to procurement practices, which articulate the commitments of the company to pursue ethical principles along its entire supply chain and to guarantee respect for the environment by adopting sustainable business solutions, also in co-operation with its business partners.

Four assessments on human rights were conducted among companies in the Group in Italy, USA and the Kauai plantations during 2019. [GRI 412-1]

(MZBG Sustainability Report 2019.)

Most companies did fairly well in identifying, assessing and even integrating and acting on their human rights findings, but when it comes to tracking and evaluating the effectiveness of actions to respond to human rights risks and impacts, majority of companies failed to do that. Actually, only 2 companies managed to get full score on indicator B.2.4. Below you can find Neste's disclosure on indicator B.2.4 that scored them 2 points.

We recognize that our business and extended supply chain is not static but continually evolving. As a result, we are committed to regularly review our human rights risks to ensure our due diligence activities address the root causes of adverse human rights impacts in our operations and value chains.

From 2015 to 2016, we partnered with Business for Social Responsibility (BSR) to carry out social and labor studies for our palm supply chains in Malaysia and Indonesia. To share the results of these studies with our suppliers, we organized in-person workshops which served as a platform for open discussion. Building on the success of this, we now host annual sustainability workshops to engage our palm suppliers in open dialogue on sustainability topics and advance capacity building on human rights. Since 2018, our third-party suppliers have also attended the workshop, in addition to direct suppliers. (Neste - Human rights in our supply chain, 2020.)

5.3.2 Apparel Industry

When it comes to the apparel industry, the industry average on theme B is 9,7% which is slightly higher than for the agricultural industry (9,4%). Total score for theme B was 25% and scores of companies in agricultural industry varied from 18,6% (Tokmanni) to 0,7% (Verkkokauppa.com). (Table 9.)

Table 10 Theme B Scores for Apparel (0-25%)

Company Name	B.1. 1	B.1. 2	B.1. 3	B.1.4. a	B.1.4. b	B.1. 5	B.1. 6	B.1. 7	B.1. 8	B.2. 1	B.2. 2	B.2. 3	B.2. 4	B.2. 5	B TOTAL
Tokmanni**	1,5	0,0	2,0	1,0	1,5	2,0	1,5	1,5	0,5	2,0	2,0	2,0	1,0	1,0	18,6
Stockmann	2,0	0,0	0,0	1,0	1,5	0,0	2,0	1,5	0,5	1,5	2,0	2,0	1,0	1,0	17,1
Marimekko	1,5	0,0	1,0	1,0	1,5	1,5	0,5	1,5	0,0	2,0	2,0	2,0	1,0	1,0	17,3
Stadium	0,0	0,0	0,0	0,0	0,5	0,0	0,5	2,0	0,0	2,0	2,0	2,0	1,0	0,5	14,1
Fiskars	1,5	0,0	2,0	1,0	1,5	1,0	1,0	1,5	0,5	2,0	1,0	0,0	0,0	0,5	11,3
Finlayson	0,0	0,0	0,0	0,0	0,5	0,0	0,5	1,5	0,5	1,0	0,5	0,0	0,0	0,5	5,4

Company Name	B.1.1	B.1.2	B.1.3	B.1.4.a	B.1.4.b	B.1.5	B.1.6	B.1.7	B.1.8	B.2.1	B.2.2	B.2.3	B.2.4	B.2.5	B TOTAL
Partioaitta	0,0	0,0	0,0	1,0	1,5	0,0	0,5	1,0	0,0	0,0	0,0	0,0	0,0	0,0	2,5
Verkkokauppa.com*	0,0	0,0	1,0	0,0	0,0	0,0	0,5	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,7
Total average															9,7

Only half of Apparel companies scored any points in the first indicator and Stockmann was the only company with a full score due to disclosing the following:

The CSR Steering Group approves guidelines, sets CSR ambition and defines CSR projects which are implemented with the help of normal management systems. The CSR strategy is developed and followed up in the Steering Group and approved by the Stockmann Management Team. Separate working groups are set up as necessary to prepare or implement the issues or decisions that have been dealt with by the CSR Steering Group. Stockmann's Communications and CSR function is responsible for development, coordination and reporting of the Group's CSR activities. (Stockmann CSR Report 2019.)

Our local CSR specialists provide training and support to suppliers and factory owners, to help them make improvements in line with our Code of Conduct and environmental requirements, and they also perform announced and unannounced audits. Our local production and quality controllers also visit the production units on a daily basis to ensure that conditions meet our requirements, and they report on any suspected violations of the Code of Conduct. (Stockmann - Buying practices, 2020.)

Three other companies scoring 1,5 failed to disclose how the day-to-day responsibilities within their supply chains is managed which is why they fell 0,5 short. Like in the agricultural industry, all companies in the apparel industry failed to report any incentives to senior managers linked to implementation of company's human rights policy commitments or goals so all score zero points on indicator B.1.2. In the apparel sector half of the companies integrate attention to human rights risks into their enterprise risk management systems and assess the adequacy of that system in managing human rights (B.1.3). The key difference between companies scoring two and companies scoring one was that

we did not find a statement from Marimekko saying that an audit committee or other independent third party is assessing the adequacy of the enterprise risk management systems in managing human rights. Marimekko only states that:

The Management Group sets targets and follows the progress on a bi-annual basis. Risks related to sustainability matters are addressed as part of consolidated risk management and presented as part of the Report of the Board of Directors. (Marimekko - Managing sustainability, 2020.)

Whereas Fiskars states that:

Supplier sustainability audits help us to assess and control human rights topics in our supply chain. Human rights related risks are mainly seen as financial, compliance and reputational risks, but Fiskars Group also sees them as an operative risk. The main risks for us are the incompliant management of our suppliers and the inability to also cover their suppliers. Currently, we are managing the effectiveness of the human rights management approach by following our risk management and incidents of noncompliance.

According to the Committee Charter the Audit Committee is responsible for the following activities: • Monitoring and reviewing the financial statement reporting process • Monitoring the efficiency of the Company's internal controls, internal auditing, and risk management. (Fiskars Group Sustainability Report 2019.)

As seen with agricultural industry, companies in apparel industry perform better on indicator B.1.4.b than B.1.4.a. The highest scores for indicator B.1.4.a was 1 which demonstrates that companies have ways to communicate their human rights policies to their employees but do not disclose how they do that to external stakeholders like local communities or potentially affected stakeholders. None of the companies in apparel industry scored 2 points in indicator B.1.4.b for the same reason as agricultural companies: no clear statement of requiring suppliers to cascade the contractual or other binding requirements down their supply chain. See for example, Partioaitta's disclosure:

It is the responsibility of Fenix Outdoor's suppliers and other business partners to inform their subcontractors about Fenix Outdoor's Code of Conduct

and to ensure that it is implemented in every factory and workplace that produces, finishes packs or otherwise handles goods or performs services for Fenix Outdoor AB.

The implementation of this Code of Conduct is the responsibility of every Fenix Outdoor employee, manager and business partner. The implementation is ensured through: All employees sign this Code of Conduct to affirm that they have read and understood it. The code is included in all contracts with suppliers. To ensure understanding throughout the supply chain, the Code is translated into every major language where Fenix Outdoor does business. Targets will have to be set by all Fenix Outdoor entities and clear reporting requirements will be given in the respective work instructions. Fenix Outdoor reserves the right to amend or modify The Fenix Way and the Code of Conduct at any time, and from time to time.

We consider the principles and requirements of the Code of Conduct for FenixOutdoor Suppliers to represent a minimum standard for sustainable supplier management, thereby observing the fundamental principles of the UN Global Compact. The Code of Conduct for Fenix Outdoor Suppliers forms the basis for our business relationships and is therefore an integral component of our contracts with our suppliers. (Fenix Outdoor Group – Fenix Way (CoC), 2012.)

When it comes to training on human rights (B.1.5), only three companies disclose enough to score 1 or more points. Below we have a statement on human rights training from Tokmanni (2 points):

In 2018, the Code of Conduct, the associated intranet course (e-learning) and policies were updated to reflect the newly set values and principles. In 2019, we further modified the e-learning. Due to a delay in the update, the training was only completed by part of our headquarter's staff in 2019. The e-learning is mandatory for all, and the staff working in our stores and in the warehouse will complete the updated e-learning in Q1 2020. The course will also become a compulsory part of the introduction of new employees. Tokmanni Board Members and the employees of the sourcing company located in Shanghai will also undergo the training and sign up to comply with our shared rules. The Executive Group and crucial employees have received additional training on anti-corruption, trade sanctions and competition law

in 2017 and in 2018. In 2019, we updated our sanctions and corruption guidance and will train our purchasing and sourcing professionals on the updates in 2020. (Tokmanni Group Sustainability Report 2019.)

All the companies disclosed information on monitoring and corrective actions to score at least 0,5 points on indicator B.1.6, which as a minimum requires disclosure on how a company monitors its implementation of its human rights policies. Companies must also describe their corrective action process and number of incidences and provide an example and disclose the proportion of the supply chain monitored. Stockmann gave the most comprehensive disclosure on this indicator being the only company scoring 2 points. The reason it got a better score than others is that they disclosed their corrective action process and the proportion of the supply chain monitored:

After each audit, be it an amfori BSCI audit, own audit or Accord inspection, an audit report with a corrective action plan is put together. Each task on the corrective action plan is given a deadline and progress is monitored. The amfori BSCI audits are conducted by internationally accredited independent auditors. None of the factories producing for the Stockmann Group received the audit result 'unacceptable' or were caught with zero-tolerance issues. The main findings in the audits were non-compliance with the requirements on working hours or allowing one day off every seven days, and issues with health and safety, the management system and fair remuneration. (Stockmann – Factory Audits, 2018.)

In the case of a human rights violation, we work together with the supplier to remediate the victim. No new orders are placed until the violation has been corrected and the victim has been compensated. Over the years, there have been cases where a child under the minimum working age has worked in a factory producing our products, and thus we have a method that has been developed together with Save the Children for dealing with such a situation. The factory is responsible for compensation and for paying a salary to ensure the child can attend school instead of, for example, moving to another factory to work. The factory management meets with the parents of the child to solve the issue. If possible, and in order to ensure that the family has sufficient resources, an adult member of the family is employed to replace the child. (Stockmann - Supplier assessment for labor practices and human rights, 2020.)

Factories, where Stockmann's own brand products are produced that are in countries classified as high-risk by the amfori BSCI, are regularly audited by our own audits, conducted by our own local personnel, and by amfori BSCI, SEDEX and SA8000 audits conducted by a third party. (Stockmann CSR Report 2019.)

Stockmann's own brand garments were bought from around 90 (99) suppliers and made in around 131 (142) factories. 58% of the producers were direct and 42 % through our purchasing offices. • Stockmann's home area own brand products were bought from 61 (57) suppliers and made in 69 (54) factories. The majority, 94 % of the producers were direct. (Stockmann CSR Report 2019.)

Six companies score 1,5 or more points in indicator B.1.7 which means that the majority takes human rights considerations into account when deciding to engage or terminate supplier relationships, yet most fail to provide information on how they work with suppliers to improve human rights performance and provides an example. Stadium seems to be the only exception on this indicator with a score 2:

During 2018/19, 93 (49%) of our 188 active factories were inspected on behalf of Stadium. All the inspections generated a CAP, but two of the new factories inspected were not approved for business, as their standard was too low and our scope for influence too small. Of the 95 CAPs, 94 (99%) related to social aspects (most commonly overtime and insurance) and 31 (33%) to environmental aspects (e.g. storage, handling and documentation of hazardous chemicals). Arising from these CAPs, four suppliers have entered into a more intensive improvement programme with ELEVATE and we are monitoring their progress. The purpose of the improvement plans is to ensure that they take a proactive approach, guaranteeing human rights, workers' rights and environmental protection, as well as preventing corruption in practice – not just on paper. Together with our suppliers, we aim to act in a transparent and respectful manner in all elements of our production chain and work collectively for a sustainable future. This is what we call Fair Play.

We believe that by continuing our work in developing countries, we can help to reduce the inequalities in the world. Through a transparent dialogue with our stakeholders and the communities in which we operate, we can promote

sustainable production. We are seeing signs of positive development: this year, for example, the statutory minimum wage for textile workers in Bangladesh has been raised by 51%. (Stadium Sustainability Report 18-19.)

Indicator B.1.8 requires company disclosure on an approach to engaging with affected stakeholders on a regular basis. For this indicator it is critical that the engagement includes workers or local communities in company's supply chain to gain any points. All companies score 0 or 0,5 points since almost all companies fail to either tell how they have identified their key stakeholders, or they do not include workers or local communities in their supply chains as key stakeholders.

When it comes to B.2 – Due diligence, the top 4 companies did fairly well in identifying, assessing and even integrating and acting on their human rights findings, but when it comes to tracking and evaluating the effectiveness of actions to respond to human rights risks and impacts, majority of companies failed to do that. In fact, none of the companies disclosed enough information to get a higher score than one. For example, Marimekko scored 2 points on indicators B.2.1, B.2.2 and B.2.3 with the following disclosures:

B.2.1:

Marimekko's due diligence process for human rights consists of careful supplier selection and assessment, contractual obligations, questionnaires to suppliers (for example regarding the origin of materials used), independent third-party audits conducted mainly in factories located outside Europe (in countries considered higher risk), monitoring through factory visits by Marimekko employees, follow-up of corrective actions, training for Marimekko's sourcing department, external assessments and studying external reports, as well as collaboration in industry organisations. (Marimekko Financial Statements 2019)

During 2019, 13 amfori BSCI audits were conducted at Marimekko's partner suppliers' facilities. None of the audits carried out during the year identified any zero-tolerance findings, such as indications of child labor or forced labor, or imminent and significant risks to workers' health. Most of the findings in the audits concerned health and safety (43 percent), management systems (17 percent), and worker involvement and protection (10 percent). Corrective action plans were put in place where necessary, and the

actions were monitored during factory visits. (Marimekko Financial Statements 2019)

B.2.2:

In 2018, we started a more comprehensive human rights impact assessment process by conducting a third-party assessment that focused on our direct suppliers. Marimekko's due diligence process and ways of working were also assessed. In 2019, we gathered stakeholder feedback about the impact assessment by discussing the results with a few key stakeholders in Finland and started implementing the recommendations from the assessment by developing our supplier questionnaires about material origins, arranging training for sourcing teams on how to assess safety matters during factory visits, and updating our factory checklist to ensure proper documentation of the visits. In addition, we prepared a road map for how to continue the assessment in Marimekko's own operations and in the upstream and downstream value chain. (Marimekko Sustainability Review 2019.)

However, cotton is challenging to trace which also makes it challenging to monitor the realization of human rights. The challenge is common to the industry. Child labor and forced labor still exists in certain cotton-growing areas. In some cases, it is also possible that cotton originating from different countries gets mixed with each other to conceal the true origin. (Marimekko – Risks and opportunities, 2020.)

B.2.3:

Based on the third-party human rights impact assessment (HRIA) conducted in 2018, a road map was prepared for how to continue the assessment in Marimekko's own operations and in the upstream and downstream value chain. Training on how to assess safety matters during factory visits was arranged for Marimekko's sourcing teams and an updated factory checklist was prepared to be taken into use in 2020. The questionnaires sent to suppliers about the origin of materials were developed based on the HRIA recommendations. (Marimekko Sustainability Review 2019.)

Also: The cotton we use comes from different parts of the world. However, due to human rights violations related to cotton production in Uzbekistan and Turkmenistan, we do not currently accept cotton from these countries in our products and have signed the related cotton pledges maintained by the

Responsible Sourcing Network (RSN). We require our suppliers to annually provide information about the origin of the cotton materials they source for us. (Marimekko Sustainability Review 2019.)

Following reports about human rights violations in cotton production in Turkmenistan, we signed the Turkmen Cotton Pledge organized by Responsible Sourcing Network in February 2019. (Marimekko Sustainability Review 2019.)

When it comes to indicator B.2.4 all companies, Marimekko included, fail to provide an example of lessons learned from tracking the effectiveness of their actions concerning human rights. Continuing the due diligence disclosures from Marimekko (B.2.4):

In 2019 EU countries were covered by audits according to amfori BSCI or other social responsibility systems. Marimekko employees carried out more than 40 factory visits to our product and material suppliers' premises. The new supplier evaluation tool developed in 2018 was taken into use. We conducted a survey on the use of renewable energy among our suppliers. (Marimekko Sustainability Review 2019.)

As a conclusion we can see that in both industries, on average, companies scored higher on the B.2 sub-theme regarding human rights due diligence than what they did on B.1 concerning how the companies' human rights policy commitments are embedded in company culture and across their management systems.

5.4 Theme C – Remedies and Grievance Mechanisms

Theme C is divided into the following seven indicators, with varying weightings:

- C.1 Grievance channels/mechanisms to receive complaints or concerns from workers (11%)
- C.2 Grievance channels/mechanisms to receive complaints or concerns from external individuals and communities (11%)
- C.3 Users are involved in the design and performance of the channel(s)/mechanism(s) (22%)
- C.4 Procedures related to the mechanism(s)/channel(s) are publicly available and explained (11%)
- C.5 Commitment to non-retaliation over concerns/complaints made (11%)

Company Name	C.1	C.2	C.3	C.4	C.5	C.6	C.7	C TOTAL
Yliopiston Apteekki	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Lumene	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Arvid Nordquist	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Total average								2,3

Theme C.1 was the indicator with the highest score among companies with only three companies not disclosing enough for even half a point. This indicates that the majority of companies had some type of grievance channel or mechanism for workers to raise complaints or concerns (including human rights issues) related the company. To score a 2 on this indicator, company must disclose information on the practical operations of the channel like the number of grievances and describe availability in appropriate languages. Neste, Fazer, HKScan, Kesko and Altia scored 2 points. Below is an example of Altia's disclosure on the matter:

Altia has a whistleblowing channel open to all stakeholders, maintained by an independent third party. -- Altia has a whistleblowing channel maintained by an independent third party. The channel is open to all Altia employees and external stakeholders. All concerns raised, whether through the channel or through other means, are investigated in accordance with an established process to ensure accuracy, anonymity and fairness. (Altia Annual Report 2019.)

Altia disclosed in their Sustainability Report 2019 the number of grievances related to human rights reported through the whistleblowing channel, which was 0. Altia's whistleblowing channel is available in 7 languages, and they also require their suppliers to have their own channels for grievance.

The supplier should use a system for employees to anonymously and reliably report any defects and flaws observed in the responsibility issues of the company (so-called whistleblowing system) (Altia Code of Conduct for Suppliers and Subcontractors, 2019.)

Very few companies had grievance channels for the community as well, only 5 out of 22 companies, but in all cases, it was the same grievance channel that was open for own workers and external stakeholders. Only one company, Neste, disclosed information on indicator C.3. None of the other companies involve users in the design and performance of the channel. Even in Neste's case, the company only discloses enough information for 1 point:

Recognizing the need for sustainable feedstocks in the supply chain, Neste is further enhancing its Ethics Online to include grievances raised by stakeholders throughout the supply chain, to log and monitor cases relevant to deforestation, fire, human rights violations and so on, beyond Neste's operations. (Neste Annual Report 2019.)

