

# BANKTRACK

## BANKTRACK 2019 HUMAN RIGHTS BENCHMARK: CRITERIA AND SCOPE

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BankTrack's Human Rights Benchmark assesses banks on their implementation of the UN Guiding Principles on Business and Human Rights (UNGPs), the UN framework which sets out the responsibilities of all businesses, including banks, to respect human rights.

In 2019 the report will benchmark around 50 of the largest banks globally on the extent to which they have integrated the UNGPs into their published policies, processes and reporting. The benchmark has been published twice before, in [June 2016](#) and [December 2014](#).

Banks will be assessed against 14 criteria across four categories: policy; due diligence; reporting and remedy. They will receive a full score (1), half score (0.5) or no score (0) for each category, leading to a total score of between 0 and 14.

This document sets out the benchmarking criteria to be used in the report and the list of the 50 banks to be assessed.



## BENCHMARKING CRITERIA

### Category one: Policy commitment

Criteria & referenced Principle	Requirements for full and half score
<b>1.1 Policy</b> Has the bank adopted a statement of policy through which it expresses its commitment to respect human rights? (Principle 16)	<b>Full score:</b> A written commitment to "respect" human rights, as part of a statement of policy. <b>Half score:</b> The bank has a statement or policy addressing human rights, but this does not include a commitment to respect human rights.
<b>1.2 Policy approval</b> Is the bank's human rights policy commitment approved at the most senior level of the business? (Principle 16, 16a)	<b>Full score:</b> The bank's human rights policy commitment is approved by the Board or the CEO by name AND a Board member or Board committee is tasked with specific governance oversight of one or more areas of respect for human rights. <b>Half score:</b> The bank's human rights commitment is explicitly approved by the Board or the CEO by name, but without a Board member or committee being tasked with governance, or vice versa. Or, the bank meets the criteria for a full score, but its policy commitment does not meet the standard of a commitment to respect human rights in 1.1.
<b>1.3 Scope of policy</b> Does the bank's policy commitment stipulate the bank's human rights expectations of personnel, business partners and other parties directly linked to its operations, products or services - including the bank's client and investee relationships? (Principle 16, 16c)	<b>Full score:</b> The bank's human rights commitment extends to its provision of finance, as source of the banking sector's most significant potential human rights impacts, alongside personnel and other parties such as suppliers. <b>Half score:</b> For example, the bank's human rights commitment extends to some but not all of its finance (e.g. asset management is excluded). Or, the bank's commitment extends to its provision of finance, but does not meet the standard of a commitment to respect human rights in 1.1.

## Category two: Due Diligence Process.

Criteria & referenced Principle	Requirements for full and half score
<p><b>2.1 Due diligence</b> Does the bank describe how it carries out human rights due diligence? (Principle 17)</p>	<p><b>Full score:</b> The bank describes how it carries out human rights due diligence, for example describing its process for identifying and assessing human rights impacts and its decision-making criteria. This extends across its entire business operations, including impacts linked to the bank’s finance.</p> <p><b>Half score:</b> The bank describes how it carries out human rights due diligence, but this is limited in scope to certain sectors or business areas only.</p>
<p><b>2.2 Consultation</b> Does the bank show how its process for identifying and assessing human rights impacts involves meaningful consultation with potentially affected groups and other relevant stakeholders? (Principle 18, 18b)</p>	<p><b>Full score:</b> The bank details how its process for identifying impacts involves meaningful consultation with potentially affected groups. For example, the bank assesses the quality of consultations conducted by clients, and supplements this with its own consultation when necessary or in certain high risk circumstances.</p> <p><b>Half score:</b> E.g. the bank details a process for identifying impacts which includes consultation, but this is limited to certain groups of stakeholders or business divisions. For example, potentially affected groups are not involved.</p>
<p><b>2.3 Allocating responsibility</b> Does the bank clearly allocate responsibility for addressing human rights impacts to specific levels and functions within the business enterprise? (Principle 19, 19a)</p>	<p><b>Full score:</b> The bank details differentiated responsibilities of staff in different functions (e.g. business development, relationship managers, analysts, ESG staff) including referral and escalation processes and ultimate responsibilities.</p> <p><b>Half score:</b> E.g. the bank details limited information on the main teams responsible for assessing human rights impacts.</p>
<p><b>2.4 Assessing relationship to impact (NEW)</b> Does the bank have a process for assessing whether it has caused or contributed to an adverse impact? (Principle 19, 19b (ii))</p>	<p><b>Full score:</b> The bank has a process in place for assessing whether it has caused or contributed to an adverse impact, and details the process, including decision-making criteria and lines of responsibility. This process is applicable across the bank’s entire business operations, including impacts linked to the bank’s finance.</p> <p><b>Half score:</b> For example, the bank indicates that it assesses whether it has caused or contributed to an adverse impact as part of its human rights due diligence, without detailing the process.</p>
<p><b>2.5 tracking effectiveness</b> Does the bank verify whether adverse human rights impacts are being addressed, by tracking the effectiveness of its response? (Principle 20)</p>	<p><b>Full score:</b> The bank describes a process for tracking the effectiveness of its response to adverse human rights impacts to verify whether they are being addressed. This process details indicators and draws on feedback from internal and external sources, including affected stakeholders. It is applicable across the bank’s entire business operations, including impacts linked to the bank’s finance.</p> <p><b>Half score:</b> For example, the bank describes a process for tracking effectiveness of its response to adverse human rights impacts, but: this is limited in scope to impacts arising from certain business activities or sectors; indicators are not detailed; or the process does not include feedback from internal and external sources.</p>

