



The BankTrack Human Rights Benchmark Asia

BANKTRACK



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Part of the BankTrack Human Rights Benchmark Project

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Key findings

BankTrack’s Human Rights Benchmark Asia assesses 18 commercial banks headquartered in Asia, against a set of 14 criteria based on the requirements of the UN Guiding Principles on Business and Human Rights (‘the Guiding Principles’). It examines the banks’ performance on human rights issues under four categories: their **policy commitment, human rights due diligence (HRDD) process, reporting on human rights and their approach remedy.**

The benchmark follows the same methodology as BankTrack’s [2019 Human Rights Benchmark](#), which covered 50 of the world’s largest private-sector commercial banks. Our focus with this regional benchmark is on “second-tier” banks, which are smaller than those evaluated in the 2019 Human Rights Benchmark but are nevertheless regionally significant financiers of business activity. A follow-up to the 2019 Human Rights Benchmark is planned for publication later in 2022.

Our key findings are:

Overall implementation of the UN Guiding Principles is generally poor among the Asian banks evaluated. The average score among these 18 banks was 2.5 out of 14, showing a low overall level of implementation. This compares with an average score of 4 out of 14 in our last global benchmark.

Most banks benchmarked do have a statement of policy addressing human rights. Of the 18 banks benchmarked, only two do not have any kind of policy addressing human rights.

However, these policies are not elaborated into human rights due diligence procedures. Most banks provided no information on how they conduct such due diligence, with 11 out of 18 banks receiving no score for any of our five due diligence criteria.

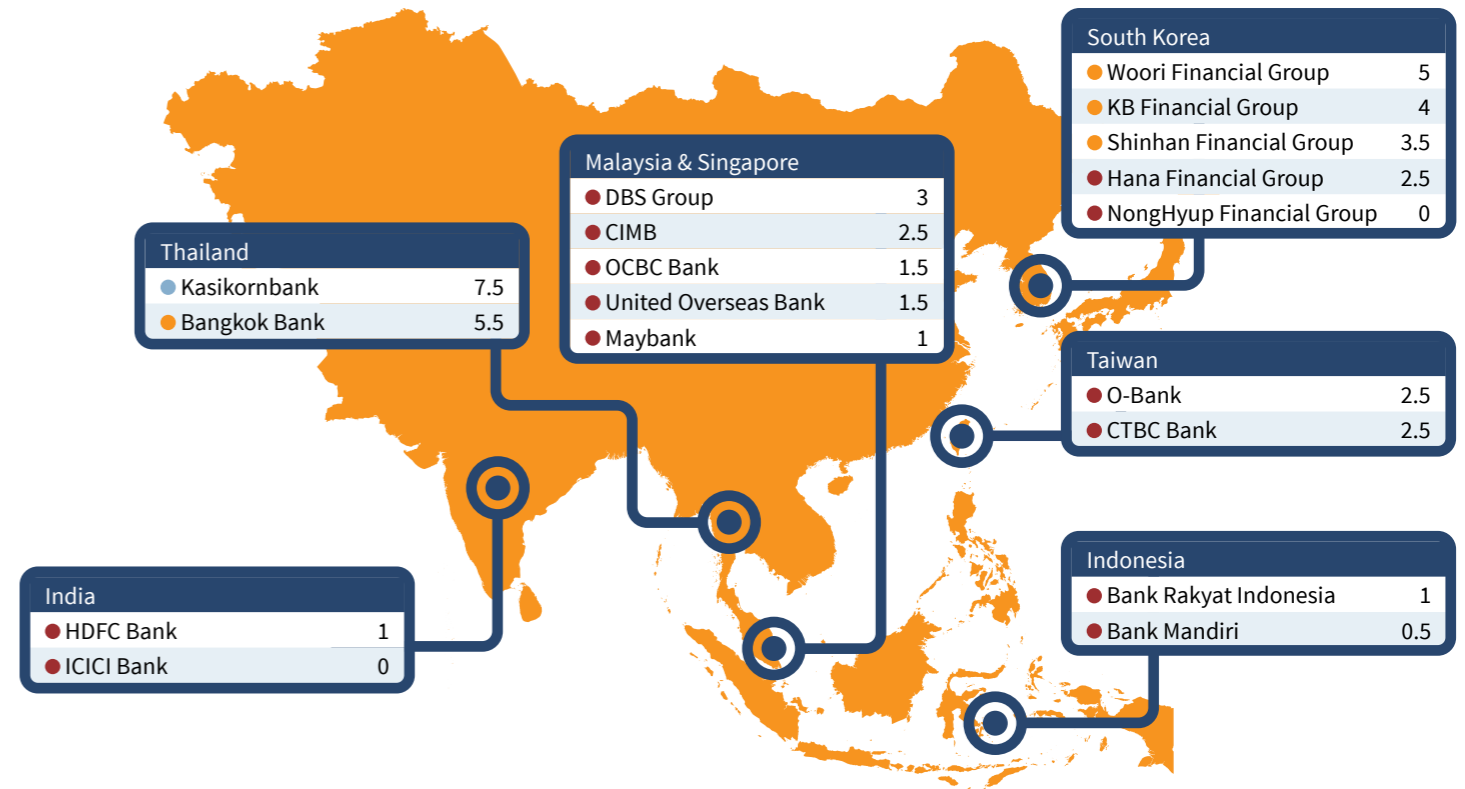
Human rights reporting among Asian banks is weak. Only half of the 18 banks benchmarked published any reporting on human rights. Where reporting was present, it typically covered internal policy developments, and did not include an evaluation of the bank’s main human rights risks and impacts.

