



***HUMAN RIGHTS POLICIES
AND MANAGEMENT PRACTICES OF
FORTUNE GLOBAL 500 FIRMS:
RESULTS OF A SURVEY***

Conducted by

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Mandate

In its resolution 2005/69, the then UN Commission on Human Rights requested the Secretary-General to appoint a special representative (SRSG) on the issue of human rights and transnational corporations and other business enterprises, for an initial period of two years, with the following mandate:

- a) To identify and clarify standards of corporate responsibility and accountability for transnational corporations and other business enterprises with regard to human rights;
- b) To elaborate on the role of States in effectively regulating and adjudicating the role of transnational corporations and other business enterprises with regard to human rights, including through international cooperation;
- c) To research and clarify the implications for transnational corporations and other business enterprises of concepts such as “complicity” and “sphere of influence”;
- d) To develop materials and methodologies for undertaking human rights impact assessments of the activities of transnational corporations and other business enterprises;
- e) To compile a compendium of best practices of States and transnational corporations and other business enterprises.

On July 28, 2005, Secretary-General Kofi Annan asked Professor John Ruggie of Harvard University to undertake this assignment. The SRSG delivered his interim report in February 2006 (E/CN.4/2006/97), and a final report is due in the spring of 2007. He has also posted a number of other reports, working papers, the text of remarks as well as exchanges with different stakeholders on matters related to the mandate on his homepage at the Business and Human Rights Resource Centre website (<http://www.business-humanrights.org/Gettingstarted/UNSpecialRepresentative>).

Introduction

Several elements of the SRSG's mandate, especially the request to compile a compendium of best practices, require the collection of new or additional information on what firms and governments currently are doing in relation to business and human rights. Accordingly, the SRSG has undertaken a number of research projects, one of which is a questionnaire survey of the Fortune Global 500 companies (FG500).¹ This paper summarizes the key features of the human rights policies and management practices reported by the respondents. The questionnaire and responses – overall, by sector, by region, and the response rate by country – are appended in Tables 1 through 4.

It is often said that human rights, unlike other areas of corporate responsibility, remain somewhat mysterious for business, that corporations don't fully know what is expected of them. A number of related factors could account for this state of affairs. Apart from workplace issues, human rights until recently were seen as the exclusive domain of states, and no universally agreed framework of international human rights standards yet exists that applies to companies, whether on a voluntary or mandatory basis. Beyond compliance with national laws, therefore, business policies and practices in the area of human rights remain largely voluntary, inevitably leading to differential rates of uptake and levels of performance. Lastly, the expansive claims made by some in the advocacy community for the status and direct reach of international human rights law vis-à-vis business can create confusion and defensiveness on the part of companies, which may discourage them from experimenting with novel issues and approaches.

Nevertheless, this survey indicates that the discourse of human rights is gaining recognition in the corporate arena. The leading global companies report having core elements of human rights policies or management practices in place. They encompass a spectrum of rights, are generally informed by international human rights instruments, exhibit relatively systematic patterns across countries and regions, and include several basic voluntary accountability mechanisms. At the same time, however, aspects of these policies and practices also raise issues of concern that merit further discussion and improvement.

Methodology

The Fortune Global 500 are the world's largest firms by revenue.² In 2005, more than 450 of them were headquartered in the United States (176), Europe (195), and Japan (80). The survey instrument required the companies to visit a secure website and respond to the questionnaire (available in English only) online. For approximately 300 companies, the SRSG sent email requests to specific individuals within the companies who had been identified as the appropriate points of contact by a combination of the International Organization of Employers (IOE), International Chamber of Commerce (ICC), International Business Leaders Forum (IBLF), and Business for Social Responsibility (BSR), all of which cooperated with the SRSG in conducting the survey.³ For another 50 or so companies, IBLF and BSR, after additional research, were able to suggest possible

contact points. But for the remainder the SRSG had to send letters to the companies' chief executive officers requesting that an appropriate official be asked to respond. This included a large fraction of the Asian companies, especially non-Japanese, as well as Latin American firms. The project was managed by IBLF, in cooperation with the Mossavar-Rahmani Center for Business and Government at Harvard's Kennedy School of Government.⁴

A total of 102 companies completed the questionnaire, a relatively good response rate for an online survey. It was even higher among firms for which we had specific contact information. Nevertheless, the responses reflect possible sampling biases that should be borne in mind in interpreting the results.

Very few companies contacted by letter to the CEO responded to the survey. Thus, we have no results from the 48 GF500 Asian firms beyond Japan and Australia, and none from the five Latin American firms. In addition, the Japanese response rate was relatively low (see Table 4 for response rates by country). Therefore, we do not know the extent to which the overall findings can be generalized to these underrepresented firms. To obtain better regional coverage, the SRSG's Harvard research team currently is collating information on nearly 300 companies, not limited to the FG500 and based on sources in multiple languages, including Chinese.⁵

In addition, it may well be the case that companies with human rights policies and management practices responded to the survey at a higher rate than those that don't. If so, the results would be descriptive of the leading firms' activities rather than average performers. On prudential grounds, therefore, care should be taken in interpreting the results not to over-generalize from the absolute numeric value of any given response, and comparisons within the sample similarly should focus on relative orders of magnitude.