Not even half of the companies (9) describe how complaints or concerns are received, processed, and addressed and how people making complaints are informed throughout the process as well as how these may be escalated. Out of those 9 companies, Neste and Kesko were the only one to score 2 points, which makes them the only ones describing the escalation to senior levels. As an example, we have Kesko's disclosure on C.4:

2. How to submit a message?

You can submit a message either by phone or on the web service. Whichever system you choose, it is advised to write down your message beforehand so that the message will be as clear as possible. -- You will receive a six-digit case number. It is very important that you write it down. This case number will enable you to come back later and read or listen to the response from Kesko. --Within a week, a response from Kesko will be ready for you. If you used the phone to leave your message, the response will be also be given on the phone service. If you used the web service, you will get the response in the web service. -- After you have heard the response on the phone, you can immediately post a follow-up message. If you need some time to think, you can hang up and call back another time. You can do the same on the web page. You can either submit a follow-up message immediately or logout and come back later.

Any messages submitted through the SpeakUp channel will be forwarded to Kesko's Group General Counsel, Chief Audit Executive, Vice President for

risk management, and Senior Corporate Counsel. (Kesko - SpeakUp reporting channel, 2020.)

Disclosures of commitment to non-retaliation (C.5) were rather tenuous, with the majority scoring either zero or 0,5 points. Companies scoring 0,5 on the indicator promised anonymity as a commitment to non-retaliation. Once again Neste is one of the top scoring companies with 1,5 points, together with Lidl Suomi.

We take seriously any allegations that human rights are not properly respected in our business or supply chains, and encourage individuals or communities who have reason to believe such activity is taking place to raise their concerns, without fear of retaliation, via the Neste Ethics Online.

(Neste – Human Rights, 2020.)

Neste is committed to work with all parties involved in grievances to resolve the complaints and conflicts in their supply chain, through an open, transparent and consultative process. Neste and its suppliers shall ensure access to judicial remedy and to credible grievance mechanisms, without fear of reprimand or dismissal. (Neste Responsible Sourcing (Principle), 2020.)

All companies in agricultural industry scored 0 points in both indicators C.6 and C.7. This means that there was no evidence of any company involvement with State-based judicial and nonjudicial grievance mechanisms nor did we find any company disclosing how they would remedy adverse impacts they have caused.

5.4.2 Apparel Industry

Apparel industry performed poorly on theme C with an industry average score of 1,6%. Company specific total scores varied from 4,2% (Stockmann) to 0,0% (Partioaitta). (Table 11.)

Table 12 Theme C Scores for Apparel (0-15%)

Company Name	C.1	C.2	C.3	C.4	C.5	C.6	C.7	C TOTAL
Stockmann	2,0	1,0	0,0	2,0	1,0	0,0	0,0	5,0
Stadium	1,0	1,0	0,0	0,0	1,0	0,0	0,0	2,5
Fiskars	1,5	0,0	0,0	0,5	0,5	0,0	0,0	2,1
Marimekko	1,5	0,0	0,0	0,0	0,5	0,0	0,0	1,7

Company Name	C.1	C.2	C.3	C.4	C.5	C.6	C.7	C TOTAL
Verkko- kauppa.com*	1,5	0,0	0,0	0,0	0,0	0,0	0,0	1,3
Finlayson	1,0	0,0	0,0	0,0	0,0	0,0	0,0	0,8
Tokmanni**	1,0	0,0	0,0	0,5	0,5	0,0	0,0	0,6
Partioaitta	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Total average								1,6

Apparel industry follows the same trend as agricultural industry. Most companies disclose enough information to score at least 1 point in indicator C.1. Stockmann was the only company scoring 2 points, with the following disclosure:

Stockmann Group uses a group-wide whistleblowing reporting channel, which is provided by an external partner. The channel is a tool for Stockmann's own employees, as well as for business partners and other stakeholders, to anonymously report any suspected or detected violations of the Code of Conduct or other corporate policies using the channel. Stockmann's employees also have the possibility to report any suspicions to their supervisor, their unit's security manager, the company management, the legal department, or the Group's Internal Audit. All whistleblowing reports and discussions are treated seriously and handled confidentially. All incidents are reported to the Head of Internal Audit and to the Director of Legal Affairs. In 2019, no severe incidents were reported through the channel. (Stockmann Corporate Social Responsibility 2019.)

Only two companies (Stockmann and Stadium) had grievance mechanism open for external stakeholders. Yet, they did not disclose the accessibility, availability in local languages nor did they state anywhere that they expect their supplier to have community grievance systems or that their suppliers' communities can use the global system, which is why they both scored only 1 point. None of the apparel companies involve users in the design and performance of their grievance channel (C.3).

Only three companies do not score zero on indicator C.4, which means that the majority of apparel companies fail to describe how complaints or concerns are received, processed, and addressed and how people making complaints are informed throughout

the process as well as how these may be escalated. As an example, we have Fiskar's disclosure on C.4 worth half a point:

All suspected violations and occurrences of misconduct are handled confidentially by our Internal Audit and Legal and Compliance functions. Relevant other functions are engaged depending on the case, such as HR, to solve the issues. Report on the misconduct cases is provided to the Board's Audit Committee. (Fiskars Group Sustainability Report 2019.)

Stockmann was the only company scoring two points on indicator C.4 with the following disclosures:

Your message is submitted easily and securely by following the instructions in the form. After having sent your message you will receive an ID and a password on the screen. Save these in a secure manner. You will remain anonymous throughout this dialogue. Within 10 calendar days, we may post a response or follow-up question for you.

At the end of the investigation, the findings will be reported to the Head of Internal Audit and to the Director of Legal Affairs. In the event that the Head of Internal Audit or the Director of Legal Affairs, or both, are subject to an investigation or allegation, the CEO, or other person appointed by the company, will receive the report and decide on corrective measures. (Stockmann – WhistleB, 2020.)

Like agricultural companies, companies in apparel industry were lacking strong commitment to non-retaliation (C.5), with the majority scoring either zero or 0,5 points. Companies scoring 0,5 on the indicator promised anonymity as a commitment to non-retaliation. Only two companies scored 1 point on indicator C.5.

All companies in apparel industry also scored 0 points in both indicators C.6 and C.7, which means that there was no evidence of any company involvement with State-based judicial and nonjudicial grievance mechanisms nor did we find any company disclosing how they would remedy adverse impacts they have caused.

5.5 Theme D – Performance: Company Human Rights Practices

Theme D focuses on selected human rights related practices specific to each industry. Indicators in this theme aim to evaluate the actual practices happening within companies

to implement key enabling factors and business processes and to prevent specific impacts on human rights that are particular to the industry.

5.5.1 Agricultural Industry

When it comes to the Agricultural industry, there are 20 indicators, with different weightings varying from single, half and a quarter:

- D.1.1 Living wage
 - D.1.1.a Living wage (in own agricultural operations)
 - D.1.1.b Living wage (in the supply chain)
- D.1.2 Aligning purchasing decisions with human rights
- D.1.3 Mapping and disclosing the supply chain
- D.1.4 Prohibition on child labor
 - D.1.4.a Age verification and corrective actions (in own agricultural operations)
 - D.1.4.b Age verification and corrective actions (in the supply chain)
- D.1.5 Prohibition on forced labor
 - D.1.5.a Debt bondage and other unacceptable financial costs (in own agricultural operations)
 - D.1.5.b Debt bondage and other unacceptable financial costs (in the supply chain)
 - D.1.5.c Restrictions on workers (in own agricultural operations)
 - D.1.5.d Restrictions on workers (in the supply chain)
- D.1.6 Freedom of association and collective bargaining
 - D.1.6.a Freedom of association and collective bargaining (in own agricultural operations)
 - D.1.6.b Freedom of association and collective bargaining (in the supply chain)
- D.1.7 Health and safety
 - D.1.7.a Fatalities, lost days, injury rates (in own agricultural operations)
 - D.1.7.b Fatalities, lost days, injury rates (in the supply chain)
- D.1.8 Land rights
 - D.1.8.a Land acquisition (in own agricultural operations)
 - D.1.8.b Land acquisition (in the supply chain)

Company Name	D.1.1.a	D.1.1.b	D.1.2	D.1.3	D.1.4.a	D.1.4.b	D.1.5.a	D.1.5.b	D.1.5.c	D.1.5.d	D.1.6.a	D.1.6.b	D.1.7.a	D.1.7.b	D.1.8.a	D.1.8.b	D.1.9.a	D.1.9.b	D.1.10.a	D.1.10.b	D TOTAL
Saarioinen	0,0	0,0	0,0	0,0	0,0	0,5	0,0	0,0	0,0	0,0	0,5	0,5	1,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	1,3
Apetit	0,0	0,0	0,0	0,0	0,5	0,5	0,0	0,0	0,0	0,0	0,0	0,0	1,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	1,0
Hartwall	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	1,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	1,0
Sinebrychoff	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	1,5	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,8
Yliopiston Apteekki	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Lumene	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Hesburger		0,0	0,0	0,0		0,0		0,0		0,0		0,0		0,0		0,0		0,0		0,0	0,0
TOTAL																					3,4

First indicator in theme D is living wage. HKScan is the only company that discloses any information related to wages in their own operations. With the following statement they manage to score half a point since they do state paying their workers in line with collective agreements but do not disclose how they determine “living wage”:

HKScan complies with existing laws and collective agreements, pays wages in line with collective agreements or local legislation, and takes care of employer and other fees appropriately. We work in good collaboration with employee representatives, and we promote the dialogue between employees and employer. (HKScan Annual Report 2019.)

When it comes to indicator D.1.1.b, 10 out of 22 companies score points on that indicator which shows that companies are more likely to disclose requiring their suppliers to pay living wages than they are reporting about their living wage practices. Most companies only include living wage requirements on their contracts with suppliers, but Lidl Suomi also disclosed information on working with suppliers to improve their living wage practices:

The relevant national employment legislation must be adhered to. Wages and other benefits must, at their minimum, meet legal requirements, and/or local standards as customary for the specific manufacturing sector, should these be higher. Wages and other benefits are to be clearly defined and must

be paid or provided regularly. The aim is to pay wages and provide other benefits in order to cover the cost of living, should the legal minimum wage alone be insufficient. Deductions for non-cash benefits are only permissible to a small extent and must be proportionate to the value of the non-cash benefit. (Lidl Code of Conduct)

A living wage should cover food, water, housing, education, health care, mobility, clothing and other basic needs. It also includes saving for unforeseen situations.

In 2018, the average income of cocoa farmers in Ghana was 52% of the living wage benchmark. Through our partnership with Fairtrade, the farming cooperative Kuapa Kokoo and the NGO Rikolto, Lidl pays an additional premium for every tonne of cocoa purchased from Ghana, that is used within the Way To Go! Chocolate bar, which is in addition to the standard Fairtrade premium. The project uses the 'Fairtrade Living Income reference price', which represents a raw material cocoa price that enables small-holder farmers or workers within the plantations to earn a living income or a living wage. (Lidl - Ihmisoikeudet ja ympäristö: huolellisuusperiaate ostotoiminnassamme, 2020.)

Indicators D.1.2 and D.1.3 are only ones not divided into own operations and supply chain. They have to do with aligning purchasing decisions with human rights and mapping and disclosing the supply chain. None of the companies disclosed enough information to get a full score regarding purchasing decisions. In fact, Kesko and Paulig were the only two companies not scoring zero on indicator D.1.2, by giving their suppliers incentives of longer contracts if they act with respect to human rights. Regarding indicator D.1.3, most companies fail to map their suppliers and disclose it publicly. In fact, only 5 companies score on this indicator with Neste and S Group being the only two to score 2 points, by disclosing their supply chains on their websites. See Neste's disclosure:

We do not own any oil palm plantations, nor operate any palm oil refineries. Instead, we source from carefully selected, responsible producers in Malaysia and Indonesia that are committed to certification and principles of sustainability. All the palm oil we have used has been fully traceable to the plantation level since 2007, and 100% certified since 2013. (Neste - Neste's traceability dashboard, 2020.)

Indicator D.1.4 consists of disclosure on child labor issues. It requires companies to have a statement of prohibiting child labor, having mechanisms to verify workers age and disclose corrective action procedures when a child is found working in their operations or supply chain. On average, companies report poorly on child labor issues regarding own operations. Out of 30 companies, 14 have own agricultural operations and out of those 5 score 0 points, 8 score 0,5 points and only Paulig discloses enough information to score 2 points. Companies scoring 0,5 is due to a statement made that they do not use child labor. When it comes to indicator D.1.4.b, 16 companies score 0,5 or more, which means that those companies at least have a statement (usually in supplier code of conduct, SCoC) requiring suppliers to not use child labor. Meira, Neste and Paulig were the only companies scoring 1,5 points which means that in addition to child labor requirements in their SCoC, they also disclosed information on how they work with supplier to eliminate child labor. See for example Meira:

What is important to us is that children have the right to childhood, including in Honduras. The schooling of collectors' children is increasingly supported by the state, companies and communities. National law allows work from the age of 14, when primary school ends. In this case, some of the children go to work and some continue their studies. (MZBG Sustainable Sourcing Policy 2019.)

Parental education and commitment play an important role in children's early childhood education and in ensuring the continuity of schooling. A child labor prevention committee has been set up within the school built by ADECAFEH and World Vision, with the involvement of parents. The Honduran government program has also strengthened support for education. World Vision aims to build 32 day-care places in the region and raise a new generation of Hondurans to prevent emigration and strengthen future sustainable development. (Meira - Kahvimatka Hondurasiin, 2019.)

Meira's team visited the municipal school in Guascupuzca in the Marcala coffee-growing area. The school's activities are developed together with the parents' committee. Bon Café supports children's day care and schooling. Among other things, Bon Café has built a new school building in 2011 and continued local support, for example by providing all children with school supplies, but also with new toilets and renovations. (Meira - Kahvimatka Hondurasiin, 2019.)

Indicator D.1.5 discusses prohibition of forced labor and is divided into debt bondage and restriction of movement. Only Paulig, Vaasan and HKScan disclose information related to forced labor concerning their own operations. Each company scored 0,5 points, since they all reported that they pay workers regularly, in full and on time and do not require workers to pay work related fees or costs but they did not provide information about all workers receiving a pay slip with their wages explaining any legitimate deductions. See for example HKScan:

HKScan pays to its employees wages and benefits that meet national legal standards or industry benchmark standards. HKScan recognizes that wages enables employees to meet basic needs in their country of living. Employees of HKScan receive information about their employment conditions in respect to wages before they enter employment and to have them written down in their employment contract. -- However, deductions from wages as a disciplinary measure is not permitted in HKScan. Deductions from wages are possible only if so provided by relevant national law or with express permission from the employee concerned. -- HKScan does not accept any form of forced labor, wage slavery, involuntary labor or modern slavery. Employees in HKScan shall not be required to pay any deposit or be forced to hand over their identity documents to their employer. (HKScan Code of Conduct, 2018.)

When it comes to debt bondage concerning company's supply chain, only 5 companies disclose information to score 0,5 or 1 point. To score one point, companies must have a statement where they require that their suppliers refrain from imposing any financial burdens on workers or elaborate how they work together with suppliers on this matter. As an example, HKScan's CoC applies to their suppliers as well and there they state:

HKScan does not accept any form of forced labor, wage slavery, involuntary labor or modern slavery. Employees in HKScan shall not be required to pay any deposit or be forced to hand over their identity documents to their employer. Employees in HKScan are free to terminate employment in accordance with applicable local laws and collective agreements. (HKScan Code of Conduct, 2018.)

Concerning indicator D.1.5.c, only three companies had a statement saying they do not restrict their workers movement in their own operations by retaining workers' personal documents. For example, Vaasan:

“• No form of forced labor or work connected with any form of penalty is permitted.

• No employee shall be forced to hand over valuables or identity papers to the employer. (Lantmännen Code of Conduct, 2015.)

Also, HKScan states that:

Employees in HKScan shall not be required to pay any deposit or be forced to hand over their identity documents to their employer. Employees in HKScan are free to terminate employment in accordance with applicable local laws and collective agreements. (HKScan Code of Conduct, 2018.)

Only 6 companies publicly require their suppliers to refrain from restricting workers' movement. Meira (MZBG) published comprehensive requirements concerning this matter:

6. Workers have the liberty to move around their working premises and to leave said premises after completing the standard working day.

7. Workers have the right to always have in their possession personal documents, unless expressly required by law for obtaining work permits. In the latter case, the employer must ensure that employees can access and retrieve all personal documents at any given time. (MZBG Sustainable Sourcing Policy, 2019.)

Unfortunately, all companies failed to provide proof of progress on issues concerning forced labor so none of the companies scored more than 1 point on any of the indicators in D.1.5.

Indicator D.1.6 concerns freedom of association (FoA) and collective bargaining (CB). When it comes to companies with also own agricultural operations, six companies have statements of respecting the right of all workers to form and join a trade union of their choice, yet most do not prohibit intimidation or retaliation against workers that seek to exercise these rights which leads to majority scoring only 0,5 points. As an exception, Paulig scored 1 point with the following statement:

All employees shall have the right to form, join and organize trade unions of their choice and to bargain collectively on their behalf with the supplier.

The interests of the employees shall be respected without the fear of threats or harassment. In situations where the right to freedom of association and collective bargaining is restricted by applicable laws and regulations, Paulig expects suppliers to allow alternate forms of freely elected and effective worker representations. (The Paulig Code of Conduct for Suppliers, 2018.)

Vaasan was the only company disclosing the percentage of its workforce whose terms and conditions of work are covered by collective bargaining agreements:

There are several different collective agreements for manual and non-manual workers within Lantmännen. In Sweden, 99 percent of the employees are covered by collective agreements. For the total Group, the figure is about 73 percent. (Lantmännen Annual Report 2019.)

When it comes to FoA and CB requirements concerning the supply chain, 14 companies include freedom of association and collective bargaining requirements in their contractual arrangements with suppliers or SCoC. Yet, many did not include the prohibition of intimidation, harassment, retaliation and violence against union members and union representatives, which is why 8 companies scored only 0,5 points on indicator D.1.6.b. Only 6 companies met both criteria and scored 1 point on the indicator. Below is a statement by Lidl Suomi awarding them 1 point:

The employees' rights to found and join organisations and to take collective action as permitted by national legislation and regulations and ILO conventions must not be limited. Employees must not be discriminated against for exercising these rights. (Lidl Code of Conduct, 2021.)

See also Raisio's statement:

The Supplier shall not-- persecute, discriminate and/or harass anyone based on any reason, such as -- political opinions, union membership. (Raisio Supplier Code of Conduct, 2021.)

On indicator D.1.7 the companies are expected to disclose quantitative information on health and safety, like injury rate, fatality rate, lost days or near miss frequency rate, related to their own workforce or suppliers' workers. Companies were better at reporting health and safety issues concerning their own operations than about their supply chain. All companies with own agricultural operations scored 1 or more points except Lumene

and Yliopiston Apteekki. This means that the majority of companies disclosed numbers related to injury rates, lost days, near miss frequency rates and fatalities. In this indicator we decided that it was safe to assume that no disclosure on fatalities meant that there did not occur any fatal incidents to report, so companies disclosing other information scored 1 point even if they did not report fatalities. See for example, Fazer:

We have continued to improve quality, occupational health and safety and environmental (QEHS) responsibility through internal programmes and thirdparty certifications of our management systems. Our lost time accident frequency increased by 4.3% from 2018. The year 2019 saw significant efforts put on safety communications across the company. Work has been done to address key issues through regular safety council meetings, safety reviews and active communication. Safety observations increased by 27% from 2018. We started implementing a group-wide safety system and safety culture development to ensure that safety risks and near misses are proactively identified. The first rollout was done in Finland, and the planning of new country rollouts is ongoing. We will continue to build safety culture aiming for zero accidents. (Fazer Group Annual Review 2019.)

