

International RBC Agreement for the Renewable Energy Sector

Due Diligence Assessment Framework



Introduction:

By signing the International Responsible Business Conduct Agreement for the Renewable Energy Sector, the companies commit to carry out risk-based due diligence as prescribed by the OECD Due Diligence Guidance for Responsible Business Conduct. For this reason, parties of the Agreement have developed the Renewable Energy Sector Due Diligence Assessment Framework (hereafter, the Assessment Framework). This Framework is used by the secretariat to determine and rate how companies implement the six due diligence steps outlined in the OECD Guidance.

Assessment process:

The assessment process of the Agreement consists of 3 stages:

1. **Completing maturity assessment questionnaire:** Annually, companies complete an online self-assessment due diligence questionnaire (Maturity Assessment Questionnaire). The answers to the questionnaire are assessed and validated by the secretariat.
2. **Developing due diligence action plan:** Annually each company shares their individual company due diligence action plan with the secretariat. This action plan must contain concrete targets to enhance due diligence performance of companies in accordance with the OECD Due Diligence Guidance for Responsible Business Conduct. The secretariat discusses with the relevant company how they have implemented the action plan the subsequent year.
3. **Assessment interview:** These conversations, held between the secretariat and relevant functions of the company, aim to discuss the progress and provide concrete advice to the company. During these discussions, the secretariat provides advice on the general due diligence of the company, as well as the maturity assessment results and the due diligence action plan.

The following principles guide the assessment process:

- The Assessment Framework provides the scope for the assessment of the companies by the secretariat in reasonableness and fairness. The assessment is done as objective as possible.
- The information from the assessment provides the parties with insight (at an aggregated level) into the due diligence maturity level of and progress made by the companies from year to year.
- The principle of continuous improvement is fundamental in the implementation of due diligence.
- The secretariat aggregates and anonymises the individual company maturity assessment results and the action plans for the Agreement parties. The parties use the aggregated and anonymised information to develop and implement a collective due diligence support programme once they received this information from the secretariat.

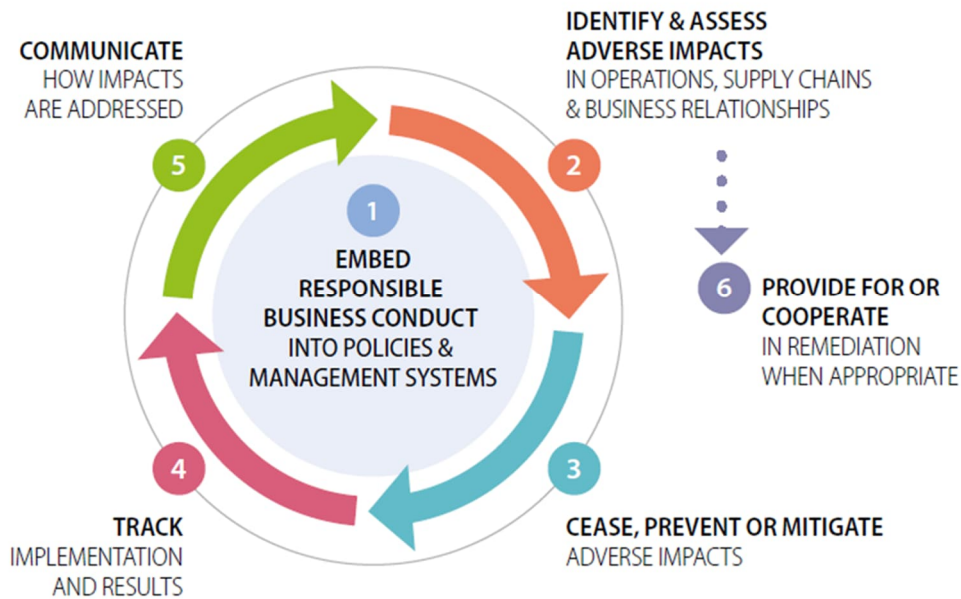
How Assessment Framework was developed:

Assessment Framework is based on the OECD Due Diligence Guidance for Responsible Business Conduct and Assessment Frameworks of other international RBC Agreements facilitated by the Dutch Social and Economic Council. It was developed in 2023 by the special Task Force consisting of wind and solar energy companies, trade unions, NGOs and the Dutch government. It was adopted in December 2023 by the Steering Committee of the Agreement.

The Assessment Framework intends to guide renewable energy companies and give insight into the monitoring process of the International RBC Agreement for the Renewable Energy Sector.

How to read the Assessment Framework:

The Assessment Framework consists of several due diligence questions per step (pictured below) of the OECD Due Diligence cycle (in total 44 questions). Companies can get full, partial or no compliance score per due diligence question.



The explanation section provides more information about the expectations per due diligence question. The evidence section mentions a non-exhaustive list of possible proofs that can be submitted by companies to validate their answers. These are just indications. It is up to the companies to decide what would be the appropriate proof per question in a specific context. Furthermore, each question has a short description of how full/partial/non-compliance can look like.

