GBI

GUIDANCE BRIEFING SERIES

WHAT "GOOD" LOOKS LIKE

Tracking effectiveness



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What "good" looks like

Tracking effectiveness

"The core goal of a human rights programme is to identify, prevent, mitigate and remedy actual and potential negative impacts. For a mature human rights programme, tracking activities alone is not enough to evaluate whether a company is meeting that goal. Evaluating whether those activities are in fact achieving their objectives – in other words, measuring effectiveness – is important to pursuing a rights-respecting approach, and increasingly what laws and reporting standards expect."

Jon Drimmer, GBI Senior Advisor

Why this practice-based series?

In 2011, the States in the UN Human Rights Council unanimously endorsed the UN Guiding Principles on Business and Human Rights (UNGPs). The UNGPs have enjoyed broad support by companies, industry groups, sustainability and human rights experts, civil society, and affected stakeholders because the UNGPs were based on years of rigorous research and broad global engagement.

The Global Business Initiative on Human Rights (GBI) is the only business-led initiative solely focussed on supporting companies through peer learning to improve the implementation of their responsibility to respect human rights under the UNGPs and carry out human rights due diligence.

That work has resulted in a substantial and detailed repository of practice-based insights and knowledge about what human rights due diligence means when facing real-world challenges, and what can reasonably be expected of companies in their pursuit of respecting human rights and the environment.

As regulations such as the European Union's Corporate Sustainability Due Diligence Directive (CSDDD) and other national laws establish binding obligations that largely codify and operationalise the core principles of the UNGPs, GBI is now sharing its experience and practice-based insights in a guidance series about "what good looks like."

The aim of this series is to help further the development of mandatory due diligence legislation on sustainable business in the European Union and elsewhere in ways that are practical, realistic, and in line with the UNGPs. This guidance also aims to help companies to understand what "good" looks like when it comes to implementing mandatory human rights and environmental due diligence.

Why tracking effectiveness is essential

To determine whether adverse human rights impacts are being addressed, it is necessary not only to track the steps taken. Companies also must consider whether those actions are achieving their intended objectives.

When assessing how a company respects human rights in practice, practitioners can look to a range of indicators. A process-oriented approach may examine the number of trained staff, the number of suppliers audited or the policies published. While that approach helps establish that a company is seeking to implement its programme in earnest and in good faith, it does not indicate whether people are actually better protected from adverse impacts on their human rights.

Tracking effectiveness asks a different question: is it working? The UNGPs identify tracking effectiveness as a core element of human rights due diligence. Businesses are expected to track the effectiveness of their response to verify whether adverse human rights impacts are being prevented, mitigated or remediated. The UNGPs provide that this should be done using "appropriate qualitative and quantitative indicators" and feedback from "internal and external sources, including affected stakeholders".[1]

Tracking effectiveness also allows an organisation to assess whether it is delivering on its human rights commitments and strategy, while generating information necessary to refine and strengthen its human rights programme over time. In practice, this means asking whether actions taken are (a) impacting behaviour and (b) producing the intended outcomes for the business and for rights-holders. Without data collected for this purpose, an organisation may be able to demonstrate activity – e.g. the number of people trained – but may struggle to show that its efforts work – e.g. that the training is understood and being applied in practice.

Put slightly differently, companies often measure what they can count. Training sessions conducted, audits completed, and policies adopted may all be important indicators that programme implementation is robust. However, they do not, by themselves, demonstrate that human rights risks have been reduced or that affected people are better off as a result.

A variety of corporate sustainability reporting and due diligence laws recommend or require companies to track the effectiveness of their actions. For example:

- The EU's Corporate Sustainability Due Diligence Directive requires companies to monitor the effectiveness of their due diligence policies and measures on a defined cadence, when significant changes occur or whenever there are reasonable grounds to believe that existing measures are no longer adequate or effective, or that new risks have arisen or may arise.
- The European Sustainability Reporting Standards set out a framework for reporting metrics and targets related to material impacts, risks and opportunities. Where a topic is determined to be material, certain disclosures are required to enable readers of the sustainability statements to assess how the organisation is managing the topic.
- The Australian Modern Slavery Act 2018 (Cth) requires that modern slavery statements describe how the reporting entity assesses the effectiveness of actions taken to assess and address risks of modern slavery.