None of the banks have established or participated in an effective grievance mechanism for those affected by the impacts of their finance. Only six out of 18 banks make any commitment to remediate adverse human rights impacts.

Thailand’s **Kasikornbank** led the ranking of the 18 Asian banks, with a score of 7.5 points out of a possible 14, ranking as a “front runner”. This score was bettered by only two other banks globally in our 2019 benchmark. Kasikornbank was followed by **Bangkok bank**, also from Thailand, which scored 5.5 points. The scores represent relatively well-developed human rights policies and processes. However, in both banks’ human rights reporting, claims are made that no human rights violations have been found in the reporting period, which calls into question the quality of these banks’ due diligence in practice.

Korean banks followed the Thai banks, with **Woori Financial Group** scoring 5 points and **KB Financial Group** scoring 4 points, closely followed by **Shinhan Financial Group** with 3.5 points. These four banks were ranked as “followers”.

The remaining 13 banks were ranked as “laggards” in the benchmark, scoring 3 points or less. Of these, the Korean bank, **Hana Financial Group**, was the only bank which made a clear commitment to respect human rights. No banks were ranked in the “leaders” category, which is reserved for banks scoring more than 9 points out of 14.



Summary table of results

Leaders: 9.5 – 14 points	Country	Score
None		
Frontrunners: 6.5 -9 points	Country	Score
Kasikornbank	Thailand	7.5
Followers: 3.5 – 6 points	Country	Score
Bangkok Bank	Thailand	5.5
Woori Financial Group	South Korea	5
KB Financial Group	South Korea	4
Shinhan Financial Group	South Korea	3.5
Laggards: 0- 3 points	Country	Score
DBS Group	Singapore	3
Hana Financial Group	South Korea	2.5
O-Bank	Taiwan	2.5
CTBC Bank	Taiwan	2.5
CIMB	Malaysia	2.5
OCBC Bank	Singapore	1.5
United Overseas Bank	Singapore	1.5
Maybank	Malaysia	1
Bank Rakyat Indonesia	Indonesia	1
HDFC Bank	India	1
Bank Mandiri	Indonesia	0.5
NongHyup Financial Group	South Korea	0
ICICI Bank	India	0

Introduction

In this report we have for the first time evaluated 18 Asian-headquartered banks on the extent of their implementation of their human rights responsibilities, as set out in the UN Guiding Principles (UNGPs). These banks are important financiers of many industries with significant and continued human rights impacts, such as the palm oil industry, centred in Indonesia and Malaysia. These banks are also frequently financiers of large multinational companies, including in the oil and gas and other extractive sectors, and as such may be linked to human rights abuses that occur far outside of their host region.

In producing this benchmark we aim to raise the level of scrutiny on Asian banks' human rights performance and drive improvements in policy, reporting, and access to remedy. However, we are also acutely aware that such improvements need more than benchmarks. They also need scrutiny on what banks are financing in practice and how they respond to grievances and complaints brought forward by affected communities. Also as developments elsewhere have shown, it needs the sustained attention of regulators to make sure banks meet their responsibilities, and turn the 'soft law' requirements of the UN Guiding Principles into hard law.

Links to Dodgy Deals

Six out of 18 banks reviewed, **CIMB, Maybank, Overseas Chinese Banking Corporation, Bank Rakyat Indonesia, United Overseas Bank** and **DBS** are linked to active Dodgy Deal profiles on the BankTrack database, including several problematic and high-profile projects in the region. These include:

- **United Overseas Bank** provided revolving credit facilities to US energy company Enbridge, which is constructing the [Line 3 Replacement Pipeline](#) in the United States. Line 3 will expand access to tar sands oil, while crossing important eco-systems, including forests and wetlands in Minnesota and the Great Lakes, and has sparked massive Indigenous-led opposition.
- **Bank Rakyat Indonesia, CIMB, Maybank and Overseas Chinese Banking Corporation** all financed the Sinar Mas group, owner of Asia Pulp and Paper ([APP](#)). APP has been implicated in human rights violations including land conflicts and displacement of communities; child labour has been found in the company's supply chains; and the company's affiliates and suppliers have also been implicated in violence, intimidation, and killing of environmental activists.
- **DBS** has financed Australia based mining giant Rio Tinto, and was therefore, amongst other human rights issues linked to the company, linked to the company's efforts to build a [lithium mine](#) in Jadar, Serbia against widespread resistance of local communities. Although the project has been cancelled, it has already caused damage to communities and would have displaced people and destroyed productive agricultural land.

