



DOCUMENTING RESPECT FOR HUMAN RIGHTS

A 2022 SNAPSHOT OF LARGE DANISH COMPANIES

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1 EXECUTIVE SUMMARY

This report provides a 'snapshot' analysis of the human rights policies and self-reported human rights due diligence practices of 30 of the largest Danish companies for the 2021 reporting period. The companies are headquartered in Denmark and all have global operations and global value chains.

As is the case for all other business entities, these companies have the responsibility to respect human rights. This entails maintaining an awareness of their actual and potential negative impacts on human rights and publicly demonstrating what they are doing to avoid and address them.

The UN Guiding Principles on Business and Human Rights (UNGPs), the global authoritative standard on business and human rights, define the concept of "corporate responsibility to respect human rights" which includes undertaking corporate human rights due diligence.

This snapshot takes a closer look at the degree to which some of the largest Danish companies currently document their efforts to meet this standard. The snapshot aims to contribute to the ongoing debate on how businesses can better respect human rights.

In recent years the European Union has introduced a range of regulatory initiatives which, in different ways, seek to address the impacts that businesses have on the enjoyment of human rights, including, in particular, their operations outside the EU and throughout global value chains. Two of the main developments in this area are the proposed Corporate Sustainability Due Diligence Directive, which includes a mandatory due diligence obligation with respect to human rights and environmental impacts and associated corporate governance reforms; and the Corporate Sustainability Reporting Directive, which concerns disclosures on a range of sustainability matters including human rights.

By applying the Corporate Human Rights Benchmark's (CHRB) Core UNGP Indicator methodology, the snapshot measures the degree to which Danish companies currently document alignment with the UNGPs, rather than whether their actions are in fact aligned with the standard. The methodology, which was updated in 2021, includes 12 indicators covering three thematic areas: three Governance and Policy Commitments indicators (Governance Indicators), six Embedding Respect and Human Rights Due Diligence indicators (HRDD Indicators), and three Remedies and Grievance Mechanisms indicators (Remedy Indicators).

The CHRB core UNGPs methodology still only relies on information publicly disclosed by companies themselves – including formal policy documents, information included in annual reports, as well as information on corporate websites. Naturally, only looking at information provided by companies themselves – and not information made available in the media, by civil society organisations, affected stakeholders or their representatives, or through independent data collection and field work – has a number of limitations.

FIGURE 1: COMPANIES ASSESSED



30

COMPANIES



1.46

TOTAL TURNOVER IN TRN DKK



981.488

TOTAL NR. OF EMPLOYEES

After the first [Denmark snapshot in 2020](#), the CHRB did a revision of the methodology based on lessons learnt and on extensive stakeholder feedback. This means that any comparison between the 2020 and the 2022 results must be made with caution. One of the reasons for repeating the benchmark assessment has indeed been to track whether the exercise can drive companies to develop stronger commitments and report more transparently on their procedures, and in addition, determine if laggards are catching up with their peers. While comparison has been kept at aggregate levels, the issues that have emerged from this year's analysis clearly indicate that the most significant challenges remain the same. Further, the methodology update has made it possible to shed light on some of the most central areas of concern by requiring additional disclosure on human rights impacts and how they are addressed, including through stakeholder engagement.

KEY FINDING 1:

Companies generally fail to demonstrate alignment with the UNGPs

The average overall alignment score for 2022 is 36%, with nearly two thirds of companies scoring under 50% and over one-third of companies scoring below 30%. Over ten years after the endorsement of the UNGPs, the benchmark finds that Denmark's largest companies are not demonstrating full respect for human rights. In fact, almost half of the companies assessed have not expressed a formal commitment to implement the UNGPs.

KEY FINDING 2:

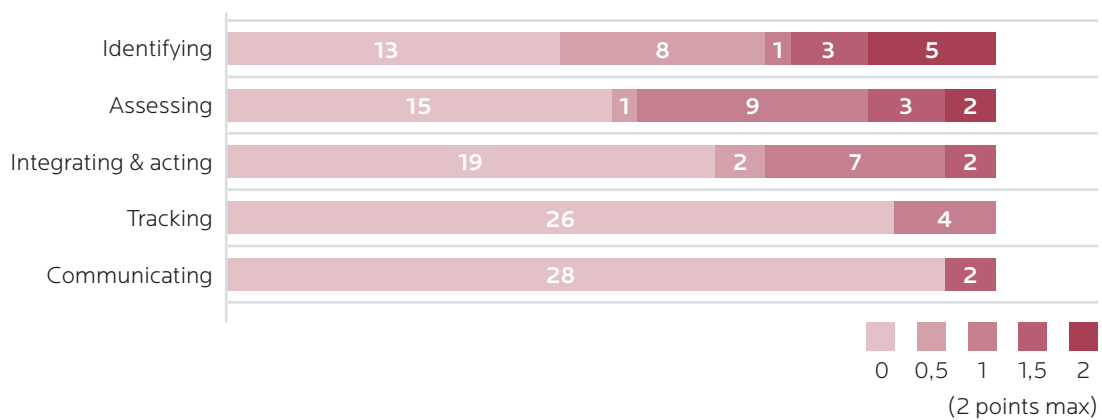
Companies fail to describe how they undertake human rights due diligence

In the UNGPs, human rights due diligence is a term used to describe an ongoing process through which businesses identify, prevent, mitigate, track and communicate publicly about their actual and potential adverse human rights impacts. Due diligence in this sense is a process by which businesses "operationalise" the corporate responsibility to respect human rights.¹ Concerningly, ten of the 30 companies evaluated score no points at all across five of the HRDD Indicators. Half of these companies were also benchmarked in 2020, revealing little to no progress on HRDD over two years. Further, 23 companies score zero on three or more of the HRDD Indicators. This highlights the need for both guidance on how to conduct human rights

due diligence and regulatory action to increase action towards corporate respect for human rights.

At the same time, seven companies that were benchmarked in 2020 should be recognised for their efforts, improving their scores slightly across the HRDD Indicators.² In addition, four companies have been able to raise their scores to the maximum (two points) on one of the six HRDD Indicators, namely demonstrating their processes to identify human rights risks.³

FIGURE 2: COMPANIES SCORES ON HUMAN RIGHTS DUE DILIGENCE



KEY FINDING 3:

There is a clear lack of understanding about the scope of due diligence across the value chain

A majority of Danish companies failed to demonstrate that they consider risks throughout the value chain to which they are connected via supply, contract, ownership or investment relationships, or the use of company products, premises or services. Only nine companies described human rights identification processes, covering both their own operations and through relevant business relationships. Five companies limit the scope of such processes to supply chains. Correspondingly, six companies made commitments to respecting ILO Core Labour Standards, but only in their own operations, while four companies did so exclusively for workers in their supply chains. Generally, we observed that such prioritisation tends to differ depending on the specific industry, eg. companies within the design and retail sectors often focused their efforts within supply chains, while companies within the construction sector prioritised risk management in their own operations.

KEY FINDING 4:

None of the companies demonstrate meaningful consultation with affected stakeholders throughout due diligence process

Companies were not able to meet the new CHRB methodology requirements on demonstrating formalised stakeholder engagement processes in their due diligence, despite such processes being a key tool to help companies identify/assess, prevent, mitigate, track and remediate adverse impacts in their operations and amongst business relationships along the value chain.

Only seven companies document that they engage with affected stakeholders or human rights experts in identifying, assessing and addressing their human rights risks. Just three companies continue such dialogue in their processes for assessing risks. This is concerning, since engagement with affected stakeholders is central in order to understand impacts on the ground and allow for rights-holder views to be taken into account as a part of the human rights due diligence process.

KEY FINDING 5:

Remedy remains the weakest area of performance

As in 2020, the companies are not transparent when it comes to their approach to provide or participating in supporting timely remedy for victims of human rights abuses. While the majority of companies have operational-level grievance mechanisms in place, none of the companies describe the approach taken to enable remedy for victims of adverse human rights impacts that the company had caused or contributed to. Only 20% of the companies provided information on precautionary measures taken following a concrete case of damage in order to prevent recurrence.

Overall, the results reveal that most of the largest companies in Denmark have yet to communicate effectively on whether and how the human rights commitments that many of them have made are implemented in practice or put differently: to document that they respect human rights.

1.1 RECOMMENDATIONS

In light of the results of this snapshot, the following recommendations can be made to various stakeholders – both the businesses, but also the Danish Government, Investors and civil-society.

COMPANIES

We urge companies to improve both their human rights due diligence practices and their disclosures on how they are conducting due diligence. In particular, on aspects of due diligence where this snapshot has illustrated areas for improvement. This includes;

- Disclosure of due diligence practices;
- Demonstrating human rights due diligence across the full scope of value chain from suppliers, own operations, to the use of company products or services;
- Engagement with affected stakeholders;
- Engaging in collective initiatives to learn and exchange on human rights practices; and
- Ensuring access to remedy when harm occurs.

The analysis in this report should serve as inspiration for the companies involved, but also other Danish companies, identifying where further improvement is needed.

INVESTORS

For investors this analysis serves as a point of departure for further dialogue and engagement with the companies involved, but can also serve to highlight cross-cutting challenges for the Danish business community as a whole with regard to disclosure on human rights due diligence. We urge investors to consider the results of this analysis by:

- Engaging in dialogue with the companies involved – both individually and collectively;
- Driving company performance through shareholder advocacy; and
- Taking inspiration from the results of this report to inform their own human rights due diligence including in relation to investment decisions.

GOVERNMENT

This analysis clearly illustrates the need for the Danish State to meet its duty to protect human rights in line with the expectations of the UNGPs.

This includes:

- Supporting regulatory efforts, such as efforts to develop a due diligence Directive at the EU level and European Sustainability Reporting Standards which are fully aligned with the UNGPs;
- Clarifying expectations on Danish business to respect human rights in their international operations and throughout their global value chains; and
- Use the results to inform work of supervisory authorities tasked with implementing and overseeing the Danish Financial Statements Act as well as dialogue and capacity building efforts aimed at annual report auditors
- Facilitate dialogue and learning for business on human rights due diligence and support the development of capacity in order to bridge the substantive gaps between company disclosure and the expectations of the UNGPs (including on remedy, value chain scope and stakeholder engagement).

CIVIL SOCIETY AND OTHER STAKEHOLDERS

Finally, civil society, trade unions, consumer interest organisations, and other organisations, can and do play an important role in sharing the results of this analysis and using it in engagement with both companies, investors and governmental actors and Danish consumers and in policy processes.

2 INTRODUCTION

June 2021 marked the 10th anniversary of the UN Guiding Principles for Business and Human Rights (UNGPs), the globally recognised framework articulating state duties and business responsibilities in preventing and addressing adverse human rights impacts of business activities. Since their unanimous endorsement by the UN Human Rights Council, much progress has been achieved, with governments, investors and companies increasingly considering the framework as the key reference point to support their efforts on responsible business conduct. However, there is still progress to be made. With this second snapshot of Danish companies applying the Corporate Human Rights Benchmark (CHRB) methodology we aim to take stock.