## Category three: Reporting

Criteria & referenced Principle	Requirements for full and half score
<p><b>3.1 Reporting</b> Does the bank report formally on how it addresses its human rights impacts externally? (Principle 21)</p>	<p><b>Full score:</b> The bank reports formally on what its main human rights impacts are, and details how it addresses them. The language of ‘human rights’ is used. Note that reporting does not need to be adequate to evaluate the bank’s response - this is scored below.</p> <p><b>Half score:</b> The bank reports on some internal human rights developments (e.g. policy developments), but this does not include reporting on how it addresses impacts. OR: the bank reports on what its main social impacts are, including details of how it addresses them, in a way which includes human rights impacts but does not use the language of ‘human rights’.</p>
<p><b>3.2 Adequacy of response</b> Does the bank's reporting provide information that is sufficient to evaluate the adequacy of its response to particular human rights impacts? (Principle 21)</p>	<p><b>Full score:</b> The bank reports on how it has sought to address specific severe human rights impacts, and the reporting is sufficient to evaluate the adequacy of its response (e.g. describing concrete actions taken, follow-up steps requested from clients or investee companies.)</p> <p><b>Half score:</b> The bank reports on how it has sought to address specific severe human rights impacts, but the reporting is not sufficient to evaluate the adequacy of the response.</p>
<p><b>3.3 Indicators (NEW)</b> Does the bank’s reporting include indicators for how it identifies and addresses adverse impacts on human rights? (Principle 21, commentary)</p>	<p><b>Full score:</b> Indicators relating to the bank’s main human rights impacts are included in reporting. For example, number and type of impacts identified, and assessment of progress towards addressing each impact.</p> <p><b>Half score:</b> The bank’s reporting includes at least one indicator relating to human rights, but these do not cover the bank’s main human rights impacts (e.g. as defined by the bank). For example, indicators concern internal human rights training.</p>

## Category four: Remedy

Criteria & referenced Principle	Requirements for full and half score
<p><b>4.1 Remediation</b> Does the bank provide for, or cooperate in, the remediation of adverse impacts to which it identifies it has caused or contributed? (Principle 22)</p>	<p><b>Full score:</b> The bank makes a clear commitment to providing for or cooperating in the remediation of human rights impacts to which it has caused or contributed and details a process for remediating such impacts (e.g. through participation in legitimate processes including judicial and non-judicial mechanisms, as appropriate).  <b>Half score:</b> For example, the bank makes a clear commitment to remediation of human rights impacts but does not detail the process for remediation.</p>
<p><b>4.2 Grievance mechanism</b> Has the bank established or participated in a grievance mechanism for individuals and communities who may be adversely impacted by its activities? (Principle 29)</p>	<p><b>Full score:</b> The bank operates or participates in a channel through which complaints or grievances can be raised to the bank, which is explicitly able to address human rights related issues and which is open to all who may be adversely impacted by its operations, products and services.  <b>Half score:</b> The bank operates or participates in a channel through which complaints or grievances can be raised to the bank, but it is restricted to certain sectors or business areas. Complaints mechanisms which are restricted to employees and/or customers do not receive a score.</p>
<p><b>4.3 Effectiveness</b> Does the bank's grievance mechanism meet effectiveness criteria? (Principle 31)</p>	<p><b>Full score:</b> the bank operates or participates in a grievance mechanism (i.e. which meets the criterion for a full score in 4.2 above) and shows how this meets all effectiveness criteria.  <b>Half score:</b> the bank has established a grievance mechanism (i.e. which meets the criterion for a full score in 4.2 above) and shows how this meets at least two aspects of the effectiveness criteria.</p>

