



Business & Human Rights
Resource Centre

Respect for Human Rights

A SNAPSHOT OF THE LARGEST GERMAN COMPANIES

Summary Report

For the full benchmarking report, company scoresheets and comments, as well as further resources, visit the [briefing page](#).

In 2016, the German Government set a target. By 2020 at least 50% of German companies with more than 500 employees should have policies and processes in place to identify and mitigate their human rights risks and impacts. The current coalition agreement [states](#) that if companies' voluntary implementation proves to be insufficient, the Government will *"introduce appropriate legislation at the national level and advocate [for] an EU-wide regulation."* The expectation is clear: German companies should meet basic requirements on corporate behaviour as set out in the UN Guiding Principles on Business & Human Rights (UNGPs), unanimously adopted by the UN Human Rights Council in 2011. According to the UNGPs [Interpretive Guide](#), they *"set the baseline responsibility of all enterprises as respect for human rights wherever they operate."* The German Government's assessment of companies' efforts is due in 2020.

In this context we release this assessment of the 20 largest¹ German companies' public human rights disclosures. We use the Corporate Human Rights Benchmark, delivered each year by Aviva Investors, Business & Human Rights Resource Centre, Calvert Investments, Eiris Foundation, Institute for Human Rights and Business, and VBDO. Here we deploy a stripped-down version to

measure whether the 20 companies meet basic requirements as set out by the UNGPs. These 12 indicators described in the [CHRB Core UNGP Indicator Assessment](#) are applicable to companies of any sector and should be considered the 'floor' of corporate respect for human rights. We found that:

None of the companies achieved at least one point on every human rights indicator. Every company scored zero on at least one of the core indicators, showing that none of Germany's largest companies demonstrate that they fully meet the UNGPs' range of basic expectations. This is the closest test as to whether the companies will meet the Government's target.

18/20 (90%) companies failed to demonstrate how and whether they manage their human rights risks sufficiently (due diligence). Just two companies, Daimler and Siemens, received points on all four core indicators looking at human rights due diligence processes.

The highest scoring company was Siemens, scoring 14.5/24 (60%). The average score was 10.1/24 (42%) and the lowest score 6.0/24 (25%).

¹ By worldwide turnover in the business year 2017/2018

This study assesses information publicly disclosed by the companies themselves (companies' websites, their formal financial and non-financial reporting and other public documents referenced therein).² Corporate transparency is a fundamental condition of the UNGPs and the CHRB methodology aligns with this. Companies were scored between zero and two across the 12 core indicators. A score of one means they met the basic requirements, and two means they went beyond the basic requirements.

While it is welcome that all companies made a public commitment to respect human rights in general, major shortcomings were found in companies' disclosed human rights due diligence processes. Most human rights risk assessments did not prioritise the most severe potential harms to people (as defined through the concept of 'salience' in the UNGPs and Interpretive Guide) but appeared to focus on potential damage for the company, e.g. loss of reputation. Moreover, the identification and assessment of human rights risks often happens at a very general level as part of a 'materiality' assessment of sustainability topics and without consultation with potentially affected stakeholders. Assessment of risks and impacts identified was one of the three lowest scoring

indicators overall, with **17/20 companies scoring zero**.

Access to remedy in case of harm is one of the weakest areas. **Only 3/20 companies, Bayer, Metro and Thyssenkrupp, have a public commitment to provide remedy.** While all companies have grievance mechanisms in place that allow employees to submit concerns or complaints, only ten make sure, at a basic level, that this is also available to workers of suppliers and only one of those specifies this for potentially affected individuals and communities in supply chains.

The results are clear: None of Germany's largest companies were assessed to have met a basic level of respect for human rights, as none achieved points on every indicator. All these companies are large global businesses, many with highly complex supply chains where evidence shows the risk of human rights abuses is high and endemic. As the largest companies in Germany, these firms have the resources and incentives to lead the way on respect for human rights. Therefore, there is no reason to assume that the wider group of German companies being assessed by the Government would score higher with the method applied in this snapshot study.