How do companies track the effectiveness of human rights programmes?

Once a company decides to measure effectiveness rather than activity alone, a practical question arises: how? In practice, companies rely on metrics, key performance indicators (KPIs), and targets to translate human rights objectives into information that can be monitored, evaluated and discussed within management systems. These tools are not ends in themselves. Rather, they are mechanisms for assessing whether actions are producing the intended outcomes for affected people.

The terms are used inconsistently across frameworks; this briefing uses them as follows:

- A **metric** is a quantified measure, typically of an input, activity, output or outcome. Metrics supply the data used to assess KPIs and progress against targets. Metrics relating to inputs, activities and outputs do not by themselves show whether an action was effective or that outcomes for rights-holders improved.
- A **KPI** is a metric, or a set of metrics, linked to a defined objective and used to judge whether that objective is being met.
- A **target** is a specified level of a KPI or metric to be reached by a stated date. Targets are typically designed to be specific, measurable, achievable, relevant and time bound.

Effectiveness tracking often involves connecting inputs, activities, outputs, outcomes and impacts. For example, a company may allocate resources to supplier training (input), deliver training sessions (activity), train a defined number of suppliers (output), observe changes in supplier practices (outcome), and ultimately see a reduction in excessive overtime or unauthorised wage deductions experienced by workers (impact). The further along this spectrum measurement occurs, the stronger the insight into whether the programme is producing the intended results.

Companies with mature human rights due diligence programmes often develop KPIs for their prioritised (or 'salient') human rights issues and set targets to monitor progress towards defined objectives. For example, a working group of companies in the information technology sector has identified indicative KPIs for 13 salient risks relevant to that sector.[2]

Depending upon established governance and communication processes, progress against targets and the status of KPIs will typically be discussed within the organisation's human rights governance structures and may be communicated to executive leadership and the board.

No single source of information can provide a complete picture of effectiveness. Assessments typically draw on multiple quantitative and qualitative sources. However, it is common for a company beginning its journey to measure the effectiveness of its human rights programme to start modestly, and increase the number and sophistication of its KPIs over time.

Sources of data to support the measurement of effectiveness include:

- Feedback from affected stakeholders, collected formally and informally through ongoing stakeholder engagement.
- Supplier audit and site assessment findings over time.
- Investigation outcomes.
- Regulatory findings.
- Training tests.
- Surveys.
- Engagement with NGOs, unions, industry initiatives and community representatives.
- Information obtained through grievance mechanisms and remediation processes.
- External research, media reporting, and public datasets where relevant.

Good practice for tracking

The following good practices and accompanying examples are drawn from GBI's multi-year work with companies. Together, they illustrate how companies are moving beyond measuring activity and towards assessing whether their actions are achieving outcomes for affected people.

GOOD PRACTICE | Develop measures that are responsive to the context

Lessons drawn from practice:

- There are few 'one-size-fits-all' targets, KPIs or metrics that are suitable for all sectors, issues and contexts. Measures of activity and effectiveness should be designed on a case-by-case basis, reflecting an understanding of how the company may impact upon the right in question and how intended interventions are expected to reduce that impact.
- Many companies find it helpful to begin the development of KPIs and metrics by focusing on the most salient human rights issues identified by their human rights due diligence.
- It is important to account for the organisation's context, and that of its value chain. Without doing so efforts to track may produce perverse outcomes. For example, a strict zero-tolerance target for forced labour could inadvertently incentivise suppliers to hide occurrences rather than remediate the root cause.