Summary of Responses

This section summarizes the survey's overall results (see Table 1), and indicates where and how these patterns varied depending on companies' home region or industry sector (Tables 2 and 3, respectively).⁶

1. Policy Uptake

Almost all respondents – nine out of ten – report having an explicit set of human rights principles or management practices in place (Question 2). At the same time, fewer than half overall say they have experienced “a significant human rights issue” themselves (Question 1). This substantial differential suggests that the majority of companies adopted their human rights policy or practices for reasons other than immediate necessity – in response to some embarrassing revelation, say – and that policy innovation and diffusion clearly also drive their uptake of human rights concerns.

There are some regional and sectoral differences. North-American firms are slightly less likely than Europeans to have adopted human rights policies or practices, even though proportionately they were somewhat more likely to have experienced a significant human rights issue. And firms in the extractive industries report having

experienced a human rights incident at a higher rate than the others – while every respondent in this sector also says it has human rights policies and practices in place, perhaps reflecting recent efforts by the International Council on Metals and Mining to promote these steps among their member companies in the mining industry.

Almost all companies that report having human rights policies include them in their overall corporate code of conduct; only four out of ten respondents indicate having a freestanding human rights protocol (Question 3). There is no significant regional or sectoral variation on this dimension.

Roughly two-thirds of the respondents in the retail and consumer products sectors as well as in the extractive industries report that they also take human rights factors into account in project risk assessments – the former presumably concerning sourcing issues, and the latter in relation to the communities affected by their proposed operations.

2. Which Rights?

What areas of human rights do firms recognize in their policies and/or management practices (Question 6)? All respondents, irrespective of region or sector, include non-discrimination, by which at minimum they mean recruitment and promotion based on merit, not on race, gender, religion or other such factors. Workplace health and safety standards are cited almost as frequently and widely.

Freedom of association and collective bargaining is included by 87 percent of respondents overall. They are cited by every respondent in the extractive industries, and by U.S. firms more frequently than European.

Forced, bonded or compulsory labor together with child labor is the next most-frequently referenced area – by eight out of ten overall, somewhat more often by European than American firms. But European firms are more than twice as likely as their American counterparts to recognize the right to life, liberty and security of the person – despite the growing number of Alien Torts Statute cases that have been brought against U.S. firms for alleged violations of these rights.

Three out of four respondents indicate that they recognize a right to privacy; there is little regional variation but some differences across sectors (highest in financial services, lowest among retailers and manufacturers of consumer products).

European companies are more likely to recognize a right to health than their U.S. counterparts, and the same is true for rights to an adequate standard of living. In neither case, however, is the overall ranking as high as for the other rights already mentioned.

3. Rights for Whom?

We also asked companies which stakeholders their human rights policies and practices encompass (Question 7). Respondents could choose as many of the options as they thought relevant, and to add others not mentioned in the questionnaire. This made it

possible to establish a relative ranking of whose rights companies believe they should be concerned with in formulating their policies and practices.

The overall responses are clear and robust. In descending order, company policies and practices encompass employees (referenced by 99 percent); suppliers and others in their value chain (92.5 percent); the communities in which they operate (71 percent); the countries in which they operate (63 percent); and others (23.7 percent), a category that includes customers, shareholders, and investors.⁷

There are slight regional differences in this rank ordering. U.S. companies rank employees and value chains equally high, but place human rights issues of communities and countries of operation far lower than European firms do. They also rank communities lower than Japanese firms. Of the three regional clusters, Japanese companies are least likely to include the countries of operation within the spectrum of their perceived human rights concerns.

The same overall pattern also holds up across sectors – except that companies in the extractive industries rank their obligations to surrounding communities higher than to their value chains, which is not altogether surprising given that community-related issues have been their major source of liability.⁸

4. International Instruments

Companies were asked what if any international human rights instruments their policies and practices draw upon (Question 5). Again they were given the opportunity to cite more than one and to add any not mentioned in the questionnaire.

Approximately one-fourth of the respondents skipped this question, presumably indicating that they reference no international instrument. Among the other 75 percent, ILO declarations and conventions top the list, referenced by seven out of ten. The Universal Declaration on Human Rights (UDHR) is the next highest. The only variations on this theme are in the extractive sector, where every single respondent cites the UDHR, and the fact that half of the Japanese respondents skipped this question compared to 25 percent of all respondents.

The Global Compact is referenced by just over half of the companies that reference any international instrument, the OECD Guidelines by fewer than half. As a source, they matter more to European than North American respondents.⁹

In their optional responses, individual companies added a number of other instruments, such as the Voluntary Principles on Security and Human Rights and Social Accountability 8000, but none was widely referenced.

It should be noted that companies generally do not “adopt” any of these instruments verbatim. Several indicated in their optional responses that while they were “influenced by” or “support” these instruments, their policies do “not explicitly adhere” to or “explicitly reference” them. The follow-up study mentioned earlier examines actual

company policies and management practices, and therefore should provide more detailed information about how close they get to the original sources that inspired them.

5. Stakeholder Engagement

Most respondents – more than eighty percent – indicate that they work with external stakeholders in developing and implementing their human rights policies and practices (Question 11). U.S. firms are somewhat less likely to do so than European or Australian firms, and Japanese companies significantly less likely than any of the others. No pronounced sectoral differences exist.

NGOs are the most frequently mentioned external partner except by Japanese companies (Question 12). Industry associations also feature prominently. International organizations are ranked a distant third except by U.S. firms, which place them fifth, behind labor unions and governments.