² As of spring 2019



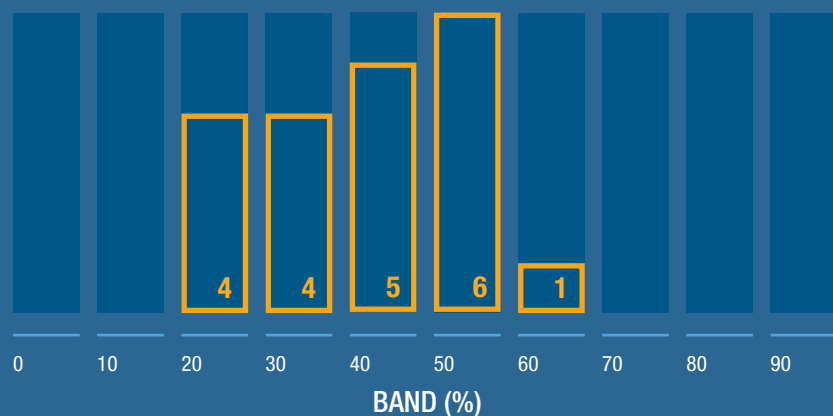
Banding Table

COMPANY	SECTOR	BAND (%)	TOTAL (OUT OF 24)	THEME A (OUT OF 8)	THEME B (OUT OF 10)	THEME C (OUT OF 6)
Siemens	Technology	60–70	14.5	5.5	5.5	3.5
Daimler	Automotive	50–60	13.5	4.5	6.0	3.0
Deutsche Telekom	Telecom	50–60	13.5	4.0	6.0	3.5
Metro	Retail	50–60	13.0	4.0	6.0	3.0
Thyssenkrupp	Steel	50–60	13.0	4.5	4.5	4.0
Bayer	Chemistry	50–60	12.5	4.5	4.5	3.5
BASF	Chemistry	50–60	12.0	4.5	2.5	5.0
Continental	Automotive	40–50	11.0	2.5	5.5	3.0
Bosch	Technology	40–50	10.5	2.5	4.5	3.5
E.ON	Energy	40–50	10.5	4.5	4.5	1.5
BMW	Automotive	40–50	10.0	4.5	4.0	1.5
Volkswagen	Automotive	40–50	10.0	3.5	3.0	3.5
RWE	Energy	30–40	8.5	2.5	2.0	4.0
Munich Re	Finance	30–40	8.0	3.5	3.5	1.0
Allianz	Finance	30–40	7.5	3.5	3.0	1.0
Uniper	Energy	30–40	7.5	3.0	3.5	1.0
Deutsche Bahn	Logistics	20–30	7.0	2.0	2.0	3.0
Deutsche Post DHL	Logistics	20–30	7.0	4.0	2.0	1.0
ZF Friedrichshafen	Automotive	20–30	7.0	2.5	2.0	2.5
Deutsche Bank	Finance	20–30	6.0	1.5	3.5	1.0
Average (% of maximum/theme score)		40–50	10.1 (42%)	3.6 (45%)	3.9 (39%)	2.7 (44%)

Banding table with total and theme scores of all 20 companies (numeric deviations result from rounding)

Distribution of Overall Scores

NUMBER OF COMPANIES ▶



Key Messages: Theme Scores

Theme A: Governance & policy commitments

Average score: 3.6/8 (45% of maximum theme score)

Many companies' human rights policies do not explicitly cover workers' rights in supply chains, engagement with affected stakeholders, and access to remedy.

It is positive that all 20 companies have made a public commitment to respecting human rights in general. However, only 13 of them also extend this commitment to workers' rights and expect the same from suppliers, and none fully commit themselves to adhering to the ILO Conventions on working hours and on health and safety, nor do they require their suppliers to.