GOOD PRACTICE | Understand your theory of change

Lessons drawn from practice:

- To determine appropriate measures to track effectiveness, reflecting on the theory of change that sits behind the actions taken to address these impacts can help identify appropriate KPIs and metrics.
- This involves considering what activities the organisation undertakes, the inputs required to do so, and outputs the organisation expects to deliver, alongside, crucially, what the expected outcomes and impact of these would be, for people and for the business.
- Without this understanding, organisations risk measuring activity without knowing whether that activity is contributing to the desired result.

GOOD PRACTICE

Ensure a balance between measures of activity and outcome/impact

Lessons drawn from practice:

- Companies often begin measuring what is easy to count (e.g., number of training sessions held, policies published, or audits completed). While these measures of activity can help demonstrate how broadly respect for human rights is being embedded within an organisation and are a good place to start, they do not, by themselves, demonstrate that human rights risks have been reduced or that outcomes for rights-holders have improved.
- A combination of leading and lagging indicators can help build a better picture of whether activity drives outcomes and impact. For example, tracking the number of suppliers who have completed human rights training could be paired with tracking whether worker-level interviews show an actual reduction in excessive overtime or unauthorised wage deductions at the supplier. Such engagement needs appropriate safeguards: if the interviews are supplier-managed, then there is a risk workers will be coached; there are also considerations around confidentiality and risks of reprisal.

TIP: Don't forget to track the rollout of your human rights due diligence processes: In order to assess the effectiveness of a programme, it is necessary to understand the extent of its rollout, including how embedded the processes are across business units, geographies and subsidiaries. Such measures provide evidence of the robustness — that is the degree of activity that is taking place and the commitment to the activity — rather than effectiveness. Measures of robustness are important: A programme cannot be effective if it does not exist! Negative impacts may occur through rogue actors, third parties, and other factors; a robust implementation of a human rights programme can help put these impacts into perspective, provide context for the company's responsibilities, and offer insights into actions to prevent recurrence.

GOOD PRACTICE

Benchmark performance against peers and public data

Lessons drawn from practice:

- External assessments of corporate human rights performance can provide an understanding of how peer companies in the sector or geography are performing. They may also provide insight into the targets, KPIs and metrics tracked by others.
- Benchmarking can help identify emerging practices and provide useful points of comparison. However, strong relative performance does not necessarily demonstrate effectiveness, as sector or geographic peers may face similar challenges in measuring outcomes and impact, or may generally have immature programmes.
- External rankings rely in part on an assessment of public policies, processes and governance structures, rather than the real-world impacts experienced by rights-holders across a company's operations and value chain. They often don't truly indicate the effectiveness of a programme. It is important to compare such findings with other sources, including reports from NGOs and the media, and stakeholder and grievance mechanism feedback. The Business and Human Rights Centre provides an invaluable online resource.

GOOD PRACTICE

To track the effectiveness of actions in the supply chain, strong supplier relationships are essential.

Lessons drawn from practice:

- The practices shared in GBI's briefing What Good Looks Like: Engaging Suppliers apply to any attempt to track the effectiveness of actions in the supply chain. Obtaining robust, verifiable and comparable data from suppliers about the effectiveness of supply chain actions requires collaborative relationships, clear expectations and appropriate training.
- While supplier analysis tools based on self-assessment questionnaires produce scorecards which may be beneficial in identifying gaps in supplier maturity, such data is unlikely to be suitable as a measure of the effectiveness of actions to prevent or mitigate impacts unless it can be corroborated with other sources.

GOOD PRACTICE

Third parties, including academic institutions, can provide specialist evaluation capabilities.

Lessons drawn from practice:

- In certain circumstances, engaging a third party, such as an academic institution, to conduct monitoring and evaluate the effectiveness of the actions taken may be appropriate.
- This practice, which is common in the field of international development, has been deployed by companies to review programmes aimed at eradicating forced and child labour.
- Where there are low levels of trust between the company and affected people, such as in certain remediation contexts, a third party may be better positioned to evaluate the actions taken.