Only a few variations are found across sectors and they appear to be largely situational – for example, the pharmaceutical and financial services industries, typically more heavily regulated than the others, indicate working more closely with governments in developing their policies, and the pharmaceuticals also with international organizations – presumably the World Health Organization, UNAIDS, and the like.

6. Accountability

A final set of questions asked the companies if their human rights policies are subject to internal reporting and compliance systems; if they engage in external reporting; and if they conduct human rights impact assessments – corresponding to three features of voluntary accountability mechanisms in other areas of corporate activity.

Nearly nine out of ten respondents say that they have internal reporting and compliance systems in place (Question 8). Nearly three-fourths indicate that they also engage in some form of external reporting (Question 9). These responses hold across regions and sectors, although the financial services firms and companies in the infrastructure and utilities sectors fall below the others on both dimensions.

Most companies that do external reporting use a periodic publication or the company's website as their preferred vehicle (Question 10). Fewer than half utilize a third party medium such as the Global Reporting Initiative or the Global Compact's Communication on Progress. European companies are more likely to engage in external reporting than U.S. firms; Japanese companies are a distant last. Company-based platforms for reporting are preferred irrespective of industry sector, but three out of four extractives companies state that they also use a third party instruments.

Social impact assessments of planned or existing corporate activities are becoming a more common practice, and they are beginning to incorporate a human rights dimension into them. The International Finance Corporations new performance standards and the Equator Principles governing commercial banks' project financing exemplify

these developments. But strictly speaking, very few dedicated human rights impact assessments have ever been conducted by any company, and standard tools for them are only gradually being developed.¹⁰

One-third of all respondents say they do conduct human rights impact assessments as a routine matter, and just under half that they do occasionally – for the reasons mentioned, presumably as part of broader social and environmental impact assessments. A combined total of one-fourth of the respondents either never conduct such assessments or they skipped the question. U.S. firms are more likely to conduct human rights impact assessments routinely than European companies, but only one of the Japanese respondents does so.

According to the survey, assessing the human rights impact of business operations is most widespread in the extractives sector, which can have a dramatic impact on host communities; in financial services, where due diligence is a standard business practice; and in retail and consumer products firms, which often have significant labor issues in their supply chains.

Concluding Observations

Some clear patterns emerge from this survey. Virtually all companies responding say they have human rights principles or management practices in place. The majority adopted them for reasons unrelated to any specific human rights incident. Work-place rights constitute their primary area of concern. Companies recognize significant obligations toward other stakeholders, but they decrease as they move outward from employees into value chains, communities, countries of operation, and beyond. The companies' human rights policies draw on international instruments, and they are developed in cooperation with external stakeholders. An overwhelming number of respondents indicate that they have internal reporting and compliance system in place, and most that they also engage in some form of external reporting. Finally, including human rights issues in impact assessments is becoming a more common practice.

For obvious reasons, a survey of this kind cannot assess the effectiveness of companies' policies and management practices. But it is safe to conclude that no survey conducted a mere five years ago would have yielded comparable results, indicating that policy innovation and diffusion has occurred in this domain. How far these patterns reach beyond the leading firms in the GF500 will become clearer with the completion of a follow-up study that examines the human rights policies of nearly 300 companies, including a larger number headquartered in emerging market countries.

We also found evidence of sectoral and regional variations around the overall patterns. Some sectoral differences are to be expected, reflecting the unique attributes of industries and their operating contexts. But significant variations based on the political culture of companies' home countries are inherently more problematic. Human rights are considered to be universal, interdependent and indivisible. Yet in several instances we saw that European-based companies are more likely to embrace that conception of rights

than the others, with U.S.-based firms tending to recognize a narrower spectrum of rights and rights holders. Differences of this kind are bound to be even more pronounced for companies domiciled in emerging market countries, underscoring the need for clearer and commonly accepted human rights standards for firms.

Another issue of concern involves the elasticity of human rights standards in corporate policies. We saw that most of the companies with such policies include human rights in an overall corporate code or set of business principles; only a minority has a separate human rights instrument; and few of those adopt what the human rights community considers a “rights-based approach.” Within such an approach companies would be expected to take the universe of human rights (as contained in the UDHR and related covenants and conventions) and work back from them to define corresponding policies and practices. In contrast, beyond the realm of legal requirements, companies that currently have human rights policies typically approach the recognition of rights as they would other social expectations, risks and opportunities, determining which are most relevant to their business operations and devising their policies accordingly. The latter model comes more naturally to business, but it also leads to variability in how rights are defined. Some of this variation may matter little. But there must be generally recognized boundaries around “what counts” as recognition of any particular right, again reinforcing the desirability of clear and commonly accepted standards.

A final issue involves accountability mechanisms. We saw that companies report on their human rights policies using their own websites or periodic reports far more frequently than third-party mechanisms. This may reflect limited third-party options available at this time, although the latest generation of the Global Reporting Initiative includes more detailed criteria for human rights performance and management systems. But it may also reflect reluctance by companies to move toward fuller transparency. For reporting to satisfy external stakeholders and maximize its utility to a company’s own strategic and management objectives, two core conditions must be met: the information must be broadly comparable across companies, and there needs to be some external assurance as to its trustworthiness and materiality. The survey did not probe this issue directly, but the overall findings and optional responses provide no reason to dispute assessments in professional circles that while comparability is slowly increasing, external assurance remains more limited.¹¹

The participants in this survey have made a significant contribution to several core elements of the SRSG’s mandate, for which he extends them his deepest gratitude. He hopes that they, too, will benefit from the publication of these results and observations – and, indeed, that all stakeholders do.