2.1 RECENT DEVELOPMENTS

Over recent years, the European Union (EU) has introduced a range of regulatory initiatives which, in different ways, seek to address the impacts that businesses have on the enjoyment of human rights, including, in particular, their operations outside the EU and throughout global value chains. These include initiatives on Corporate Sustainability Reporting, on Governance Corporate Sustainability Due Diligence, and Sustainable Finance, as well as trade rules and import/ export restrictions.⁴

TABLE 1: EU POLICY DEVELOPMENTS RELEVANT TO HUMAN RIGHTS DUE DILIGENCE

Overarching policy initiatives		
Company focused initiative	Finance focused initiatives	Trade and import controls
<ul style="list-style-type: none">• Corporate Sustainability Due Diligence Directive• Corporate Sustainability Reporting Directive	<ul style="list-style-type: none">• Sustainable Finance Disclosure Regulation• Green Taconomy• Social Taconomy Extension	<ul style="list-style-type: none">• Forced labour ban• Deforestation Regulation• Timber Regulation• Conflict Minerals Regulation

Source: How do the pieces fit in the puzzle? Making Sense of EU regulatory initiatives related to business and human rights <https://www.humanrights.dk/publications/how-do-pieces-fit-puzzle-making-sense-eu-regulatory-initiatives-related-business-human>

CORPORATE SUSTAINABILITY DUE DILIGENCE DIRECTIVE

In February 2022, a new proposal was published by the EU Commission for a Corporate Sustainability Due Diligence Directive, which would require large companies to identify and address their negative human rights and environmental impacts in line with key international frameworks including the UNGPs and OECD Guidelines for Multinational Enterprises (OECD GL) and associated due diligence guidance.

Such measure would also cover large Danish companies and would expectedly affect such companies' ability to document respect for human rights.

While current text of the proposed Directive has a high level of ambition, it does depart from the requirements of these key frameworks in a number of respects, as outlined in analysis by the DIHR linked below.

Read more about the proposed directive here: https://ec.europa.eu/info/business-economy-euro/doing-business-eu/corporate-sustainability-due-diligence_en

Read the detailed analysis by the Danish Institute for Human Rights here: <https://www.humanrights.dk/publications/legislating-impact-analysis-proposed-eu-corporate-sustainability-due-diligence>

While the regulatory landscape is beginning to harden the soft law expectations of the UNGPs into hard law requirements, an increasing number of actors are also seizing the momentum, pushing for stronger alignment between the 'S' in Environmental, Social, and Governance (ESG) investment with the UNGPs. Human rights reporting frameworks and benchmarks are supporting their work to assess companies on human rights, and investors are also activating their leverage to engage portfolio companies on the uptake of the UNGPs. For example, an investor coalition representing USD 5.8 trillion in assets have called on companies to improve their results on the Corporate Human Rights Benchmark and some of the world's largest asset managers have cast votes in favour of human rights due diligence.⁵

The evolving sustainability agenda, driven by regulatory developments and investor pressure, may be driving changes in corporate behaviour. A growing number of companies have publicly committed to the UNGPs and many are developing ongoing internal learning and practices for the different aspects of corporate respect for human rights, and to avoid and address negative impacts in their operations and across their value chains.⁶ Several companies and business associations welcome regulation in this area.⁷ For example a group of Danish and Nordic companies have made a joint call⁸ for the alignment of the EU legislation on mandatory human rights due diligence with the expectations of the UNGPs.

2.2 CURRENT SITUATION

Despite progress, major global challenges such as the COVID-19 pandemic, climate change and armed-conflicts, causing more serious harm to people and planet, have revealed that companies continue to fail to conduct effective human rights due diligence or provide timely remedy – even in situations where the severity and likelihood of human rights abuse is considerably higher.

There have been a number of recent allegations concerning the involvement of Danish companies in adverse human rights impacts related to workers' freedom of association;⁹ commercial ties to the Russian military;¹⁰ health consequences for communities that live near coal mines;¹¹ and land-grabbing.¹² These allegations suggest a wide margin for improvement when it comes to implementing international human rights standards throughout operations and value chains.

By repeating the benchmark exercise, this second iteration of the snapshot seeks to increase corporate transparency by exposing the remaining gaps in human rights reporting and incentivise Danish companies to improve policies, processes and practices regarding respect for human rights.

2.3 THE APPROACH

The second snapshot provides information on large Danish companies' disclosures in alignment with the UNGPs. It applies the updated methodology developed by the Corporate Human Rights Benchmark (CHRB) which covers a set of 12 Core Indicators. The report examines how 30 of the largest Danish companies communicate to the public about their commitments and approaches to human rights.

The updated CHRB Core UNGP Indicators are taken from the full CHRB methodology, which has been applied to benchmark transnational corporations in high-risk sectors since 2016. The shorter indicator list is designed to allow parties to take a quick snapshot of a company's approach to human rights management and assess whether it is able to document implementation of the requirements of the UNGPs.

2.4 MONITORING PROGRESS

While evaluating companies' human rights performance through benchmarking comes with several limitations (see Methodology & Process section), different decision-makers, including politicians and investors, are paying attention to human rights benchmark rankings. Benchmarks have thus not only become a tool for generating transparent data on corporate human rights performance, but also enabled more targeted decision-making by regulators and investors.

Following the first country snapshot in Finland in 2019, the Finnish government commissioned a second assessment in 2020 to support the implementation of elements of the government's corporate social responsibility programme.¹³ In Ireland, the findings from a second snapshot were shared with the Irish government's National Action Plan Implementation Group, who used them to develop a guidance document to help businesses begin the process of implementing the UNGPs.¹⁴ In Denmark, pension funds and other asset managers, have used the first snapshot report in the screening of and engagement with portfolio companies and welcomed regular snapshots in order to identify gaps and pressure companies to improve their ESG reporting. The Danish snapshot has also been referenced in parliamentary discussions including in relation to what the official Danish position should be on the Corporate Sustainability Reporting Directive.¹⁵

In that sense, repeating the country-based benchmarks have proved useful for assessing the local context and bringing issues of corporate accountability to the national level.

3 METHODOLOGY & PROCESS

Companies in the present study were selected on the basis of corporate turnover, global value chain activity (including in low- and medium-income countries) and headquarter location. The selection criteria deliberately placed emphasis on operations and activities in low- and medium-income countries in recognition of some of the severe human rights abuses that occur throughout global value chains.

Companies included in the Denmark snapshot were informed via e-mail once selected. Companies were also given the option to comment on their draft benchmark prior to consolidation. However, this was not a requirement, and companies did not receive additional points in the scoring for engagement. The aim of this engagement was to enable the companies to inform the research team of any public documents or information that had been overlooked during the assessment process. A more in-depth explanation of the company selection and engagement processes can be found in Annex I.

The study applies the updated CHRB Core UNGP Indicators. These 12 Indicators are extracted from the full CHRB methodology and provide a tool for taking a quick snapshot of a company's approach to human rights management and whether they are implementing the relevant requirements of the UNGPs, regardless of company size and industry sector.

The updated CHRB Core UNGP Indicators follow the same structure as the previous iteration, being divided into three key areas: 'Governance and Policy Commitments', 'Embedding Respect and Human Rights Due Diligence' and 'Remedies and Grievance Mechanisms'. However, the updated indicators include several new criteria under each theme – e.g. focusing on requirements for companies to describe the practices and policies they have adopted to respect human rights in their supply chains as well as integrating stakeholder engagement as a requirement throughout the methodology. While this has created challenges for comparative analysis with the previous 2020 assessment, the update was conducted by the CHRB to ensure that the methodology remains up-to-date and based on learnings, stakeholder inputs as well as evolving international and industry-specific standards on human rights and responsible business conduct. The present report will therefore focus comparative analysis on aggregate levels, key issues and trends. In light of the revisions, we encourage readers to exercise discretion when comparing the results of the 2020 benchmark with the 2022 benchmark findings.

TABLE 2: CORPORATE HUMAN RIGHTS BENCHMARK CORE INDICATORS

Theme A: Governance and Policy Commitments	
A.1.1	Commitment to respect human rights
A.1.2.A	Commitment to respect the human rights of workers: ILO Declaration on Fundamental Principles and Rights at Work
A.1.4	Commitment to remedy
Theme B: Embedding Respect and Human Rights Due Diligence	
B.1.1	Responsibility and resources for day-to-day human rights functions
B.2.1	Identifying human rights risks and impacts
B.2.2	Assessing human rights risks and impacts
B.2.3	Integrating and acting on human rights risks and impact assessments
B.2.4	Tracking the effectiveness of actions to respond to human rights risks and impacts
B.2.5	Communicating on human rights impacts
Theme C: Remedies and Grievance Mechanisms	
C.1	Grievance mechanism(s) for workers
C.2	Grievance mechanism(s) for external individuals and communities
C.7	Remediating adverse impacts

Table 1 in Annex I gives an overview of the updated indicators and scores available.

The snapshot methodology is based solely on publicly available information from policy documents, annual reports and other relevant human rights materials found on company websites. Therefore, snapshot results are merely a proxy for corporate human rights performance and not an absolute measure of a company's actual behaviour nor its impacts on the enjoyment of human rights.

Concurrently, the snapshot provides a desktop assessment at a certain point in time. It therefore yields results that will always include a margin of interpretation. Users of this report are therefore encouraged to take a holistic view of the scores, rather than focus on marginal differences between the scores on particular indicators.

FIGURE 3: BENCHMARKING PROCESS



The current study was carried out during May-August 2022 based on publicly available data from companies and should not be generalised to represent all Danish businesses. Small- and medium-sized enterprises (SMEs) are the core of the Danish economy structure, yet these are not represented in the present study. The report should be viewed as a snapshot of some of the largest Danish companies' disclosures on their level of engagement with human rights.

The scoring follows a set structure, awarding either zero, zero point five, one, one point five, or two points depending on whether the indicator requirements are assessed to have been met. Scoring is mostly cumulative, that is, if the fundamental requirements of an indicator are not met, a company cannot score points on the more advanced requirements. However, in some cases, where a company has not met all the criteria for Score 1, but has met at least one or more of the requirements for Score 2, a half point may be awarded. This is to give credit to and distinguish companies that meet 'some' requirements as opposed to those that meet 'none'.

See full Methodology & Process in Annex I.

4 OVERALL RESULTS

Thirty of the biggest companies in Denmark were assessed against the CHRB Core UNGP Indicators in order to assess the status of disclosure of the policies and processes they have in place to implement respect for human rights. Twenty of these companies were also assessed in 2020.

The average overall indicator alignment score is 36%, suggesting that Danish companies still have a long way to go when it comes to demonstrating a comprehensive approach to human rights management. Just over two-third of the companies score below 50%, and over one-third of the companies below 30%. Table 2 shows the overall results of the snapshot.¹⁶

The top three companies – Novo Nordisk, Vestas and Pandora – are only in the 60-70 percentage bands (receiving 16, 15.5 and 14.5 points out of 24). This means that still none of the Danish companies make it to the highest score bands. Two companies – Coop and Pandora – made significant progress, moving from some of the lowest bands in 2020 to this year's top ten performers. The companies in the lowest bands are Dagrofa and DLG. For the first time, one of the companies is in the lowest band.