GOOD PRACTICE

Ensure tracked information informs corporate decision-making

Lessons drawn from practice:

- Tracking should provide opportunities for continuous learning and improvement of the organisation's human rights approach.
- Clear and open internal communication can help ensure dissemination of success stories and provide a way to alert other parts of the business about areas where improvement may be required.
- Companies may consider tracking where and how frequently decisions in relation to sensitive products, geographies or transactions are influenced by input relating to human rights considerations.

GOOD PRACTICE

Recognise that tracking cannot be reduced to numbers alone

Lessons drawn from practice:

- Numerical or visual summaries (for example trend arrows or 'red, amber, green' (RAG) ratings) provide an efficient way to share progress with management. However, they can obscure the focus on rights-holders required to ensure respect for human rights in the company's activities.
- Wherever possible, such data should be complemented with qualitative insights into how the actions are implemented. For example, brief commentary can be included as to how the RAG rating was determined. Collaboration with affected people (see next box) may support companies to achieve this objective.
- Quantitative data may indicate that something has changed. Qualitative information is often necessary to understand whether that change matters for affected people.

GOOD PRACTICE

Measure effectiveness in collaboration with affected people

Lessons drawn from practice:

- Effective stakeholder engagement involves two-way dialogue between a company and actually or potentially affected people.
- Even the determination of what 'effective' engagement looks like may warrant discussion. Where active channels of communication with affected people are available, the company can develop a richer understanding of the effectiveness of its approach to harm prevention, mitigation and remedy.
- In some cases, affected people may define success differently from the company. Understanding those perspectives can provide important insight into whether actions are genuinely effective.
- This may include through formal or informal surveying of those who raise grievances, as well as the perceptions of workers, suppliers and local communities.

TIP: GBI's briefing What Good Looks Like: Meaningful stakeholder engagement provides additional good practice examples.

GOOD PRACTICE

Limit what you track

Lessons drawn from practice:

- Too many KPIs and metrics can quickly become overwhelming for decision-makers. In doing so, they cease to serve their function as measures of effectiveness.
- Companies tend to have more success where they limit KPIs and metrics to focus on the most important objectives they have set for their human rights programme. A small number of meaningful indicators is often more useful than a large number of indicators that are difficult to interpret or act upon.

CASE STUDY FROM PRACTICE



Developing indicators to track the effectiveness of activities to ensure a just transition*

* This is a composite case study, drawn from contributions by members of GBI's measuring effectiveness working group.

In aligning its climate, nature and just transition strategies, a company sought to track the effectiveness of the human rights components of its strategy. Unlike the scientific approach that can be adopted to measure environmental impacts, the company recognised that it would require a composite suite of indicators to track progress.

The company started by reflecting on the strategy it had established, and how key commitments would contribute to its objectives. The company then conducted a detailed landscape assessment, considering internally available data and key indicators tracked by peers, benchmarks and other external organisations. It linked this long-list of potential indicators with the affected groups they related to, and with the core components of the company's just transition strategy.

Through a series of workshops with internal stakeholders, the company refined the list of indicators that were both feasible to collect and indicative of effectiveness — that is, they provided an indication of the outcomes and impact of the company's actions. The company also retained several activity-based indicators, to ensure the robustness of the rollout of its activities across divisions and geographies.

Once the company had a short-list of indicators that reflected both what was feasible data to collect and what could demonstrate effectiveness, the company consulted with affected individuals. The company presented its short-list and invited suggestions for additions or amendments. The final set of indicators reflected a common understanding of what a successful implementation of strategy would look like for both the company and for impacted rights-holders.

While group-level indicators can provide an aggregate picture of the effectiveness of the company's activities, the company recognised their potential to obscure analysis of the effectiveness of actions taken at a local level. The final set of group-level indicators were therefore supplemented with divisional- and country-level KPIs linked to the specific actions the company was taking in these contexts. This enabled local management and affected rights-holders to assess whether activities were addressing particularly salient impacts in their contexts, alongside the group-level picture.