Notes

1. A survey has also been sent to all UN member states, inquiring into business-related legal and policy measures that pertain to the provisions of the mandate; a report on its results will be published sometime in the autumn of 2006.
2. <http://money.cnn.com/magazines/fortune/global500/2005/index.html>.
3. Additional names were provided by the Business and Human Rights Seminar Ltd., and Canadian Business for Social Responsibility.
4. Special thanks are due to Lucy Amis of the IBLF, the project manager, and to the Friedrich Ebert Stiftung for funding it.
5. The results of this research will be published separately on <http://www.business-humanrights.org/Gettingstarted/UNSpecialRepresentative>.
6. For the purposes of this discussion, companies headquartered in European countries were grouped into a single category; this includes the sole Russian respondent. The three Canadian respondents did not differ appreciably from U.S.-based firms and thus were combined with them. Japanese and Australian firms were sufficiently different in some of their responses to keep them distinct rather than creating an Asia-Pacific cluster.
7. This ranking conforms closely to the conception of companies' differential responsibilities within their "spheres of influence" as outlined by the Business Leaders Initiative on Human Rights, in "A Guide for Integrating Human Rights into Business Management," at www.blihr.org. The publication was co-sponsored by the UN Global Compact and the Office of the UN High Commissioner for Human Rights.
8. The case of supply chains is tricky in this regard. Clearly, many company policies "encompass" their suppliers' human rights practices, but it does not necessarily follow that they assume responsibility for them. Some do, through extensive monitoring and remediation programs, but many others don't.
9. The Global Compact and OECD Guidelines are not "international instruments" in the legal sense, but for simplicity's sake the term was used generically in the question.
11. For a more elaborate discussion of these distinctions and their implications see the SRSG's paper "Human Rights Impact Assessments" at <http://www.business-humanrights.org/Updates/Archive/SpecialRepPapers>.
10. See the recent paper by SustainAbility, "Reporting on Human Rights 2005," April 2006.

Table 1:
All Countries, All Sectors⁽ⁱ⁾

Question		Response	
		%	(n)
1. Has your company ever experienced a significant human rights issue?	Yes	45.9	(45)
	No	54.1	(53)
2. Does your company currently have an explicit set of principles and/or management practices in place regarding the human rights implications of its operations?	Yes	91	(91)
	No	4	(4)
	Other ⁽ⁱⁱ⁾	5	(5)
3. How does your company take human rights into account? Select as many as may apply. <ul style="list-style-type: none"> • By means of a set of corporate principles on human rights specifically? • Within an overall corporate code or principles? • In operational guidance notes? • In overall risk assessments? 		39.4	(37)
		92.6	(87)
		39.4	(37)
		45.7	(43)
4. Does your company carry out human rights impact assessments for particular projects?	Never	15.6	(14)
	Occasionally	48.9	(44)
	Routinely	35.6	(32)

Table 1, continued

% (n)

<p>5. Do your company's principles/practices reference any particular international human rights instruments? If so which one(s):</p> <ul style="list-style-type: none"> • Global Compact • ILO Declarations or Conventions • OECD Guidelines • Universal Declaration on Human Rights • Other⁽ⁱⁱⁱ⁾ 		<p>56.6 (43)</p> <p>71.1 (54)</p> <p>40.8 (31)</p> <p>61.8 (47)</p> <p>34.2 (26)</p>
<p>6. Please indicate what areas of human rights are included in your company's policies/practices. Select as many as apply.</p> <ul style="list-style-type: none"> • Right to life, liberty and security of the person; • Forced, bonded or compulsory labor as well as child labor; • Right to privacy; • Freedom of association and collective bargaining; • Non-discrimination; • Workplace health and safety; • Right to an adequate standard of living; • Right to health • Others^(iv) 		<p>57.4 (54)</p> <p>80.9 (76)</p> <p>76.6 (72)</p> <p>87.2 (82)</p> <p>100 (94)</p> <p>95.7 (90)</p> <p>42.6 (40)</p> <p>54.3 (51)</p> <p>27.7 (26)</p>

Table 1, continued

% (n)

<p>7. Which stakeholders do your company's policies/practices encompass? Select as many as apply.</p> <ul style="list-style-type: none"> • Employees • Suppliers contractors distributors joint venture partners and others in your value chain • The communities surrounding your operations • The countries in which you operate • Others^(v) 			
	Yes	88.2	(82)
	No	11.8	(11)
<p>9. Does your company engage in periodic external reporting of its human rights policies/practices?</p>	Yes	73.4	(69)
	No	26.6	(25)
<p>10. When engaging in periodic external reporting of human rights practices what means are used? Select as many as apply.</p> <ul style="list-style-type: none"> • The company's website • A periodic publication • A third party medium (e.g., Global Compact Communication on Progress, GRI) • Other^(vi) 			
		82.6	(57)
		88.4	(61)
		43.5	(30)
		11.6	(8)

Table 1, continued

% (n)

11. Does the company work with external stakeholders in developing and implementing its policies and practices?	Yes	82.4	(75)
	No	17.6	(16)
12. Which external stakeholders does your company work with in developing and implementing policies and practices? Select as many as apply.			
• Governments		54.1	(40)
• Industry associations		83.8	(62)
• Labor Unions		60.8	(45)
• NGOs		90.5	(67)
• United Nations or other intergovernmental organizations		63.5	(47)
• Others ^(vii)		31.1	(23)