Surprisingly, one of the companies with the lowest overall CHRB scores had the highest score on this indicator: Sinebrychoff scored 1,5 points, being the only company who also disclosed their targets related to rates of injury, lost days and fatalities for the reporting period. According to them, their target for 2019 was to reduce workplace accidents from 9 to 4 but they did not quite reach their goal since 6 accidents occurred. When it comes to health and safety within the supply chain, 14 companies score 0,5 points which is the highest score on this indicator. This indicates that most companies have clear health and safety requirements in their contractual arrangements with suppliers, but no company has any quantitative information on health and safety for workers at suppliers.

All companies performed poorly on indicator D.1.8 – land rights and lang acquisition. None of the companies, except Meira, disclosed any information related to land usage. Meira scored 1 point with the following statement:

Businesses shall respect the rights of local communities: Guidelines towards implementation.

1. The political, economic, and social structures of local communities and indigenous people, as well as their culture, spiritual traditions, histories, and philosophies are respected.

2. Land ownership and land rights are observed and protected.

3. The importance of free, prior, and informed consent (FPIC) of operational activities on those who may be affected is recognized and observed.

(MZBG Sustainable Sourcing Policy 2019.)

Poor disclosures are also seen in indicators D.1.9 and D.1.10. All companies fail to provide any information concerning water and sanitation in their own agricultural operations and only 7 companies require their suppliers to provide their workers access to water and sanitation and to refrain from negatively affecting access to safe water in their contracts or in their SCoC. The following statements from Meira, S Group and Alko are aligned with the statements of other companies scoring 1 point as well:

Local and permanent water bodies are protected to preserve the integrity of biodiversity and support the provision of sustainable access to safe drinking water. (MZBG Sustainable Sourcing Policy 2019.)

Business partners shall ensure access to drinking water, safe and clean eating and resting areas as well as clean and safe cooking and food storage areas. Furthermore, business partners shall always provide effective Personal Protective Equipment (PPE) to all workers free of charge. (S Group)

As a minimum, potable drinking water and adequate lighting, temperature, noise prevention, ventilation and sanitation shall be provided. (Alko)

Only one of the companies discloses any statements in regards of women's rights concerning their supply chain. Lidl Suomi was the only company disclosing how they work with suppliers to improve their practices in relation to women's rights (translated from Finnish):

We also want to strengthen the role of women in the supply chain. The project in Guatemala focuses on strengthening the role of women in coffee production. In Bolivia, we support the cultivation of coffee by small farmers in cooperatives. The project in Côte d'Ivoire focuses on the use of sustainable farming methods in cocoa production - with this measure alone we have

reached 18,000 smallholder farmers. (Lidl - Ihmisoikeudet ja ympäristö: huolellisuusperiaate ostotoiminnassamme, 2020.)

5.5.2 Apparel Industry

Next, we will look at the Apparel Industry. For the Apparel industry there are 17 indicators in theme D:

- D.2.1 Living wage
 - D.2.1.a Living wage (in own production or manufacturing operations)
 - D.2.1.b Living wage (in the supply chain)
- D.2.2 Aligning purchasing decisions with human rights
- D.2.3 Mapping and disclosing the supply chain
- D.2.4 Prohibition on child labor
 - D.2.4.a Age verification and corrective actions (in own production or manufacturing operations)
 - D.2.4.b Age verification and corrective actions (in the supply chain)
- D.2.5 Prohibition on forced labor
 - D.2.5.a Debt bondage and other unacceptable financial costs (in own production or manufacturing operations)
 - D.2.5.b Debt bondage and other unacceptable financial costs (in the supply chain)
 - D.2.5.c Restrictions on workers (in own production or manufacturing operations)
 - D.2.5.d Restrictions on workers (in the supply chain)
- D.2.6 Freedom of association and collective bargaining
 - D.2.6.a Freedom of association and collective bargaining (in own production or manufacturing operations)
 - D.2.6.b Freedom of association and collective bargaining (in the supply chain)
- D.2.7 Health and safety
 - D.2.7.a Fatalities, lost days, injury rates (in own production or manufacturing operations)
 - D.2.7.b Fatalities, lost days, injury rates (in the supply chain)
- D.2.8 Women's rights

- D.2.8.a Women's rights (in own production or manufacturing operations)
- D.2.8.b Women's rights (in the supply chain)
- D.2.9 Working hours
 - D.2.9.a Working hours (in own production or manufacturing operations)
 - D.2.9.b Working hours (in the supply chain)

Total score for theme D is 20% but the apparel industry average is only 4,9% which is only a bit higher than agricultural industry score. Company specific scores vary from 10,7% (Stockmann) to 0% (Verkkokauppa.com). (Table 13.)

Table 14 Theme D Scores for Apparel (0-20%)

Company Name	D.2.1.a	D.2.1.b	D.2.2	D.2.3	D.2.4.a	D.2.4.b	D.2.5.a	D.2.5.b	D.2.5.c	D.2.5.d	D.2.6.a	D.2.6.b	D.2.7.a	D.2.7.b	D.2.8.a	D.2.8.b	D.2.9.a	D.2.9.b	D TOTAL
Stockmann		1,0	2,0	2,0		1,5		0,0		0,0		1,5		0,5		0,0		1,0	10,7
Stadium		1,5	0,0	0,0		1,0		1,0		1,0		1,0		0,5		0,0		1,0	6,7
Fiskars	0,0	1,0	0,0	0,0	0,5	0,5	0,0	0,0	0,0	1,0	1,0	1,0	1,5	1,5	0,0	0,0	1,0	1,0	6,1
Tokmanni**		1,5	0,0	2,0		1,0		0,0		0,0		1,0		0,5		0,0		1,0	5,9
Finlayson	0,0	1,0	0,0	2,0	0,0	1,0	0,0	0,0	0,0	1,0	0,5	1,0	0,0	0,5	0,0	0,0	0,0	1,0	5,6
Partioaitta		1,0	0,0	0,0		0,5		0,0		0,0		1,0		0,5		0,0		1,0	5,0
Marimekko	0,0	1,0	1,0	0,0	0,5	1,0	0,0	0,0	0,0	0,0	0,0	1,0	1,0	0,5	0,0	0,0	0,0	1,0	4,4
Verkkokauppa.com*		0,0	0,0	0,0		0,0		0,0		0,0		0,0		0,0		0,0		0,0	0,0
Total average																			4,9

None of the companies that have their own production of manufacturing are disclosing any information related to a living wage (D.2.1.a). When it comes to living wage requirements for their suppliers, 7 out of 8 companies score points on the indicator which shows that most companies place living wage requirements to their suppliers. 5 companies scored 1 point which means they only disclosed having living wage requirements. Only two companies also disclosed information on how they work with suppliers to improve practices concerning living wages, scoring 1,5 points on indicator D.2.1.b. Below a statement from Tokmanni:

“Both the amfori BSCI Code of Conduct and Tokmanni's Supplier Code of Conduct contain the principle of fair remuneration, which enables the employee and his family to earn a reasonable living sufficient to meet basic needs. We ask about salaries through both our own and BSCI audits and thus stimulate constructive dialogue on the subject at factories. The amfori BSCI audit includes a Fair Remuneration Scan, where workforce's decent standard of living is calculated. Anker-methodology is normally used.

We also strive to promote living wages together with others, as this can only be resolved through long-term commitment and close cooperation with global and local stakeholders. Key stakeholders include other companies, legislators, local trade unions and other employee representatives. We are a member of amfori BSCI and support their initiatives that aim to achieve living wage in supply chains. More about amfori's living wage journey can be found here.

One channel for living on a wage in high risk countries would be freedom of association and collective bargaining. Raising the national minimum wage would effectively promote living wages.” (Tokmanni Group Corporation Sustainability Report, 2019.)

Stockmann and Marimekko were the only companies that disclosed information regarding purchasing decisions. Marimekko scored 1 and Stockmann scored 2 points. The difference between the two is that Marimekko only disclosed having incentives of longer contracts if their suppliers act with respect to human rights. Stockmann, in addition to incentives, has also practices in place to avoid price or short notice requirements or other business considerations undermining human rights. Below see both Marimekko's and Stockmann's disclosure to see the difference:

Marimekko:

“Selecting our suppliers carefully is important also because we aim to select partners with whom we can develop and plan collaboration over the long term. Our supplier relationships are, on average, approximately 10 years in length. With some of our partners, we have collaborated for more than 20 years.” (Marimekko Sustainability Report 2020.)

Stockmann:

“Overtime work that exceeds the limits in the Code of Conduct is a widespread problem in most of our production countries. Overtime work is difficult to remedy as there are several reasons for it. Firstly, the employees in the factories may say that they want to work overtime in order to earn more money. In cases where the employees work far away from home, they want to be able to work a lot over an intensive period and then return home. Secondly, it may be lucrative for the supplier to organise overtime in order to increase production. Stockmann’s as other fashion companies’ lead times represent a risk of overtime. In order to minimize the risk, a production capacity assessment is conducted prior to placing orders.”

“In addition to audits and training, every aspect of suppliers’ operations is rated according to a ‘supplier scorecard’, which forms the basis for development. Suppliers are evaluated with the score card twice a year, with the Code of Conduct vs. performance being included as a parameter. Based on the evaluation, we grade our suppliers, and those with the best results get the most orders.” (Stockmann – Buying Practices, 2021.)

Regarding indicator D.1.3, apparel companies scored either zero or two points, no in between. Three companies scored 2 points: Stockmann, Tokmanni and Finlayson. They were the only apparel companies that map their suppliers and disclose it publicly.

When it comes to child labor issues in own apparel operations, only 2 out of 3 companies have a public statement prohibiting child labor, but since they do not disclose mechanisms to verify the age of job applicants, they only score 0,5 points. The majority of companies in apparel industry (5 out of 8) score 1 or higher on this indicator. The reason that Fiskars and Partioaitta only scored 0,5 points is that they did not publicly require their suppliers to have age-verification mechanisms. Below we have statements on child labor from Fiskars and Finlayson who scored 1 point:

Fiskars:

“The Supplier is strictly prohibited to use child labor, in line with ILO conventions 138 on minimum age for employment and 182 on the worst forms of child labor, the Supplier must not employ workers below the age of 15 years (14 years in certain developing countries) or the minimum age of employment in accordance with applicable national laws and regulations or the age for completing compulsory education in that country in accordance with

applicable national laws and regulations, whichever is higher.” (Fiskars Code of Conduct, 2021.)

Finlayson:

“Business partners observe this principle when they do not employ directly or indirectly, children below the minimum age of completion of compulsory schooling as defined by law, which shall not be less than 15 years, unless the exceptions recognised by the ILO apply. Business partners must establish robust age-verification mechanisms as part of the recruitment process, which may not be in any way degrading or disrespectful to the worker. This principle aims to protect children from any form of exploitation.” (Finlayson – Amfori BSCI CoC, 2021.)

Stockmann scored 1,5 points on this indicator by being the only company who described how they worked together with their suppliers to eliminate child labor:

“In the case of a human rights violation, we work together with the supplier to remediate the victim. No new orders are placed until the violation has been corrected and the victim has been compensated. Over the years, there have been cases where a child under the minimum working age has worked in a factory producing our products, and thus we have a method that has been developed together with Save the Children for dealing with such a situation. The factory is responsible for compensation and for paying a salary to ensure the child can attend school instead of, for example, moving to another factory to work. The factory management meets with the parents of the child to solve the issue. If possible, and in order to ensure that the family has sufficient resources, an adult member of the family is employed to replace the child.” (Stockmann - Supplier assessment for labour practices and human rights, 2021.)

When it comes to forced labor, companies in apparel industry report rather poorly. In fact, Stadium was the only company who publicly required their suppliers to refrain from imposing any financial burdens on workers. Same trend is seen when it comes to restriction of movement of workers: no disclosure from companies in regards of own operations and only three companies requiring their suppliers to refrain from restricting

workers' movement. All the three companies scored only 1 point since none of them described how they work with suppliers to eliminate detention of worker's documents or other actions to physically restrict movement. See statement from Fiskars;

“Any form of forced, bonded, indentured, or involuntary prison labor must not be used in any circumstances. All work shall be voluntary, and employees shall be free to leave work or terminate their employment upon reasonable notice. As a condition of employment, no one has the right to require employees to surrender government-issued identification, passport, work permits, or any other unreasonable deposits.” (Fiskars Code of Conduct, 2021.)

Indicator D.2.6 concerns freedom of association (FoA) and collective bargaining (CB). The three companies with own production have statements committing not to interfering with the right of workers to form or join trade unions, but all fail to state that they have measures in place to prohibit retaliation. Fiskars still scored one point since they disclosed the percentage of its workforce whose terms and conditions of work are covered by collective bargaining agreements:

“Fiskars Group supports its employees' right to freedom of association and collective bargaining. Overall, 56% of Fiskars Group employees are covered by collective bargaining agreements. Participation in collective bargaining agreements varies significantly between regions, with the participation rates as Europe (84%), North Americas (24%) and Asia-Pacific (28%).” (Fiskars Sustainability Report 2019.)

7 out of 8 companies require that their suppliers respect the right of all workers to form and join a trade union of their choice. All companies scoring 1 point included FoA and CB requirements and prohibited discrimination or harassment against union members and representatives in their contracts or SCoC. In addition to that, Stockmann also described how it works with suppliers to improve their practices, scoring 1,5 points:

“Business partners shall: (a) respect the right of workers to form unions in a free and democratic way; (b) not discriminate against workers because of trade union membership and (c) respect workers' right to bargain collectively. Business partners shall not prevent workers' representatives from having access to workers in the workplace or from interacting with them.”

“The right to join a trade union and to engage in collective bargaining is a basic right that we uphold. Unfortunately, in many of our production countries the trade unions are weak and the underlying causes are complex and often multifaceted. In many of the factories that we use, there are functioning workers’ committees that give the employees the opportunity to engage in dialogue with the factory management. These committees are in no way equivalent to a functioning trade union, and are not seen as a replacement. Having the opportunity to join a trade union and engage in collective bargaining is the primary goal, but establishing trade unions remains the workers’ own responsibility. Stockmann is responsible for putting pressure on the supplier to ensure that this right is not violated. Factory employees are informed of their rights through the BSCI policies that are placed visibly at the workplace. We encourage factory managers to take part in BSCI training related to the freedom of association and collective bargaining.” (Stockmann - Supplier assessment for labour practices and human rights, 2021.)

When it comes to health and safety (D.2.7) 2 out of 3 companies with own agricultural operations scored 1 or more point. Marimekko disclosed the number of accidents which was 11 for the reporting year. Fiskars scored a higher score (1,5) by also disclosing targets:

“Fiskars Group’s renewed safety target for 2030 is to have zero harm with a zero Lost Time Accident Frequency (LTAF), taking into account not just our own employees, but our contractors and key suppliers as well. By 2022 our target is to reduce LTAF by 20% compared to 2017 base year. In 2019, we were able to lower the LTAF to 4.7 (2018: 5.9) and Lost Day Rate (LDR) to 27.1 (36.9). Many of the manufacturing units and distribution centers created safety improvement plans and focused on safety observations, which was visible in our safety performance compared to the 2018 performance. Compared to the 2017 base year our LTAF was 4% higher.” (Fiskars Sustainability Report 2019.)

When it comes to health and safety within the supply chain, 7 companies score 0,5 points. All seven companies have health and safety requirements in their contractual arrangements with suppliers, but none of them has any quantitative information on health and safety for workers at suppliers. Fiskars performed outstandingly on this indicator. They were the only company that provided quantitative data on health and safety for

workers at suppliers. They also described how they work with suppliers to improve their practices:

“The Supplier shall commit to ensure safe working conditions and a healthy working environment for its employees. This prevents work-related injuries and illnesses, improves the well-being of employees, increases productivity, and promotes the quality of products, among other things. The Supplier shall assign a senior management representative responsible for health and safety.” (Fiskars SCoC, 2021.)

Fiskars disclosed quantitative information on their suppliers in their Sustainability Report 2019, page 29.

“Fiskars Group’s renewed safety target for 2030 is to have zero harm with a zero Lost Time Accident Frequency (LTAF), taking into account not just our own employees, but our contractors and key suppliers as well. By 2022 our target is to reduce LTAF by 20% compared to 2017 base year.”

“Our Supplier Code of Conduct outlines our expectations regarding our suppliers’ health and safety standards, and every supplier must sign and commit to it to be able to do business with Fiskars Group. We arrange annual workshops for our suppliers to enhance awareness of, and best practices in, occupational health and safety.” (Fiskars Sustainability Report 2019.)

All companies performed poorly on indicator D.2.8 – Women’s rights. Despite of relevance of women’s rights in the apparel industry, none of the companies disclosed any information related to e.g., prohibiting harassment, intimidation and violence against women, elimination of discrimination against women through providing equal pay for equal work, or measures to ensure equal opportunities throughout all levels of employment.

Almost all companies disclose own commitment or supplier requirements on working hours referencing ILO’s convention - Hours of Work. 7 companies had aligned requirements for their suppliers, with all scoring 1 point in the last indicator of theme D. As an example, below is a disclosure from Partioaitta (Fenix Outdoor):

“Fenix Outdoor AB does not exceed local limits on work hours and seek adherence to the ILO core conventions from its partners. The regular working hours shall not exceed 48 hrs. per week. Overtime hours must not exceed the

numbers allowed by the law of the country. If such limits do not exist, overtime work should not exceed 12 hours per week. Overtime work must always be voluntary and compensated in accordance with applicable law and at premium rates. Employees are entitled to at least one day off in every seven-day period. We expect our suppliers to comply with the maximum number of working hours laid down in the applicable laws, not exceeding a total of 60 hours including overtime.” (Fenix CoC, 2021.)

5.6 Theme E – Performance: Responses to Serious Allegations

Theme E assesses how companies have responded to serious allegations. Theme consists of the following indicators:

- E.1 The Company has responded publicly to the allegation
- E.2 The Company has appropriate policies in place
- E.3 The Company has taken appropriate action

Not one of the 30 companies assessed was faced with serious allegations concerning human rights within the last two years, so it was not possible to assess any responses to allegations. Because of that, all the Theme E indicators remained empty and Theme E score was calculated by dividing the combined scores of themes A-D and F with 80 and multiplying it with the weight of theme E (20%). The average score of all companies in theme E was 5,5%. The individual company scores varied from 12,3% (Neste) to 0% (Yliopiston Apteekki). (Table 14.)