CASE STUDY FROM PRACTICE



Assessing the effectiveness of a responsible recruitment policy in improving outcomes for migrant workers

A company identified a heightened risk of forced labour among migrant workers recruited to work within its operations in a particular country. The company adopted a country-specific policy on responsible recruitment to address this risk. To ensure the policy was implemented, the company invested in standard operating procedures, training and resources to support the local teams tasked with implementing the policy.

At the outset, no KPIs, metrics or targets were established. Subsequently it was recognised that measures of effectiveness were required. Management sought to understand whether the approach taken had been effective at addressing the identified risk from the perspective of rights-holders.

The company surveyed workers, and held targeted interviews and focus groups with them, segmenting for gender, nationality, recruitment channel and contract type to gather intersectional insights on perceptions of progress and remaining risk.

Although the company found that that policy had been somewhat effective at reducing risks for migrant workers, the research highlighted that workers had limited awareness of their rights and limited trust in grievance channels. The company used these findings to revise its approach. The data collected also provided a basis for follow-up engagement to assess the effectiveness of the revised approach. Ongoing engagement is expected to ensure a two-way dialogue between workers and management, ensuring that the company can proactively respond to prevent harm occurring.

Key considerations for policymakers

Measuring the effectiveness of actions taken in response to a company's human rights due diligence enables both a company and its stakeholders to answer a simple but critical question: "Is it working?". That same question should sit at the centre of mandatory due diligence, disclosure and reporting frameworks.

Ensure coherence between mandatory due diligence and disclosure requirements

In relation to negative human rights impacts, targets and metrics that companies must disclose under sustainability reporting standards should enable report users to understand whether the due diligence actions the company is taking are effective to prevent, mitigate or remedy harm caused. Policymakers should avoid being overly prescriptive about the nature of metrics and targets, allowing companies to adequately account for the context affecting the impacts deemed material for reporting.

Expect both outcome- and impact-based disclosures

Policymakers should distinguish between activity, and/or process-based metrics and metrics that provide evidence of outcomes and impacts. While activity metrics can demonstrate implementation, they do not by themselves demonstrate that harms have been prevented, mitigated or remediated.

Incentivise continuous learning

Where metrics are mandated, care should be taken to ensure that they do not result in perverse outcomes. For example, if mandatory disclosures regarding the nature of cases raised with a company grievance mechanism are limited to 'human rights concerns', this may create an incentive to classify certain cases under another heading within internal systems. Reporting requirements should be designed to encourage accurate disclosure and continuous improvement, rather than creating incentives to reclassify, underreport, or obscure adverse impacts.

Consider independent verification as a tool in appropriate circumstances

Verification of metrics and targets can enable greater stakeholder confidence in reported information and help assess whether disclosed outcomes are supported by credible evidence. In certain contexts, independent verification may also provide useful insight into whether company-reported measures align with the experiences of affected people.

Ensure companies can share information that supports tracking effectiveness pre-competitively

Where companies share a supply base, it should be possible to reduce duplication in the data collection necessary to track effectiveness. The Corporate Sustainability Due Diligence Directive requires the European Commission to issue guidance on fitness criteria for industry and multi-stakeholder initiatives involved in due diligence processes, an initiative which policymakers in other jurisdictions may also wish to consider. Where appropriate safeguards exist, policymakers should encourage collaborative approaches that reduce duplication while improving the quality and comparability of effectiveness data.

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[1] Human Rights Council (2011) 'Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework'. Available at: https://www.ohchr.org/en/publications/reference-publications/guiding-principles-business-and-human-rights, Guiding Principle 20 and Commentary.

[2] Steptoe Tech KPI Working Group (2026) 'Developing Key Performance Indicators for Human Rights Programs in the Technology Sector'. Available at: https://www.steptoe.com/en/news-publications/developing-key-performance-indicators-for-human-rights-programs-in-the-technology-sector.html

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