In addition, all the banks reviewed in this benchmark with the exception of **ICICI Bank, HDFC Bank, O-Bank** and **Hana Financial Group** are listed in the [Forest and Finance database](#), and are therefore all exposed to companies in the beef, soy, palm oil, pulp and paper, rubber and/or timber supply chains, sectors that not only pose a high risk to forests but also each have their own human rights challenges attached.

Exposure to forest risk companies in 2021 for selected banks

Bank Name	Amount (US\$ millions)
OCBC Bank	741.0
Maybank	625.6
Bank Rakyat Indonesia	328.0
Bank Mandiri	267.3
CIMB	242.0
DBS	241.1
United Overseas Bank	51.2
Woori Financial Group	40.1
Bangkok Bank	14.0
CTBC	12.4
Kasikornbank	4.3
Shinhan Financial Group	2.6
KB Financial Group	2.0
NongHyup Financial Group	1.0

Source: [forestsandfinance.org](#)

Voluntary Principles adhered to by selected banks

Ten of the 18 banks covered by this benchmark are signatories to the [Equator Principles](#) (EPs) – a bank-led risk management framework for financing large infrastructure projects. Seven are signatories to the [Principles for Responsible Banking](#) (PRBs) – a newer set of principles focused on alignment with the Paris Climate Agreement and Sustainable Development Goals. Both sets of Principles include respect for human rights within their scope. The Korean banks **KB Financial Group**, **Shinhan Financial Group**, **NongHyup Financial Group**, **Hana Financial Group** and **Woori Financial Group** are the only banks covered that signed up to both sets of Principles.

However, consistent with the results of our [2021 African Human Rights Benchmark](#), we find no clear evidence in this benchmark that these voluntary sector initiatives are resulting in stronger human rights policies and processes among their signatories. For example, two of the banks that signed up to both sets of Principles are ranked here as laggards, namely **NongHyup Financial Group** and **Hana Financial Group**, with NongHyup lacking any human rights policy.

	PRBs	EPs
Front-runners		
Kasikornbank	✓	
Followers		
Bangkok Bank		
Woori Financial Group	✓	✓
KB Financial Group	✓	✓
Shinhan Financial Group	✓	✓
Laggards		
DBS Group		✓
Hana Financial Group	✓	✓
O-Bank		✓
CTBC Bank	✓	✓
CIMB	✓	
OCBC Bank		✓
United Overseas Bank		✓
Maybank		
Bank Rakyat Indonesia		
HDFC Bank		
Bank Mandiri		
NongHyup Financial Group Inc.	✓	✓
ICICI Bank		

Methodology

To determine the banks in scope for this Benchmark Asia, we began with the list of the biggest Asian banks by asset value, excluding those without significant involvement in commercial banking (e.g. national development banks). We also excluded banks already covered in our 2019 Human Rights Benchmark, including the largest Chinese and Japanese Banks, as well as the State Bank of India. These banks will be covered again in the 2022 update to our global Benchmark report. We then prioritised banks of regional importance and those that have signed up to voluntary principles such as the Equator Principles and Principles for Responsible Banking.

We assessed the resulting list of 18 banks against the criteria already established for the 2019 BankTrack Human Rights Benchmark, based on the documents published by each bank on its website. In early November 2021 we sent each bank details of its draft scores, giving them the opportunity to provide feedback. Banks were given three weeks in total to respond including extensions where requested.

Of the 18 banks we contacted and sent draft scores, seven responded with feedback: **CTBC Bank**, **DBS**, **United Overseas Bank**, **HDFC Bank**, **Maybank**, **CIMB**, **Kasikornbank**. Two banks confirmed receipt of draft scores without feedback: **OCBC Bank** and **Bank Mandiri**. Banks whose scores increased after feedback include **CTBC Bank**, **DBS**, **United Overseas Bank**, **HDFC Bank** and **CIMB**. No banks' scores decreased based on their feedback.

Box: What are the Guiding Principles?

The UN Guiding Principles on Business and Human Rights ('the Guiding Principles') are the authoritative global standard on business and human rights, unanimously endorsed by the UN Human Rights Council in 2011. They provide the clearest expression yet of the international community's expectations of the human rights responsibilities of business. While not legally binding, the responsibilities they set out apply to all businesses regardless of size, including financial institutions such as commercial banks.

The Principles implement the UN's 'Protect, Respect and Remedy' Framework, which rests on three pillars: the state duty to protect against human rights abuses, including by business; the corporate responsibility to respect human rights, which means to act with due diligence to avoid infringing on the rights of others and to address adverse impacts that occur; and greater access by victims to effective remedy, both judicial and non-judicial.