Table 15 Theme E Scores for Agricultural Products (0-20%)

Company Name	E.1.0	E.1.1	E.1.2	E.1.3	E TOTAL
Neste**	12,3	-	-	-	12,3
S Group*	11,2	-	-	-	11,2
Kesko*	10,6	-	-	-	10,3
Alko	8,6	-	-	-	8,6
Lidl Suomi*	8,2	-	-	-	8,2
Paulig	8,1	-	-	-	8,1
Meira	7,5	-	-	-	7,5
Vaasan	6,6	-	-	-	6,6

Company Name	E.1.0	E.1.1	E.1.2	E.1.3	E TOTAL
Valio	6,3	-	-	-	6,3
HKScan	5,8	-	-	-	5,8
Fazer	5,1	-	-	-	5,1
Altia	5,0	-	-	-	5,0
Raisio	4,6	-	-	-	4,6
Atria	4,6	-	-	-	4,6
Apetit	4,4	-	-	-	4,4
Arvid Nordquist	3,2	-	-	-	3,2
Saarioinen	2,5	-	-	-	2,5
Lumene	0,9	-	-	-	0,9
Hartwall	0,7	-	-	-	0,7
Sinebrychoff	0,7	-	-	-	0,7
Hesburger	0,6	-	-	-	0,6
Yliopiston Apteekki	0,0	-	-	-	0,0
Total average					5,6

Table 16 Theme E Scores for Apparel (0-20%)

Company Name	E.1.0	E.1.1	E.1.2	E.1.3	E TOTAL
Stockmann	10,7	-	-	-	10,7
Tokmanni**	9,2	-	-	-	9,2
Marimekko	7,7	-	-	-	7,7
Fiskars	7,2	-	-	-	7,2
Stadium	7,1	-	-	-	7,1
Finlayson	3,7	-	-	-	3,7
Partioaitta	2,8	-	-	-	2,8
Verkkokauppa.com*	0,7	-	-	-	0,7

Company Name	E.1.0	E.1.1	E.1.2	E.1.3	E TOTAL
Total average					5,5

5.7 Theme F – Transparency

Theme F is the last theme of the CHRB methodology, and it consists of the following indicators:

- F.1 Company willingness to publish information (4%)
- F.2 Recognised Reporting Initiatives (2%)
- F.3 Key, high-quality disclosure (4%)
 - F.3.a Specificity and use of concrete examples
 - F.3.b Discussing challenges openly
 - F.3.c Demonstrating a forward focus

Total possible score for theme F was 10% and the average of assessed companies was 3,3%. The individual company scores varied between 6,6% (S Group and Neste) and once again 0% (Ylipiston Apteekki). (Table 15.)

Table 17 Theme F Score for Agricultural Products (0-10%)

Company Name	F.1	F.2	F.3	F TOTAL
S Group*	3,1	2,0	1,5	6,6
Neste**	3,1	2,0	1,5	6,6
Kesko*	2,9	2,0	1,0	5,9
HKScan	2,4	2,0	1,0	5,4
Alko	2,8	2,0	0,5	5,3
Meira	2,7	2,0	0,0	4,7
Paulig	2,5	2,0	0,0	4,5
Vaasan	2,4	2,0	0,0	4,4
Apetit	1,5	2,0	0,5	4,0
Altia	1,5	2,0	0,5	4,0
Valio	1,9	2,0	0,0	3,9
Atria	1,8	2,0	0,0	3,8

Company Name	F.1	F.2	F.3	F TOTAL
Raisio	1,7	2,0	0,0	3,7
Fazer	2,0	0,0	0,5	2,5
Lidl Suomi*	2,4	0,0	0,0	2,4
Lumene	0,2	2,0	0,0	2,2
Arvid Nordquist	1,3	0,0	0,0	1,3
Saarioinen	1,1	0,0	0,0	1,1
Hartwall	0,3	0,0	0,0	0,3
Hesburger	0,5	0,0	0,0	0,3
Sinebrychoff	0,3	0,0	0,0	0,3
Yliopiston Apteekki	0,0	0,0	0,0	0,0
Total average				3,5

Table 18 Theme F Score for Apparel (0-10%)

Company Name	F.1	F.2	F.3	F TOTAL
Stockmann	2,7	2,0	1,0	5,7
Tokmanni**	2,5	2,0	0,5	5,0
Fiskars	2,5	2,0	0,0	4,5
Marimekko	2,3	2,0	0,0	4,3
Stadium	2,1	2,0	0,0	4,1
Finlayson	1,6	0,0	0,0	1,6
Partioaitta	1,2	0,0	0,0	1,2
Verkko-kauppa.com*	0,4	0,0	0,0	0,4
Total average				3,0

The first indicator score (F.1) is based on how much companies disclosed information in previous themes A-E. The score for F.1 is based on the proportion of indicators in Themes A-E which score 0.5 and above. There are 4 points available for the first theme

representing 4% of the total CHRB score. The best performing companies in this theme are S Group (3,1), Neste (3,1), Kesko (2,9) and Alko (2,8).

Indicator F.2 assesses whether companies report against existing internationally recognized good-practice reporting frameworks and gives credit where companies report against either the UNGP Reporting Framework (UNGPRF), the Global Reporting Initiative (GRI) or the Sustainability Accounting Standards Board (SASB). 19 out of 30 companies assessed are reporting against an existing reporting framework and all of them are reporting against GRI standards.

The last indicator F.3 looks at so-called high-quality disclosures. CHRB has selected 10 key indicators within the Methodology that show companies are willing to be transparent in certain areas that indicate high quality reporting on human rights performance which means that they scored 2 points on those indicators. Generally, companies scored rather low on this indicator with top scorers being once again S Group and Neste with 1,5 points out of 4. The majority (20) of the companies scored 0 points on F.3 which indicates that the majority of the companies are not as transparent as they should be.

5.8 Cross – Case Analysis

The overall results of industry-specific assessments were compared with each other in order to gain an understanding of the extent to which the level of human rights performance varies between apparel and agricultural industries and what the key differences and/or similarities are between these industries (see table 18, table 19).

Table 19 Overall results - Agricultural Products

<i>Company name</i>	<i>Theme A Score</i>	<i>Theme B Score</i>	<i>Theme C Score</i>	<i>Theme D Score</i>	<i>Theme E Score</i>	<i>Theme F Score</i>	<i>Total Score</i>
<i>Neste</i>	6,2	21,0	7,9	7,4	12,3	6,6	61,4
<i>S Group</i>	6,9	20,5	2,9	8,0	11,2	6,6	56,1
<i>Kesko</i>	6,5	18,3	3,8	7,7	10,6	6,0	51,5
<i>Alko</i>	6,3	16,4	1,7	5,0	8,6	5,3	43,3
<i>Lidl Suomi</i>	4,7	16,4	4,2	5,3	8,2	2,4	41,2
<i>Paulig</i>	4,8	15,1	1,7	6,4	8,1	4,5	40,6
<i>Meira</i>	3,6	14,0	0,8	7,0	7,5	4,7	37,6
<i>Vaasan</i>	4,3	11,9	1,7	4,4	6,6	4,4	33,3
<i>Valio</i>	3,8	12,9	2,5	2,0	6,3	3,9	31,4

<i>HKScan</i>	5,6	4,5	4,2	3,4	5,8	5,4	28,9
<i>Fazer</i>	4,3	6,3	5,0	2,5	5,1	2,5	25,7
<i>Altia</i>	3,0	7,8	3,3	2,0	5,0	4,0	25,1
<i>Raisio</i>	3,9	7,7	1,3	2,0	4,6	3,7	23,2
<i>Atria</i>	4,8	6,3	1,3	2,3	4,6	3,8	23,1
<i>Apetit</i>	4,4	6,5	1,7	1,0	4,4	4,0	22,0
<i>Arvid</i>	2,6	6,6	0,0	2,5	3,2	1,3	16,1
<i>Nordquist</i>							
<i>Saarioinen</i>	1,5	4,6	1,7	1,3	2,5	1,1	12,7
<i>Lumene</i>	1,5	0,0	0,0	0,0	0,9	2,2	4,6
<i>Hartwall</i>	0,8	0,0	0,8	1,0	0,7	0,3	3,6
<i>Sinebrychoff</i>	0,8	0,0	0,8	0,8	0,7	0,3	3,4
<i>Hesburger</i>	0,3	0,0	1,7	0,0	0,6	0,3	2,9
<i>Yliopiston</i>	0,0	0,0	0,0	0,0	0,0	0,0	0,0
<i>Apteekki</i>							
Total Score	3,8	9,3	2,3	3,4	5,6	3,5	28,0

Table 20 Overall results - Apparel

Company name	Theme A Score	Theme B Score	Theme C Score	Theme D Score	Theme E Score	Theme F Score	Total Score
<i>Stockmann</i>	5,3	17,1	5,0	10,7	11,0	5,8	54,8
<i>Tokmanni</i>	6,7	18,6	0,6	5,9	9,2	5,0	46,0
<i>Marimekko</i>	3,5	17,3	1,7	4,4	7,8	4,3	39,0
<i>Fiskars</i>	4,6	11,3	2,1	6,1	7,2	4,5	35,8
<i>Stadium</i>	0,9	14,1	2,5	6,7	7,1	4,1	35,4
<i>Finlayson</i>	1,4	5,4	0,8	5,6	3,7	1,6	18,5
<i>Partioaitta</i>	2,5	2,5	0,0	5,0	2,8	1,2	14,0
<i>Verkko- kauppa.com</i>	0,6	0,7	1,3	0,0	0,7	0,4	3,7
Total Score	2,8	9,7	1,6	4,9	5,5	3,0	27,5

Regarding the average total scores, both industry averages fall rather short from even 50% of the maximum score. The total scores of the agricultural products (28,0%) and

apparel (27,5%) are quite close to each other with only .5% difference. When it comes to theme A: governance and policy commitments, the agricultural product sector scores a higher average (3,8%) with apparel sector scoring a point less with a score of 2,8%. In theme B: embedding respect and human rights due diligence, apparel industry (9,7%) scores slightly higher than agricultural products (9,3%). When it comes to theme C (remedies and grievance mechanisms) apparel industry scores only 1,6% out of 15% which is a very weak score. Agricultural products sector scored a bit higher: 2,3% but still rather low as well. In theme D (human rights practices) apparel industry scored 4,9% which is rather higher than agricultural sector with a score of 3,4%. In theme E (response to serious allegations, both industries scored rather close results with apparel scoring 5,5% and agricultural products 5,6%. In theme F (transparency), apparel industry scored 3,0% and agricultural products industry score 3,5%.

When comparing the industry results with the results of the CHRB 2019 results, it can be noted that the results of this study, regarding the human rights reporting performance of Finnish companies, are a bit higher than the results of the assessment carried out by the CHRB (See. CHRB 2019 Key Findings Report). The average total score of both industries in this study is 27,8%, whereas the corresponding figure in the 2019 CHRB assessment was 24.3%. Regarding the comparison of the results between this assessment and that of CHRB, it must be noted that there is a big difference in the sample size and the fact that most of the companies have been included in the previous assessments in 2017 and 2018 as well. When it comes to companies assessed by CHRB for the first time, the total average was 17,2% which is much lower than the assessment of the Finnish companies. Yet, we must note that most of the new companies were from the ICT sector who scored the lowest score as an industry (17,8%) which must have affected the total average and in our study only apparel and agricultural product industries were assessed. When it comes to companies who were included in the previous benchmarks as well, their average score was 31,4%. In the CHRB assessments, companies generally improve results compared to their previous year's results.

6 DISCUSSION AND CONCLUSION

In this chapter we will conclude the results from the empirical study, form conclusions and reflect them to previous research. We will also answer the research questions of the thesis, present contribution to existing literature and potential managerial implications. Lastly, we will present the limitations of the study and suggest potential future research opportunities.

6.1 Key Findings

The objective of this study was to find out how Finnish companies are managing to respect human rights in their supply chains and business activities and how they are disclosing this information on their websites and publications such as annual reports and social responsibility reports. The two research questions were:

1. *What is the Human Rights performance of the most sustainable* Finnish companies?*
2. *Are there differences between industries regarding human rights reporting?*

These research questions were answered by conducting an extensive multiple case analysis using the Corporate Human Rights Benchmark (CHRB) 2020 methodology and more specifically the second research question was answered with a cross-case analysis of the two industries, agricultural products, and apparel industries. Using the methodology of the CHRB (see appendix 1), 30 Finnish companies were analyzed with a focus on their human rights reporting.

The UN Guiding Principles on Business and Human Rights were endorsed by the UN Human Rights council (HRC) in 2011. The principles aim to guide companies in the implementation of their human rights responsibilities. They also aim to set expectations relator to human rights, which focus on companies' policy commitments, due diligence processes and, practices and reacting to adverse human rights impacts. Finland published a National Action Plan for the implementation of the UN Guiding Principles on Business and Human Rights in 2014.

In this study we used the CHRB methodology since it could be used to evaluate how Finnish companies are meeting the expectations of the UNGPS. Based on the results of

this study we can see that most of the companies assessed are at an early stage of implementing their responsibilities regarding human rights. Actually, we can see that the majority of the companies assessed are failing to demonstrate their respect for human rights. This can be reflected in the fact that six companies scored less than 10% and more than half of the companies (53%) scored less than 30%. Close to 9 out of 10 companies scored less than 50%. Only 4 companies scored more than 50% and Neste was the only company scoring more than 60%.

Positively, most Finnish companies are generally committed to respecting human rights. Most of them also disclose the commitment to respect the ILO's fundamental principles and rights at work. Yet, there are still numerous Finnish companies that do not communicate any commitment to these rights neither in their own business operations, nor their supply chains. Additionally, only few Finnish companies have made a public commitment to conduct corrective actions in situation where they have found out that they have contributed or caused adverse human rights impacts. This reflects the fact that Finnish companies have a long way ahead to actually concretise their human rights responsibilities and internalising what the commitment to respect human rights means in practise.

Theme B focuses on the key process in the implementation of a company's human rights obligation, which is due diligence. A due diligence process helps a company to identify, prevent, mitigate, and address adverse human rights impacts it may have caused. Looking at the results of this study we can state that the majority of Finnish companies have not yet initiated this process at all, and most of those who have, are at a quite early stage. Only 33 per cent of companies assessed have regularly identified key human rights risks and impacts of their operations, implemented human rights impacts related to said risks and impacts, and made assessments, as well as integrated the results of the assessment into their internal operations and processes. When it comes to then monitoring and evaluating the effectiveness of the actions company has taken to respond to human rights risks and impacts the number reduces to only 10 per cent.

The UNGPs requires companies to have in place an effective grievance mechanism through which internal and external stakeholders, such as workers or communities, that are potentially affected by the human rights impacts of a company can report their concerns and claim their rights. These grievance channels can also play a vital role in providing information for companies regarding their human rights impacts and can help them learn and take action within the organization.

When it comes to means of reporting unethical behavior, 25 of the companies analyzed have a whistleblowing channel or other means of reporting human rights concerns and abuses. Yet, the majority of these grievance channels are only meant for internal stakeholders like their own workers. Only six companies had a whistleblowing channel for third parties which reveals a critical need for developing these channels to be accessible for external stakeholders, especially those who are most vulnerable to companies' human rights impacts. Our study also shows that Finnish companies do not seem to yet have a clear approach on how to remedy their human rights impacts. Not one company disclosed any information on how they have or would remedy any negative impact they might have caused or cause in the future. Even though human rights risks exist in Finland as well, the discussion on the corporate responsibility to respect human rights is clearly focused on countries with a high risk of human rights impact.

Theme D in the CHRB methodology consists of industry-specific assessments where the human rights risks that are critical to a specific industry are assessed. In general, Finnish companies scored low on this theme and even the highest scoring company (Stockmann) scored only 10,7 per cent out of 20. You could argue that some issues in theme D are so self-evident in the environment that we live in that companies might not feel the need to monitor and report on those human rights risks. Such self-evident issues include, for example, not using child labor or forced labor, paying a living wage, good payment practices and respecting women's rights. Yet, the study highlights that these issues are highly ignored in companies' policy commitments. With the rise of immigration, the operating environment is continuously changing, and it is becoming more and more important to discuss these issues and the fact that we should not be taking them for granted any longer, not in Finland nor in other low-risk countries.

Additionally, regarding the countries whose local legislation does not comply with universal human rights, the UNGPs require companies to go beyond the local legal requirements. Yet, many Finnish companies have not disclosed any information regarding their role in respecting human rights in higher risk countries. For example, in some countries where Finnish companies operate, manufacture or source, the workers are not allowed to unionize or bargain collectively. In these cases, companies should have additional references in their SCOCs or other policies' to acknowledge the limitations of the local law.

All the data for this study was collected from the companies' responsibility reports and other publicly available information that companies disclosed on their websites. The importance of transparency is strongly highlighted in the UNGPs, and companies are required to disclose transparently about the management of their human rights impacts and risks. For this reason, this study focused solely on public information, so gathering more information through interviews could have influenced the results of the CHRB analyses. The results of this study demonstrate that Finnish companies disclose quite little information about their human rights responsibility. This means that they are largely still at an early stage in the implementation of the UNGPs.

The companies assessed in this study were chosen from the SBI's official report 2020. This was done to demonstrate the imbalance of consumers' inception of a company's responsibility actions and a company's actual CSR efforts. Comparing the SBI ranking to the CHRB ranking, we can see that there is a lot of differences between the company ranks. This makes an interesting topic for future research, to ask what factors affect a consumer's conception on a company's CSR performance, since based on the results of this study, the amount of transparency of their CSR practices do not correlate with the SBI ranking.

Lastly, companies from two different sectors were chosen since there was an aim to also to find out if there are clear differences in human rights performance between industries. In this study we chose companies from the agricultural and apparel industries. The results of the study show very little difference between industries with only 0,5 per cent gap. A more interesting aspect than comparing industries is comparing companies that have been taking part in the CHRB analysis years before to those companies who are analyzed for the first time. The yearly assessments by CHRB demonstrate that regular monitoring betters the company's score by driving companies to better their practices and processes related to human rights. The average score for repeat companies from the previous CHRB benchmarks was over 30% which indicates that the performance of Finnish companies regarding human rights could be improved and promoted through yearly monitoring.

6.2 Theoretical Contributions and Managerial Implications

Regarding the theoretical contributions, this study contributes to the human rights reporting research, with a focus on a specific framework: the CHRB benchmark. It also contributes to country-specific research since all companies assessed are Finnish companies.

Additionally, it provides insight into industry specific differences, or in this case the lack of it.

When it comes to the Finnish market there is very little research on sustainability reporting of Finnish companies (Tuominen et al, 2008; Kotonen, 2009). Yet, they both have a vaguer focus discussing the triple bottom line. Tuominen et al. (2008) focus on the forest industry and compare CSR reporting between co-operative organizations and listed companies, aiming to illustrate whether different values and principles of the two organizational types are reflected in differences in CSR reporting. Kotonen (2009), on the other hand focuses on the large Finnish listed companies and examines the motives and objectives behind their CSR reporting, the documents they use and what kind of information is presented. This thesis on the other hand focuses specifically on the human rights and how Finnish companies report on those.

On a global scale, there are numerous studies done that examine CSR reporting, and more specifically human rights (Islam and McPhail, 2011; Sikka, 2011; McPhail and Adams, 2016; Cahaya and Hervina, 2019). There has been systematic growth in the number of studies conducted that look at human rights disclosures. This signals that there is a growing interest in CSR reporting related to human rights. For instance, Islam and McPhail (2011) study global garment retailers trying to understand to which extent they invoke the language of human rights when communicating CSR information. On the other hand, McPhail and Adams (2016) explore the scope of human rights for which corporations can be held accountable with a critical discourse analysis. They concluded that companies' constructions of human rights are broad, ranging from labor rights to the right to health and a clean environment. Lastly, Cahaya and Hervina (2019) examine the extent and the various determinants of human rights disclosures by analysing annual reports of Indonesian companies.

When it comes to managerial implications, this study aims to raise awareness among Finnish companies to understand where they are when it comes to providing transparent information regarding their human rights impacts on their reports, websites, and other public documents. Based on the results of this study it is recommended that companies improved their commitments and due diligence processes since there is much more work to be done fulfil their duty to respect human rights. They also need to become more transparent about their human rights efforts and impacts. Additionally, this study gives legislation makers a practical mean to evaluate how Finnish companies are improving their reporting to meet the new legal requirements.