As in 2020, this is particularly evident in relation to reporting on human rights due diligence (identifying, assessing, acting and tracking), almost one-third of the companies score 0 across all the HRDD Indicators. Further, 29 out of the 30 examined companies score zero on at least one of the HRDD Indicators, while 23 companies score zero on three or more indicators. The average scores for the HRDD Indicators are (again) all below one respectively (B.2.1-B.2.5).¹⁷

Only four out of the complete set of 12 indicators have an average company score of above one point. These are the indicators focusing on formal policy commitments (on human rights and labour rights), as well as grievance mechanisms for workers and external stakeholders. Nevertheless, almost half of the companies (14/30) did not have a public commitment to respect the UNGPs, despite their endorsement being over 10 years ago.¹⁸

TABLE 3: COMPANY RESULTS PER PERCENTAGE BAND

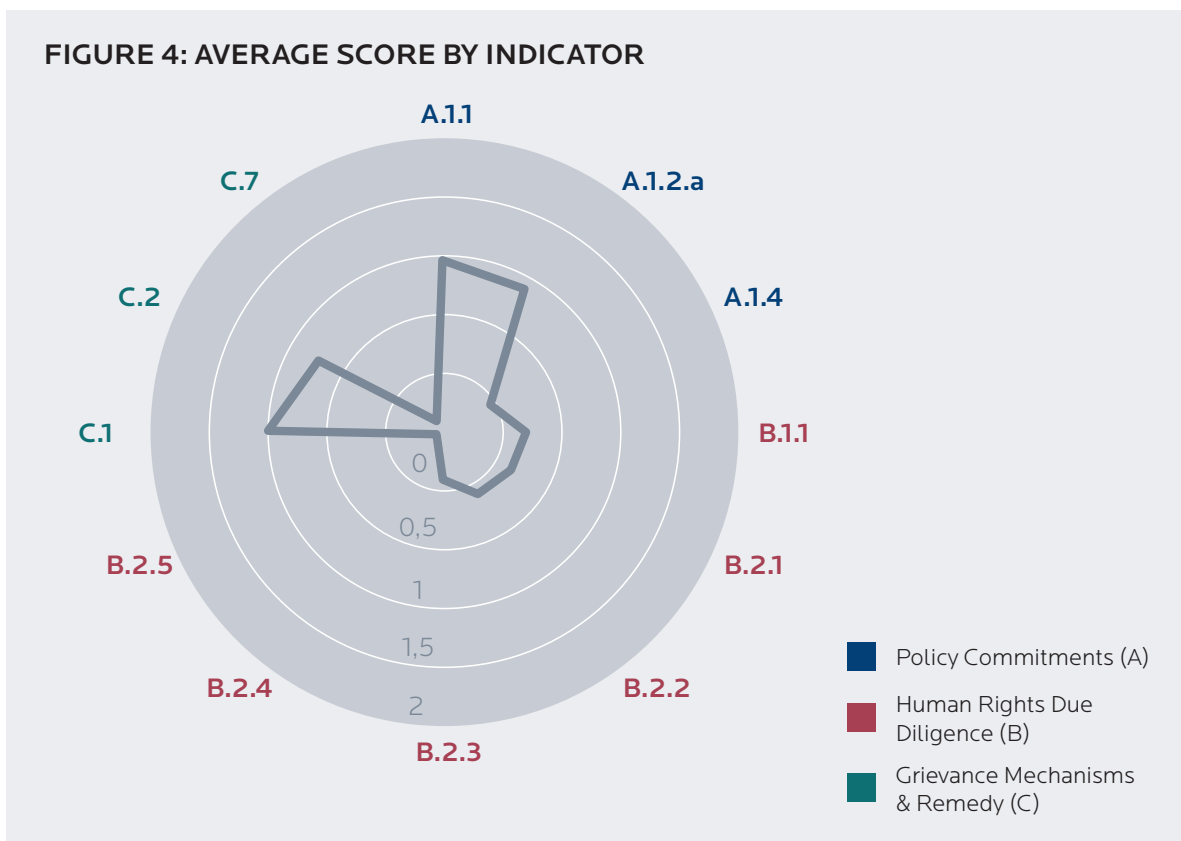
Percentage band	Company	Total score out of 24	Theme A out of 6	Theme B out of 12	Theme C out of 6
60-70	Novo Nordisk	16	5.5	7	3.5
	Vestas	15.5	4.5	7.5	3.5
	Pandora	14.5	6	4.5	4
50-60	Mærsk	13.5	5	5	3.5
	Ørsted	13.5	4.5	6	3
	Arla	13	3.5	6.5	3
	Danfoss	12.5	4	5.5	3
40-50	Coop	11.5	5	4.5	2
30-40	FLSmidth	9.5	3.5	3	3
	Grundfos	9	1.5	4.5	3
	Carlsberg	9	4	2	3
	ISS	9	4.5	1.5	3
	Danish Crown	9	4.5	1	3.5
	Novozymes	8.5	4	1.5	3
	Lego	8	4	1	3
	Velux	8	5	0	3
	Jysk	8	3.5	1.5	3
	Salling Group	7.5	1	4	2.5
	Rambøll	7.5	2.5	2	3
20-30	Bestseller	7	4	1.5	1.5
	DSV	6.5	3	0	3.5
	Biomar	6.5	3.5	0	3
	Coloplast	6	3	0	3
	Stark	5.5	1	2	2.5
	Rockwool	5.5	2	0.5	3
10-20	Demant	4.5	1.5	0	3
	Per Aarsleff	3.5	2	0	1.5
	Lundbeck	3.5	1.5	1	1
	Dagrofa	3	0	0	3
0-10	DLG	2	0.5	0	1.5
30-40	Average score	8.6	3.3	2.5	2.8

While some companies disclosed the existence of operational grievance procedures, none of the companies described how they engage in the remediation of impacts. Remediation to victims in cases of causing or contributing to adverse impacts is therefore, again, one of the weakest areas of company performance. Almost half of the companies analysed (14/30) make no commitment to remedy the situation for victims of an abuse that they cause or contribute to. In addition, a majority of companies assessed (24/30) fail to provide any information on how they handle remediation cases or incorporate lessons learned from remediation approaches into processes to prevent future impacts. Considering these results, there is little to no progress when it comes to documenting the responsibility to provide for or cooperate in the remediation of adverse impacts, a core component of the UNGPs.

Even though all companies communicate annual sustainability risk assessments in relation to environmental and social targets, they do not consistently demonstrate how human rights are being addressed in these processes. Instead, information is often focused on material risks to the company rather than the most critical risks to people affected by business activities. Further, with new indicator requirements for companies to report on how they engage with affected stakeholders throughout the human rights due diligence cycle, it is noticeable that none of the companies disclose such information. A very small sample of companies demonstrated consultation with affected stakeholder in their processes for human rights risk identification and assessment exclusively – meaning none of the companies explained how affected stakeholders support the development of mitigation measures or help verify the effectiveness of actions taken.

5 RESULTS BY INDICATOR THEME

Looking over the average scores across individual indicators (Figure 3), it is noticeable that companies have the best performance on the same indicators as in the first snapshot in 2020 (A.1.1, A.1.2, C.1 and C.2). This means that companies still score the lowest the human rights due diligence indicators as well as the indicators focusing on a company's commitment and approach to providing remedy (Theme B indicators, A.1.4 and C.7).



Regarding the Theme A, **Governance and Policy Commitments**, we found that 90% of companies had a basic commitment to respect human rights, and that 53% went further to committing explicitly to standards of the UNGPs or the OECD GL (indicator A.1.1).

Companies were less explicit on their commitments to respecting the rights of workers, 70% of the companies committed to the ILO core labour standards (freedom from forced labour, freedom from child labour, freedom from discrimination, and freedom to associate and collectively bargain) and only 57 percent expected their suppliers to explicitly commit to respecting each of those rights (indicator A.1.2).

Only 7 companies (23%) had commitments to remedy adverse impacts on individuals and workers and communities that the company caused or contributed to and expected their suppliers to make the same commitment. Only three companies – Novo Nordisk,

Pandora and FLSmidth – included commitments to working with suppliers to remedy adverse impacts and just one company further committed to collaborating with judicial or non-judicial mechanisms to provide access to remedy (indicator A.1.4).

On Theme B, **Embedding respect and human rights due diligence**, and the responsibility for human rights, one-third (33%) of the companies indicated senior management who were responsible for relevant human rights issues (the ILO core labour standards as a minimum) within the company. However, only three companies – Coop, Novo Nordisk and Ørsted – described how day-to-day management of human rights and resources was allocated across the business and within the supply chain (indicator B.1.1).

Human rights due diligence is a fundamental expectation of the UNGPs. In 2020, companies scored lowest on average across the B.2 (human rights due diligence) indicators. In 2022, we notice that many companies are still failing to disclose information about this practice. One-third of the companies scored 0 across all human rights due diligence indicators, five of which are being benchmarked for the first time.

Eight companies (27%) described the global systems in place to regularly identify human rights risks and impacts across their activities, but only five companies explained when these systems are triggered, how relevant stakeholders and external experts are involved in the process and when heightened due diligence in conflict-affected areas is conducted (indicator B.2.1).

When assessing which human rights risks are salient to the business, about half of companies (47%) either described the assessment process (including how relevant factors are accounted for) or disclosed the results of these assessments. Only two companies – Arla and Vestas – did both, while describing how affected stakeholders are involved in such assessment processes (indicator B.2.2).

Nine companies (30%) described a global system for acting on salient human rights issues or provided a specific example of specific actions taken or to be taken on at least one of its salient human rights issues as a result of assessment processes. Two companies – Coop and Grundfos – did both. However, none of the companies disclosed how affected stakeholders are involved in decisions about the actions taken in response to salient human rights issues (indicator B.2.3).

After taking action on their salient human rights risks, only four companies (13%) described a system for tracking the effectiveness of their actions or provided an example of lessons learned as a result of the process. None of the companies did both (indicator B.2.4).

When communicating externally how the company addresses its human rights impacts in a manner which is accessible to its intended external audience, none of the companies provided examples demonstrating how they communicate with affected stakeholders regarding specific human rights impacts raised by them or on their behalf. Two companies – Salling Group and Vestas – described the challenges to effective communication identified and how they are working to address them (indicator B.2.5).

As to Theme C, **Remedies and Grievance Mechanisms**, almost all of the companies (97%) demonstrated the existence of a grievance mechanism, or participation in a shared mechanism, allowing workers to raise complaints regarding human rights issues related to the company. However, only four companies – DSV, Novo Nordisk, Pandora and Vestas – disclosed further information about the training or communication conducted for workers on the mechanism and whether it was available in all appropriate languages. These companies also described how workers in supply chains have access to either the company's mechanism or the company's suppliers' mechanism, and expected suppliers to convey the same expectation on access to grievance mechanisms to their own suppliers (indicator C.1).

For external individuals or communities who may be impacted by business operations, fewer but still a significant number of companies (80%) provided a means for these groups to raise complaints regarding human rights issues related to the company. Further, only four companies communicated an expectation towards their suppliers to expect grievance channels among their own suppliers, but none of the companies demonstrated how they raise awareness about their grievance mechanisms among external communities (indicator C.2).

Access to effective remedy is a core component of the UNGPs, yet none of the companies described the approach taken to enable timely remedy for victims of adverse human rights impacts that the company had caused or contributed to. Only 20% of the companies provided information on precautionary measures taken following a concrete case of damage in order to prevent recurrence (indicator C.7).