Virtually all companies make a general commitment to stakeholder consultation and demonstrate how they communicate with stakeholders such as investors, customers, employees or non-governmental organisations. Only 14 companies, however, express commitment to or describe examples of engaging with affected and potentially affected groups including local communities, i.e. those directly and negatively impacted by business operations. Very few of them (three) commit to engaging with affected stakeholders and/or their legitimate representatives in the development or monitoring of their human rights approach, or present evidence thereof. This suggests that many companies miss out on the most important information channel for human rights risks, especially those deeper in their supply chains.

Commitment to remedy is among the lowest scoring indicators overall (along with the implementation of remedy, see below under Theme C, and the assessment of risks and impacts identified in Theme B). Only three companies, Bayer, Metro and Thyssenkrupp, have some sort of a commitment to remedy for victims of an abuse that they cause or contribute to, the latter two merely with a focus on workers.

Theme B: Embedding respect & human rights due diligence

Average score: 3.9/10 (39% of maximum theme score)

Due diligence is the lowest-scoring theme overall, with companies failing to demonstrate they are meeting UNGPs requirements on assessing salient human rights risks specifically. This theme is particularly important as it is the most relevant to the German Government's assessment of companies and could trigger discussion of a due diligence law.

An average of 3.9 out of 10 maximum points makes Theme B on human rights due diligence the lowest-scoring theme overall. Eighteen companies scored zero in at least one due diligence category, while Daimler, Deutsche Telekom and Metro scored the highest with 6.0. This suggests that companies across the board are currently failing to comply with due diligence expectations as outlined in the UNGPs.

Assessment of risks and impacts identified was among the three lowest scoring indicators overall, with 17 out of 20 companies scoring zero as they fail to describe their processes for assessing human rights risks in line with the UNGPs, and/or the results of such an assessment. These were the main shortcomings identified:

The risk assessment approaches and/or results described by companies do not sufficiently specify human rights risks, often referring to “human rights in the supply chain” without any specification of which human rights are at stake in which parts of the supply chain, or in which country.

Instead of assessing the most severe potential harms to people (i.e. ‘salient’ risks, as per the UNGPs and Interpretive Guide), many companies appear to assess their human rights risks focusing on potential damage to the company, following a ‘materiality’ approach. Without identifying salient risks, the opportunity to diminish those risks is severely curtailed.³

Eleven companies disclose that they review the effectiveness of their human rights approach on an ongoing basis. Specific learnings and improvements derived from an evaluation, proving its meaningfulness, are described by only one company.

³ The [UNGP Reporting Framework](#), an initiative of Shift and MAZARS, provides guidance on salience and how it is different from materiality in the context of human rights issues.

Theme C: Remedies & grievances mechanisms

Average score: 2.7/6 (44% of maximum theme score)

Most companies are failing to demonstrate their grievance mechanisms are effective and disclose little evidence for adequate processes to provide remedy in case of adverse impact.

It is positive that all companies analysed have some form of grievance mechanism. However only five out of 20 disclose publicly details on how their grievance mechanism works, whether it is available in all relevant languages and whether workers of suppliers can also voice their concerns (another nine out of 20 meet these criteria partially).

While 17 companies make a basic claim that grievance mechanisms can also be used by external interest groups, and 12 of them describe, at a basic level, how stakeholders affected by company operations can gain access, only one of those companies, BASF, specifies how it ensures that affected individuals and communities can submit complaints about harm in **supply chains** (in this case to the supplier), despite many human rights risks globally being situated in supply chains.

Like commitment to remedy (see above under Theme A), information on remedying adverse impacts when they do occur is virtually non-existent, making this one of the three lowest scoring indicators overall. Only three out of 20 companies disclose processes or practices on how they treated or would treat a claim for remedy.

Access to remedy is a key pillar of the UNGPs. Human rights data and previous analyses have [shown](#) that German companies' operations and supply chains are associated with adverse human rights impacts. Therefore, this is a key cause for concern for those who expect German companies to take responsibility for their human rights impacts – due diligence efforts have little value if companies are not prepared to provide remedy when adverse impacts happen.