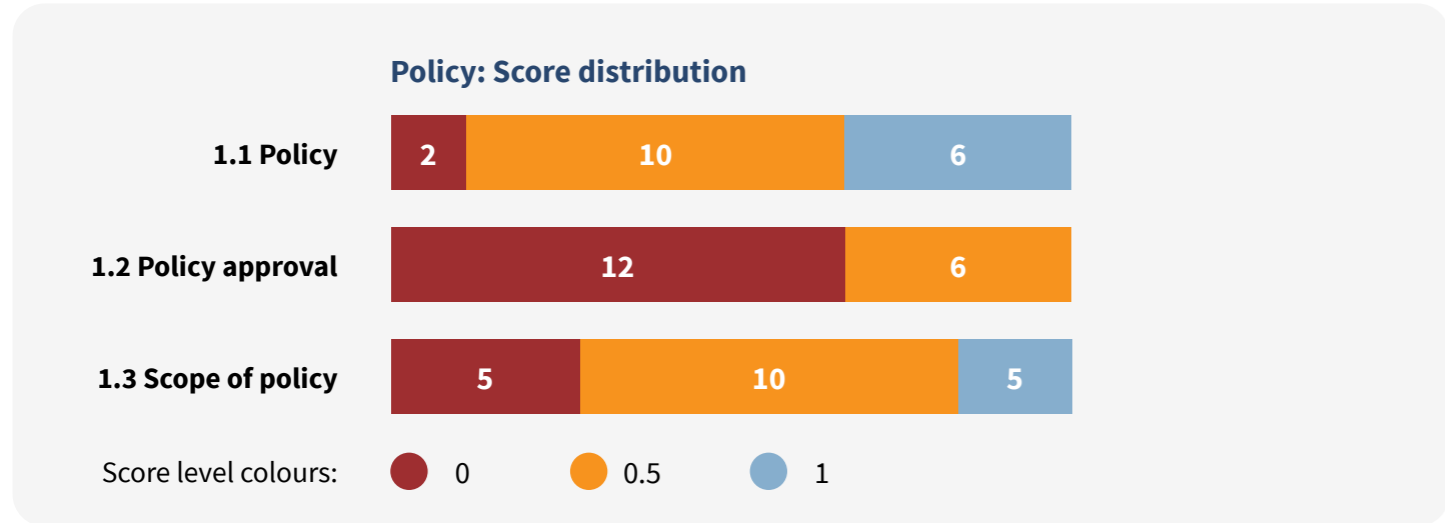
For resources on the UN Guiding Principles see the [portal on the website of the Business and Human Rights Resource Centre](#).

Results

Category 1: Policy commitment

Only a handful of the Asian banks we benchmarked have a clear commitment to respect human rights, as required by the UNGPs (Criteria 1.1). Out of the 18 banks covered, six have made a clear commitment to respect human rights in their policy statement: **KB Financial Group, Shinhan Financial Group, Hana Financial Group, Woori Financial Group, Bangkok Bank** and **Kasikornbank**. Six of these policy commitments were signed off at the most senior level of the business either by the Board of Directors, a Board committee tasked with oversight of human rights or the CEO (Criteria 1.2). Of the 18 banks covered, 13 make clear that they consider human rights concerns in at least some areas of their provision of finance, the area where banks can expect most of their potential involvement with human rights harm to arise. However the bank's human rights commitment extended to *all* of the bank's finance in only three cases (Criteria 1.3).

Chart shows number of banks at each score level, out of 18 banks evaluated.



Category 2: Due diligence

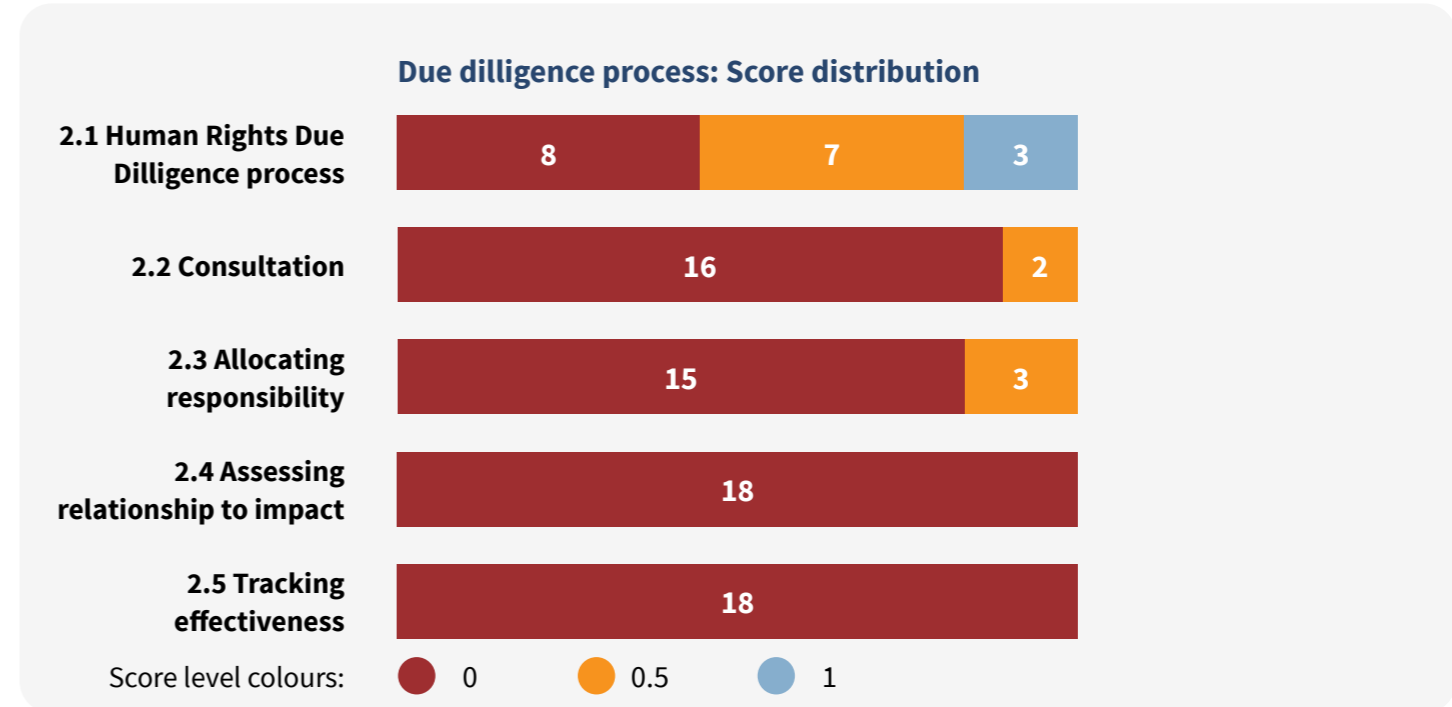
Human rights due diligence is at the heart of the UN Guiding Principles approach to identifying, avoiding and mitigating adverse human rights impacts. This process involves identifying and assessing actual or potential adverse human rights impacts; integrating and acting upon the findings; tracking effectiveness; and communicating on how impacts are being addressed (e.g. see [Principle 17 of the UNGPs](#)).