THEME A

GOVERNANCE AND POLICY COMMITMENTS

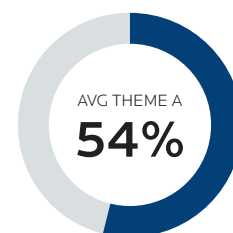
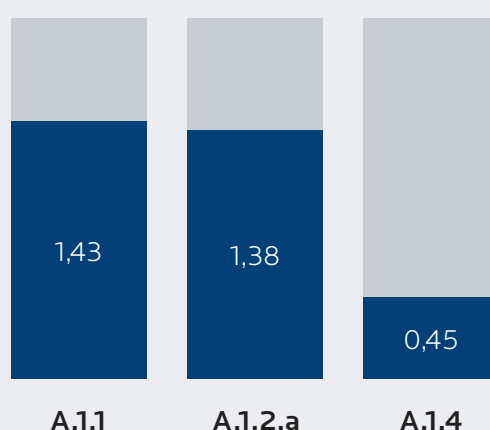


FIGURE 5: AVERAGE SCORES THEME A (MAX 2 POINTS PER INDICATOR)



Indicators

- A.1.1** Commitment to respect human rights
- A.1.2.A** Commitment to respect the human rights of workers: ILO Declaration on Fundamental Principles and Rights at Work
- A.1.4** Commitment to remedy

Theme A indicators aim to assess the extent to which a company acknowledges its responsibility to respect human rights, and how it formally incorporates this into publicly available statements of policy. A policy commitment is a statement approved at the highest levels of the business that shows the company is committed to respecting human rights and communicates this internally and externally. It sets the “tone at the top” of the company that is needed to drive respect for human rights into the core values and culture of the business. It indicates that top management considers respect for human rights to be a minimum standard for conducting business with legitimacy. It sets out expectations of how staff and those with whom the company has a business relationship should act, as well as what others can expect of the company. It should trigger a range of other internal actions that are necessary to meet the commitment in practice.

For Theme A indicators, explicit commitments are required, and points are only awarded in response to wording that provide a clear expression of commitment. Expressions such as “in line with” or “strive to ensure” are considered vague in relation to a firm commitment. Commitments found embedded in sustainability or annual reports are not considered.

KEY FINDINGS – THEME A

- **Almost all the companies (27/30) have a publicly available statement committing the company to respect human rights.**
- **Over half of the companies (16/30) specifically commit to implementing the UN Guiding Principles on Business and Human Rights or OECD Guidelines for Multinational Enterprises.**
- **Over half of the companies (17/30) commit to ILO Core Labour Standards and respecting the fundamental labour rights of workers in their own operations and in their supply chains.**
- **Only seven companies commit to remedy adverse impacts that they have caused or contributed to and expect their suppliers to make the same commitment.**

A.1.1 COMMITMENT TO RESPECT HUMAN RIGHTS

The average score for this indicator is 1.43 out of 2, making it the second highest scoring indicator overall.

For Score 1, a company is required to make a publicly available statement committing it to respect human rights or state a commitment to the Universal Declaration of Human Rights (UDHR), or to the International Bill of Human Rights. Commitments to the UN Global Compact Principles are no longer sufficient. **Only three companies assessed did not meet this indicator.**

Score 2 is met by 16 out of 30 companies who also expressed their commitment to the UNGPs and/or the OECD Guidelines for Multinational Enterprises. Twelve of these companies were also benchmarked in 2020 (where only 9 made the commitment) meaning three companies have made progress in terms of committing to specific standards such as the UNGPs.

FIGURE 6: NUMBER OF COMPANIES PER SCORE A.1.1



A.1.2.A COMMITMENT TO RESPECT THE HUMAN RIGHTS OF WORKERS

The companies scored similar on average (1.38 out of 2) as in indicator A.1.1. Yet **two companies (benchmarked for the first time this year) did not have a publicly available statement of policy committing them to respecting the human rights of workers.**

Score 1 for this indicator is awarded if a company makes a publicly available statement of policy committing it to respecting the human rights of workers as set out in the International Labour Organisation’s (ILO) Core Labour Standards. In addition, the company must also explicitly list the fundamental rights in that commitment.¹⁹ **21 out of the 30 companies met the requirements.** Three companies were close to meeting the requirements but failed to list all the fundamental rights explicitly.²⁰

To achieve Score 2, a company must have a publicly available policy statement expecting its suppliers to commit to respecting the ILO Core Labour Standards, and explicitly list the fundamental rights. **17 companies fully met this requirement.**

Six companies only made commitments to respecting ILO Core Labour Standards in their own operations, while four companies did so exclusively for workers in their supply chains.

FIGURE 7: NUMBER OF COMPANIES PER SCORE A.1.2.A



A.1.4 COMMITMENT TO REMEDY

The average score for this indicator is 0.45 out of 2, making it the lowest scoring indicator in Theme A.

Where companies identify that they have caused or contributed to adverse impacts, they should provide for or cooperate in their remediation through legitimate processes. To achieve Score 1, a company is expected to have a publicly available statement of policy committing it to remedy the adverse impacts on individuals, workers and communities that it has caused or contributed to. In addition, the company must also expect its suppliers to make this same commitment. **Only seven companies have made these commitments. Five companies focus on the adverse impacts of the company without communicating expectations for suppliers to provide remedy.**

To achieve Score 2, the company’s policy statement must also include a commitment to working with its suppliers to remedy adverse impacts which are directly linked to its operations, products or services. In addition, the company’s policy commitment must also commit it to collaborating with judicial or non-judicial mechanisms to provide access to remedy.

Of the 30 companies assessed, only five companies demonstrated concrete commitments to working with its suppliers to remedy adverse impacts, which are directly linked to its operations, products or services by a business relationship. Just one went further to commit to participating in judicial or non-judicial mechanisms to provide access to remedy, thereby fully meeting Score 2 requirements. Three

companies only commit to **work with their suppliers** to remedy adverse impacts but do not **expect suppliers to communicate their own commitment** to provide remedy for victims.²¹

FIGURE 8: NUMBER OF COMPANIES PER SCORE A.1.4



SUPPLY-CHAIN VS VALUE CHAIN

The benchmark showed a tendency of companies to focus mainly on their supply chain and not the full value chain in their human rights disclosure. While the [definitions](#) of supply chain and value chain differ the terms are often used interchangeably in business and human rights discourse. The [UN OHCHR FAQ About the Guiding Principles on Business and Human Rights](#) notes that:

“A business enterprise’s value chain encompasses the activities that convert input into output by adding value. It includes entities with which it has a direct or indirect business relationship and which either (a) supply products or services that contribute to the enterprise’s own products or services, or (b) receive products or services from the enterprise.” <https://www.ohchr.org/sites/default/files/documents/issues/business/2022-09-13/mandating-downstream-hrdd.pdf>

Human rights due diligence covers the entire value chain, not only the supply chain. Adverse impacts can occur both upstream (production of goods and services) and downstream (impacts that occur once a product or service leaves the company), in addition to direct operations.

THEME B

EMBEDDING RESPECT AND HUMAN RIGHTS DUE DILIGENCE

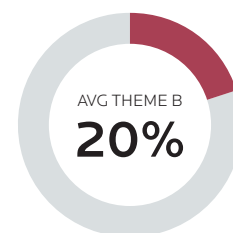
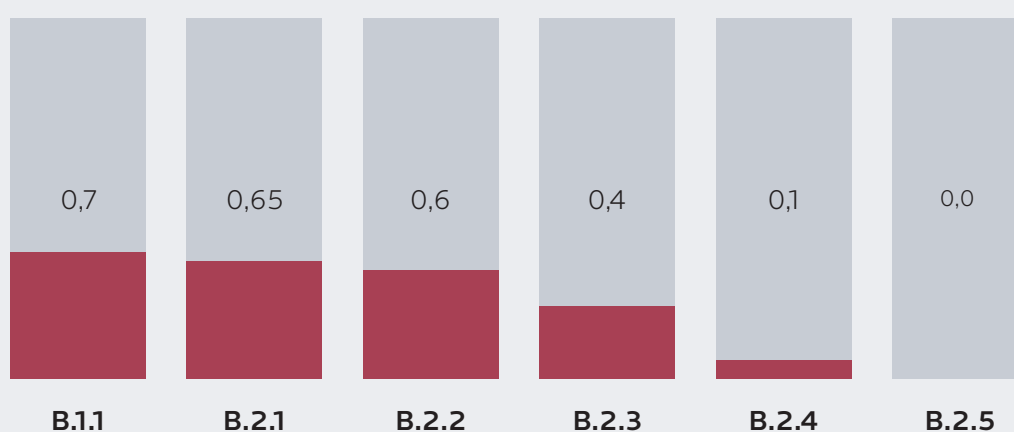


FIGURE 9: AVERAGE SCORE THEME B (MAX 2 POINTS PER INDICATOR)



Indicators

- B.1.1** Responsibility and resources for day-to-day human rights functions
- B.2.1** Identifying human rights risks and impacts
- B.2.2** Assessing human rights risks and impacts
- B.2.3** Integrating and acting on human rights risks and impact assessments
- B.2.4** Tracking the effectiveness of actions to respond to human rights risks and impacts
- B.2.5** Communicating on human rights impacts

Human rights due diligence is a fundamental expectation of the UNGPs and critical to implementing the commitments covered under theme A. In the context of the CHRB methodology it is converted into six indicators B.2.1-B.2.5. The steps of embedding policy commitments into company culture and broader management systems and reinforcing them with specific due diligence processes, ensures that a company takes a systematic and proactive, rather than ad hoc or reactive approach to respecting human rights. Indicator B.1.1 therefore looks at the responsibility and resources for day-to-day human rights functions, indicating how the due diligence process is resourced whereas the remaining indicators cover the human rights due diligence cycle.

KEY FINDINGS – THEME B

- **Only eleven companies explicitly indicate senior responsibility for human rights**, which includes responsibility for the ILO Core Labour Standards at a minimum.
- **Every company scores below 1 point on at least one or more of the human rights due diligence indicators** (identify, assess, act upon, track and communicate human rights impacts). This was the same in the 2020 snapshot.
- **Over half of the companies (17/30) demonstrate how they identify human rights impacts**. Five of these companies limit the scope of their processes to supply chains. **Only few companies (7/30) document that they engage with affected stakeholders or human rights experts** in identifying their human rights risks.
- **Almost two thirds (19/30) of the companies do not describe how they integrate the findings of assessments of human rights risks** to take appropriate actions to mitigate salient human rights issues.
- **Only four companies demonstrate that they track the effectiveness of responses to actual and potential human rights impacts** to evaluate whether the action taken have the desired effect.
- **None of the 30 companies describe how they communicate with affected stakeholders regarding specific human rights impacts raised by them** or on their behalf. Only two companies share information on how they seek to address the challenges to effective communication with affected stakeholders.
- **A majority of companies failed to demonstrate that they consider risks throughout the value chain**. Only nine companies described identification processes, covering both their own operations and business relationships. Five companies limit the scope to supply chains. Half of the companies provided details on their human rights risk assessment processes but many focusing only on supply chain risks.

