

Feb 12 2016

Isabella Stanbrook – Why is measurement an important theme for business and human rights in 2016?

Damiano de Felice

This post was contributed by Isabella Stanbrook, senior analyst at Sancroft.

More than [two thirds of the world's fifty largest companies](#) already have a specific human rights policy. This reflects a growing corporate awareness of human rights impacts.

In the past, corporate responsibility (CR) was primarily environmentally focused with measurement and reporting chiefly a quantitative exercise. When businesses began to grapple with other CR issues, they did it in the way they knew best – quantifying, measuring and reporting with numbers. There is now a notable increase in accountability surrounding the social aspects of responsible business operations; evolving from a purely quantitative reporting to include qualitative disclosure and transparency.

Looking ahead to the Business and Human Rights trends for 2016, Sancroft International identified 'measurement' as an important theme for the year ahead. Sancroft see measurement as classified in the three following ways.

Measurement as a tool for business

Although monitoring progress on human rights may be more challenging than the quantitative nature of measuring environmental impact, the qualitative elements of measurement allow businesses to understand and forecast potential and actual risks. This knowledge means that companies can benefit from increased transparency and potential internal capacity building. With mounting regulatory and social pressure, it is in the best interest of business to ensure they are measuring their human rights performance so that they are able to credibly report.

There are now [a number of reporting frameworks](#) in circulation that companies can use. These include GRI's [G4 Sustainability Reporting Guidelines](#), [OECD's Guidelines for Multinational Enterprises](#), [ISO 26000 Guidance on Social Responsibility](#) and the [IFC's Sustainability Framework and Performance Standards](#). With an increasing number of companies reporting under these frameworks, there will be considerable debate around how to measure progress on human rights; about the practicality and value of measuring human rights performance.

Measurement as a tool for civil society and third parties

There is a growing trend towards publicly listed corporations being measured by third-parties on their corporate responsibility performance based on publicly available information. There are already [around twenty such ratings](#) including Oxfam's [Behind the Brands](#) ranking and Corporate Responsibility Magazine's [100 Best Corporate Citizens List](#).

In 2016, a benchmark that will specifically rank the corporate human rights performance of the top 500 globally listed international companies will be launched. This [Corporate Human Rights Benchmark](#) which has been developed by Aviva Investors, the Business and Human Rights Resource Centre, the Institute for Human Rights and Business and others, intends to harness the competitive nature of the markets to drive better human rights performance.

Measurement as a tool for government

The last five years have seen a shift from voluntary requirements to mandatory regulation around forced labour and Modern Slavery. In 2010, the [California Transparency in Supply Chains Act](#) was passed. In 2015, the UK [Modern Slavery Act](#) became law with 'transparency in supply chain provisions' and updates were published to the [US Federal Acquisition Regulation \(FAR\)](#) to strengthen protections against trafficking in persons in federal contracts. The [EU Directive on Non-Financial Reporting](#) and the [ILO Forced Labour Protocol](#) will come into force in 2016.

The opportunities presented by measurement

Credibility in action and communication: The type of reporting required by the Modern Slavery Act (MSA) and other frameworks will allow businesses to become more transparent. The structured reports enable companies to more easily communicate their progress to their stakeholders. Even if a company is at the early stages of building capacity for human rights due diligence, the communication of a genuine ambition and commitment will be seen favourably. Businesses are not

expected to immediately have all the answers and should share their progress and challenges along the way to build their credibility.

Making the most of Modern Slavery Act compliance: With the MSA coming into effect this year, companies with an annual turnover of £36m or more with operations in the UK will need to comply with the UK MSA. The MSA requirements provide a good opportunity for businesses to begin to consider broader human rights issues. Due diligence activities designed to identify modern slavery risks, such as detailed supply chain and operational assessment on trafficking and forced labour, can also be used to consider other relevant human rights risks.

Isabella Stanbrook



Isabella Stanbrook is a senior analyst at [Sancroft](#), an international sustainability consultancy. She specialises in business and human rights, ethical trade and sustainability strategy.

This entry was posted in [Indices and ratings](#), [Reporting](#) and tagged [business](#), [human rights](#), [modern slavery](#), [qualitative](#), [ranking](#), [rating](#), [reporting](#). Bookmark the [permalink](#).