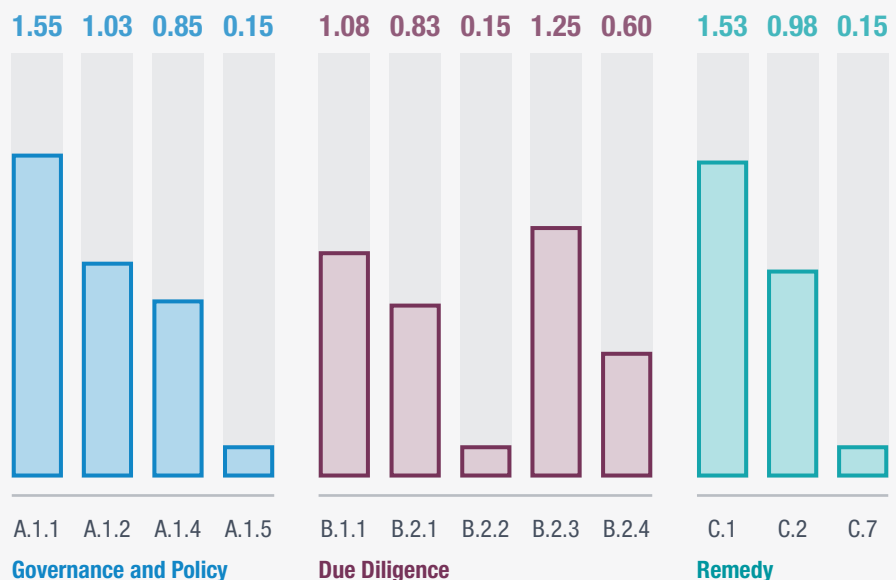
UNGP Core Indicators

Theme A Governance and Policy Commitments		MAX. POINTS ▾ 8
A.1.1	Commitment to respect human rights	2
A.1.2	Commitment to respect the human rights of workers	2
A.1.4	Commitment to engage with stakeholders	2
A.1.5	Commitment to remedy	2
Theme B Embedding Respect and Human Rights Due Diligence		MAX. POINTS ▾ 10
B.1.1	Embedding—Responsibility and resources for day-to-day human rights functions	2
B.2.1	HRDD—Identifying: Processes and triggers for identifying human rights risks and impacts	2
B.2.2	HRDD—Assessing: Assessment of risks and impacts identified (salient risks and key industry risks)	2
B.2.3	HRDD—Integrating and Acting: Integrating assessment findings internally and taking appropriate action	2
B.2.4	HRDD—Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts	2
Theme C Remedies and Grievance Mechanisms		MAX. POINTS ▾ 6
C.1	Grievance channels/mechanisms to receive complaints or concerns from workers	2
C.2	Grievance channels/mechanisms to receive complaints or concerns from external individuals and communities	2
C.7	Remediating adverse impacts and incorporating lessons learned	2

MAX. AVAILABLE SCORE ▾ 24

Average Indicator Scores

Average scores per indicator across all 20 companies.



About the Editors



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Business & Human Rights Resource Centre is an international NGO that tracks the human rights impacts (positive & negative) of over 8,000 companies in over 180 countries making information available on its eight-language website. We seek responses from companies when concerns are raised by civil society. The response rate is around 70% globally.

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The ZHAW School of Management and Law is the largest of the eight schools of Zurich University of Applied Sciences (ZHAW). The business school offers advanced, interdisciplinary education programs at a demanding academic level in the areas of management, economics, and business law. Rigorous theoretical research and practically oriented consulting contribute towards the development and innovation of private enterprises as well as government and nonprofit organizations, both in Switzerland and worldwide. The Center for Corporate Responsibility is one of the University's research units with a special focus on corporate responsibility management, business and human rights as well as sustainability innovation.

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This summary report is based on a longer report researched and authored by Herbert Winistörfer, ZHAW School of Management and Law. For a full benchmarking report, company scoresheets and comments as well as further resources, visit the briefing page: <https://www.business-humanrights.org/en/german-snapshot>



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