Table 1, continued

% (n)

	%	(n)
13. Industry Sector: ^(viii)		
• Extractives	12.7	(13)
• Financial Services	15.7	(16)
• Food and Beverage	4.9	(5)
• Heavy manufacturing	11.8	(12)
• Infrastructure utilities	10.8	(11)
• IT, Electronics & Telecommunications	14.7	(15)
• Pharmaceuticals & Chemicals	7.8	(8)
• Retail & Consumer Goods	13.7	(14)
• Other	7.8	(8)

Total Number of Respondents**102**

Table 2:
Results by Region⁽ⁱ⁾

Question		Europe	US-Canada	Japan	Australia
		Response % (n)	Response % (n)	Response % (n)	Response % (n)
1. Has your company ever experienced a significant human rights issue?	Yes	44.6 (25)	55.2 (16)	50 (4)	0 (0)
	No	55.4 (31)	44.8 (13)	50 (4)	100 (3)
2. Does your company currently have an explicit set of principles and/or management practices in place regarding the human rights implications of its operations?	Yes	94.6 (53)	86.7 (26)	87.5 (7)	66.6 (2)
	No	3.6 (2)	3.3 (1)	0 (0)	33.3 (1)
	Other ⁽ⁱⁱ⁾	1.8 (1)	10 (3)	12.5 (1)	
3. How does your company take human rights into account? Select as many as may apply.					
	• By means of a set of corporate principles on human rights specifically?	39.6 (21)	44.4 (12)	37.5 (3)	0 (0)
	• Within an overall corporate code or principles?	94.3 (50)	88.9 (30)	87.5 (7)	100 (3)
	• In operational guidance notes?	41.5 (22)	33.3 (9)	12.5 (1)	66.6 (2)
	• In overall risk assessments?	50.9 (27)	37 (10)	12.5 (1)	100 (3)

Table 2, continued

		Europe		US-Canada		Japan		Australia	
		%	(n)	%	(n)	%	(n)	%	(n)
4. Does your company carry out human rights impact assessments for particular projects?	Never	8	(4)	15.4	(4)	75	(6)	0	(0)
	Occasionally	60	(30)	42.3	(11)	12.5	(1)	33.3	(1)
	Routinely	32	(16)	42.3	(11)	12.5	(1)	66.6	(2)
5. Do your company's principles/practices reference any particular international human rights instruments? If so which one(s):									
	• Global Compact	68.6	(35)	30	(6)	100	(1)	33.3	(1)
	• ILO Declarations or Conventions	78.4	(40)	60	(12)	0	(0)	66.6	(2)
	• OECD Guidelines	54.9	(28)	0	(0)	100	(1)	33.3	(1)
	• Universal Declaration on Human Rights	68.6	(35)	45	(9)	100	(1)	66.6	(2)
	• Other ⁽ⁱⁱⁱ⁾	27.5	(14)	40	(8)	100	(1)	66.6	(2)
6. Please indicate what areas of human rights are included in your company's policies/practices. Select as many as apply.									
	• Right to life, liberty and security of the person;	69.8	(37)	29.6	(8)	75	(6)	33.3	(1)
	• Forced, bonded or compulsory labor as well as child labor;	92.5	(49)	70.4	(19)	50	(4)	100	(3)
	• Right to privacy;	79.2	(42)	70.4	(19)	75	(6)	100	(3)

Table 2, continued

		Europe	US-Canada	Japan	Australia
		% (n)	% (n)	% (n)	% (n)
• Freedom of association and collective bargaining;		69.2 (51)	77.8 (21)	50 (4)	100 (3)
• Non-discrimination;		100 (53)	100 (27)	100 (8)	100 (3)
• Workplace health and safety;		96.2 (51)	100 (27)	75 (6)	100 (3)
• Right to an adequate standard of living;		52.8 (28)	22.2 (6)	50 (4)	33.3 (1)
• Right to health		64.2 (34)	29.6 (8)	62.5 (5)	33.3 (1)
• Others ^(iv)		22.6 (12)	29.6 (8)	37.5 (3)	100 (3)
7. Which stakeholders do your company's policies/practices encompass? Select as many as apply.					
• Employees		100 (53)	96.2 (25)	100 (8)	100 (3)
• Suppliers contractors distributors joint venture partners and others in your value chain		94.3 (50)	96.2 (25)	87.5 (7)	
• The communities surrounding your operations		77.4 (41)	57.7 (15)	75 (6)	
• The countries in which you operate		71.7 (38)	61.5 (16)	37.5 (3)	
• Others ^(v)		26.4 (14)	19.2 (5)	37.5 (3)	
8. Does your company have systems of internal reporting and compliance in connection with its human rights principles/practices?					
	Yes	84.6 (44)	96.3 (26)	100 (8)	66.6 (2)
	No	15.4 (8)	3.7 (1)	0 (0)	33.3 (1)

