

Report on Human Rights Policy Implementation General Motors Company - 2020

Whereas: According to the UN Guiding Principles on Business and Human Rights (UNGPs), companies have a responsibility to respect human rights throughout their operations and value chains by conducting due diligence to assess, identify, prevent, mitigate, and remediate adverse human rights impacts.

As the largest automaker in the United States, General Motors Company (GM) “produces more than 10 million vehicles a year, sources more than 100,000 unique parts from 5,500 supplier sites worldwide, and sells its cars in more than 100 countries.”¹ The scale of GM’s global business exposes the company to significant human rights risks in its operations and supply chain.

GM relies on complex extended supply chains to source the numerous raw materials used to manufacture cars. GM risks contributing to or being linked to forced labor, child labor, hazardous working conditions, or other adverse human rights impacts, when sourcing from regions with weak rule of law, corruption, conflict, or poor worker protections. For example, GM suppliers may source cobalt mined under conditions of child labor in the Democratic Republic of Congo, where 60% of cobalt is produced and child labor is pervasive.² Reports by Amnesty International and the 2019 Mining the Disclosures benchmark found GM’s cobalt due diligence practices to be inadequate given its awareness of the risk.³ Sourcing of conflict minerals, steel, rubber, mica, electronics, and leather also present human rights risks for GM.⁴

In its operations, nearly 50,000 members of the GM United Auto Workers union went on strike for six weeks to collectively bargain for higher wages, job security for temporary workers, and better healthcare.⁵ The strike cost GM up to \$4 billion in earnings.⁶ GM faces multiple lawsuits alleging harassment and discrimination at its Toledo plant from employees who experienced intimidation, threats, and racism in the workplace.⁷

While GM has policies in place, it does not demonstrate how its Human Rights Policy, Code of Conduct, and Supplier Code are operationalized to ensure human rights are respected. GM does not provide evidence of suppliers’ compliance with labor laws and its Code, or how GM assures suppliers cascade expectations through their own supply chains. Investors are unable to assess the effectiveness of GM’s Awareline or other grievance mechanisms to provide legitimate, accessible, transparent and meaningful remedy to impacted stakeholders.⁸

¹ <https://www.esri.com/about/newsroom/publications/wherenext/gm-maps-supply-chain-risk/>

² <https://www.theguardian.com/news/2019/jan/14/on-the-charge-why-batteries-are-the-future-of-clean-energy>

³ <https://www.amnestyusa.org/reports/time-to-recharge/>; <https://www.sourcingnetwork.org/mining-the-disclosures>

⁴ <https://www.thedragonflyinitiative.com/material-change-report/>

⁵ <https://www.cnn.com/2019/10/25/business/gm-strike-uaw-vote/index.html>

⁶ <https://www.cnbc.com/2019/10/29/uaw-strike-cost-gm-about-3point8-billion-for-2019-substantially-higher-than-estimated.html>

⁷ <https://www.cnn.com/2019/01/16/us/gm-toledo-racism-lawsuit/index.html>

⁸ UNGP Principle 31.

GM may face legal, reputational, financial, and business continuity risks if the company fails to address its human rights risks.

Resolved: Shareholders request the Board of Directors prepare a report, at reasonable cost and omitting proprietary information, on GM's systems to ensure effective implementation of its Human Rights Policy.

Supporting Statement: The report might address:

- Human rights due diligence processes to embed respect for human rights into operations and the value chain, and provide access to remedy for human rights impacts connected to the business; and
- Indicators used to assess effectiveness.