## 2. BANKS IN SCOPE

Banks have been selected primarily with reference to the list of the world's largest banks by assets. Banks without significant involvement in commercial banking, and national development banks, have been excluded. Some further changes have been made to achieve better geographic balance (e.g. inclusion of largest Latin American banks, exclusion of smaller Chinese banks).

Banks listed in blue will be benchmarked for the first time in 2019.

Bank name	Country	Region	Assets US\$bn
1. Industrial & Commercial Bank of China	China	Asia Pacific	4,210.9
2. China Construction Bank	China	Asia Pacific	3,631.6
3. Agricultural Bank of China	China	Asia Pacific	3,439.3
4. Bank of China	China	Asia Pacific	3,204.2
5. Mitsubishi UFJ Financial Group	Japan	Asia Pacific	2,774.2
6. HSBC	United Kingdom	Europe	2,652.1
7. JPMorgan Chase	United States	Americas	2,609.8
8. BNP Paribas	France	Europe	2,353.9
9. Bank of America	United States	Americas	2,328.5
10. Citigroup	United States	Americas	1,922.1
11. Wells Fargo	United States	Americas	1,915.4
12. Crédit Agricole	France	Europe	1,861.6
13. Mizuho Financial Group	Japan	Asia Pacific	1,850.4
14. Sumitomo Mitsui Financial Group	Japan	Asia Pacific	1,847.7
15. Deutsche Bank	Germany	Europe	1,817.4
16. Banco Santander	Spain	Europe	1,769.1
17. Barclays	United Kingdom	Europe	1,533.0
18. Société Générale	France	Europe	1,531.2
19. BPCE Group	France	Europe	1,509.1
20. Lloyds Banking Group	United Kingdom	Europe	1,098.6
21. Royal Bank of Canada	Canada	Americas	1,040.3
22. RBS Group	United Kingdom	Europe	1,036.0
23. Toronto-Dominion Bank	Canada	Americas	1,028.1
24. ING Group	Netherlands	Europe	1,016.1
25. Unicredit	Italy	Europe	1,004.8
26. Goldman Sachs	United States	Americas	973.5
27. UBS Group	Switzerland	Europe	960.1
28. Intesa Sanpaolo	Italy	Europe	956.9
29. Morgan Stanley	United States	Americas	858.5
30. Credit Suisse	Switzerland	Europe	844.9
31. BBVA	Spain	Europe	843.0
32. Bank of Nova Scotia	Canada	Americas	752.5
33. Commonwealth Bank of Australia	Australia	Asia Pacific	752.4
34. Rabobank	Netherlands	Europe	722.4
35. ANZ	Australia	Asia Pacific	717.3

<b>Bank name</b>	<b>Country</b>	<b>Region</b>	<b>Assets US\$bn</b>
36. Nordea	Sweden	Europe	713.5
37. Westpac Banking Corp	Australia	Asia Pacific	668.8
38. Standard Chartered	United Kingdom	Europe	663.5
39. National Australia Bank	Australia	Asia Pacific	610.6
40. Bank of Montreal	Canada	Americas	593.3
41. Sumitomo Mitsui Trust Holdings	Japan	Asia Pacific	569.9
42. State Bank of India	India	Asia Pacific	535.0
43. Canadian Imperial Bank	Canada	Americas	478.4
44. ABN AMRO*	Netherlands	Europe	471.0
45. Sberbank	Russia	Europe	470.9
46. Itaú Unibanco	Brazil	Americas	437.6
47. Banco do Brasil SA	Brazil	Americas	412.8
48. Caixa Economica Federal	Brazil	Americas	383.3
49. Banco Bradesco	Brazil	Americas	370.5
50. Standard Bank	South Africa	Africa	163.8

\*Ranked in 2014 but not in 2016