Table 2, continued

		Europe	US-Canada	Japan	Australia
		% (n)	% (n)	% (n)	% (n)
9. Does your company engage in periodic external reporting of its human rights policies/practices?	Yes	81.1 (43)	66.7 (18)	37.5 (3)	66.6 (2)
	No	18.9 (10)	33.3 (9)	62.5 (5)	33.3 (1)
10. When engaging in periodic external reporting of human rights practices what means are used? Select as many as apply.					
• The company's website		86 (37)	88.9 (16)	33.3 (1)	66.6 (2)
• A periodic publication		93 (40)	77.8 (14)	100 (3)	100 (3)
• A third party medium		51.2 (22)	27.8 (5)	0 (0)	66.6 (2)
• Other ^(vi)		9.3 (4)	11.1 (2)	0 (0)	66.6 (2)
11. Does the company work with external stakeholders in developing and implementing its policies and practices?	Yes	94.2 (49)	76.9 (20)	28.6 (2)	100 (3)
	No	5.8 (3)	23.1 (6)	71.4 (5)	0 (0)
12. Which external stakeholders does your company work with in developing and implementing policies and practices? Select as many as apply.					
• Governments		52.1 (25)	50 (10)	100 (2)	66.6 (2)
• Industry associations		85.4 (41)	75 (15)	100 (2)	100 (3)
• Labor Unions		60.4 (29)	50 (10)	100 (2)	100 (3)
• NGOs		93.8 (45)	90 (18)	50 (1)	100 (3)

Table 2, continued

		Europe	US-Canada	Japan	Australia
		% (n)	% (n)	% (n)	% (n)
• United Nations or other intergovernmental organizations		75 (36)	40 (8)	50 (1)	66.6 (2)
• Others ^(vii)		29.2 (14)	35 (7)	0 (0)	66.6 (2)
13. Industry Sector:					
• Extractives		13.8 (8)	13.3 (4)	0 (0)	33.3 (1)
• Financial Services		15.5 (9)	13.3 (4)	12.5 (1)	66.6 (2)
• Food and Beverage		5.2 (3)	6.7 (2)	0 (0)	
• Heavy manufacturing		6.9 (4)	20 (6)	12.5 (1)	
• Infrastructure utilities		13.8 (8)	0 (0)	25 (2)	
• IT, Electronics and Telecommunications		15.5 (9)	6.7 (2)	37.5 (3)	
• Pharmaceuticals & Chemicals		6.9 (4)	13.3 (4)	0 (0)	
• Retail & Consumer Goods		12.1 (7)	23.3 (7)	0 (0)	
• Other		10.3 (6)	3.3 (1)	12.5 (1)	

Table 3:
Results by Sector⁽ⁱ⁾

Question		Extractives	Financial Services	Food & Beverages	Heavy Manufacturing	Infrastructure & Utilities	IT, Telecommunication & Electronics	Pharmaceuticals & Chemicals	Retailers & Consumer Products
		Response % (n)	Response % (n)	Response % (n)	Response % (n)	Response % (n)	Response % (n)	Response % (n)	Response % (n)
1. Has your company ever experienced a significant human rights issue?	Yes	69.2 (9)	33.3 (6)	60 (3)	50 (6)	36.4 (4)	38.5 (5)	50 (4)	50 (7)
	No	30.8 (4)	66.7 (12)	40 (2)	50 (6)	63.6 (7)	61.5 (8)	50 (4)	50 (7)
2. Does your company currently have an explicit set of principles and/or management practices in place regarding the human rights implications of its operations?	Yes	100 (14)	77.8 (14)	100 (5)	83.3 (10)	100 (10)	93.3 (14)	75 (6)	100 (14)
	No	0 (0)	22.2 (4)	0 (0)	0 (0)	0 (0)	0 (0)	12.5 (1)	0 (0)
	Other ⁽ⁱⁱ⁾				16.7 (2)		6.7 (1)	12.5 (1)	

Table 3, continued

Question		Extractives	Financial Services	Food & Beverages	Heavy Manufacturing	Infrastructure & Utilities	IT, Telecommunication & Electronics	Pharmaceuticals & Chemicals	Retailers & Consumer Products
		% (n)	% (n)	% (n)	% (n)	% (n)	% (n)	% (n)	% (n)
<p>3. How does your company take human rights into account? Select as many as may apply.</p> <ul style="list-style-type: none"> • By means of a set of corporate principles on human rights specifically? • Within an overall corporate code or principles? • In operational guidance notes? • In overall risk assessments? 		42.8 (6)	26.6 (4)	25 (1)	58.3 (7)	0 (0)	53.3 (8)	28.6 (2)	46.2 (6)
		92.8 (14)	93.3 (14)	100 (4)	91.7 (11)	100 (10)	93.3 (14)	85.7 (6)	84.6 (11)
		42.8 (6)	33.3 (5)	0 (0)	58.3 (7)	50 (5)	20 (3)	28.6 (2)	61.5 (8)
		64.2 (9)	40 (6)	25 (1)	41.7 (5)	40 (4)	46.7 (7)	28.6 (2)	69.2 (13)