6.3 Limitations and Future Research

The study was conducted as a multiple case study and the CHRB methodology was used to analyse the companies, but the process had one relevant difference. Conducting the CHRB benchmarks, companies are given the opportunity to disclose information prior to analysing of publicly available information on specific topics. In this study, the company scores were formed only based on the publicly available information from companies' reports, policies and websites, no interviews nor other ways where company representatives could disclose additional information were conducted. This was a major difference when comparing to the process conducted by the CHRB. Additionally, since the CHRB is a benchmark, there is a need for data for a longer period of time to witness if companies are actually making improvements and scoring higher results. In the CHRB assessments, companies generally improve results compared to their previous year's results. It is therefore important to reflect on how Finnish companies could promote their human rights performance through regular monitoring and reporting.

REFERENCES

- Akbar S. – Ahsan, K. (2019) Workplace safety compliance implementation challenges in apparel supplier firms. *Journal of Cleaner Production*, Vol. 232. 462–473.
- Alliance for Corporate Transparency (2020) 2019 Research Report – An analysis of the sustainability reports of 1000 companies pursuant to the EU Non-Financial Reporting Directive. <https://www.allianceforcorporatetransparency.org/assets/2019_Research_Report%20_Alliance_for_Corporate_Transparency.pdf>, retrieved 3.5.2021.
- Amran, A. & Keat Ooi, S. (2014), Sustainability reporting: meeting stakeholder demands. *Strategic Direction*, Vol. 30 (7), 38–41.
- Amran, A., Lee, S. P., & Devi, S. S. (2014) The influence of governance structure and strategic corporate social responsibility toward sustainability reporting quality. *Business Strategy and the Environment*, Vol. 23 (4), 217–235.
- Anner, M., & Caraway, T. (2010). International Institutions and Workers' Rights: Between labor Standards and Market Flexibility. *Studies in Comparative International Development*, Vol. 4 (1), 151–169.
- Arnold, Denis G. (2010) Transnational Corporations and the Duty to Respect Basic Human Rights. *Business Ethics Quarterly*. Vol. 20 (3), 371–399.
- Australian Human Rights Commission (2020) *What is the Universal Declaration of Human Rights?* Australian Human Rights Commission. <<https://human-rights.gov.au/our-work/what-universal-declaration-human-rights>>, retrieved 6.5.2020.
- Baccini, L., & Koenig-Archibugi, M. (2014) Why do States Commit to International labor Standards? Interdependent Ratification of Core ILO Conventions, 1948–2009. *World Politics*, Vol. 66 (3), 446–490
- Bales, K. and Trodd, Z. (2013) Addressing contemporary forms of slavery in EU external policy: briefing paper for the European Parliament's subcommittee on human rights, <<http://bookshop.europa.eu/de/addressingcontemporary-forms-of-slavery-in-eu-external-policy-pbBB0113823/>>, retrieved 9.4.2021.
- Ballou, B. – Heitger, D. L. – Landes, C. E. (2006) The Future of Corporate Sustainability Reporting. *Journal of Accountancy*.
- Barkhouse, Angela – Hoyland, Hugo – Limon, Mark (2018) Corruption: A Human Rights Impact Assessment. *Universal Rights Group*. <<https://www.universal->

- rights.org/wp-content/uploads/2018/04/Policy_report_corruption_LR.pdf>, retrieved 13.4.2021.
- Baumann-Pauly, Dorotheé – Wickert, Christopher – Spence, Laura – Scherer, Andreas (2013) Organizing Corporate Social Responsibility in Small and Large Firms: Size Matters. *Journal of Business Ethics*, Vol. 115 (4), 693–705.
- Berglof, E., & Pajuste, A. (2005) What do firms disclose and why? Enforcing corporate governance and transparency in Central and Eastern Europe. *Oxford Review of Economic Policy*, Vol. 21 (2), 178–197.
- Boiral O, Henri JF (2017) Is sustainability performance comparable? A study of GRI reports of mining organizations. *Business Social*, Vol. 56 (2), 283–317.
- Bónson, Enrique – Bednárová, Michaela. (2015) CSR reporting practices of Eurozone companies. *Revista de Contabilidad – Spanish Accounting Review*, Vol. 18 (2) 182–193.
- Boockmann, B. (2001) The ratification of ILO conventions: a hazard rate analysis. *Economics and Politics*, Vol. 13 (3), 281–309.
- Borga F.A., Citterio A., Noci G., & Pizzurno E. (2009) Sustainability report in small enterprises: Case studies in Italian furniture companies. *Business Strategy and the Environment*, Vol. 18 (3), 162–176.
- Brand, F.S., Berger, V., Hetze, K., Schmidt, J., Weber, M-C., Winistörfer, H., Daub, C-H. (2018) Overcoming current practical challenges in sustainability and integrated reporting: insights from a Swiss field study. *Nachhaltigkeits Management Forum*, Vol. 26, 35–46.
- Brand, Fridolin Simon – Berger, Verena – Hetze, Katharina – Schmidt, Jörg E U – Weber Marie-Christin, Winistörfer, Herbert – Daub, Claus-Heinrich (2018) Overcoming current practical challenges in sustainability and integrated reporting: insights from a Swiss field study. *Sustainability Management Forum*, Vol. 26 (4), 35-46.
- Brenkert, G. G. (2016) Business ethics and human rights: An overview. *Business and Human Rights Journal*, Vol. 1 (2), 277–306.
- Brusca, Isabel – Labrador, Margarita – Larran, Manuel. (2018) The challenge of sustainability and integrated reporting at universities: A case study. *Journal of Cleaner Production*, Vol. 188 (1), 347–354.

- Busco, Cristiano – Consolandi, Costanza – Eccles, Robert G. – Sofra, Elena (2020) A Preliminary Analysis of SASB Reporting: Disclosure Topics, Financial Relevance, and the Financial Intensity of ESG Materiality. *Journal of Applied Corporate Finance*, Vol. 32 (2), 117–125.
- Business Insider (2013) How Nike solved its sweatshop problem. Max Nisen. Business Insider. <<https://www.businessinsider.com/how-nike-solved-its-sweatshop-problem-2013-5?r=US&IR=T>>, retrieved 2.5.2021.
- Cahaya, F. R. & Hervina, R. (2018) Do human rights issues matter? An empirical analysis of Indonesian companies' reporting. *Social Responsibility Journal*, Vol. 15 (2).
- Carlson, L.A. & Bitsch, V.(2018) Social sustainability in the ready-made-garment sector in Bangladesh: an institutional approach to supply chains. *International Food and Agribusiness Management Review*. Vol. 21 (2), 269–292.
- Chau, N. & Kanbur, R. (2001) The adoption of international labor standards conventions: who, when, and why? Brookings Trade Forum, 113–156.
- Chen, L. – Feldmann, A. – Tang, O. (2015) The relationship between disclosures of corporate social performance and financial performance: Evidences from GRI reports in manufacturing industry. *International Journal of Production Economics*, Vol. 170 (B), 445–456.
- Chi, Ting (2009) Building a sustainable supply chain: an analysis of corporate social responsibility (CSR) practices in the Chinese textile and apparel industry. *The Journal of The Textile Institute*, Vol. 102, 837–848.
- CHRB 2020 Methodology <<https://assets.worldbenchmarkingalliance.org/app/uploads/2021/03/CHRB2020MethodologyAGAPEX.pdf>>
- CHRB Key Findings 2017 <<https://assets.worldbenchmarkingalliance.org/app/uploads/2021/03/CHRB2017KeyFindingReport.pdf>>
- CHRB Key Findings 2018 <<https://assets.worldbenchmarkingalliance.org/app/uploads/2021/03/CHRB2018KeyFindingsReport.pdf>>
- CHRB Key Findings 2019 <<https://assets.worldbenchmarkingalliance.org/app/uploads/2021/03/CHRB2019KeyFindingsReport.pdf>>
- Clapp, J. (2005) Global environmental governance for corporate responsibility and accountability. *Global Environmental Politics*, Vol. 5 (3), 23–34.
- Clarke, Thomas & Boersma, Martin (2017) The Governance of Global Value Chains: Unresolved Human. *Journal of Business Ethics*, Vol. 143, 111–131.

- Corporate Register (2021) Home Page. <Corporate Register - Global CSR Resources>, retrieved 3.5.2021.
- Dagiliene, L., Leitoniene, S., & Grecikova, A. (2014) Increasing business transparency by corporate social reporting: Development and problems in Lithuania. *Inzinerine Ekonomika-Engineering Economics*, Vol. 25 (1), 54–61.
- David, F., Viederman, D., Plant, R., McQuade, A., Batstone, D., Bales, K. and Costello, T. (2012) Starting a dialogue: harnessing the power of business to eliminate modern slavery. <www.walkfreefoundation.org/wp-content/uploads/2014/02/harnessing_the_power_of_business_to_eliminate_modern_slavery.pdf>, retrieved 9.4.2021.
- Deegan, C. (2002) The legitimizing effect of social and environmental disclosures: A theoretical foundation. *Accounting, Auditing and Accountability Journal*, Vol. 15 (3), 282–311.
- Domingues, Ana Rita – Lozano, Rodrigo – Ceulemans, Kim – Ramos, Tomás B. (2017) Sustainability reporting in public sector organisations: Exploring the relation between the reporting process and organisational change management for sustainability. *Journal of Environmental Management*, Vol. 192 (1), 292–301.
- Eccles RG, Krzus MP, Rogers J, Serafeim G (2012) The need for sector-specific materiality and Sustainability reporting standards. *Journal of Applicable Corporate Finance*, Vol. 24 (2), 8–14.
- EHRC (2019) Human rights and business. Equality and Human Rights Commission. <<https://equalityhumanrights.com/en/advice-and-guidance/human-rights-and-business>>, retrieved 23.4.2020.
- Ehrgott, M. – Reimann, F. – Carter, C.R. (2011) Social sustainability in selecting emerging economy suppliers. *Journal of Business Ethics*, Vol. 98, 99–119.
- Eisenhardt, K. M. (1989) Building Theories from Case Study Research. *The Academy of Management Review*, Vol. 14 (4), 532–550.
- EPRS (2021) *Non-financial Reporting Directive*. European Parliamentary Research Service. <[https://www.europarl.europa.eu/RegData/etudes/BRIE/2021/654213/EPRS_BRI\(2021\)654213_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/BRIE/2021/654213/EPRS_BRI(2021)654213_EN.pdf)>, retrieved 27.4.2021.
- Eriksson, P. – Kovalainen, A. (2008) *Qualitative Methods in Business Research*. Sage Publications, London.

- Eskola, J. – Suoranta, J. (1998) *Johdatus laadulliseen tutkimukseen*. Vastapaino, Tampere.
- European Commission (2021a) Corporate sustainability reporting – EU rules require large companies to publish regular reports on the social and environmental impacts of their activities. *European Commission*. <https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting/corporate-sustainability-reporting_en>, retrieved 27.4.2021.
- European Commission (2021b) COMMISSION STAFF WORKING DOCUMENT – EXECUTIVE SUMMARY OF THE IMPACT ASSESSMENT. Accompanying the document. Proposal for a Directive of the European Parliament and of the Council amending Directive 2013/34/EU, Directive 2004/109/EC, Directive 2006/43/EC and Regulation (EU) No 537/2014, as regards corporate sustainability reporting. <https://ec.europa.eu/finance/docs/law/210421-summary-impact-assessment_en.pdf>, retrieved 29.4.2021
- FAO (2016) *Free Prior and Informed Consent. An indigenous peoples' right and a good practice for local communities. MANUAL FOR PROJECT PRACTITIONERS*. Food and Agriculture Organization of the United Nations. <<http://www.fao.org/3/i6190e/i6190e.pdf>>, retrieved 11.4.2021.
- Felice, Damiano de (2015b) Banks and human rights due diligence: A critical analysis of the Thun Group's discussion paper on the UN Guiding Principles on Business and Human Rights. *The International Journal of Human Rights*, Vol. 19 (3), 319–340.
- Felice, Damiano de. (2015a). Business and human rights indicators to measure the corporate responsibility to respect challenges and opportunities. *Human Rights Quarterly*, Vol. 37 (2), 511–555.
- Garbaum, Stephen (2008) Human Rights as International Constitutional Rights. *The European Journal of International Law*, Vol. 19 (4).
- Gereffi, G. and Lee, J. (2012) Why the world suddenly cares about global supply chains. *Journal of Supply Chain Management*, Vol. 48 (3), 24–32.
- Ghauri, Pervez – Gronhaug, Kjell (2005) *Research methods in business studies. A practical guide*. 3rd edition. Prentice Hall Europe, Harlow
- Global Slavery Index – GSI (2018) Walk Free Foundation. <https://downloads.globallslaveryindex.org/ephemeral/GSI-2018_FNL_190828_CO_DIGITAL_P-1617967427.pdf>, retrieved 9.4.2021.

- Golicic, Susan – Lenk, Margarita – Hazen, Benjamin T. (2019) A global meaning of supply chain social sustainability. *Production Planning and Control*, Vol. 31 (4), 1–17.
- Gond, JP. – Herrbach, O. (2006) Social Reporting as an Organisational Learning Tool? A Theoretical Framework. *Journal of Business Ethics*, Vol. 65, 359–371.
- Govindan, Kannan – Shankar, Madan, K. – Kannan, Devika. (2020a) Achieving sustainable development goals through identifying and analyzing barriers to industrial sharing economy: a framework development. *International Journal of Production Economics*. Vol. 227.
- Govindan, Kannan – Shaw, Masesh – Majumbar, Abhijit. (2021) Social sustainability tensions in multi-tier supply chain: A systematic literature review towards conceptual framework development. *Journal of Cleaner Production*, Vol. 279.
- Goworek, Helen (2011) Social and environmental sustainability in the clothing industry: a case study of a fair-trade retailer. *Social Responsibility Journal*, Vol 7, 74–86.
- GRI – Human Rights Analysis Trends. Global Reporting Initiative. <https://www.globalreporting.org/resourcelibrary/Human_Rights_analysis_trends.pdf>, retrieved 17.8.2020.
- GRI (2012). The statistics come from the GRI Sustainability Disclosure Database and include information as of 19 April 2012, available from: <<https://www.globalreporting.org/resourcelibrary/GRI-Reporting-Trends-2011.pdf>>, retrieved 4.5.2021.
- GRI (2020) The GRI Standards – A guide for policy makers. <<https://www.globalreporting.org/media/nmmnwfs/gri-policymakers-guide.pdf>>, retrieved 3.5.202.
- GRI Standards (2020) GRI Standards, English Language. Global Reporting Initiative. <<https://www.globalreporting.org/how-to-use-the-gri-standards/gri-standards-english-language/>>, retrieved 4.5.2021.
- Habek, P. (2014) Evaluation of sustainability reporting practices in Poland. *Quality & Quantity*, Vol. 48 (3), 1739–1752.
- Habek, Patrycja – Wolniak, Radoslaw (2015) Factors Influencing the Development of CSR Reporting Practices: Experts’ versus Preparers’ Points of View. *Engineering Economics*, Vol. 26 (5).
- Hafner-Burton, E. M., & Tsutsui, K. (2005). Human rights in a globalizing world: the paradox of empty promises. *American Journal of Sociology*, Vol. 110 (5), 1373–1411.

- Hamann, R., Sinha, P., Kapfudzaruwa, F. et al. (2009) Business and Human Rights in South Africa: An Analysis of Antecedents of Human Rights Due Diligence. *Journal of Business Ethics*, Vol. 87, 453–473.
- Hartmann, Julia & Moeller, Sabina. (2014) Chain liability in multitier supply chains? Responsibility attributions for unsustainable supplier behavior. *Journal of Operations Management*, Vol. 32 (5), 281–294.
- Hathaway, O. A. (2002) Do human rights treaties make a difference? *Yale Law Journal*, Vol. 111 (8), 1935–2042.
- Heijden, Paul van der (2018) The ILO Stumbling towards Its Centenary Anniversary. *International Organizations Law Review*. Vol. 15, 203–220.
- Hetze K, Winistörfer H. (2016) CSR communication on corporate websites compared across continents. *International Journal of Bank Marketing*, Vol. 34 (4), 501–528.
- Hirsjärvi, S. – Hurme, H. (2008) *Tutkimushaastattelut: teemahaastattelun teoria ja käytäntö*. Gaudeamus Helsinki University Press, Helsinki.
- Hirsjärvi, S. – Remes, P. – Sajavaara, P. (2007) *Tutki ja kirjoita*. 13. osin uudistettu painos. Kustannusosakeyhtiö Tammi, Helsinki.
- Hodal, K., Kelly, C. and Lawrence, F. (2014) Revealed: Asian slave labor producing prawns for supermarkets in US, UK, The Guardian, 10th June, available at: www.theguardian.com/global-development/2014/jun/10/supermarket-prawns-thailand-produced-slave-labor.
- Hofmann, Hannes – Busse, Christian – Bode, Christoph – Henke, Michael (2015) Sustainability-Related Supply Chain Risks: Conceptualization and Management. *Business Strategy and the Environment*, Vol. 23 (3), 160–172.
- Hofmann, Hannes – Schleper, Martin C. – Blome, Constantin. (2018) Sustainability-Related Supply Chain Risks: Conceptualization and Management. Conflict Minerals and Supply Chain Due Diligence: An Exploratory Study of Multi-tier Supply Chains. *Journal of Business Ethics*, Vol. 147 (1), 115–141.
- Hossain, M., Rowe, A.L., Quaddus, M., (2010) Drivers and Barriers of Corporate Social and Environmental Reporting (CSER) Practices in a Developing Country: Evidence from Bangladesh.
- Huq, Fahian Anisul – Stevenson, Mark – Zorzini, Marta. (2014) Social sustainability in developing country suppliers: An exploratory study in the ready made garments industry of Bangladesh. *International Journal of Operations & Production Management*. Vol. 34 (5), 610–638.

- Huq, Fahian Anisul & Stevenson, Mark (2018) Implementing socially sustainable practices in challenging institutional contexts: building theory from seven developing country supplier cases. *Journal of Business Ethics*, Vol. 161, 1–28.
- ILO (2019) INTERNATIONAL LABOR ORGANIZATION THE UN AGENCY FOR THE WORLD OF WORK. < https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/publication/wcms_374809.pdf >, retrieved 20.5.2020
- ILO.org. (2021) The Rana Plaza Accident and its aftermath. International Labor Organization. <https://www.ilo.org/global/topics/geip/WCMS_614394/lang-en/index.htm>, retrieved 9.4.2021.
- International Labor Organization. *ILO Declaration on Fundamental Principles and Rights at Work*. < <https://www.ilo.org/declaration/lang-en/index.htm>>, retrieved 20.5.2020
- Islam, M.A. & McPhail, K. (2011) Regulating for corporate human rights abuses: the emergence of corporate reporting on the ILO's human rights standards within the global garment manufacturing and retail industry. *Critical Perspectives on Accounting*, Vol. 22 (8), 790–810.
- ITUC (2020) *Global Rights Index. The World's Worst Countries for Workers*. International Trade Union Confederation. <https://media.business-humanrights.org/media/documents/files/documents/ituc_globalrightsindex_2020_en11.pdf>, retrieved 9.4.2021.
- Jakulevičienė, L. & Gailiūtė-Janušonė, D. (2020) The scope of legal expectations from business in human rights: carrot or stick? *Entrepreneurship and Sustainability Issues*, Vol. 8 (2), 932–946.
- Keane, David & McDermott, Yvonne (2012) *The challenge of human rights: past, present and future*. Irish Centre for Human Rights, Edward Elgar Publishing.
- Kim, W. (2010) The ratification of ILO conventions and the provision of unemployment benefits: an empirical analysis. *International Social Security Review*, Vol. 63 (1), 37–55.
- Kimbro, Marinilka Barros & Cao, Zhiyan (2011) Does voluntary corporate citizenship pay? An examination of the UN Global Compact. *International Journal of Accounting and Information Management*, Vol. 19 (3), 288–303.
- Kinley, David and Navidi, Jahan (2013) The Long Arm of Human Rights Risk: Supply Chain Management and Legal Responsibility. *The Business and Human Rights Review*, Vol. 2013 (3), 10–14.