B.1.1 RESPONSIBILITY & RESOURCES FOR DAY-TO-DAY HUMAN RIGHTS FUNCTIONS

For this indicator, the average score across all companies is 0,7 out of 2. Despite the low score, it is the highest scoring indicators in Theme B.

To achieve Score 1, it is expected that a company indicates the senior manager role(s) or senior bodies responsible for relevant human rights issues within the company.

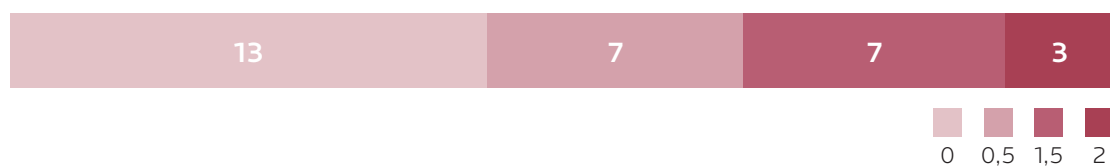
Eleven companies out of the 30 clearly communicated senior management responsibilities, meaning over half of the companies failed to specify senior responsibility and accountability for human rights impacts.

Score 2 requires for the company to describe how day-to-day responsibility is allocated across the range of relevant functions of the company. In addition, the company must describe how it allocates resources and expertise for the day-to-day management of relevant human rights issues within its own operations and in supply chains. **Just six companies provided information on day-to-day responsibilities for human rights**

across relevant functions, incl. for managing human rights issues within its supply chain. Four companies limit their description of day-to-day management for human rights issues to the company's own operations, while six companies only focus on explaining their governance framework for supply chains.

As in 2020, we notice from the analysis that most of the companies operate with 'sustainability', 'ESG', or 'corporate responsibility' governance systems of broader scope to capture both social and environmental issues, where human rights responsibility may be included implicitly. It should be emphasized that this type of governance system is not recognised by the indicator.

FIGURE 10: NUMBER OF COMPANIES PER SCORE B.1.1



B.2.1 IDENTIFYING HUMAN RIGHTS RISKS AND IMPACTS

Companies should identify and assess any negative impacts on human rights with which they may be involved. This includes actual impacts (past or current) and potential impacts (those possible in the future – also referred to as human rights risks). These may come from the company's own activities and from its business relationships, direct relationships and those one or more steps removed. The focus in human rights due diligence must be on risks to people, as distinct from risks to the business itself, although the two can be overlapping. **The average score for this indicator is 0.65. Only eight companies demonstrated appropriate risk identification measures, scoring above one point.**

To meet requirements of Score 1, a company must describe how it identifies potential human rights risks and impacts in specific locations or activities, covering its own operations, and through relevant business relationships including supply chains. **Less than one third of the companies (9/30) described human rights identification processes, covering their own operations and through relevant business relationships.** At the same time, six companies provided information on how human rights risks are taken into consideration in their supply chain activities only, while including no information on similar processes in own operations. One company only described identification processes for their own activities.

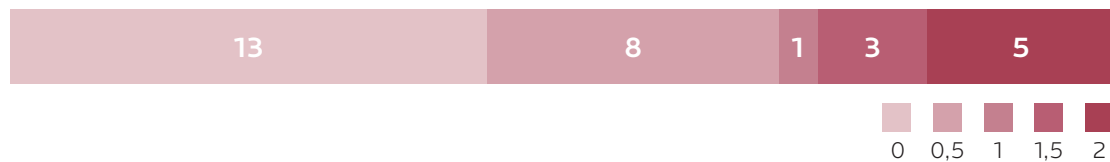
Score 2 has multiple requirements. Here, a company is expected to describe the global systems it has in place to identify its human rights risks and impacts on a regular basis across its activities, in consultation with affected or potentially affected stakeholders and internal or independent external human rights experts. This includes how the systems are triggered by new country operations, new business relationships or changes in the human rights context in particular locations. In addition, the indicator seeks to find evidence of heightened due diligence in any conflict-affected areas.

Only five companies met all the above-mentioned requirements.²² The majority of these companies (3/5) merely disclose information on conflict minerals and not more broadly on operations and business relationships in conflict affected areas.

While it can be difficult to attribute specific disclosures to policy and regulatory measures at country or regional level, it was noted that reporting under e.g. the Modern Slavery Act and even Conflict Mineral Legislation provided relevant documentation on both human rights governance and human rights risk identification.

Only eight companies provided information on their global system for identifying its human rights risks and impacts on a regular basis across its activities. Among the eight, **seven of the companies provided a description of consultations with affected stakeholders** or independent external human rights experts. Few companies (7/30) communicate about their approach for identifying risks in conflict-affected areas.

FIGURE 11: NUMBER OF COMPANIES PER SCORE B.2.1



B.2.2 ASSESSING HUMAN RIGHTS RISKS AND IMPACTS

Half of the companies scored zero points for this indicator. The average score for this indicator is 0.6 out of 2.

To meet the requirements of Score 1, a company must describe its process(es) for assessing its human rights risks and impacts, which includes how relevant factors are taken into account, such as geographical, economic, social and other factors. This description should also include the processes applicable to supply chains.

Alternatively, the company must publicly disclose the results of the assessments, which may be aggregated across its operations and locations. Most of the companies describe their material and/or sustainability risk assessment approaches in sustainability reporting, however, to satisfy the requirements of this indicator, the assessment must include the (potential) impacts on affected stakeholders and description of the most salient human rights issues.

DOUBLE MATERIALITY

Companies should report not only on how sustainability issues impact their business, but also how the company impacts on people and planet. This means that the main audience is a broad set of stakeholders, not only shareholders and business partners, but also affected stakeholders such as consumers, employees, and local communities.

This approach is aligned with the expectations on business to respect human rights, which requires human rights due diligence – i.e. identifying, assessing and addressing

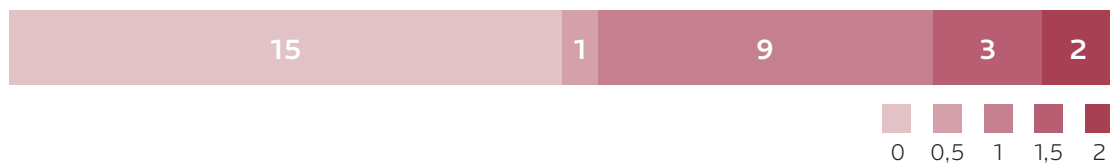
adverse human rights impacts that the company may cause, contribute to or be linked to through their business relationships.

For many companies the concept of double materiality is still relatively new which may explain some of the poor performance in Theme B. Double materiality approach is expected to be built into forthcoming European Reporting Standards under the Corporate Sustainability Reporting Directive.

Only six companies described how they assess human rights risks in order to prioritise salient human rights issues. 13 companies score one point on the indicator for disclosing results of assessment only, listing their most salient human rights issues at the global enterprise-level without presenting the assessment processes.

Score 2 entails disclosure of both the processes and the results of such salient risks and impacts assessment. In addition, the company must explain how it involves affected stakeholders in the processes. **Only two companies met all the requirements for Score 2.** While half of the companies provided details on their human rights risk assessment processes (some only disclosing the processes for supply chain risks), and many mention such processes include stakeholder engagement, **very few companies (3/30) describe exactly how they engage with affected stakeholders in such processes.**

FIGURE 12: NUMBER OF COMPANIES PER SCORE B.2.2



B.2.3 INTEGRATING AND ACTING ON HUMAN RIGHTS RISKS AND IMPACT ASSESSMENTS

To address negative human rights impacts, businesses should integrate the findings from their risk assessments across relevant internal functions and processes, act to prevent and mitigate the impacts identified, and have the internal decision-making, budget allocation and oversight processes in place to enable effective responses. Almost one-third of the companies (9/30) described either their global system for integrating assessment findings or provided an example of actions taken on salient human rights issues. Based on this approach, **the average score for this indicator is 0.4 out of 2.**

To achieve Score 1, a company is expected to describe its global system to take action to prevent, mitigate or remediate its salient human rights issues, including how its system applies to its supply chain. Another way to meet Score 1 is to provide an example of the specific conclusions reached and actions taken (or to be taken) on at least one of its salient human rights issues as a result of assessment processes in at least one of its activities/operations. **The majority of the companies (7/30) scoring one point on the indicator disclose examples of action taken on key human rights**

issues but fail to explain their global system to integrate the findings of human rights assessments.

Score 2 is met if both a systematic approach and examples are described. In addition, the company must explain how it involves affected stakeholders in decisions about the actions to take in response to its salient human rights issues. **None of the companies met all of the Score 2 requirements. Two of the 30 companies formulated a global integrated systematic approach and provided concrete examples of steps taken to mitigate their salient human rights issues but fail to disclose how they ensure affected stakeholders are involved in the decision-making processes.**

STAKEHOLDER ENGAGEMENT IN HUMAN RIGHTS DUE DILIGENCE

Due diligence requires a proactive approach to ensure companies know and show that they respect human rights. Both internal and external stakeholders should be involved throughout this process. Meaningfully engaging affected individuals and groups is essential for implementing corporate respect for human rights. The management and engagement processes suggested in the UNGPs can help companies to better understand, prevent, mitigate, track and remediate their impacts on people and the environment in their operations and business relationships along the value chain.²³

With regard to the remaining companies that did not meet any of the requirements, in most cases the company described audit systems that focus on monitoring supplier adherence to business standards, codes of conduct and policies with follow-up on policy implementation rather than steps in the human rights due diligence process to address salient human rights impacts. According to the UNGPs, human rights due diligence is an ongoing risk management process that includes four key steps (assessing actual and potential human rights impacts; integrating and acting on the findings; tracking responses; and communicating about how impacts are addressed)²⁴ while social audits aim to assess compliance within a limited timeframe. Social audits can therefore be a component of due diligence but do not provide a global system to manage salient human rights issues.

FIGURE 13: NUMBER OF COMPANIES PER SCORE B.2.3



B.2.4 TRACKING THE EFFECTIVENESS OF ACTIONS TO RESPOND TO HUMAN RIGHTS RISKS AND IMPACTS

Companies need to track their responses to actual and potential human rights impacts to evaluate how effectively they are being addressed. Tracking should be based on appropriate qualitative and quantitative indicators and draw on internal and external feedback, including from affected stakeholders.

Only four out of 30 companies assessed were able to meet this requirement, however none achieve a score of above 1. The average score for this indicator is 0.1 out of 2, making it one of the lowest scoring indicators (together with B.2.5 on communication with affected stakeholders and C.7 on processes to ensure effective remedy).

To meet requirements of Score 1, it is required that a company describes the system(s) for tracking the actions taken in response to human rights risks and impacts assessed and for evaluating whether the actions have been effective, or have missed key issues or not produced the desired results. A company may also be awarded one point if it provides an example of the lessons learned while tracking the effectiveness of its actions on at least one of its salient human rights issues as a result of the due diligence process. **Only two companies provided details on monitoring and evaluation processes**, while the other two provided examples of lessons learned in tracking the effectiveness of their actions for addressing their salient human rights issues.