Only three of the 18 banks covered - **Kasikornbank, Bangkok Bank** and **Woori Financial Group** - describe how they carry out human rights due diligence in a way which is detailed and extends across the bank's entire business operations (Criteria 2.1). Seven banks scored half a point in relation to their human rights due diligence process, as the process they described was limited in scope or poorly described (e.g. without details of the bank's decision-making criteria). These banks were **KB Financial Group, Shinhan Financial Group, DBS Holdings, Hana Financial Group, O-Bank, CIMB** and **United Overseas Bank**. For the remaining eight banks, we did not find any evidence that human rights due diligence processes are in place. Although the majority of the banks stated they conducted Environmental, Social and Governance (ESG) assessments, in most cases, human rights due diligence was not explicitly included in these assessments.

We found that none of the **Asian banks covered in this benchmark are consulting with potentially affected groups** as part of their human rights due diligence process. Only two banks, **Hana Financial Group** and **CIMB**, scored half a point in this regard (Criteria 2.2) – **Hana Financial Group** for a consultation process that was restricted to customers of the bank, and **CIMB** for an ambiguously worded process that may or may not include the views of affected people or other rights-holders.

The majority of banks also did not show how they allocate responsibility for addressing human rights (Criteria 2.3). Only three banks, **O-Bank, DBS Group** and **Kasikornbank**, provided some information on the main teams responsible for assessing human rights impacts, scoring half a point.

None of the 18 Asian banks have a process in place of assessing whether they have caused or contributed to an adverse human rights impact (Criteria 2.4), and none showed evidence of a process for tracking the effectiveness of their response to an adverse impact.



Category 3: Reporting

Reporting on how a bank’s human rights commitments are implemented in practice is crucial if the bank is to show that the steps it is taking to respect human rights are effective. However only half of the banks covered in this benchmark produced any reporting on how they address human rights impacts (Criteria 3.1).

Two banks, **Bangkok Bank** and **Kasikornbank**, achieved a full score, publishing human rights reporting which includes an analysis of the bank’s most salient human rights issues and its processes for addressing them. For example, Kasikornbank identifies labour rights, data privacy and security, community rights and discrimination. These two banks also stated that they followed the [UN Guiding Principles Reporting Framework](#).

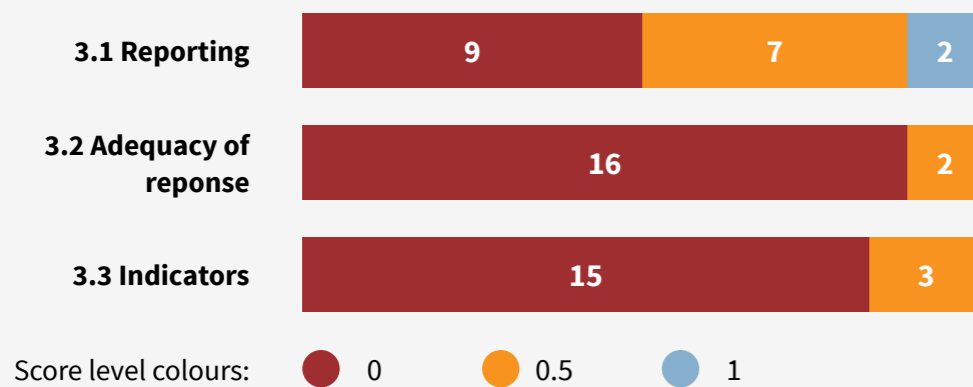
Seven banks, **Woori Financial Group**, **KB Financial Group**, **Shinhan Financial Group**, **DBS Group**, **Hana Financial Group**, **CTBC Bank** and **CIMB**, achieved a half score on this category. These banks reported on some internal developments, such as the publication of new policies, but did not include reporting on how they address human rights impacts and risks.