- Kobrin, Stephen. (2009) Private political authority and public responsibility: transnational politics, transnational firms and human rights. *Business Ethics Quarterly*, Vol. 19 (3), 349–374.
- Köksal, Deniz – Strähle, Jochen – Muller, Martin – Matthias Freise. (2017) Social Sustainable Supply Chain Management in the Textile and Apparel Industry—A Literature Review. *Sustainability*, Vol 9 (1).
- Kolk, A. (2004) A decade of sustainability reporting: developments and significance. *International Journal of Environmental Sustainability Development*, Vol 3, 51–64.
- Kolk, A. (2008). Sustainability, accountability and corporate governance: Exploring multinationals' reporting practices. *Business Strategy and the Environment*, Vol. 17 (1), 1–15.
- Kotonen, Ulla (2009) Formal corporate social responsibility reporting in Finnish listed companies. *Journal of Applied Accounting Research*, Vol. 10 (3), 176–207.
- KPMG (2013). The KPMG Survey of Corporate Responsibility Reporting 2013. KPMG International. <<https://assets.kpmg/content/dam/kpmg/pdf/2015/08/kpmg-survey-of-corporate-responsibility-reporting-2013.pdf>>, retrieved 3.5.2021.
- KPMG (2016) Addressing human rights in business – Executive perspectives. KPMG International. < <https://assets.kpmg/content/dam/kpmg/xx/pdf/2016/11/addressing-human-rights-in-business.pdf#:~:text=In%20this%20issue%20of%20Sustainable%20Insight%2C%20KPMG%20aims,chains%20and%20product%20portfolios%20of%20large%20multi-national%20corporations.>>, retrieved 3.5.2021.
- KPMG (2017) The road ahead – The KPMG Survey of Corporate Responsibility Reporting 2017. KPMG International. <The KPMG Survey of Corporate Responsibility Reporting 2017 (assets.kpmg)>, retrieved 3.5.2021.
- Kumar, Divesh – Rahman, Zillur (2017) Analyzing enablers of sustainable supply chain: ISM and fuzzy AHP approach. *Journal of Modelling Management*, Vol. 12, 498–524.
- Kuo, Tsai Chi – Okudan Kremer, Gül E. – Phuong, Nguyen Thi – Hsu, Chia-Wei (2016) Motivations and barriers for corporate social responsibility reporting: Evidence from the airline industry. *Journal of Air Transport Management*, Vol. 57, 184–195.

- Lion Andrea – Macchion, Laura – Danese, Pamela – Vinelli, Andrea (2016) Sustainability approaches within the fashion industry: the supplier perspective. *Supply Chain Forum: An International Journal*, Vol. 17 (2), 95–108.
- MAEA (2018) Human rights impacts of own operations: Insights for due diligence. The Ministry of Economic Affairs and Employment. < https://julkaisut.valtioneuvosto.fi/bitstream/handle/10024/160573/TEMrap_4_2018_Human_rights.pdf?sequence=1&isAllowed=y>, retrieved, 1.6.2020.
- Maher, Rajiv. (2020) De-contextualized Corporate Human Rights Benchmarks: Whose Perspective Counts? See Disclaimer. *Business and Human Rights Journal*. Vol. 5 (1), 156–163.
- Majumdar, A. – Sinha, S.K., (2019) Analyzing the barriers of green textile supply chain management in Southeast Asia using interpretive structural modeling. *Sustainable Production and Consumption*, Vol. 17, 176–187.
- Maloni, Michael – Brown, Michael E. (2006) Corporate Social Responsibility in the Supply Chain: An Application in the Food Industry. *Journal of Business Ethics*, Vol. 68 (1), 35–52.
- Mani, V. – Agrawal, R. – Sharma, V. (2015) Social sustainability in the supply chain: analysis of enablers. *Management Research Review*, Vol. 38, 1016–1042.
- Mani, V. – Agrawal, R. – Sharma, V. (2016) Impediments to social sustainability adoption in the supply chain: an ISM and MICMAC analysis in Indian manufacturing industries. *Global Journal of Flexible Systems Management*. Vol. 12, 135–156.
- Mani, V. – Gunasekaran, A. (2018) Four forces of supply chain social sustainability adoption in emerging economies. *International Journal of Production Economics*. Vol. 199, 150–161.
- Marano, Valentina – Tashman, Peter – Kostova, Tatiana. (2017) Escaping the iron cage: Liabilities of origin and CSR reporting of emerging market multinational enterprises. *Journal of International Business Studies*, Vol. 48, 386–408.
- Marshall, D. – McCarthy, L. – McGrath, P. – Claudy, Marius (2015) Going above and beyond: how sustainability culture and entrepreneurial orientation drive social sustainability supply chain practice adoption. *Supply Chain Management. An International Journal*, Vol. 20, 434–454.

- McKinsey (2019) *More than values: The value-based sustainability reporting that investors want*. McKinsey&Company. Sara Bernow, Jonathan Godsall, Bryce Klempner, and Charlotte Merten. <Refining sustainability reporting for investors | McKinsey>, retrieved 3.5.2021.
- McPhail, K. and Adams, C.A. (2016) Corporate respect for human rights: meaning, scope, and the shifting order of discourse. *Accounting, Auditing & Accountability Journal*, Vol. 29 (4), 650–678.
- MEAE (2014) *National Action Plan for the implementation of the UN Guiding Principles on Business and Human Rights*. The Ministry of Economic Affairs and Employment. <<https://tem.fi/documents/1410877/3084000/National+action+plan+for+the+implementation+of+the+UN+guiding+principles+on+business+and+human+rights/1bc35feb-d35a-438f-af56-aec16adfcbae/National+action+plan+for+the+implementation+of+the+UN+guiding+principles+on+business+and+human+rights.pdf>>, retrieved 1.6.2020.
- MEE (2021) Corporate social responsibility (CSR) reporting. Ministry of Economic Affairs and Employment of Finland. <<https://tem.fi/en/csr-reporting>>, retrieved, 30.4.2021.
- Meinlschmidt, Jan – Schleper, Martin C. – Foerstl, Kai. (2018) Tackling the sustainability iceberg: A transaction cost economics approach to lower tier sustainability management. *International Journal of Physical Distribution & Logistics Management*, Vol. 38 (10), 1888–1914.
- Meixell, M.J – Luoma, P. (2015) Stakeholder pressure in sustainable supply chain management. *International Journal of Physical Distribution & Logistics Management*, Vol. 45 (2015), 69–89.
- Mena, Carlos – Humphries, Andrew – Choi, Thomas Y. (2013) Towards a theory of multi-tier supply chain management. *Journal of Supply Chain Management*, Vol. 49 (2), 58–77.
- Morhardt, J. E. (2010). Corporate social responsibility and sustainability reporting on the internet. *Business Strategy and the Environment*, Vol. 19 (7), 436–452.
- Nikolaeva, R., & Bicho, M. (2011). The role of institutional and reputational factors in the voluntary adoption of corporate social responsibility reporting standards. *Journal of the Academy of Marketing Science*, Vol. 39, 136–157.

- O'Connor, Casey – Labowitz, Sarah (2017) Putting the “S” in ESG: Measuring Human Rights Performance for Investors. Center for Business and Human Rights. NYU Stern. <<https://static1.squarespace.com/static/547df270e4b0ba184dfc490e/t/58cad912e58c6274180b58b6/1489688854754/Metrics-Report-final-1.pdf>>, retrieved 5.5.2021.
- O'Rourke, D. (2004) Opportunities and obstacles for corporate social responsibility reporting in developing countries. World Bank. Washington DC.
- OHCHR (2000) *Business and Human Rights: A Progress Report*. United Nations Human Rights Council. <<https://www.ohchr.org/Documents/Publications/BusinessHRen.pdf>>
- OHCHR (2011) *Guiding Principles on Business and Human Rights: Implementing the United Nations “Protect, Respect and Remedy” Framework*. United Nations Human Rights Council. (A/HRC/17/31, 21 March 2011).
- Panigrahi, S.S., Nune, S.R., (2018). A stakeholders' perspective on barriers to adopt sustainable practices in MSME supply chain: issues and challenges in the textile sector. *Research Journal of Textile and Apparel*, Vol. 22.
- Panigrahi, Swayam Sampurna – Bahinipati, Bikram – Jain, Vipul (2018) Sustainable supply chain management: A review of literature and implications for future research. *Management of Environmental Quality - An International Journal*, Vol. 30 (1).
- Pedersen, E. R. G., Neergaard, P., Pedersen, J. T. & Gwozdz, W. (2013) Conformance and Deviance: Company Responses to Institutional Pressures for Corporate Social Responsibility Reporting. *Business Strategy and Environment*, Vol. 22, 357–373.
- Peksen, Dursun – Blanton, Robert G. (2017) The impact of ILO conventions on worker rights: Are empty promises worse than no promises? *The Review of International Organizations*, Vol. 12, 75–94.
- Roca, L. & Searcy, C. (2012) An analysis of indicators disclosed in corporate sustainability reports. *Journal of Cleaner Production*, Vol. 20 (1), 103–118.
- Rodrik, D. (1996) Labor standards in international trade: do they matter and what do we do about them. In R. Z. Lawrence, D. Rodrik, & J. Whalley (Eds.), *Emerging Agenda for Global Trade: High Stakes for Developing Countries* (pp. 35–37). Washington DC: Overseas Development Council
- Ruggie, John (2007) Business and Human Rights: The Evolving International Agenda. *American Journal of International Law*, Vol. 101 (4), 819–840.

- Ruggie, John. (2008) Protect, respect and remedy. A Framework for Business and Human Rights. *Innovations: Technology, Governance, Globalization*, Vol. 3 (2), 189–212.
- Ruggie, John. (2011). Report of the special representative of the secretary-general on the issue of human rights and transnational corporations and other business enterprises. *Netherlands Quarterly of Human Rights*, Vol. 29 (2), 224–254.
- Rumler, Mark (2011) Free, prior and informed consent: a review of free, prior and informed consent in Australia. <<http://resources.oxfam.org.au/pages/view.php?ref=671&k=>>, retrieved 12.4.2021.
- Rupley, Kathleen, Hertz – Brown, Darrel – Marshall, Scott (2017) Evolution of corporate reporting: From stand-alone corporate social responsibility reporting to integrated reporting. *Research in Accounting Regulation*, Vol. 29 (2), 172–176.
- SASB – Human Capital. Sustainability Accounting Standards Board. <<https://www.sasb.org/standards/process/active-projects/human-capital/>>, retrieved 5.5.2021.
- SASB Industry Standards – Agriculture (2018) AGRICULTURAL PRODUCTS. Sustainability Accounting Standard. The SASB Foundation. <https://www.sasb.org/wp-content/uploads/2018/11/Agricultural_Products_Standard_2018.pdf>, retrieved 5.5.2021.
- SASB Industry Standards – Apparel (2018) APPAREL, ACCESSORIES & FOOTWEAR. Sustainability Accounting Standard. The SASB Foundation. <https://www.sasb.org/wp-content/uploads/2018/11/Apparel_Accessories_Footwear_Standard_2018.pdf>, retrieved 5.5.2021.
- SBI (2020) Sustainable Brand Index. Finland Official Report 2020 <<https://www.sb-index.com/rankings#close>>, retrieved 3.4.2020.
- Scott, W. R. (1995) *Institutions and organizations*. Thousand Oaks, CA: Sage.
- Seuring, Stefan & Muller, Martin. (2008) From a Literature Review to a Conceptual Framework for Sustainable Supply Chain Management. *Journal of Cleaner Production*, Vol. 16 (15), 1699–1710.
- Shen, L – Govindan, K. – Shankar, M. (2015) Evaluation of barriers of corporate social responsibility using an analytical hierarchy process under a fuzzy environment—a textile case. *Sustainability*. Vol. 7, 3493–3514.
- Shue, Henry (1996) *Basic rights: subsistence, affluence, and U.S. Foreign Policy*. Princeton: Princeton University Press.

- Siddiqui, J. and Uddin, S. (2016) Human rights disasters, corporate accountability and the state: lessons learned from Rana Plaza. *Accounting, Auditing & Accountability Journal*, Vol. 29 (4), 679–704.
- Sikka, P. (2011) Accounting for human rights: the challenge of globalization and foreign investment agreements. *Critical Perspectives on Accounting*, Vol. 22 (8), 811–827.
- Strang, D., & Chang, P. (1993) The international labor organization and the welfare state: institutional effects on national welfare spending, 1960–1980. *International Organization*, Vol. 47 (2), 235–262.
- Suchman, M. C. (1995) Managing legitimacy: Strategic and institutional approaches. *Academy of Management Review*, Vol. 20 (3), 571–610.
- Swarnapali, R.M.N.C. – Le, Luo. (2018) Corporate Sustainability Reporting and firm value: evidence from a developing country. *International Journal of Organizational Innovations*, Vol. 10 (4), 69–78.
- Sylwester, J.G. (2014) Fishers of men: the neglected effects of environmental depletion on labor trafficking in the Thai fishing industry. *Pacific Rim Law and Policy Journal*, Vol. 23 (1), 423–460.
- Szekely N, vom Brocke J (2017) What can we learn from corporate sustainability reporting? Deriving propositions for research and practice from over 9,500 corporate sustainability reports published between 1999 and 2015 using topic modelling technique. *PLoS ONE*, Vol. 12 (4), 1–27.
- Tang, Zhi – Hull, Clyde Eirikur – Rothenberg, Sandra (2012) How Corporate Social Responsibility Engagement Strategy Moderates the CSR–Financial Performance Relationship. *Journal of Management Studies*, Vol. 49 (7), 1274–1303.
- Thun Group of Banks (2013) UN Guiding Principles on Business and Human Rights. Discussion Paper for Banks on Implications of Principles 16-21. <www.csrandthelaw.com/wp-content/uploads/2013/10/thun_group_discussion_paper.pdf>, retrieved 12.4.2021.
- Ting, Pi-Hui (2020) Do large firms just talk corporate social responsibility? - The evidence from CSR report disclosure. *Finance Research Letters*. Vol. 38 (4).
- Torrance, Michael (2012) *IFC Performance Standards on Environmental and Social Sustainability: A Guidebook*. Markham Ontario: LexisNexis, 317-333.
- Tuomi, J. – Sarajärvi, A. (2018) *Laadullinen tutkimus ja sisällönanalyysi*. Uudistettu laitos. Kustannusosakeyhtiö Tammi, Helsinki.

- Tuominen, Pasi – Uski, Terhi – Jussila, Iiro – Kotonen, Ulla. (2008) Organization types and corporate social responsibility reporting in Finnish forest industry. *Social Responsibility Journal*, Vol. 4 (4), 474–490.
- UNCTAD (2004) Transnational corporations and foreign affiliates. United Nations Conference on Trade and Development. United Nations. < https://unctad.org/system/files/official-document/gdscsir20041c3_en.pdf>, retrieved 13.4.2021.
- Unerman, J. (2008) Strategic reputation risk management and corporate social responsibility reporting. *Accounting, Auditing & Accountability Journal*, Vol. 21 (3), 362–364.
- UNGC (2020a) *The Ten Principles of the UN Global Compact*. United Nations <<https://www.unglobalcompact.org/what-is-gc/mission/principles>>, retrieved 18.9.2020.
- UNGC (2020b) *Our Participants*. United Nations. <<https://www.unglobalcompact.org/what-is-gc/participants>>, retrieved 18.9.2020.
- UNGP Reporting Framework (2017) UN Guiding Principles Reporting Framework. Shift and Mazars LLP. <https://www.ungpreorting.org/wp-content/uploads/UNGPREortingFramework_2017.pdf>, retrieved 4.5.2021.
- UNGP reporting.org – Database & Analysis of Company Reporting. Shift and Mazars LLP. <<https://www.ungpreorting.org/database-analysis/>>, retrieved 4.5.2021.
- UNGPReporting.org – Salient Human Rights Issues. Shift and Mazars LLP. <<https://www.ungpreorting.org/resources/salient-human-rights-issues/>>, retrieved 4.5.2021.
- UNGPReporting.org. – Framework & Guidance. Shift and Mazars LLP. <<https://www.ungpreorting.org/framework-guidance/>>, retrieved 4.5.2021.
- United Nations: UDHR (2015) United Nations. https://www.un.org/en/udhrbook/pdf/udhr_booklet_en_web.pdf>, retrieved 5.5.2020.
- Universal Declaration of Human Rights (1948) United Nations: <<https://www.un.org/en/universal-declaration-human-rights/>>
- Verité (2014), Forced labor in the Production of Electronic Goods in Malaysia: A Comprehensive Study of Scope and Characteristics, Verité, New York, NY, available at: www.verite.org/research/electronicsmalaysia
- Walk Free Foundation (2021) What is modern slavery? <<https://www.walkfree.org/what-is-modern-slavery/#meaning>>, retrieved 9.4.2021.

- Walker, Helen & Jones, Neil. (2012) Sustainable supply chain management across the UK private sector. *Supply Chain Management*, Vol. 17 (1), 15–28.
- Weichselbaumer, D. & Winter-Ember, R. (2007) The effect of competition and equal treatment laws on gender wage differentials. *Economic Policy*, Vol. 22 (50), 235–287.
- Wettstein, Florian & Sandra Waddock. (2005) Voluntary or mandatory: that is (Not) the question. Linking Corporate Citizenship to Human Rights Obligations for Business. *Journal for Business, Economics & Ethics*, Vol. 6 (3), 304–320.
- Wettstein, Florian (2009) *Multinational corporations and global justice. Human rights obligations of a quasigovernmental institution*. Stanford: Stanford University Press.
- Wettstein, Florian (2012) CSR and the Debate on Business and Human Rights: Bridging the Great Divide. *Business Ethics Quarterly*, Vol. 22 (4), 739–770.
- Wickert, Christopher – Scheher, Andreas Georg – Spence, Laura J. (2016) Walking and Talking Corporate Social Responsibility: Implications of Firm Size and Organizational Cost. *Journal of Management Studies*, Vol. 53 (7), 1169–1196.
- Williams, Oliver F. (2007) *The UN Global Compact: The Challenge and the Promise*. Corporate Ethics and Corporate Governance. P.287-308. Springer, Berlin, Heidelberg.
- Wolf, J. (2014) The relationship between sustainable supply chain management, stakeholder pressure and corporate sustainability performance. *Journal of Business Ethics*, Vol. 119, 317–328.
- Wood, Stepan (2011) Four Varieties of Social Responsibility: Making Sense of the “Sphere of Influence” and “Leverage” Debate via the Case of ISO 26000. *Osgoode CLPE Research Paper*, Vol. 07 (4).
- Wörsdörfer, Manuel (2015) The Equator Principles and Human Rights Due Diligence—Towards a Positive and Leverage-based Concept of Corporate Social Responsibility. *Philosophy of Management*, Vol. 14, 193–218.
- Yin, R. K. (2009) *Case Study Research: Design and Methods*. 4th ed. Sage Publications, Thousand Oaks, California.
- Zorzini, Marta – Hendry, Linda C. – Huq, Fanian Anisul – Stevenson, Mark (2015) Socially responsible sourcing: reviewing the literature and its use of theory. *International Journal of Operations Management*.

