

HUMAN RIGHTS BENCHMARK GLOBAL 2022: CRITERIA AND REQUIREMENTS

This document sets out the final criteria and requirements of BankTrack’s forthcoming Human Rights Benchmark Global, planned for publication in November 2022. It also sets out the changes made from our [last global Benchmark in 2019](#), and in the case of Category 5, changes made since our [“Actions speak Louder” report of December 2021](#). These changes follow a period of consultation with external human rights experts.

Category 1: Policy commitment. Scores out of 3.

Criteria & referenced Principle	Requirements for full and half score
<p>1.1 Policy Has the bank adopted a statement of policy through which it expresses its commitment to respect human rights? (Principle 16)</p>	<p>Full score: A written commitment to "respect" human rights, as part of a statement of policy.</p> <p>Half score: The bank has a statement or policy addressing human rights, but this does not include a commitment to respect human rights.</p> <p>Or, the bank has a commitment to respect human rights but not as part of a formal statement of policy (e.g. in reporting)</p>
<p>1.2 Policy approval Is the bank’s human rights policy commitment approved at the most senior level of the business? (Principle 16, 16a)</p>	<p>Full score: 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.</p> <p>Half score: 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.</p>
<p>1.3 Scope of policy 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)</p>	<p>Full score: The bank’s human rights commitment extends to its provision of finance, as the source of the banking sector’s most significant potential human rights impacts, alongside personnel and other parties such as suppliers.</p> <p>Half score: The bank’s human rights commitment extends to some but not all of its finance. For example, asset management or bond underwriting 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.</p>

Changes from 2019: In 1.3, “bond underwriting” has been added to clarify that this (alongside other financial services) should be within the scope of a bank’s human rights policy. Other minor changes to wording only.

Category 2: Due diligence process. Scores out of 5.

Criteria & referenced Principle	Requirements for full and half score
<p>2.1 Due diligence Does the bank describe how it carries out human rights due diligence? (Principle 17)</p>	<p>Full score: 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, and is ongoing (not restricted to upfront / onboarding due diligence).</p> <p>Half score: 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>2.2 Consultation 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>Full score: 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>Half score: 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>2.3 Allocating responsibility 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>Full score: 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>Half score: E.g. the bank details limited information on the main teams responsible for assessing human rights impacts.</p>
<p>2.4 Assessing relationship to impact Does the bank have a process for assessing whether it has caused or contributed to an adverse impact? (Principle 19, 19b (ii))</p>	<p>Full score: 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>Half score: 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>

Criteria & referenced Principle	Requirements for full and half score
<p>2.5 tracking effectiveness Does the bank verify whether adverse human rights impacts are being addressed, by tracking the effectiveness of its response? (Principle 20)</p>	<p>Full score: 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 rights-holders. It is applicable across the bank’s entire business operations, including impacts linked to the bank’s finance.</p> <p>Half score: 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>

Changes from 2019: In 2.1, the requirement for due diligence to be ongoing and not restricted to upfront or onboarding due diligence has been added for a full score, following expert input. In 2.5 “rights-holders” has been substituted for “stakeholders”, for greater clarity.

Category 3: Reporting. Scores out of 3.

Criteria & referenced Principle	Requirements for full and half score
<p>3.1 Reporting Does the bank report formally on how it addresses its human rights impacts externally? (Principle 21)</p>	<p>Full score: The bank reports formally on what its main human rights impacts are, and details how it addresses them.</p> <p>Half score: For example, the bank reports on some internal human rights developments (e.g. policy developments), but this does not include reporting on how it addresses impacts</p>
<p>3.2 Adequacy of response 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>Full score: 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>Half score: 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>3.3 Indicators Does the bank’s reporting include indicators for how it identifies and addresses adverse impacts on human rights? (Principle 21, commentary)</p>	<p>Full score: 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>Half score: 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).</p>

Changes from 2019: None.

Category 4: Remedy. Scores out of 3.