None of the banks in scope reported information that was considered sufficient to evaluate the adequacy of their response to specific human rights impacts (Criteria 3.2). Only two banks reported on how they sought to address specific severe human rights impacts, but the reporting was not sufficient to evaluate the adequacy of the response. These banks were **Woori Financial Group** and **CTBC Bank**, which received half a score each. The former reported on how it sought to address human rights risks such as sexual harassment, discrimination and bullying within their workforce, but did not explain how it addresses other identified human rights risks such as child labour or forced labour. The latter reported on how it sought to address human rights impacts related to its employees, but did not include impacts on other stakeholder groups.

Similarly, a large majority of the banks did not report indicators relating to their human rights performance (Criteria 3.3). Only three banks, **KB Financial Group**, **Bangkok Bank** and **Kasikornbank**, reported indicators relating to their human rights performance, although these did not relate to the bank’s main human rights impacts. These three banks achieved half scores.

Overall, there is a very limited level of human rights reporting within the Asian banks benchmarked here, with most banks only reporting on internal human rights developments.

Reporting: Score distribution



Category 4: Remedy

When people’s human rights are violated, the UNGPs set out that they should have access to effective remedy, and that businesses that cause or contribute to violations should play an active role in remediating them. To meet this responsibility, banks should commit to play an appropriate role in remedying human rights violations and have a process for doing so, including providing access to remedy through a grievance mechanism.

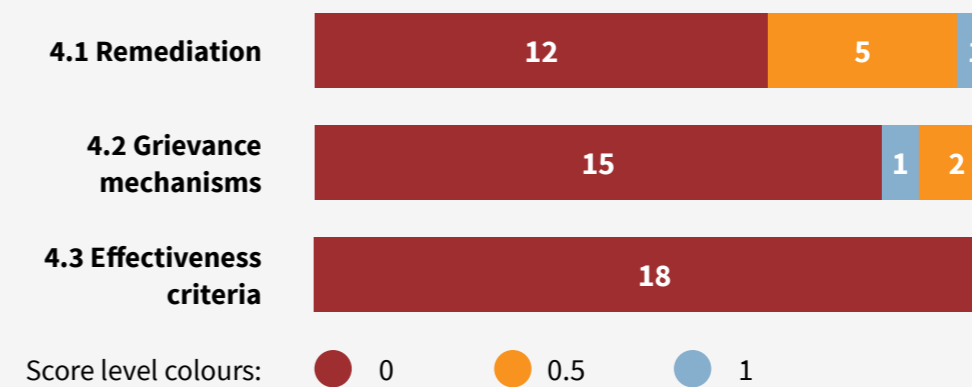
Only one out of the 18 banks benchmarked here, **Kasikornbank**, received a full score for having a process for remediation of human rights impacts (Criteria 4.1). The bank details a process for remediating adverse human rights impacts when they arise, with remediation forming one step of its [five-step human rights due diligence process](#). This is rare in the banking sector, and to be welcomed (no bank in our 2019 Human Rights Benchmark received a full score on this criteria). However, the bank’s reporting on human rights finds that the bank found “no case of human rights violation, nor concerns or grievances related to human rights submitted” in 2020, and therefore reported “no remediation action taken in any forms”. The absence of any human rights violations identified is not reassuring – the bank is linked to several “forest risk” companies in the Forests & Finance Database. It has also historically loaned to projects with severe human rights impacts, including the highly controversial Xayaburi dam in Laos, [responsible](#) for the displacement

of some 450 households and further adverse impacts on up to 200,000 people. The bank’s failure to identify any human rights violations linked to its operations calls into question the veracity of its human rights due diligence.

Five other banks, **Bangkok Bank**, **DBS Group**, **Shinhan Financial Group**, **Woori Financial Group** and **KB Financial Group**, achieved half a score for remediation. These banks made commitments to remediation of human rights impacts, but without detailing the process for remediation.

Kasikornbank and **Bangkok Bank** are the only two banks that obtained full scores for a grievance mechanism (Criteria 2.2). For example, **Bangkok Bank** details that it provides “multiple communication channels to file complaints and suggestions on actions or activities that do not comply with the Bank’s human rights policy and ensures appropriate investigation and remedies for impacts occurred.” However, like Kasikornbank, its reporting shows that “no human rights violations or concerns” were found as a result. One bank, **Shinhan Financial Group**, received half a score for a grievance mechanism, with a channel that was only available in Korean and therefore not accessible to all stakeholders. No bank received a score for the effectiveness of its grievance mechanism (Category 4.3), as none elaborated on how they considered that their grievance mechanism meets the effectiveness criteria set out in the UNGPs.