Table 3, continued

Question		Extractives	Financial Services	Food & Beverages	Heavy Manufacturing	Infrastructure & Utilities	IT, Telecommunication & Electronics	Pharmaceuticals & Chemicals	Retailers & Consumer Products
		% (n)	% (n)	% (n)	% (n)	% (n)	% (n)	% (n)	% (n)
4. Does your company carry out human rights impact assessments for particular projects?	Never	8.3 (1)	6.6 (1)	0 (0)	33.3 (4)	30 (3)	30.8 (4)	14.3 (1)	0 (0)
	Occasionally	58.3 (7)	66.6 (10)	50 (2)	25 (3)	60 (6)	46.2 (6)	42.9 (3)	25 (3)
	Routinely	38.5 (5)	26.6 (4)	50 (2)	41.7 (5)	10 (1)	23.1 (3)	42.9 (3)	75 (9)
5. Do your company's principles/practices reference any particular international human rights instruments? If so which one(s):									
	• Global Compact	42.8 (6)	70 (7)	100 (3)	50 (5)	71.4 (5)	75 (9)	16.7 (1)	40 (4)
	• ILO Declarations or conventions	78.5 (12)	70 (7)	100 (3)	40 (4)	71.4 (5)	83.3 (10)	33.3 (2)	90 (9)
	• OECD Guidelines	28.5 (4)	30 (3)	66.7 (2)	50 (5)	57.1 (4)	58.3 (7)	33.3 (2)	40 (4)
	• Universal Declaration of Human Rights (UDHR)	100 (14)	90 (9)	33.3 (1)	20 (2)	42.9 (3)	66.7 (8)	83.3 (5)	50 (5)
• Other ⁽ⁱⁱⁱ⁾	64.2 (9)	40 (4)	33.3 (1)	30 (3)	28.6 (2)	25 (3)	16.7 (1)	30 (3)	

Table 3, continued

Question		Extractives	Financial Services	Food & Beverages	Heavy Manufacturing	Infrastructure & Utilities	IT, Telecommunication & Electronics	Pharmaceuticals & Chemicals	Retailers & Consumer Products
		% (n)	% (n)	% (n)	% (n)	% (n)	% (n)	% (n)	% (n)
<p>6. Please indicate what areas of human rights are included in your company's policies/practices. Select as many as apply.</p> <ul style="list-style-type: none"> • Right to life, liberty and security of the person; • Forced, bonded or compulsory labor as well as child labor; • Right to privacy; • Freedom of association and collective bargaining; • Non-discrimination; • Workplace health and safety; 		57.1 (8)	40 (6)	75 (3)	58.3 (7)	70 (7)	66.7 (10)	42.9 (3)	69.2 (9)
		78.6 (11)	73.3 (11)	100 (4)	66.7 (8)	80 (8)	80 (12)	85.7 (6)	100 (13)
		64.2 (9)	93.3 (14)	100 (4)	91.7 (11)	80 (8)	73.3 (11)	71.4 (5)	53.8 (7)
		100 (14)	86.6 (13)	75 (3)	83.3 (10)	100 (10)	86.7 (13)	85.7 (6)	76.9 (10)
		100 (14)	100 (13)	100 (4)	100 (12)	100 (10)	100 (15)	100 (7)	100 (13)
		100 (14)	86.6 (13)	100 (4)	100 (12)	100 (10)	93.3 (14)	100 (7)	92.3 (12)

Table 3, continued

Question		Extractives	Financial Services	Food & Beverages	Heavy Manufacturing	Infrastructure & Utilities	IT, Telecommunication & Electronics	Pharmaceuticals & Chemicals	Retailers & Consumer Products
<ul style="list-style-type: none"> • Right to an adequate standard of living; • Right to health • Others^(iv) 		% (n) 35.7 (5)	% (n) 40 (6)	% (n) 50 (2)	% (n) 33.3 (4)	% (n) 60 (6)	% (n) 40 (6)	% (n) 71.4 (5)	% (n) 38.5 (5)
7. Which stakeholders do your company's policies/practices encompass? Select as many as apply. <ul style="list-style-type: none"> • Employees • Suppliers contractors distributors joint venture partners and others in your value chain 		100 (13)	100 (15)	100 (4)	100 (2)	100 (10)	100 (15)	100 (7)	92.3 (12)
		84.6 (11)	100 (15)	100 (4)	100 (12)	80 (8)	86.7 (13)	85.7 (6)	100 (13)

Table 3, continued

Question		Extractives	Financial Services	Food & Beverages	Heavy Manufacturing	Infrastructure & Utilities	IT, Telecommunication & Electronics	Pharmaceuticals & Chemicals	Retailers & Consumer Products
• The communities surrounding your operations		% (n) 92.3 (12)	% (n) 66.6 (10)	% (n) 75 (3)	% (n) 83.3 (10)	% (n) 80 (8)	% (n) 53.3 (8)	% (n) 71.4 (5)	% (n) 53.8 (7)
• The countries in which you operate		69.2 (9)	60 (9)	50 (2)	66.7 (8)	70 (7)	60 (9)	71.4 (5)	69.2 (9)
• Others ^(v)		23 (3)	13.3 (2)	25 (1)	33.3 (4)	30 (3)	13.3 (2)	42.9 (3)	15.4 (2)
8. Does your company have systems of internal reporting and compliance in connection with its human rights principles/practices?	Yes	92.3 (12)	73.3 (11)	100 (4)	83.3 (10)	70 (7)	100 (15)	100 (7)	92.3 (12)
	No	7.7 (1)	26.7 (4)	0 (0)	16.7 (2)	30 (3)	0 (0)	0 (0)	7.7 (1)