Score 2 requires that companies both demonstrate lessons learned and describe the monitoring system(s) to track their action plans. In addition, the company must describe how it involves affected stakeholders in evaluation of whether the actions taken have been effective. **None of the 30 companies were able to meet this requirement.**

While nine of the companies provided information on actions taken to address salient issues, only four companies demonstrated tracking these actions, which is crucial to ensure that adverse impacts are being addressed effectively in practice. Further, **none of the four companies described how affected stakeholder are involved in the evaluation process(es).**

FIGURE 14: NUMBER OF COMPANIES PER SCORE B.2.4



B.2.5 COMMUNICATING ON HUMAN RIGHTS IMPACTS

Companies need to be prepared to communicate externally in order to account for how they address their impacts, particularly when concerns are raised by, or on behalf of, affected stakeholders. **This was the lowest scoring indicator of the benchmark assessment, with an average score of 0.03 out of 2.**

To meet Score 1, a company must provide **at least two examples** demonstrating how it communicates with affected stakeholders regarding specific human rights impacts raised by them or on their behalf. **None of the companies met the requirements of the indicator.** Two companies provided one example of their communication with affected stakeholders on human rights concerns.

Several companies describe how they engage with workers on human rights issues through surveys. However, this indicator is about communication with stakeholders on addressing specific human rights impacts raised by them or on their behalf.

Score 2 requires that the company provides examples of communication with affected stakeholders as well as a description of any challenges to effective communication the company has identified and how it is working to address them. **None of the companies were awarded a score above a half-point. Two companies described the challenges met in their communication with affected stakeholders** but did not provide any examples demonstrating their actual communication efforts.

FIGURE 15: NUMBER OF COMPANIES PER SCORE B.2.5



THEME C

REMEDIES AND GRIEVANCE MECHANISMS

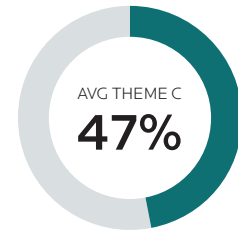
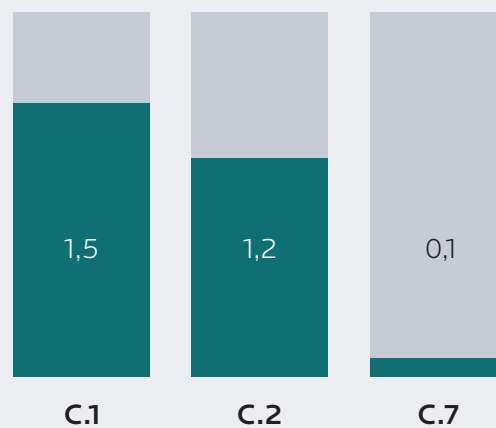


FIGURE 16: AVERAGE SCORE THEME C



Indicators

- C.1** Grievance mechanism(s) for workers
- C.2** Grievance mechanisms for external individuals and communities
- C.7** Remedying adverse impacts

Theme C indicators focus on the extent to which a company is able to and provide(s) remedy in addressing actual adverse impacts on human rights. It covers a company's approach to providing or cooperating in remediation when human rights harms – actual human rights impacts – have occurred. The indicators aim to assess the extent to which a company has appropriate processes in place so that grievances may be addressed early and remediated directly where appropriate.

KEY FINDINGS – THEME C

- **Almost all companies (29/30) have established one or more complaints mechanisms open to workers.**
- **Six companies are not clear on how grievance channels can be accessed by local communities and other external individuals to raise concerns of abuses at suppliers.**
- **Few companies (6/30) describe how they enable access to remedy,** indicating that there might be a gap between formal mechanisms in place remediation occurring in practice.

C.1 GRIEVANCE MECHANISM(S) FOR WORKERS

Companies should establish or participate in effective operational-level grievance mechanisms for workers who may be negatively impacted by their activities. **All companies indicated that they have complaints mechanisms accessible to workers. The average score is 1,5 out of 2, making it the highest scoring indicator.**

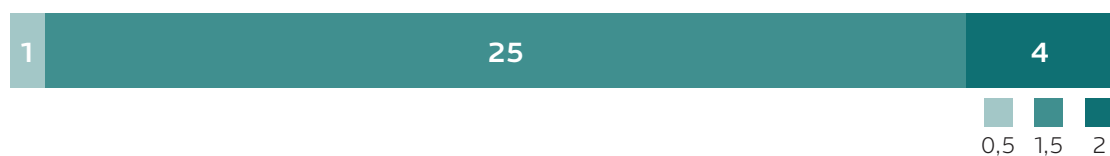
To achieve Score 1, a company must demonstrate that it has one or more mechanisms, or participates in a shared mechanism, accessible to all employees to raise complaints or concerns related to the company. An explicit reference to human rights is not required, but a mechanism that is specifically designed to cover other topics (e.g. a corruption hotline) needs to make clear to stakeholders that it can be used for human rights concerns as well.

Almost all companies (29/30) have established complaints mechanism as part of their policy compliance. While these are often described as 'ethics' or 'compliance' hotlines, they also allow employees to raise concerns related to human rights. Only one company had a complaints mechanism accessible to workers with country bound limitations as to what could be reported.

Score 2 requires that a company also describes awareness-raising efforts (e.g. specific communication(s) or trainings on its grievance mechanism(s)) and that the mechanism(s) are available in appropriate languages. In addition, it is required to demonstrate how workers in supply chains have access to either the supplier or company mechanism. Further, the company should communicate its expectation for suppliers to convey the same expectation on access to grievance mechanism(s) to their own suppliers.

Four companies met this indicator criteria completely, while 25 out of 30 met the requirements partially enabling a score of 1.5. Eleven of these companies met the criteria on raising awareness about its grievance mechanism to workers in supply chain. However, most companies did not fulfil the criterion requiring their suppliers to provide access to grievance mechanisms for their own suppliers.

FIGURE 17: NUMBER OF COMPANIES PER SCORE C.1



C.2 GRIEVANCE MECHANISM(S) FOR EXTERNAL INDIVIDUALS AND COMMUNITIES

Appropriate operational-level grievance mechanisms should also be accessible for non-worker potentially affected individuals and communities to raise concerns on human rights. **The average score is for this indicator 1.2 out of 2 across all 30 companies.**

For Score 1, a company is expected to have one or more mechanism(s), or participates in a shared mechanism, accessible to all external individuals and communities who may be adversely impacted by business activities. **Six of the companies assessed did not meet this requirement.** Reflecting on the lower scores compared with C.1, the companies are clearly less transparent about how they provide access to grievance mechanisms for external individuals or communities than for workers.

For Score 2 under this indicator, it should be clear that the mechanism is available in local languages and that all affected external stakeholders at the company's own operations are aware of it (e.g. specific communication(s) or training). In addition, it must be explicitly described how external individuals and communities have access to mechanism(s) to raise complaints related to the supply chain and that the company expects its suppliers to convey the same expectation on access to grievance mechanism(s) to their suppliers. **None of the companies met the requirements for this indicator completely.** While four companies communicated an expectation towards their suppliers to demand grievance channels among their own suppliers, **none of the examined companies demonstrated how they raise awareness about grievance mechanisms among external communities.**

FIGURE 18: NUMBER OF COMPANIES PER SCORE C.2



C.7 REMEDYING ADVERSE IMPACTS

Companies should provide for or cooperate in remediation to victims where it has identified that it has caused or contributed to adverse human rights impacts (or others have brought such information to the company's attention, such as through its grievance mechanism). They should also incorporate changes to systems, processes (e.g. human rights due diligence processes) and practices to prevent similar adverse impacts in the future. **This was the second lowest scoring indicator of the benchmark assessment overall, with an average score of 0,1 out of 2.** This is particularly concerning, when seen in contrast with C1 and C2, which are amongst the highest scoring indicators, suggesting that there might be a gap between formal mechanisms in place and the facilitation of actual remediation in cases of abuse.

To meet Score 1, a company is expected to describe its approach to enable access to remedy for victims in a specific case, or (if no adverse impacts have been

identified) how it would treat any claim for remedy. **None of 30 companies assessed communicated this type of information.** The criteria for this indicator is the same as in 2020, where only three companies met one of the requirements, showing no progress on this indicator.

For Score 2, a company is required to demonstrate how it incorporates lessons learned by describing changes to systems and procedures to prevent similar adverse impacts in the future, as well as its approach to monitoring implementation of the agreed remedy. If no adverse impacts have been identified, a company must describe the approach it would take to review and change systems and procedures to prevent adverse impacts in the future.

None of the assessed companies fulfilled all the requirements of the indicator concerning incorporating lessons learnt. Six companies provided information on precautionary measures taken following a concrete case of damage in order to prevent recurrence but did not meet requirements under Score 1.

FIGURE 19: NUMBER OF COMPANIES PER SCORE C.7



ACCESS TO REMEDY VS ACCESS TO OPERATIONAL GRIEVANCE MECHANISMS

Remediation and remedy refer to both the processes of providing remedy for an adverse human rights impact and the substantive outcomes that can counteract, or make good, the adverse impact. These outcomes may take a range of forms, such as apologies, restitution, rehabilitation, financial or non-financial compensation, and punitive sanctions (whether criminal or administrative, such as fines), as well as the prevention of harm through, for example, injunctions or guarantees of non-repetition. One of the most systematic ways for an enterprise to provide for the remediation of such impact is through an operational-level grievance mechanism.

An effective grievance mechanism aims to actively facilitate the identification of grievances and address them as early as possible. It does so by ensuring it is known to, and trusted by, those stakeholders for whom it is intended. The key processes provided by the mechanism, including general timelines it provides for handling grievances and the ways in which individuals can register their concerns, should be public. There is an expectation that a company will communicate transparently with complainants in order to facilitate accountability and the provision of a fair process.²⁵

6 CONCLUSION & NEXT STEPS

The relatively low scores obtained by companies in the snapshot analysis set out in this report illustrates that a majority of the 30 largest companies in Denmark are still in the early stages of demonstrating that they respect human rights. The key findings from the study include the following:

- Notwithstanding a few frontrunners scoring above 60% in overall alignment, none of the companies reach the highest score bands.
- A great majority of companies benchmarked make strong commitments to respect human rights in their business operations, however, half of the companies assessed have not expressed a formal commitment to the UNGPs.
- As in 2020, translating commitments in to practice through iterative human rights due diligence (identifying, assessing, acting upon, tracking and communicating on human rights impacts) remains at a very early stage among companies assessed in terms of documentation. Companies scored 2 out of 12 points on average on HRDD Indicators, with every company scoring below one point on at least one or more indicator.
- No companies were able to demonstrate effective stakeholder engagement throughout human rights due diligence processes. Only seven companies document that they engage with affected stakeholders or human rights experts in identifying their human rights risks. Just three companies include this engagement in their processes for assessing the risks. Six companies do not explicitly describe how external parties and communities can raise concerns or describe grievance mechanisms which exist for this purpose. None of the companies demonstrate how they raise awareness about grievance mechanisms among external communities.
- As a matter of great concern, companies still show low levels of commitment to provide access to remedy in case of adverse impacts. Only seven out of 30 companies assessed commit to provide for or cooperate in remediation for affected victims where adverse impacts occur. While most companies have in place mechanisms to receive complaints and grievances, none of the companies disclose processes or practices which could provide remediation.