Remedy: Score distribution



Appendix I: Full table of results

Bank	Country	Total	Policy			Due diligence process					Reporting			Remedy			Results
			1.1	1.2	1.3	2.1	2.2	2.3	2.4	2.5	3.1	3.2	3.3	4.1	4.2	4.3	
Kasikornbank	Thailand	7.5	1	0.5	1	1	0	0.5	0	0	1	0	0.5	1	1	0	Results
Bangkok Bank	Thailand	5.5	1	0	0.5	1	0	0	0	0	1	0	0.5	0.5	1	0	Results
Woori Financial Group	South Korea	5	1	0.5	1	1	0	0	0	0	0.5	0.5	0	0.5	0	0	Results
KB Financial Group	South Korea	4	1	0	1	0.5	0	0	0	0	0.5	0	0.5	0.5	0	0	Results
Shinhan Financial Group	South Korea	3.5	1	0	0.5	0.5	0	0	0	0	0.5	0	0	0.5	0.5	0	Results
DBS Group Holdings	Singapore	3	0.5	0	0.5	0.5	0	0.5	0	0	0.5	0	0	0.5	0	0	Results
Hana Financial Group	South Korea	2.5	1	0	0	0.5	0.5	0	0	0	0.5	0	0	0	0	0	Results
O-Bank	Taiwan	2.5	0.5	0.5	0.5	0.5	0	0.5	0	0	0	0	0	0	0	0	Results
CTBC Bank	Taiwan	2.5	0.5	0.5	0.5	0	0	0	0	0	0.5	0.5	0	0	0	0	Results
CIMB	Malaysia	2.5	0.5	0	0.5	0.5	0.5	0	0	0	0.5	0	0	0	0	0	Results
OCBC Bank	Singapore	1.5	0.5	0.5	0.5	0	0	0	0	0	0	0	0	0	0	0	Results
United Overseas Bank	Singapore	1.5	0.5	0	0.5	0.5	0	0	0	0	0	0	0	0	0	0	Results
Maybank	Malaysia	1	0.5	0	0.5	0	0	0	0	0	0	0	0	0	0	0	Results
Bank Rakyat Indonesia	Indonesia	1	0.5	0	0.5	0	0	0	0	0	0	0	0	0	0	0	Results
HDFC Bank	India	1	0.5	0.5	0	0	0	0	0	0	0	0	0	0	0	0	Results
Bank Mandiri	Indonesia	0.5	0.5	0	0	0	0	0	0	0	0	0	0	0	0	0	Results
NongHyup Financial Group	South Korea	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	Results
ICICI Bank	India	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	Results



Appendix II: Criteria and requirements in full

Category 1: Policy commitment

Criteria & referenced Principle	Requirements for full and half score
<p>1.1 Policy Has the bank adopted a statement of policy through which it expresses its commitment to respect human rights? (Principle 16)</p>	<p>Full score: A written commitment to "respect" human rights, as part of a statement of policy. Half score: The bank has a statement or policy addressing human rights, but this does not include a commitment to respect human rights. Or, the bank has a commitment to respect human rights but not as part of a formal statement of policy (e.g. in reporting)</p>
<p>1.2 Policy approval Is the bank's human rights policy commitment approved at the most senior level of the business? (Principle 16, 16a)</p>	<p>Full score: The bank's human rights policy commitment is approved by the Board or the CEO by name AND a Board member or Board committee is tasked with specific governance oversight of one or more areas of respect for human rights. Half score: The bank's human rights commitment is explicitly approved by the Board or the CEO by name, but without a Board member or committee being tasked with governance, or vice versa. Or, the bank meets the criteria for a full score, but its policy commitment does not meet the standard of a commitment to respect human rights in 1.1.</p>
<p>1.3 Scope of policy Does the bank's policy commitment stipulate the bank's human rights expectations of personnel, business partners and other parties directly linked to its operations, products or services - including the bank's client and investee relationships? (Principle 16, 16c)</p>	<p>Full score: The bank's human rights commitment extends to its provision of finance, as source of the banking sector's most significant potential human rights impacts, alongside personnel and other parties such as suppliers. Half score: For example, the bank's human rights commitment extends to some but not all of its finance (e.g. asset management is excluded). Or, the bank's commitment extends to its provision of finance, but does not meet the standard of a commitment to respect human rights in 1.1.</p>