Table 3, continued

Question		Extractives	Financial Services	Food & Beverages	Heavy Manufacturing	Infrastructure & Utilities	IT, Telecommunication & Electronics	Pharmaceuticals & Chemicals	Retailers & Consumer Products
		% (n)	% (n)	% (n)	% (n)	% (n)	% (n)	% (n)	% (n)
9. Does your company engage in periodic external reporting of its human rights policies/practices?	Yes	78.6 (11)	66.7 (10)	75 (3)	75 (9)	60 (6)	73.3 (11)	71.4 (5)	76.9 (10)
	No	21.4 (3)	33.3 (5)	25 (1)	25 (3)	40 (4)	26.7 (4)	28.6 (2)	23.1 (3)
10. When engaging in periodic external reporting of human rights practices what means are used?									
• The company's website		81.8 (9)	80 (8)	100 (3)	55.6 (5)	83.3 (5)	100 (11)	80 (4)	100 (10)
• A periodic publication		91 (10)	100 (10)	100 (3)	77.8 (7)	83.3 (5)	90.9 (10)	100 (5)	90 (9)
• A third party medium		72.8 (8)	60 (6)	100 (3)	44.4 (4)	16.7 (1)	45.5 (5)	0 (0)	40 (4)
• Other ^(vi)		9.1 (1)	50 (5)	0 (0)	0 (0)	0 (0)	9.1 (1)	40 (2)	0 (0)
		% (n)	% (n)	% (n)	% (n)	% (n)	% (n)	% (n)	% (n)

Table 3, continued

Question		Extractives	Financial Services	Food & Beverages	Heavy Manufacturing	Infrastructure & Utilities	IT, Telecommunication & Electronics	Pharmaceuticals & Chemicals	Retailers & Consumer Products
11. Does the company work with external stakeholders in developing and implementing its policies and practices?	Yes	92.3 (12)	80 (12)	75 (3)	75 (9)	90 (9)	84.6 (11)	71.4 (5)	92.3 (12)
	No	7.7 (1)	20 (3)	25 (1)	25 (3)	10 (1)	15.4 (2)	28.6 (2)	7.7 (1)
12. Which external stakeholders does your company work with in developing and implementing policies and practices? Select as many as apply. • Governments • Industry associations • Labor Unions • NGOs		50 (6)	75 (9)	66.7 (2)	55.6 (5)	75 (6)	54.5 (6)	80 (4)	25 (3)
		83.3 (10)	83.3 (10)	100 (3)	66.7 (6)	87.5 (7)	90.9 (10)	100 (5)	75 (9)
		66.6 (8)	58.3 (7)	100 (3)	66.7 (6)	75 (6)	72.7 (8)	40 (2)	41.7 (5)
		91.6 (11)	91.6 (11)	100 (3)	77.8 (7)	87.5 (7)	90.9 (10)	100 (5)	100 (12)

Table 3, continued

Question		Extractives	Financial Services	Food & Beverages	Heavy Manufacturing	Infrastructure & Utilities	IT, Telecommunication & Electronics	Pharmaceuticals & Chemicals	Retailers & Consumer Products
		% (n)	% (n)	% (n)	% (n)	% (n)	% (n)	% (n)	% (n)
<ul style="list-style-type: none"> • United Nations or other intergovernmental organizations 		83.3 (10)	58.3 (7)	66.7 (2)	66.7 (6)	62.5 (5)	72.7 (8)	80 (4)	41.7 (5)
<ul style="list-style-type: none"> • Others^(vii) 		41.6 (5)	41.6 (5)	66.7 (2)	22.2 (2)	12.5 (1)	45.5 (5)	60 (3)	16.7 (2)

Table 4:
Response Rates by Companies' Home Country

Home Country	# of Companies In FG 500	# of Companies Responding	Response Rate (%)
Australia	9	3	33
Belgium	4	1	25
Canada	13	3	23
Finland	3	2	66
France	39	9	23
Germany	37	10	27
Italy	8	2	25
Japan	80	9	11
Netherlands	17	6	35
Norway	2	2	100
Russia	3	1	33
Spain	8	5	63
Sweden	7	4	57
Switzerland	12	6	50
UK	37	12	32
USA	176	27	15
No response from:			
Brazil	3	0	0
China	16	0	0
Denmark	2	0	0
India	5	0	0
Ireland	1	0	0
Luxembourg	1	0	0
Malaysia	1	0	0
Mexico	2	0	0
Saudi Arabia	1	0	0
Singapore	1	0	0
South Korea	11	0	0
Taiwan	2	0	0
Thailand	1	0	0
Turkey	1	0	0
<u>Total Number of Respondents</u>		<u>102</u>	

Notes to Tables

(i) Not all companies that responded to the survey answered every question; therefore, the percentages reported in the tables are based on actual responses to individual questions.

(ii) The “other” categories throughout the questionnaire permitted companies to include items of their own choosing. A number of companies added commentaries and/or links to their websites. In this particular instance we included responses in the “other” category when they referenced codes of business ethics that were too general to constitute explicit human rights principles or practices.

(iii) The top two “other instruments” included in the responses were the Voluntary Principles on Security and Human Rights (10%), and the Extractive Industries Transparency Initiative (4%).

(iv) The top two “other rights” mentioned were “fair/living wage” (12%), and “limits to working hours” (7%).

(v) The top two “other stakeholders” noted were “customers/consumers” (13%), and “shareholders/investors” (9%).

(vi) The top two “other means” of reporting were “government/regulatory agencies” (3%), and “ethical indices” like the FTSE4Good (2%).

(vii) The top two “other external stakeholders” consulted were “investment analysts/socially responsible investment funds” (8%), and “consulting firms” (7%).

(viii) Because of the small number of responses in some of these categories several were consolidated, as indicated in the table. The “others” included various business services.