APPENDICES

Appendix 1: Corporate Human Rights Benchmark 2020 Company Scoresheet.

CORPORATE HUMAN RIGHTS BENCHMARK

2020 COMPANY SCORESHEET

Company name

Industry

Overall Score (*)

THEME	SCORE	OUT OF
A. Governance and Policies		10
B. Embedding Respect and Human Rights Due Diligence		25
C. Remedies and Grievance Mechanisms		15
D. Performance: Company Human Rights Practices		20
E. Performance: Responses to Serious Allegations		20
F. Transparency		10

(*) Please note that any small differences between the Overall Score and the added total of Measurement Theme scores are due to rounding the numbers at different stages of the score calculation process.

Please note also that the "Not met" labels in the Explanation boxes below do not necessarily mean that the company does not meet the requirements as they are described in the bullet point short text. Rather, it means that the analysts could not find information in public sources that met the requirements as described in full in the CHRB 2019 Methodology document. For example, a "Not met" under "General HRs Commitment", which is the first bullet point for indicator A.1.1, does not necessarily mean that the company does not have a general commitment to human rights. Rather, it means that the CHRB could not identify a public statement of policy in which the company commits to respecting human rights.

DETAILED ASSESMENT

A. Governance and Policies (10% of Total)

A.1 Policy Commitments (5% of Total)

INDICATOR CODE	INDICATOR NAME	SCORE (OUT OF 2)	EXPLANATION
A.1.1	Commitment to respect human rights		<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1 Met:/ Not met: General HRs commitment: Met:/ Not met: UNGC principles 1 & 2:</p> <p>Score 2 Met:/ Not met: UNGPs: Met:/ Not met: OECD:</p>
A.1.2	Commitment to respect the human rights of workers		<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1 Met:/ Not met: ILO Declaration on Fundamental Principles and Rights at Work: Met:/ Not met: UNGC principles 3-6: Met:/ Not met: Explicitly list All four ILO for AG suppliers:</p> <p>Score 2 Met:/ Not met: Explicit commitment to All four ILO Core: Met:/ Not met: Respect H&S of workers: Met:/ Not met: H&S applies to AG suppliers:</p>
A.1.3.a AG	Commitment to respect human rights particularly relevant to the industry - land and natural resources (AG)		<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1 Met:/ Not met: Respect land ownership and natural resources: Met:/ Not met: Respecting the right to water</p>

INDICATOR CODE	INDICATOR NAME	SCORE (OUT OF 2)	EXPLANATION
			<p>Met:/ Not met: Expecting suppliers to respect these rights:</p> <p>Score 2</p> <p>Met:/ Not met: Voluntary Guidelines on Tenure Rights</p> <p>Met:/ Not met: IFC Performance Standards</p> <p>Met:/ Not met: FPIC for all</p> <p>Met:/ Not met: Zero tolerance for land grabs</p> <p>Met:/ Not met: Respecting the right to water</p> <p>Met:/ Not met: Expecting suppliers to respect these rights</p>
A.1.3.b AG	Commitment to respect human rights particularly relevant to the industry - people's rights (AG)		<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <p>Met:/ Not met: Women's rights:</p> <p>Met:/ Not met: Children's rights:</p> <p>Met:/ Not met: Migrant worker's rights:</p> <p>Met:/ Not met: Expects suppliers to respect these rights:</p> <p>Score 2</p> <p>Met:/ Not met: CEDAW/Women's Empowerment Principles</p> <p>Met:/ Not met: Child Rights Convention/Business Principles</p> <p>Met:/ Not met: Convention on migrant workers</p> <p>Met:/ Not met: Expecting suppliers to respect these rights</p>

INDICATOR CODE	INDICATOR NAME	SCORE (OUT OF 2)	EXPLANATION
A.1.3 AP	Commitment to respect human rights particularly relevant to the industry (AP)		<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <p>Met:/ Not met: Women's Rights</p> <p>Met:/ Not met: Children's Rights</p> <p>Met:/ Not met: Migrant worker's rights</p> <p>Met:/ Not met: Expecting suppliers to respect these rights</p> <p>Score 2</p> <p>Met:/ Not met: CEDAW/Women's Empowerment Principles</p> <p>Met:/ Not met: Child Rights Convention/Business principles</p> <p>Met:/ Not met: Convention on migrant workers</p> <p>Met:/ Not met: Respecting the right to water:</p> <p>Met:/ Not met: Expecting suppliers to respect these rights</p>
A.1.3 EX	Commitment to respect human rights particularly relevant to the industry (EX)		<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <p>Met:/ Not met: Based on UN Instruments:</p> <p>Met:/ Not met: Voluntary Principles (VPs) participant:</p> <p>Met:/ Not met: Uses only ICoCA members:</p> <p>Met:/ Not met: Respecting indigenous rights:</p> <p>Met:/ Not met: ILO 169</p> <p>Met:/ Not met: UN Declaration on the Rights of Indigenous People (UNDRIP)</p>

INDICATOR CODE	INDICATOR NAME	SCORE (OUT OF 2)	EXPLANATION
			<p>Met/ Not met: Expects BPs to respect these rights</p> <p>Score 2</p> <p>Met/ Not met: FPIC commitment:</p> <p>Met/ Not met: Voluntary Guidelines on Tenure Rights</p> <p>Met/ Not met: IFC performance standards</p> <p>Met/ Not met: Zero tolerance for land grabs</p> <p>Met/ Not met: Respecting the right to water</p> <p>Met/ Not met: Expects BPs to commit to all these rights</p>
A.1.4	Commitment to engage with stakeholders		<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <p>Met/ Not met: Commits to stakeholder engagement:</p> <p>Met/ Not met: Regular stakeholder engagement:</p> <p>Score 2</p> <p>Met/ Not met: Commits to engage stakeholders in design</p> <p>Met/ Not met: Regular stakeholder design engagement</p>
A.1.5	Commitment to remedy		<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <p>Met/ Not met: Commits to remedy:</p> <p>Score 2</p>

INDICATOR CODE	INDICATOR NAME	SCORE (OUT OF 2)	EXPLANATION
			<p>Met:/ Not met: Not obstructing access to other remedies</p> <p>Met:/ Not met: Collaborating with other remedy initiatives</p> <p>Met:/ Not met: Work with AG suppliers to remedy impacts</p>
A.1.6	Commitment to respect the rights of human rights defenders		<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <p>Met:/ Not met: Zero tolerance attacks on HRs Defenders (HRDs):</p> <p>Score 2</p> <p>Met:/ Not met: Expects AG suppliers to reflect company HRD commitments:</p>

A.2 Policy Commitments (5% of Total)

INDICATOR CODE	INDICATOR NAME	SCORE (OUT OF 2)	EXPLANATION
A.2.1	Commitment from the top		<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <p>Met:/ Not met: CEO or Board approves policy:</p> <p>Met:/ Not met: Board level responsibility for HRs:</p> <p>Score 2</p> <p>Met:/ Not met: Speeches/letters by Board members or CEO:</p>
A.2.2	Board discussions		The individual elements of the assessment are met or not as follows:

INDICATOR CODE	INDICATOR NAME	SCORE (OUT OF 2)	EXPLANATION
			<p>Score 1</p> <p>Met/ Not met: Board/Committee review of salient HRs</p> <p>Met/ Not met: Examples or trends re HR discussion</p> <p>Score 2</p> <p>Met/ Not met: Both examples and process</p>
A.2.3	Incentives and performance management		<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <p>Met/ Not met: Incentives for at least one board member</p> <p>Met/ Not met: At least one key AG HR risk, beyond employee H&S</p> <p>Score 2</p> <p>Met/ Not met: Performance criteria made public</p>

B. Embedding Respect and Human Rights Due Diligence (25% of Total)

B.1 Embedding Respect for Human Rights in Company Culture and Management Systems (10% of Total)

INDICATOR CODE	INDICATOR NAME	SCORE (OUT OF 2)	EXPLANATION
B.1.1	Responsibility and resources for day-to-day human rights functions		<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p>

INDICATOR CODE	INDICATOR NAME	SCORE (OUT OF 2)	EXPLANATION
			<p>Met:/ Not met: Commits to ILO core conventions: See indicator A.1.2</p> <p>Met:/ Not met: Senior responsibility for HR:</p> <p>Score 2</p> <p>Met:/ Not met: Day-to-day responsibility:</p> <p>Met:/ Not met: Day-to-day responsibility for AG in supply chain:</p>
B.1.2	Incentives and performance management		<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <p>Met:/ Not met: Senior manager incentives for human rights:</p> <p>Met:/ Not met: At least one key AG HR risk, beyond employee H&S</p> <p>Score 2</p> <p>Met:/ Not met: Performance criteria made public</p>
B.1.3	Integration with enterprise risk management		<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <p>Met:/ Not met: HR risks is integrated as part of enterprise risk system:</p> <p>Score 2</p> <p>Met:/ Not met: Audit Ctte or independent risk assessment</p>
B.1.4.a	Communication /dissemination of policy commitment(s) within		<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p>

INDICATOR CODE	INDICATOR NAME	SCORE (OUT OF 2)	EXPLANATION
	Company's own operations		<p>Met:/ Not met: Commits to ILO core conventions: See indicator A.1.2</p> <p>Met:/ Not met: Communicates its policy to all workers in own operations:</p> <p>Score 2</p> <p>Met:/ Not met: Commits to all 4 ILO core conventions: See indicator A.1.2</p> <p>Met:/ Not met: Communication of policy commitments to stakeholder</p> <p>Met:/ Not met: How policy commitments are made accessible to audience</p>
B.1.4.b	Communication /dissemination of policy commitment(s) to business relationships		<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <p>Met:/ Not met: Commits to all 4 ILO core conventions for suppliers: See indicator A.1.2.</p> <p>Met:/ Not met: Communicating policy down the whole AG supply chain:</p> <p>Met:/ Not met: Requiring AG suppliers to communicate policy down the chain:</p> <p>Score 2</p> <p>Met:/ Not met: How HR commitments made binding/contractual:</p> <p>Met:/ Not met: Including on AG suppliers:</p>
B.1.5	Training on Human Rights		<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <p>Met:/ Not met: Scores at least 1 on A.1.2: See indicator A.1.2</p>

INDICATOR CODE	INDICATOR NAME	SCORE (OUT OF 2)	EXPLANATION
			<p>Met:/ Not met: Trains all workers on HR policy commitments:</p> <p>Met:/ Not met: Trains relevant AG managers including procurement: as above.</p> <p>Score 2</p> <p>Met:/ Not met: Score of 2 on A.1.2: See indicator A.1.2</p> <p>Met:/ Not met: Both requirements under score 1 met: as above</p>
B.1.6	Monitoring and corrective actions		<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <p>Met:/ Not met: Scores at least 1 on A.1.2: See indicator A.1.2</p> <p>Met:/ Not met: Monitoring implementation of HR policy commitments:</p> <p>Met:/ Not met: Monitoring AG suppliers:</p> <p>Score 2</p> <p>Met:/ Not met: Score of 2 on A.1.2: See indicator A.1.2</p> <p>Met:/ Not met: Describes corrective action process:</p> <p>Met:/ Not met: Example of corrective action</p> <p>Met:/ Not met: Discloses % of AG supply chain monitored:</p>
B.1.7	Engaging business relationships		<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <p>Met:/ Not met: HR affects AG selection of suppliers:</p>

INDICATOR CODE	INDICATOR NAME	SCORE (OUT OF 2)	EXPLANATION
			<p>Met:/ Not met: HR affects on-going AG supplier relationships:</p> <p>Score 2</p> <p>Met:/ Not met: Both requirement under score 1 met</p> <p>Met:/ Not met: Working with AG suppliers to improve performance:</p>
B.1.8	Approach to engagement with potentially affected stakeholders		<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <p>Met:/ Not met: Stakeholder process or systems:</p> <p>Met:/ Not met: Frequency and triggers for engagement:</p> <p>Met:/ Not met Workers in AG SC engaged</p> <p>Met:/ Not met Communities in the AG SC engaged</p> <p>Met:/ Not met Workers in AP SC engaged</p> <p>Met:/ Not met Communities in the AP SC engaged</p> <p>Score 2</p> <p>Met:/ Not met: Analysis of stakeholder views and company's actions on them:</p>

B.2 Human Rights Due Diligence (15% of Total)

INDICATOR CODE	INDICATOR NAME	SCORE (OUT OF 2)	EXPLANATION
B.2.1	Identifying: Processes and triggers		The individual elements of the assessment are met or not as follows:

INDICATOR CODE	INDICATOR NAME	SCORE (OUT OF 2)	EXPLANATION
	for identifying human rights risks and impacts		<p>Score 1</p> <p>Met:/ Not met: Identifying risks in own operations:</p> <p>Met:/ Not met: Identifying risks in AG suppliers:</p> <p>Score 2</p> <p>Met:/ Not met: Ongoing global risk identification:</p> <p>Met:/ Not met: In consultation with stakeholders</p> <p>Met:/ Not met: In consultation with HR experts:</p> <p>Met:/ Not met: Triggered by new circumstances:</p> <p>Met:/ Not met: Explains use of HRIAs or ESIA (inc HR)</p>
B.2.2	Assessing: Assessment of risks and impacts identified (salient risks and key industry risks)		<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <p>Met:/ Not met: Salient risk assessment (and context):</p> <p>Met:/ Not met: Public disclosure of salient risks:</p> <p>Score 2</p> <p>Met:/ Not met: Both requirements under score 1 met: As above.</p>
B.2.3	Integrating and Acting: Integrating assessment findings internally and		<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <p>Met:/ Not met: Action Plans to mitigate risks:</p>

INDICATOR CODE	INDICATOR NAME	SCORE (OUT OF 2)	EXPLANATION
	taking appropriate action		<p>Met/ Not met: Including in AG supply chain:</p> <p>Met/ Not met: Example of Actions decided:</p> <p>Score 2</p> <p>Met/ Not met: Both requirements under score 1 met</p>
B.2.4	Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts		<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <p>Met/ Not met: System to check if Actions are effective</p> <p>Met/ Not met: Lessons learnt from checking effectiveness:</p> <p>Score 2</p> <p>Met/ Not met: Both requirement under score 1 met: As above.</p>
B.2.5	Communicating: Accounting for how human rights impacts are addressed		<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <p>Met/ Not met: Comms plan re identifying risks:</p> <p>Met/ Not met: Comms plan re assessing risks:</p> <p>Met/ Not met: Comms plan re action plans for risks</p> <p>Met/ Not met: Comms plan re reviewing action plans:</p> <p>Met/ Not met: Including AG suppliers:</p> <p>Score 2</p>

INDICATOR CODE	INDICATOR NAME	SCORE (OUT OF 2)	EXPLANATION
			<p>Met:/ Not met: Responding to affected stakeholders concerns:</p> <p>Met:/ Not met: Ensuring affected stakeholders can access communications</p>

C. Remedies and Grievance Mechanisms (15% of Total)

INDICATOR CODE	INDICATOR NAME	SCORE (OUT OF 2)	EXPLANATION
C.1	Grievance channel(s)/ mechanism(s) to receive complaints or concerns from workers		<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1 Met:/ Not met: Channel accessible to all workers:</p> <p>Score 2 Met:/ Not met: Number grievances filed, addressed or resolved Met:/ Not met: Channel is available in all appropriate languages: Met:/ Not met: Expect AG supplier to have equivalent grievance systems: Met:/ Not met: Opens own system to AG supplier workers</p>
C.2	Grievance channel(s)/ mechanism(s) to receive complaints or concerns from external individuals and communities		<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1 Met:/ Not met: Grievance mechanism for community</p> <p>Score 2 Met:/ Not met: Describes accessibility and local languages</p>

INDICATOR CODE	INDICATOR NAME	SCORE (OUT OF 2)	EXPLANATION
			<p>Met:/ Not met: Expects AG supplier to have community grievance systems</p> <p>Met:/ Not met: AG supplier communities use global system</p>
C.3	Users are involved in the design and performance of the channel(s)/ mechanism(s)		<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <p>Met:/ Not met: Engages users to create or assess system</p> <p>Met:/ Not met: Description of how they do this</p> <p>Score 2</p> <p>Met:/ Not met: Engages with users on system performance</p> <p>Met:/ Not met: Provides user engagement example on performance</p> <p>Met:/ Not met: AG suppliers consult users in creation or assessment</p>
C.4	Procedures related to the mechanism(s)/ channel(s) are publicly available and explained		<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <p>Met:/ Not met: Response timescales:</p> <p>Met:/ Not met: How complainants will be informed</p> <p>Score 2</p> <p>Met:/ Not met: Escalation to senior/independent level</p>
C.5	Commitment to non-retaliation over complaints or concerns made		<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p>

INDICATOR CODE	INDICATOR NAME	SCORE (OUT OF 2)	EXPLANATION
			<p>Met:/ Not met: Public statement prohibiting retaliation:</p> <p>Met:/ Not met: Practical measures to prevent retaliation:</p> <p>Score 2</p> <p>Met:/ Not met: Has not retaliated in practice</p> <p>Met:/ Not met: Expects AG suppliers to prohibit retaliation:</p>
C.6	Company involvement with State-based judicial and nonjudicial grievance mechanisms		<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <p>Met:/ Not met: Won't impede state based mechanisms</p> <p>Met:/ Not met: Complainants not asked to waive rights</p> <p>Score 2</p> <p>Met:/ Not met: Will work with state based or non judicial mechanisms</p> <p>Met:/ Not met: Example of issue resolved (if applicable)</p>
C.7	Remedying adverse impacts and incorporating lessons learned		<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <p>Met:/ Not met: Describes how remedy has been provided</p> <p>Met:/ Not met: Says how it would remedy key sector risks</p> <p>Score 2</p>

INDICATOR CODE	INDICATOR NAME	SCORE (OUT OF 2)	EXPLANATION
			<p>Met/ Not met: Changes introduced to stop repetition</p> <p>Met/ Not met: Approach to learning from incident to prevent future impacts</p> <p>Met/ Not met: Evaluation of the channel/mechanism</p>

D. Performance: Company Human Rights Practices (20% of Total)

Agricultural Products only

INDICATOR CODE	INDICATOR NAME	SCORE (OUT OF 2)	EXPLANATION
D.1.1.a	Living wage (in own agricultural operations)		<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <p>Met/ Not met: Pays living wage or sets target date:</p> <p>Met/ Not met: Describes how living wage determined</p> <p>Score 2</p> <p>Met/ Not met: Paying living wage</p> <p>Met/ Not met: Definition of living wage reviewed with unions</p>
D.1.1.b	Living wage (in the supply chain)		<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <p>Met/ Not met: Living wage in supplier code or contracts:</p> <p>Met/ Not met: Improving living wage practices of suppliers</p>