Category 2: Due diligence process

Criteria & referenced Principle	Requirements for full and half score
<p>2.1 Due diligence Does the bank describe how it carries out human rights due diligence? (Principle 17)</p>	<p>Full score: The bank describes how it carries out human rights due diligence, for example describing its process for identifying and assessing human rights impacts and its decision-making criteria. This extends across its entire business operations, including impacts linked to the bank's finance. Half score: The bank describes how it carries out human rights due diligence, but this is limited in scope to certain sectors or business areas only.</p>
<p>2.2 Consultation Does the bank show how its process for identifying and assessing human rights impacts involves meaningful consultation with potentially affected groups and other relevant stakeholders? (Principle 18, 18b)</p>	<p>Full score: The bank details how its process for identifying impacts involves meaningful consultation with potentially affected groups. For example, the bank assesses the quality of consultations conducted by clients, and supplements this with its own consultation when necessary or in certain high risk circumstances. Half score: E.g. the bank details a process for identifying impacts which includes consultation, but this is limited to certain groups of stakeholders or business divisions. For example, potentially affected groups are not involved.</p>
<p>2.3 Allocating responsibility Does the bank clearly allocate responsibility for addressing human rights impacts to specific levels and functions within the business enterprise? (Principle 19, 19a)</p>	<p>Full score: The bank details differentiated responsibilities of staff in different functions (e.g. business development, relationship managers, analysts, ESG staff) including referral and escalation processes and ultimate responsibilities. Half score: E.g. the bank details limited information on the main teams responsible for assessing human rights impacts.</p>
<p>2.4 Assessing relationship to impact Does the bank have a process for assessing whether it has caused or contributed to an adverse impact? (Principle 19, 19b (ii))</p>	<p>Full score: The bank has a process in place for assessing whether it has caused or contributed to an adverse impact, and details the process, including decision-making criteria and lines of responsibility. This process is applicable across the bank's entire business operations, including impacts linked to the bank's finance. Half score: For example, the bank indicates that it assesses whether it has caused or contributed to an adverse impact as part of its human rights due diligence, without detailing the process.</p>
<p>2.5 Tracking effectiveness Does the bank verify whether adverse human rights impacts are being addressed, by tracking the effectiveness of its response? (Principle 20)</p>	<p>Full score: The bank describes a process for tracking the effectiveness of its response to adverse human rights impacts to verify whether they are being addressed. This process details indicators and draws on feedback from internal and external sources, including affected stakeholders. It is applicable across the bank's entire business operations, including impacts linked to the bank's finance. Half score: For example, the bank describes a process for tracking effectiveness of its response to adverse human rights impacts, but: this is limited in scope to impacts arising from certain business activities or sectors; indicators are not detailed; or the process does not include feedback from internal and external sources.</p>



Category 3: Reporting

Criteria & referenced Principle	Requirements for full and half score
3.1 Reporting Does the bank report formally on how it addresses its human rights impacts externally? (Principle 21)	Full score: The bank reports formally on what its main human rights impacts are, and details how it addresses them. Half score: For example, the bank reports on some internal human rights developments (e.g. policy developments), but this does not include reporting on how it addresses impacts
3.2 Adequacy of response Does the bank's reporting provide information that is sufficient to evaluate the adequacy of its response to particular human rights impacts? (Principle 21)	Full score: The bank reports on how it has sought to address specific severe human rights impacts, and the reporting is sufficient to evaluate the adequacy of its response (e.g. describing concrete actions taken, follow-up steps requested from clients or investee companies.) Half score: The bank reports on how it has sought to address specific severe human rights impacts, but the reporting is not sufficient to evaluate the adequacy of the response.
3.3 Indicators Does the bank's reporting include indicators for how it identifies and addresses adverse impacts on human rights? (Principle 21, commentary)	Full score: Indicators relating to the bank's main human rights impacts are included in reporting. For example, number and type of impacts identified, and assessment of progress towards addressing each impact. Half score: The bank's reporting includes at least one indicator relating to human rights, but these do not cover the bank's main human rights impacts (e.g. as defined by the bank).




Category 4: Remedy

Criteria & referenced Principle	Requirements for full and half score
4.1 Remediation Does the bank provide for, or cooperate in, the remediation of adverse impacts to which it identifies it has caused or contributed? (Principle 22)	Full score: The bank makes a clear commitment to providing for or cooperating in the remediation of human rights impacts to which it has caused or contributed and details a process for remediating such impacts (e.g. through participation in legitimate processes including judicial and non-judicial mechanisms, as appropriate). Half score: For example, the bank makes a clear commitment to remediation of human rights impacts but does not detail the process for remediation.
4.2 Grievance mechanism Has the bank established or participated in a grievance mechanism for individuals and communities who may be adversely impacted by its activities? (Principle 29)	Full score: The bank operates or participates in a channel through which complaints or grievances can be raised to the bank, which is explicitly able to address human rights related issues and which is open to all who may be adversely impacted by its operations, products and services. Half score: The bank operates or participates in a channel through which complaints or grievances can be raised to the bank, but it is restricted to certain sectors or business areas. Complaints mechanisms which are restricted to employees and/or customers do not receive a score.
4.3 Effectiveness Does the bank's grievance mechanism meet effectiveness criteria? (Principle 31)	Full score: the bank operates or participates in a grievance mechanism (i.e. which meets the criterion for a full score in 4.2 above) and shows how this meets all effectiveness criteria. Half score: the bank has established a grievance mechanism (i.e. which meets the criterion for a full score in 4.2 above) and shows how this meets at least two aspects of the effectiveness criteria.



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