Criteria & referenced Principle	Requirements for full and half score
<p>4.1 Remediation 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>Full score: 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, or describes how it has provided remedy, or used its leverage to support remedy, for victims of adverse human rights impacts, in specific cases.</p> <p>Half score: 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.</p>
<p>4.2 Grievance mechanism 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>Full score: The bank operates or participates in a grievance mechanism through which people affected by the bank’s finance can raise complaints or grievances to the bank, which is supported by a clear process for handling complaints; 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.</p> <p>Half score: The bank operates or participates in a grievance mechanism through which people affected by the bank’s finance can raise complaints or grievances to the bank, but it is restricted to certain sectors or business areas, or is not supported by a clear process for handling complaints. Complaints mechanisms for employees are not scored in this benchmark.</p>
<p>4.3 Effectiveness Does the bank’s grievance mechanism meet effectiveness criteria? (Principle 31)</p>	<p>Full score: The bank shows how the grievance mechanism that it has established (or in which it participates) meets all of the effectiveness criteria found in Guiding Principle 31.</p> <p>Half score: The bank shows how the grievance mechanism that it has established (or in which it participates) meets at least two of the effectiveness criteria.</p>

Changes from 2019:

In 4.1, a bank may achieve a full score **either** for detailing a process for remediating impacts to which it has caused or contributed, **or** for describing how it has provided remedy or used its leverage to support remedy in specific cases. (Previously the criteria looked only for the process.) This should make a full score easier to achieve. The wording for a half score has been amended to more clearly align with the first part of the criteria for a full score.

In 4.2, “grievance mechanism” is used instead of “channel”. For a full score, the requirement now additionally notes that the mechanism must be supported by a clear process for handling complaints.

In 4.3, changes have been made to wording for clarity, following expert input.

Category 5: Response Tracking (New).

Note: Banks will be assessed against the scores in Criteria 5 for each recorded instance in which they have been approached to respond to an adverse human rights impact. For banks approached regarding more than one impact, scores will be averaged. Banks that have not been approached to respond to a specific impact will not be scored on this category. As these scores are presented as an average, and will not be available for every bank, they will be presented separately and will not be added to scores from categories one to four.

Criteria	Requirements for full and half score
<p>Criteria 5.1: Response</p> <p>Requirement: The bank responds publicly and in sufficient detail to allegations of adverse human rights impact(s) connected to its finance.</p>	<p>Full score: The bank responds publicly to the allegations in a way which comments on and responds to the substance of the issues raised, and its response acknowledges its connection to the impact.</p> <p>Half score: The bank responds publicly to the allegations and its response acknowledges its connection to the impact, but without responding on the substance of the issues raised,</p> <p>OR the bank responds publicly to the allegations in a way which comments on and responds to the substance of the issues raised, but without acknowledging the bank's connection to the impact.</p> <p>(Note: where the bank confirms there is no connection to the impact, the impact will not be considered for scoring.)</p> <p>No score: The bank does not respond publicly, or its response does not comment on or respond to the issues raised. There is no score for responses which only confirm receipt, or which set out that the bank is unable to comment on the specific company concerned.</p>
<p>Criteria 5.2: Action</p> <p>Requirement: The bank takes appropriate action towards resolving the impact (either by itself or through engagement with its client or investee company).</p>	<p>Full score: The bank sets out that it has engaged with the client or investee company regarding the allegations of adverse human rights impact(s) linked to its finance AND sets out how it has exercised leverage to prevent or mitigate the impact, or taken steps to address the impact directly, as appropriate to the nature of the bank's connection to the impact.</p> <p>OR the bank sets out how it has taken appropriate action itself, informed by consultation with affected rights-holders; for example by participating in remediation or disengaging with the company or project.</p> <p>OR if the bank denies the allegation, it still engages in a dialogue with the company reportedly involved in the allegation to ensure that it has engaged with affected rights-holders AND shows that it ensures management systems are place that are sufficient to prevent similar impacts from occurring.</p> <p>Half score: The bank sets out the details of its engagement with the client or investee company regarding the allegations of adverse human rights impact(s) linked to its finance (but without setting out further steps).</p> <p>OR the bank sets out how it has taken action itself, but does not set out how this is informed by consultation with rights-holders.</p>

OR if the bank denies the allegation, it still engages in a dialogue with the company reportedly involved in the allegation to ensure it has engaged with affected rights-holders, or shows that it ensures management systems are place that are sufficient to prevent similar impacts from occurring.