This snapshot provides insights into how companies are currently communicating about their human rights efforts. It is possible that some companies do more than they communicate about externally, while others may present an unrealistic or exaggerated account of their activities in their public disclosures. Despite these limitations, the snapshot provides useful insight into the overall levels of disclosure and underlying efforts to address human rights among the largest companies in Denmark.

The recurring snapshot analysis reveal that regular benchmarking engages companies to improve their policies and documentation of processes and practices on human rights. Despite methodology changes, it appears that a few companies have progressed slightly in their reporting on human rights due diligence. The analysis also shows that two companies have actively worked to improve their human rights reporting, moving from the bottom scoring band (20-30%) in 2020, to some of the higher in

2022 (40-50% and 60-70%). We hope that continued benchmarking exercises will encourage Danish companies to make further progress and drive greater transparency in accordance with the expectations of the UNGPs.

6.1 RECOMMENDATIONS

In light of the results of this snapshot, the following recommendations can be made to various stakeholders – both the businesses, but also the Danish Government, Investors and civil-society.

Companies

We urge companies to improve both their human rights due diligence practices and their disclosures on how they are conducting due diligence. In particular, on aspects of due diligence where this snapshot has illustrated areas for improvement. This includes;

- Disclosure of due diligence practices;
- Demonstrating human rights due diligence across the full scope of value chain from suppliers, own operations, to the use of company products or services;
- Engagement with affected stakeholders; and
- Ensuring access to remedy when harm occurs.

The analysis in this report should serve as inspiration for the companies involved, but also other Danish companies, identifying where further improvement is needed.

Investors

For investors this analysis serves as a point of departure for further dialogue and engagement with the companies involved, but can also serve to highlight cross-cutting challenges for the Danish business community as a whole with regard to disclosure on human rights due diligence. We urge investors to consider the results of this analysis by:

- Engaging in dialogue with the companies involved – both individually and collectively;
- Driving company performance through shareholder advocacy; and
- Taking inspiration from the results of this report to inform their own human rights due diligence including in relation to investment decisions.

Government

This analysis clearly illustrates the need for the Danish State to meet its duty to protect human rights in line with the expectations of the UNGPs. This includes:

- Supporting regulatory efforts, such as efforts to develop a due diligence Directive at the EU level and European Sustainability Reporting Standards which are fully aligned with the UNGPs;
- Clarifying expectations on Danish business to respect human rights in their international operations and throughout their global value chains; and
- Use the results to inform work of supervisory authorities tasked with implementing and overseeing 'årsregnskabsloven' as well as dialogue and capacity building efforts aimed at annual report auditors

- Facilitate dialogue and learning for business on human rights due diligence and support the development of capacity in order to bridge the substantive gaps between company performance and the expectations of the UNGPs (including on remedy, value chain scope and stakeholder engagement).

Civil society and other stakeholders

Finally, civil society, consumer interest organisations, and other organisations, can and do play an important role in sharing the results of this analysis and using it in engagement with both companies, investors and governmental actors and Danish consumers and in policy processes.

7 ANNEX: METHODOLOGY & PROCESS

7.1 ABOUT THE CHRB METHODOLOGY

TABLE 4: CHRB CORE UNGP INDICATORS

		Available points					Max score in theme	Weighting
Theme A: Governance and Policy Commitments								
A.1.1	Commitment to respect human rights	0	0.5	1		2	6	25%
A.1.2.A	Commitment to respect the human rights of workers: ILO Declaration on Fundamental Principles and Rights at Work	0	0.5	1	1.5	2		
A.1.4	Commitment to remedy	0	0.5	1	1.5	2		
Theme B: Embedding Respect and Human Rights Due Diligence								
B.1.1	Responsibility and resources for day-to-day human rights functions	0	0.5	1	1.5	2	12	50%
B.2.1	Identifying human rights risks and impacts	0	0.5	1	1.5	2		
B.2.2	Assessing human rights risks and impacts	0	0.5	1	1.5	2		
B.2.3	Integrating and acting on human rights risks and impact assessments	0	0.5	1	1.5	2		
B.2.4	Tracking the effectiveness of actions to respond to human rights risks and impacts	0	0.5	1	1.5	2		
B.2.5	Communicating on human rights impacts	0	0.5	1	1.5	2		
Theme C: Remedies and Grievance Mechanisms								
C.1	Grievance mechanism(s) for workers	0	0.5	1	1.5	2	6	25%
C.2	Grievance mechanism(s) for external individuals and communities	0	0.5	1	1.5	2		
C.7	Remediating adverse impacts	0	0.5	1	1.5	2		

The study applies the recently updated Core UNGP Indicators developed by the Corporate Human Rights Benchmark (CHRB).²⁶ These 12 Indicators²⁷ are extracted from the full CHRB methodology²⁸ and provide a tool for taking a quick snapshot of a company's approach to human rights management and whether they are implementing the relevant requirements of the UNGPs, regardless of company size and industry sector.

The CHRB Core UNGP Indicators are divided into three key areas, namely 'Governance and Policy Commitments', 'Embedding Respect and Human Rights Due Diligence' and 'Remedies and Grievance Mechanisms'. Table 1 gives an overview of the indicators and scores available.

The scoring follows a set structure, awarding either zero, zero point five, one, one point five, or two points depending on whether the indicator requirements are assessed to have been met. In some cases, the company can receive 0.5 points on an indicator when it meets some or all of the requirements of score 2 but only some/none of the requirements for score 1. This is to give credit to and distinguish companies that meet 'some' requirements as opposed to those that meet 'none'.

7.1.1 APPROACH TO DOCUMENTATION & DATA COLLECTION

The snapshot is based solely on publicly available information from policy documents, annual reports and other relevant human rights materials found on company websites. Therefore, snapshot results are merely a proxy for corporate human rights performance and not an absolute measure of a company's actual behaviour nor its impacts on the enjoyment of human rights. Concurrently, the snapshot provides a subjective assessment at a certain point in time, thereby yielding results that will always include an interpretive margin. Consequently, a greater analytical focus on general trends in scores rather than upon marginal differences in scoring between companies is encouraged.

The current study was carried out during May-August 2022 based on publicly available data from companies listed in Table 2 and should therefore not be generalised to the entire population of Danish businesses. In fact, small-and medium-sized enterprises (SMEs) are the core of the Danish economy structure,²⁹ yet these are not represented in the present study. Instead, the study should be seen as a snapshot of some of the largest Danish companies' disclosure on their level of engagement with human rights.

7.1.2 CHRB SNAPSHOTS IN OTHER COUNTRIES

In recent years, several governments, academic institutions and civil society organisations from various countries have used the CHRB methodology to capture the local trends in corporate respect for human rights.

While the majority of country snapshots have utilised the CHRB Core UNGP Indicators,³⁰ other countries have applied full sector methodologies.³¹ Although studies have, in general, had different objectives and taken different approaches in their assessment processes, the growing uptake of the country-based snapshots has created valuable opportunities for researchers to share lessons learned and enabled wider cross-country comparison.

7.2 ABOUT THE DANISH SNAPSHOT

7.2.1 SELECTING COMPANIES FOR THE DENMARK SNAPSHOT

Companies in the present study were selected on the basis of corporate turnover for the financial year 2020, based on the Guld1000 list of Berlingske (published in September 2021).³² To ensure that the study captured companies involved in global value chains including in low and medium income countries, traders and companies who engage with the transfer of goods and services without extensive own international production activities, were excluded from the sample. Further, because the Guld1000 list includes foreign companies with subsidiaries in Denmark, companies with headquarters located outside of Denmark were excluded. This process led to the exclusion of 12 companies from the Guld1000 list.³³ The final list of the 30 companies assessed is included in Table 2.

TABLE 5: SAMPLE OF COMPANIES

Company	Sector	Revenue in mil. kr (financial year 2020)	Number of employees
A.P. Møller Mærsk	Transport	240.728	83.624
Novo Nordisk	Medical & Pharmaceutical	126.946	43.759
DSV	Transport	115.932	56.621
Vestas	Industrials	110.243	26.121
Arla Foods	Agri, food and beverage	79.184	20.020
ISS	Service	69.823	378.946
Salling Group	Retail	60.855	37.533
Danish Crown	Agri, food and beverage	60.794	22.996
Carlsberg	Agri, food and beverage	58.541	40.010
Ørsted	Energy	50.151	6.429
DLG	Agri, food and beverage	47.176	6.576
Lego	Design	43.656	18.950
Danfoss	Industrials	43.356	27.539
Coop Danmark	Retail	38.365	10.385
Stark Group	Construction	30.484	9.577
Grundfos	Industrials	26.340	19.224
Bestseller	Design	24.133	18.607
Lars Larsen Group (Jysk)	Design	23.820	18.820
VKR Holding (Velux)	Construction	22.610	15.267
Schouw & Co (Biomar)	Agri, food and beverage	21.273	9.393
Rockwool	Construction	19.357	11.626
Pandora	Design	19.009	22.336
Coloplast	Medical & Pharmaceutical	18.544	12.250
Lundbeck	Medical & Pharmaceutical	17.672	5.628
Dagrofa	Retail	17.440	3.179
FLSmidth & Co	Construction	16.441	11.567
Demant	Medical & Pharmaceutical	14.469	16.155
Novozymes	Biotech	14.012	6.185
Rambøll	Service	13.613	14.950
Per Aarsleff	Construction	13.295	7.215

The snapshot covers companies from 10 sectors: transport (two companies); medical and pharmaceutical (four companies); biotech and materials (one company); agriculture, food and beverage (five companies); industrials (three companies); energy (one company); service (two company); retail (three companies); design (four companies); and construction (five companies). It should be noted that the sample selection is not directly proportional to the largest industries of Denmark's economy, with some of the most important being the service industries, shipping and trade.³⁴

7.2.2 COMPANY ENGAGEMENT

Companies included in the Denmark snapshot were informed via e-mail once selected. Companies were also given the option to comment on their draft benchmark prior to consolidation.

However, this was no requirement, and companies did not receive additional points for engagement. The aim of this was for the companies to inform the research team of any public documents or information that had been overlooked during the assessment process.

In general, we observed a high level of engagement (with 75% providing feedback)³⁵ and interest in learning about the methodology and assessment criteria from companies assessed. This suggests that the companies surveyed are interested in understanding how to improve practices on human rights and communication thereon.

7.3 RISKS & LIMITATIONS

7.3.1 CHRB METHODOLOGY

The CHRB research relies on public information disclosed by companies with the aim of driving further transparency on human rights due diligence systems and their alignment with the Guiding Principles. The limitations that come with using public information on policies and processes to assess a company's human rights performance must thus be emphasised. Danish companies that ranked among the highest in the first 2020 benchmark³⁶ have also been associated with cases of reported business-related human rights abuse.³⁷ The CHRB cautions that benchmark results remain a proxy for corporate human rights performance and a subjective assessment at a certain point in time – not an absolute measure of actual performance.³⁸

Despite the quantitative approach of the benchmark assessment, we also found that several indicators left an important interpretive margin, which may affect the consistency of assessments and yield results that make comparison difficult. Therefore, the analytical focus should be on the aggregated results and improvement over time rather than upon individual company scoring or marginal differences in scoring.