INDICATOR CODE	INDICATOR NAME	SCORE (OUT OF 2)	EXPLANATION
			<p>Score 2</p> <p>Met:/ Not met: Both requirements under score 1 met</p> <p>Met:/ Not met: Provides analysis of trends demonstrating progress</p>
D.1.2	Aligning purchasing decisions with human rights		<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <p>Met:/ Not met: Avoids business model pressure on HRs (purchasing practices)</p> <p>Met:/ Not met: Positive incentives to respect human rights (purchasing practices)</p> <p>Score 2</p> <p>Met:/ Not met: Both requirements under score 1 met</p>
D.1.3	Mapping and disclosing the supply chain		<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <p>Met:/ Not met: Identifies suppliers back to manufacturing sites (factories or fields):</p> <p>Score 2</p> <p>Met:/ Not met: Discloses significant parts of SP and why</p>
D.1.4.a	Child labor: Age verification and corrective actions (in own agricultural operations)		<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <p>Met:/ Not met: Does not use child labor:</p> <p>Met:/ Not met: Age verification of job applicants and workers:</p> <p>Score 2</p>

INDICATOR CODE	INDICATOR NAME	SCORE (OUT OF 2)	EXPLANATION
			Met/ Not met: Remediation if children identified
D.1.4.b	Child labor: Age verification and corrective actions (in the supply chain)		<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <p>Met/ Not met: Child Labor rules in codes or contracts:</p> <p>Met/ Not met: Age verification of job applicants and workers:</p> <p>Met/ Not met: How working with suppliers on child labor</p> <p>Score 2</p> <p>Met/ Not met: Both requirements under score 1 met</p> <p>Met/ Not met: Analysis of trends in progress made</p>
D.1.5.a	Forced labor: Debt bondage and other unacceptable financial costs (in own agricultural operations)		<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <p>Met/ Not met: Pays workers in full and on time</p> <p>Met/ Not met: Payslips show any legitimate deductions</p> <p>Score 2</p> <p>Met/ Not met: How these practices are implemented and monitored for agencies, labor brokers or recruiters</p>
D.1.5.b	Forced labor: Debt bondage and other		<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p>

INDICATOR CODE	INDICATOR NAME	SCORE (OUT OF 2)	EXPLANATION
	unacceptable financial costs (in the supply chain)		<p>Met:/ Not met: Debt and fees rules in codes or contracts:</p> <p>Met:/ Not met: How working with suppliers on debt & fees</p> <p>Score 2</p> <p>Met:/ Not met: Both requirements under score 1 met</p> <p>Met:/ Not met: Analysis of trends in progress made</p>
D.1.5.c	Forced labor: Restrictions on workers (in own agricultural operations)		<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <p>Met:/ Not met: Does not retain documents or restrict movement</p> <p>Score 2</p> <p>Met:/ Not met: How these practices are monitored for agencies, labor brokers or recruiters</p>
D.1.5.d	Forced labor: Restrictions on workers (in the supply chain)		<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <p>Met:/ Not met: Free movement rules in codes or contracts:</p> <p>Met:/ Not met: How working with suppliers on free movement</p> <p>Score 2</p> <p>Met:/ Not met: Both requirements under score 1 met</p> <p>Met:/ Not met: Provides analysis of trends demonstrating progress</p>

INDICATOR CODE	INDICATOR NAME	SCORE (OUT OF 2)	EXPLANATION
D.1.6.a	Freedom of association and collective bargaining (in own agricultural operation)		<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1 Met/ Not met: Commits not to interfere with union rights / Steps to avoid intimidation or retaliation: Met/ Not met: Discloses % covered by collective bargaining agreements</p> <p>Score 2 Met/ Not met: Both requirements under score 1 met</p>
D.1.6.b	Freedom of association and collective bargaining (in the supply chain)		<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1 Met/ Not met: FoA & CB rules in codes or contracts: Met/ Not met: How working with suppliers on FoA and CB</p> <p>Score 2 Met/ Not met: Both requirements under score 1 met Met/ Not met: Provides analysis of trends demonstrating progress</p>
D.1.7.a	Health and safety: Fatalities, lost days, injury rates (in own agricultural operations)		<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1 Met/ Not met: Injury Rate disclosures Met/ Not met: Lost days or near miss disclosures Met/ Not met: Fatalities disclosures</p>

INDICATOR CODE	INDICATOR NAME	SCORE (OUT OF 2)	EXPLANATION
			<p>Score 2</p> <p>Met/ Not met: Set targets for H&S performance</p> <p>Met/ Not met: Met targets or explains why not</p>
D.1.7.b	Health and safety: Fatalities, lost days, injury rates (in the supply chain)		<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <p>Met/ Not met: Sets out clear Health and Safety requirements:</p> <p>Met/ Not met: Injury Rate disclosures</p> <p>Met/ Not met: Lost days or near miss disclosures</p> <p>Met/ Not met: Fatalities disclosure</p> <p>Score 2</p> <p>Met/ Not met: How working with suppliers on H&S</p> <p>Met/ Not met: Provides analysis of trends demonstrating progress</p>
D.1.8.a	Land rights: Land acquisition (in own agricultural operations)		<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <p>Met/ Not met: Approach to identification of land tenure rights holders</p> <p>Met/ Not met: Approach to doing so if no recent land deals</p> <p>Score 2</p> <p>Met/ Not met: How valuation and compensation works</p>

INDICATOR CODE	INDICATOR NAME	SCORE (OUT OF 2)	EXPLANATION
			<p>Met/ Not met: Follows IFC5 in any state land deals</p> <p>Met/ Not met: Describes approach if no recent land deals</p>
D.1.8.b	Land rights: Land acquisition (in the supply chain)		<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <p>Met/ Not met: Rules on land & owners in codes or contracts</p> <p>Met/ Not met: How working with suppliers on land issues</p> <p>Score 2</p> <p>Met/ Not met: Both requirements under score 1 met</p> <p>Met/ Not met: Provides analysis of trends demonstrating progress</p>
D.1.9.a	Water and sanitation (in own agricultural operations)		<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <p>Met/ Not met: Action to prevent water and sanitation risks</p> <p>Score 2</p> <p>Met/ Not met: Water targets considering local factors</p> <p>Met/ Not met: Reports progress and shows trends in progress made</p>
D.1.9.b	Water and sanitation (in the supply chain)		<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <p>Met/ Not met: Rules on water stewardship in codes or contracts:</p>

INDICATOR CODE	INDICATOR NAME	SCORE (OUT OF 2)	EXPLANATION
			<p>Met:/ Not met: How working with suppliers on water stewardship issues</p> <p>Score 2</p> <p>Met:/ Not met: Both requirements under score 1 met</p> <p>Met:/ Not met: Provides analysis of trends demonstrating progress</p>
D.1.10.a	Women's rights (in own agricultural operations)		<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <p>Met:/ Not met: Process to stop harassment and violence against women</p> <p>Met:/ Not met: Working conditions take account of gender</p> <p>Met:/ Not met: Equality of opportunity at all levels of employment</p> <p>Score 2</p> <p>Met:/ Not met: Meet all requirements under score 1</p>
D.1.10.b	Women's rights (in the supply chain)		<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <p>Met:/ Not met: Women's rights in codes or contracts:</p> <p>Met:/ Not met: How working with suppliers on women's rights</p> <p>Score 2</p> <p>Met:/ Not met: Both requirements under score 1 met</p> <p>Met:/ Not met: Provides analysis of trends demonstrating progress</p>

Apparel Only

INDICATOR CODE	INDICATOR NAME	SCORE (OUT OF 2)	EXPLANATION
D.2.1.a	Living wage (in own production or manufacturing operations)		<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1 Met/ Not met: Living wage target timeframe Met/ Not met: Describes how living wage determined</p> <p>Score 2 Met/ Not met: Achieved payment of living wage Met/ Not met: Regularly review definition of living wage with unions</p>
D.2.1.b	Living wage (in the supply chain)		<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1 Met/ Not met: Living wage in supplier code or contracts Met/ Not met: Improving living wage practices of suppliers</p> <p>Score 2 Met/ Not met: Both requirements under score 1 met Met/ Not met: Provide analysis of trends demonstrating progress</p>
D.2.2	Aligning purchasing decisions with human rights		<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p>

INDICATOR CODE	INDICATOR NAME	SCORE (OUT OF 2)	EXPLANATION
			<p>Met:/ Not met: Avoids business model pressure on HRs</p> <p>Met:/ Not met: Positive incentives to respect human rights</p> <p>Score 2</p> <p>Met:/ Not met: Both requirements under score 1 met</p>
D.2.3	Mapping and disclosing the supply chain		<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <p>Met:/ Not met: Identifies suppliers back to product source</p> <p>Score 2</p> <p>Met:/ Not met: Discloses significant parts of supply chain and why</p>
D.2.4.a	Child labor: Age verification and corrective actions (in own production or manufacturing operations)		<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <p>Met:/ Not met: Does not use child labor:</p> <p>Met:/ Not met: Age verification of job applicants and workers</p> <p>Score 2</p> <p>Met:/ Not met: Remediation if children identified</p>
D.2.4.b	Child labor: Age verification and corrective actions (in the supply chain)		<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <p>Met:/ Not met: Child Labor rules in codes or contracts</p>

INDICATOR CODE	INDICATOR NAME	SCORE (OUT OF 2)	EXPLANATION
			<p>Met:/ Not met: How working with suppliers on child labor</p> <p>Score 2</p> <p>Met:/ Not met: Both requirements under score 1 met</p> <p>Met:/ Not met: Provide analysis of trends demonstrating progress</p>
D.2.5.a	Forced labor: Debt bondage and other unacceptable financial costs (in own production or manufacturing operations)		<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <p>Met:/ Not met: Pays workers in full and on time</p> <p>Met:/ Not met: Payslips show any legitimate deductions</p> <p>Score 2</p> <p>Met:/ Not met: How these practices are implemented and monitored for agencies, labor brokers or recruiters</p>
D.2.5.b	Forced labor: Debt bondage and other unacceptable financial costs (in the supply chain)		<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <p>Met:/ Not met: Debt and fees rules in codes or contracts</p> <p>Met:/ Not met: How working with suppliers on debt & fees</p> <p>Score 2</p> <p>Met:/ Not met: Both requirements under score 1 met</p> <p>Met:/ Not met: Provide analysis of trends in progress made</p>

INDICATOR CODE	INDICATOR NAME	SCORE (OUT OF 2)	EXPLANATION
D.2.5.c	Forced labor: Restrictions on workers (in own production or manufacturing operations)		<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1 Met:/ Not met: Does not retain documents or restrict movement</p> <p>Score 2 Met:/ Not met: How sure about agencies or brokers</p>
D.2.5.d	Restrictions on workers (in the supply chain)		<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1 Met:/ Not met: Free movement rules in codes or contracts Met:/ Not met: How these practices are implemented and monitored for agencies, labor brokers or recruiters</p> <p>Score 2 Met:/ Not met: Both requirements under score 1 met Met:/ Not met: Provide analysis of trends in progress made</p>
D.2.6.a	Freedom of association and collective bargaining (in own production or manufacturing operations)		<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1 Met:/ Not met: Commits not to interfere with union rights and collective bargaining and prohibits intimidation and retaliation: Met:/ Not met: Discloses % covered by collective bargaining</p> <p>Score 2</p>

INDICATOR CODE	INDICATOR NAME	SCORE (OUT OF 2)	EXPLANATION
			Met:/ Not met: Both requirement under score 1 met
D.2.6.b	Freedom of association and collective bargaining (in the supply chain)		<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <p>Met:/ Not met: FoA & CB rules in codes or contracts</p> <p>Met:/ Not met: How working with suppliers on FoA and CB</p> <p>Score 2</p> <p>Met:/ Not met: Both requirements under score 1 met</p> <p>Met:/ Not met: Provide analysis of trends in progress made</p>
D.2.7.a	Health and safety: Fatalities, lost days, injury rates (in own production of manufacturing operations)		<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <p>Met:/ Not met: Injury Rate disclosures</p> <p>Met:/ Not met: Lost days or near miss disclosure</p> <p>Met:/ Not met: Fatalities disclosures</p> <p>Score 2</p> <p>Met:/ Not met: Set targets for H&S performance</p> <p>Met:/ Not met: Met targets or explains why not</p>
D.2.7.b	Health and safety: Fatalities, lost days, injury rates (in the supply chain)		<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <p>Met:/ Not met: Sets out clear Health and Safety requirements</p>

INDICATOR CODE	INDICATOR NAME	SCORE (OUT OF 2)	EXPLANATION
			<p>Met:/ Not met: Injury rate disclosures</p> <p>Met:/ Not met: Lost days or near miss disclosures</p> <p>Met:/ Not met: Fatalities disclosures</p> <p>Score 2</p> <p>Met:/ Not met: How working with suppliers on H&S</p> <p>Met:/ Not met: Provide analysis of trends in progress made</p>
D.2.8.a	Women's rights (in own production or manufacturing operations)		<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <p>Met:/ Not met: Process to stop harassment and violence</p> <p>Met:/ Not met: Working conditions take account of gender</p> <p>Met:/ Not met: Equality of opportunity at all levels</p> <p>Score 2</p> <p>Met:/ Not met: Meets all of the requirements under score 1</p>
D.2.8.b	Women's rights (in the supply chain)		<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <p>Met:/ Not met: Women's rights in codes or contracts</p> <p>Met:/ Not met: How working with suppliers on women's rights</p> <p>Score 2</p>

INDICATOR CODE	INDICATOR NAME	SCORE (OUT OF 2)	EXPLANATION
			<p>Met:/ Not met: Both requirement under score 1 met</p> <p>Met:/ Not met: Provide analysis of trends in progress made</p>
D.2.9.a	Working hours (in own production or manufacturing operations)		<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <p>Met:/ Not met: Respects max hours, min breaks and rest periods in its own operations</p> <p>Score 2</p> <p>Met:/ Not met: How it implements and checks this</p>
D.2.9.b	Working hours (in the supply chain)		<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <p>Met:/ Not met: Working hours in codes or contracts</p> <p>Met:/ Not met: How working with suppliers on working hours</p> <p>Score 2</p> <p>Met:/ Not met: Both requirements under score 1 met</p> <p>Met:/ Not met: Provide analysis of trends in progress made</p>

E. Performance: Responses to Serious Allegations (20% of Total)

INDICATOR CODE	INDICATOR NAME	SCORE	EXPLANATION
E(1).0	Serious allegation No 1		No allegations meeting the CHRB severity threshold were found, and so the score of

INDICATOR CODE	INDICATOR NAME	SCORE	EXPLANATION
			## out of 80 points scored in themes A-D & F has been applied to produce a score of ## out of 20 points for theme E. (In this case delete E.1, E.2 and E.3)
E.1	The Company has responded publicly to the allegation		The individual elements of the assessment are met or not as follows: Score 1
E.2	The Company has appropriate policies in place		The individual elements of the assessment are met or not as follows: Score 1
E.3	The Company has taken appropriate action		The individual elements of the assessment are met or not as follows: Score 1

F. Transparency (10% of Total)

INDICATOR CODE	INDICATOR NAME	SCORE	EXPLANATION
F.1	Company willingness to publish information		Out of a total of # indicators assessed under sections A-D of the benchmark, “Company” made data public that met one or more elements of the methodology in # cases, leading to a disclosure score of ## out of 4 points.
F.2	Recognized Reporting Initiatives		The individual elements of the assessment are met or not as follows: Score 2 Met:/ Not met: Company reports on GRI: Met:/ Not met: Company reports on SASB: Met:/ Not met: Company reports on UNGPRF
F.3	Key, high-quality disclosure		“Company” met # of the 8 thresholds listed below and therefore gets ## out of 4 points for the high-quality disclosure indicator.

INDICATOR CODE	INDICATOR NAME	SCORE	EXPLANATION
			<p><u>Specificity and use of concrete examples</u></p> <p>Met/ Not met: Score 2 for A.2.2: Board discussions</p> <p>Met/ Not met: Score 2 for B.1.6: Monitoring and corrective actions</p> <p>Met/ Not met: Score 2 for C.1: Grievance channel(s)/mechanism(s) to receive complaints or concerns from workers</p> <p>Met/ Not met: Score 2 for C.3: Users are involved in the design and performance of the channel(s)/mechanism(s)</p> <p><u>Discussing challenges openly</u></p> <p>Met/ Not met: Score 2 for B.2.4: Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts</p> <p>Met/ Not met: Score 2 for C.7: Remediating adverse impacts and incorporating lessons learned</p> <p><u>Demonstrating a forward focus</u></p> <p>Met/ Not met: Score 2 for A.2.3: Incentives and performance management</p> <p>Met/ Not met: Score 2 for B.1.2: Incentives and performance management</p>

Disclaimer

A score of zero for a particular indicator does not mean that bad practices are present. Rather it means that we have been unable to identify the required information in public documentation. See the 2019 Key Findings report and technical annex for more details of the research process. The Benchmark is made available on the express understanding that it will be used solely for general information purposes. The material contained in the Benchmark should not be construed

as relating to accounting, legal, regulatory, tax, research or investment advice and it is not intended to take into account any specific or general investment objectives. The material contained in the Benchmark does not constitute a recommendation to take any action or to buy or sell or otherwise deal with anything or anyone identified or contemplated in the Benchmark. Before acting on anything contained in this material, you should consider whether it is suitable to your particular circumstances and, if necessary, seek professional advice. The material in the Benchmark has been put together solely according to the CHRB methodology and not any other assessment models in operation within any of the project partners or EIRIS Foundation as provider of the analyst team.

No representation or warranty is given that the material in the Benchmark is accurate, complete or up to date. The material in the Benchmark is based on information that we consider correct and any statements, opinions, conclusions or recommendations contained therein are honestly and reasonably held or made at the time of publication. Any opinions expressed are our current opinions as of the date of the publication of the Benchmark only and may change without notice. Any views expressed in the Benchmark only represent the views of CHRB Ltd, unless otherwise expressly noted.

While the material contained in the Benchmark has been prepared in good faith, neither CHRB Ltd nor any of its agents, representatives, advisers, affiliates, directors, officers or employees accept any responsibility for or make any representation or warranty (either express or implied) as to the truth, accuracy, reliability or completeness of the information contained in this Benchmark or any other information made available in connection with the Benchmark. Neither CHRB Ltd nor any of its agents, representatives, advisers, affiliates, directors, officers and employees undertake any obligation to provide the users of the Benchmark with additional information or to update the information contained therein or to correct any inaccuracies which may become apparent (save as to the extent set out in CHRB Ltd's appeals procedure). To the maximum extent permitted by law any responsibility or liability for the Benchmark or any related material is expressly disclaimed provided that nothing in this disclaimer shall exclude any liability for, or any remedy in respect of, fraud or fraudulent misrepresentation. Any disputes, claims or proceedings this in connection with or arising in relation to this Benchmark will be governed by and construed in accordance with English law and submitted to the exclusive jurisdiction of the courts of England and Wales.

As CHRB Ltd, we want to emphasize that the results will always be a proxy for good human rights management, and not an absolute measure of performance. This is because there are no fundamental units of measurement for human rights. Human rights assessments are therefore necessarily more subjective than objective. The Benchmark also captures only a snapshot in time. We therefore want to encourage companies, investors, civil society and governments to look at the broad performance bands that companies are ranked within rather than their precise score

because, as with all measurements, there is a reasonably wide margin of error possible in interpretation. We also want to encourage a greater analytical focus on how scores improve over time rather than upon how a company compares to other companies in the same industry today. The spirit of the exercise is to promote continual improvement via an open assessment process and a common understanding of the importance of the UN Guiding Principles on Business and Human Rights.