Criteria 5.3: Monitoring
(for impacts that were raised to the bank at least a year ago)

Requirement: the bank monitors the measures taken by its client or investee company and assesses the engagement process.
OR the bank monitors the impact on rights-holders of the action it took itself.

Full score: The bank meets the criteria for a half score AND collects views from rights-holders on whether the adverse human rights impacts have been addressed and adequate remedy provided.

Half score: The bank monitors the steps taken by its client or investee company to remedy negative impacts, regularly as necessitated by the urgency and severity of the impact (and at minimum after 12 months). It continues to monitor these until the impact is considered resolved.

OR, if the bank has itself taken steps to remedy a specific negative impact, the bank monitors the impact of these steps on rights-holders.

Appendix: Banks in scope

Banks have been selected primarily with reference to list of the world's largest banks by assets (from various sources). 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.

Bank name	Country	Region	Assets US\$bn
1. Industrial & Commercial Bank of China	China	Asia Pacific	5,107.4
2. China Construction Bank	China	Asia Pacific	4,309.1
3. Agricultural Bank of China	China	Asia Pacific	4,167.0
4. Bank of China	China	Asia Pacific	3,737.8
5. Mitsubishi UFJ Financial Group	Japan	Asia Pacific	3,407.8
6. JPMorgan Chase	United States	Americas	3,386.07
7. BNP Paribas	France	Europe	3,080.55
8. HSBC	United Kingdom	Europe	2,984.2
9. Bank of America	United States	Americas	2,819.6
10. Crédit Agricole	France	Europe	2,741.77
11. Citigroup	United States	Americas	2,260.09
12. Sumitomo Mitsui Financial Group	Japan	Asia Pacific	2,257.65
13. Mizuho Financial Group	Japan	Asia Pacific	2,111.31
14. Wells Fargo	United States	Americas	1,955.16
15. Banco Santander	Spain	Europe	1,844.95
16. Barclays	United Kingdom	Europe	1,842.49
17. Société Générale	France	Europe	1,788.32
18. BPCE Group	France	Europe	1768.51
19. Deutsche Bank	Germany	Europe	1,621.5
20. Toronto-Dominion Bank	Canada	Americas	1,357.82
21. Royal Bank of Canada	Canada	Americas	1,307.4
22. Intesa Sanpaolo	Italy	Europe	1,226.7
23. Lloyds Banking Group	United Kingdom	Europe	1,189.54
24. Goldman Sachs	United States	Americas	1163.03
25. Morgan Stanley	United States	Americas	1158.8
26. ING Group	Netherlands	Europe	1146.51
27. UniCredit	Italy	Europe	1,139.4
28. UBS Group	Switzerland	Europe	1,125.8
29. NatWest Group	United Kingdom	Europe	1,091.54
30. Credit Suisse	Switzerland	Europe	919.79
31. Bank of Nova Scotia	Canada	Americas	910.68
32. Commonwealth Bank of Australia	Australia	Asia Pacific	816.2
33. CaixaBank*	Spain	Europe	809.01
34. BBVA	Spain	Europe	795.85
35. Standard Chartered	United Kingdom	Europe	789.05
36. Rabobank	Netherlands	Europe	773.4
37. Bank of Montreal	Canada	Americas	761.38

Bank name	Country	Region	Assets US\$bn
38. ANZ	Australia	Asia Pacific	747.1
39. DZ Bank AG*	Germany	Europe	727.83
40. Nordea	Sweden	Europe	675.43
41. Danske Bank*	Denmark	Europe	675.32
42. Westpac Banking Corp	Australia	Asia Pacific	653.72
43. State Bank of India	India	Asia Pacific	638.49
44. National Australia Bank	Australia	Asia Pacific	621.19
45. Commerzbank*	Germany	Europe	620.08
46. Canadian Imperial Bank	Canada	Americas	612.5
47. Sumitomo Mitsui Trust Holdings	Japan	Asia Pacific	588.12
48. Sberbank	Russia	Europe	487.03
49. ABN AMRO	Netherlands	Europe	483.94
50. Itaú Unibanco	Brazil	Americas	388.83
51. Banco do Brasil SA	Brazil	Americas	326.16
52. Banco Bradesco	Brazil	Americas	308.99

*Not ranked in 2019