While the indicators overall are well defined, certain indicators and associated interpretation of criteria were observed to have methodological weaknesses. These include:

- Requirement of explicit human rights language, specific type of wording and detailed communication: we experienced that the methodology was not always able to capture the efforts of companies that fail to communicate using human rights and business language and frame communications to fit the CHRB indicators. As such, there is a risk that the benchmark findings may reveal more about company's ability to communicate its human rights approach and to disclose information on policies and processes rather than actual human rights performance. Further, the human rights due diligence indicators in general require a high level of detail in order for companies to meet the scoring criteria, yet this is not particularly clear from the brief description of the indicator topic and the score requirements.
- Scoring system: several indicators, such as B.2.1 "Identifying human rights risks and impacts", cover multiple requirements, meaning two companies with very different performances may yield the same final result. For instance, in indicator B.2.1, a company that meets all three criteria under Score 2, but does not meet all Score 1 criteria, will only be awarded a half-point. A company that is disclosing just enough information to meet one of the five requirements would essentially receive the same score.
- B.1.1 "Responsibility and resources for day-to-day human rights functions": we experienced that the indicator excluded relevant information on companies' sustainability governance structures that most often cover human rights or social issues but are not explicit about human rights accountability. We applied the CHRB criteria rigidly but see a need to add broader indicators on evidence of human rights responsibilities.
- C.1 "Grievance mechanism(s) for workers" and C.2 "Grievance mechanism(s) for external individuals and communities": we observed that most companies that operate with compliance/whistle-blower systems were able to meet the criteria. However, such company mechanisms are often designed from the perspective of the company and tend to focus more on preventing violations of the business's policies and standards rather than remedying a situation for victims.³⁹ A human rights-compatible and dialogue-based mechanism integrates human rights norms and standards into its processes and offer a channel for those individuals or groups impacted by a company's activities to raise concerns on an informed basis.⁴⁰ For the purpose of this assessment, we followed the CHRB criteria but were more stringent in the review of descriptions on who could use the mechanism and what issues could be raised.
- The Core UNGP Indicators are extracted from the full CHRB Methodology to create a snapshot methodology applicable across sectors. The narrowed selection of indicators thus also excludes relevant indicators such as those relating to policy compliance processes, human rights training as well as serious human rights allegations. Furthermore, the full methodology also takes as its basis in certain industry-specific global standards to assess industry-specific challenges and approaches to managing human rights risks and impacts. The Core UNGP Indicators are thus to a certain extent less aligned with business and operational realities and may overlook some processes and practices that are relevant to e.g. industry practices.

To ensure that the methodology continues to be up-to-date and aligned with existing standards and frameworks, the CHRB launched a review of its methodology in 2020 consisting of desk-based research and extensive multi-stakeholder consultation. An important change in the methodology has been the strengthened attention to company impact and performance on the ground, beyond policies and processes, as well as amplifying the voices of affected stakeholders.⁴¹ While the former has not been captured by the Core UNGP Indicators, which excludes performance indicators D and E ('Company Human Rights Practices' and 'Responses to Serious Allegations'), new requirements for companies to report on their stakeholder approach throughout the different stages of the human rights due diligence cycle have been added to the Theme B indicators.

Conducting regular benchmarks provides an opportunity to track company progress over time, while creating strong incentives for companies to improve their scores. At the same time, continued review of the methodology and changes to indicators also creates certain challenges to direct comparison of produced benchmark data. Therefore, comparison of this year's indicator scores with previous benchmark results is not recommended and the study evaluates progress based on aggregate data and observations.

Some of the key differences between the 2020 and 2021 methodology include:

- Type of evidence – policy commitments: the updated methodology no longer accepts a commitment to the ten principles of the UN Global Compact as sufficient evidence of a strong policy commitment to respect human rights or workers' rights. Further, sustainability policies and other non-financial reporting documents are no longer considered valid documentation under the Theme A "Governance and Policy Commitments."
- A.1.2 "Commitment to respect the human rights of workers": the indicator has been split into two new indicators, A.1.2.a and A.1.2.b, where the former looks at a company's commitment to the eight ILO core conventions and the latter focuses on a company's commitment to respecting health, safety and working hours of workers. However, A.1.2.b has not been included to the Core Indicators list, meaning some companies that have prioritised the protection of rights to a safe and healthy workplace are no longer recognised for such efforts in benchmark assessments that are applying the Core UNGP Indicators.
- A.1.4 "Commitment to engage with stakeholders": the indicator has been removed from the methodology, affecting total scores. The new maximum score for Theme A in the Core UNGP Indicator assessment is now 6 points instead of 8 points.
- A.1.5 "Commitment to remedy" (now A.1.4): the indicator has additional requirements for a company to expect its suppliers to make a commitment to remedy adverse impacts and that the company explicitly commits to collaborating with judicial and non-judicial mechanisms.

- Theme B Indicators – human rights due diligence: the updated methodology has added new indicator requirements for companies to disclose how they engage with both suppliers and affected stakeholders at each stage of the due diligence cycle. Further, given recent publications of the UN Working Group on Business and Human Rights on the steps that business should take to implement the Guiding Principles in conflict and post-conflict contexts, a requirement to indicator B.2.1 “Identifying human rights risks and impacts” has been added, asking companies to describe risks they have identified as part of a heightened due diligence process in conflict-affected areas.
- B.2.5 “Communicating on human rights impacts”: the indicator has been updated with completely new requirements, asking companies to give examples of their approach to communication with affected stakeholders on issues they have raised and describe any challenges they have identified to effective communication. While we were rarely able to find such examples on company websites, we decided to keep the indicator in the country snapshot, as it is one of the few indicators that is not focusing solely on processes but also company performance when it comes to dealing with the specific concerns raised by affected stakeholders.
- Theme C Indicators – grievance mechanisms: companies are now also required to communicate an expectation for suppliers to convey an equivalent expectation on access to grievance mechanisms to their own suppliers. Further, companies must describe how they raise awareness of grievance mechanisms (e.g. trainings or other specific communications).

In light of the revisions, we encourage readers to apply discretion when comparing the results of the 2020 benchmark with the 2022 benchmark findings.

7.3.2 QUALITY ASSESSMENT

While the approach to the collection, handling and reporting of data is described in detail above, the personal biases of researchers may still cause subjective interpretation of empirical data.

The research team made use of the CHRB Excel spreadsheet that enabled a structured and systematic collection of data on a company by company basis. Subsequently, the CHRB cross-checked initial applications of the methodology to ensure correct interpretation of indicators and consistency with the CHRB approach. Throughout the preliminary research phase, i.e. applying the updated indicators and developing company draft scorecards, the CHRB provided guidance and feedback when further clarification was needed. Finally, once company feedback was collected, the research team conducted a final consistency check of the assessments across all company scorecards to ensure repeatability of the methodology approach across examined companies.

7.3.3 RELATIONSHIPS BETWEEN DIHR AND COMPANIES INCLUDED IN THE SNAPSHOT

DIHR through its previous corporate engagement activities have had collaborations or relationships with a number of the companies included in the snapshot. DIHR did collaborate directly with any of the companies at the time of the assessment. However, several of the companies assessed in the snapshot are members of the Nordic Business Network for Human Rights, which is facilitated by DIHR (Arla, Biomar, Danfoss, Lego, Lundbeck, Pandora, Novo Nordisk and Vestas).⁴² However, due to the methodological reliance on publicly available information only for the purpose of company assessments, DIHR has not utilised any additional knowledge from engagements with the network in connection with this snapshot and has not identified any conflicts of interest.

- company only made the commitment to respect the ILO conventions but did not lists fundamental rights explicitly
- 21 Two of these companies relied on MSI policies as opposed to having their own formal policies and commitments to human rights.
 - 22 Which means that four companies have progressed since the first Denmark snapshot in terms of demonstrating their processes to identify human rights risks.
 - 23 United Nations Global Compact, Stakeholder Engagement in Human Rights Due Diligence – A Business Guide: https://www.globalcompact.de/migrated_files/wAssets/docs/Menschenrechte/stakeholder_engagement_in_humanrights_due_diligence.pdf
 - 24 https://www.ohchr.org/sites/default/files/documents/publications/guidingprinciplesbusinesshr_en.pdf
 - 25 UN Office of the High Commissioner for Human Rights (OHCHR), 2012, The corporate responsibility to respect human rights – an interpretive guide, at: http://www.ohchr.org/Documents/Publications/HR.PUB.12.2_En.pdf
 - 26 <https://www.worldbenchmarkingalliance.org/corporate-human-rights-benchmark/>
 - 27 https://assets.worldbenchmarkingalliance.org/app/uploads/2022/05/CHRB-Methodology_COREUNGP_2021_FINAL.pdf
 - 28 <https://www.worldbenchmarkingalliance.org/research/the-methodology-for-the-2022-corporate-human-rights-benchmark/>
 - 29 European Commission, SME Performance Review 2021/2022 - Denmark country sheet <https://ec.europa.eu/docsroom/documents/50683>
 - 30 [Belgium](#), [Germany](#), [Ireland](#), [Scotland](#), and [Spain](#)
 - 31 [Finland](#)
 - 32 <https://www.berlingske.dk/virksomheder/se-listen-her-er-danmarks-1000-stoerste-virksomheder-i-2021>
 - 33 Namely United Shipping & Trading; Centrica Energy Trading; Energi Danmark; Danish Agro; Siemens Gamesa; Rema 1000 Danmark; TDC (due to recent separation of the company into two legally and operationally individual subsidiaries); Dampskibsselskabet Norden; In Commodities; Semler Gruppen; DFDS; and GN Store Nord.
 - 34 <https://statistikbanken.dk/nabp10>
 - 35 This engagement rate is slightly higher than the one experienced by the CHRB in global assessments (ca. 70%). <https://assets.worldbenchmarkingalliance.org/app/uploads/2021/09/Ensuring-corporate-respect-for-human-rights-FINAL.pdf> p.18
 - 36 https://www.humanrights.dk/sites/humanrights.dk/files/media/document/Documenting%20business%20respect%20for%20human%20rights_accessible.pdf
 - 37 <https://danwatch.dk/perspektiv/en-dansk-vindmoellepark-er-kenyas-stoerste-groenne-investering-nogensinde-nu-har-en-domstol-kendt-den-ulovlig/>;
<https://danwatch.dk/undersogelse/boernearbejde-bag-dansk-baeredygtig-chokolade/>; <https://danwatch.dk/undersogelse/hvad-skjuler-novo-i-iran/>
 - 38 https://assets.worldbenchmarkingalliance.org/app/uploads/2022/05/CHRB-Methodology_COREUNGP_2021_FINAL.pdf
 - 39 https://www.businessrespecthumanrights.org/image/2016/10/24/3_8.pdf, p.110
 - 40 Harvard Kennedy School Corporate Responsibility Initiative, "Rights- Compatible Grievance Mechanisms: A Guidance Tool for Companies and their Stakeholders," available at: <https://media.business-humanrights.org/media/documents/files/reports-and-materials/Grievance-mechanisms-principles-Jan-2008.pdf>
 - 41 <https://assets.worldbenchmarkingalliance.org/app/uploads/2021/09/Ensuring-corporate-respect-for-human-rights-FINAL.pdf> p.15
 - 42 <https://www.humanrights.dk/projects/nordic-business-network-human-rights>