The scope of monitoring is limited to the scope (geographical and sectoral) chosen by the companies when signing the International RBC Agreement for the Renewable Energy Sector. However, it is possible to use examples from global operations, when needed. The scope that companies have chosen when they signed the Agreement is shown on the participant list on the website.

All the answers and documents provided by companies are treated as confidential by the secretariat.

Assessment results and scoring:

Per due diligence question, companies can get 2 points (full compliance), 1 point (partial compliance) or 0 points (no compliance). Companies can get a maximum of 88 points. The final score is a percentage between 0 – 100%, in which all questions are weighted equally. The score is determined by the points a company scored divided by the maximum points (88).

Companies are classified into one of the categories below, based on their final scoring. The individual scores of the companies are confidential and are not shared by the secretariat with other parties.

Category	Company's score in percentage of total achievable score
Leader	81-100%
Advanced	61-80%
Intermediate	41-60%
Improving	21-40%
Beginner	0-20%

There is a traffic light score system, specifically for the wind sector, in relation to the offshore wind tenders. In this context, the green traffic colour corresponds to 61-100% of the total achievable score from the assessment and means that company fully meets the requirements of the Agreement. The orange traffic colour corresponds to 21-60% of the total achievable score and means that a company is still working on improving its compliance and meeting the requirements of the Agreement. The red traffic colour means that the company in the RBC Agreement has scored less than 20% and it is not expected that the participant will improve its scoring and meet the Agreement requirements within the current reporting year.

Maturity Assessment Questionnaire:

1. Due Diligence Step 1: Embed Responsible Business Conduct into policies and management system

1.1 Does your company have one or more policies in which you commit to respecting all internationally recognized human rights, as well as to preventing and mitigating environmental damage and biodiversity loss?

Explanation: Companies can make these commitments in for example human rights policies, environmental policies, ESG policies, ethics and compliance policies, responsible business conduct policies, corporate (business) conduct guidelines and etc. The commitments can be in one or several documents.

According to UNGP 12, Internationally recognized human rights are understood, at a minimum, as those expressed in the International Bill of Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. The latter refer to the following: 1) freedom of association and the effective recognition of the right to collective bargaining; b) the elimination of all forms of forced or compulsory labour; c) the effective abolition of child labour; d) the elimination of discrimination in respect of employment and occupation; 5) safe and healthy working environment.

The company also need to commit to OECD Guidelines for Multinational Enterprises and UN Guiding Principles for Business and Human Rights.

Evidence: One or more policies on human rights, the environment and biodiversity.

Full compliance: The company has one or more policies where it commits to respecting all internationally recognized human rights, as well as to mitigating and preventing environmental damage and biodiversity loss.

Internationally recognized human rights contain at minimum those expressed in International Bill of Human Rights, and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work

The company makes references to OECD Guidelines for Multinational Enterprises and UN Guiding Principles for Business and Human Rights.

Partial compliance: The company has one or more policies on human rights, the environment and biodiversity, but they do not cover all the elements required for full compliance.

No compliance: The company does not have any policy on human rights, the environment or biodiversity.

1.2 Is your policy (policies) referred to in 1.1 publicly available?

Explanation: This refers to publication on the company's website.

Evidence: Link(s) to the website.

Full compliance: The company has published all of the policies on its website.

Partial compliance: The company has published some of the policies on its website.

No compliance: The company has published some of the policies on its website.

1.3 Do you have specific policies on your most salient risks?

Explanation: This can be done after company conducts risk assessment and determines its salient risks.

According to the commentary to UNGP 12, business enterprises may need to consider additional standards depending on the circumstances in the specific case, and this may become clear after the enterprise has conducted its risk assessment and determined its salient risks.

For instance, enterprises should respect the human rights of individuals belonging to specific groups or populations that require particular attention, where they may have adverse human rights impacts on them. In this connection, United Nations instruments have elaborated further on the rights of:

- Women
- Children
- Migrant workers and their families
- Persons belonging to national or ethnic, religious and linguistic minorities
- Persons with disabilities, and
- Indigenous peoples

Moreover, in situations of armed conflict enterprises should respect the standards of international humanitarian law.

Evidence: Specific policies or sections of the policies referred to in 1.1.

Full compliance: The company has specific policies on all the identified salient risks in its risk assessment.

Partial compliance: The company has specific policies on some of the identified salient risks in its risk assessment, but not all.

No compliance: The company does not have any policies on its salient risks.

1.4 Do you communicate the policies referred to in 1.1 and 1.3 proactively to relevant employees in your company?

Explanation: Relevant employees in the company also include freelancers and sub-contracted employees.

Evidence: Description of how this is proactively communicated and how employees are made aware of their responsibilities, for instance in an annual sustainability report, during interviews and evaluation meetings.

Full compliance: All policies referred to in 1.1 (and 1.3) are communicated to relevant employees in the company. As a result, people are aware of existing responsibilities.

Partial compliance: Some policies referred to in 1.1 (and 1.3) are communicated to some of the relevant employees in the company. As a result, some people are aware of existing responsibilities.

No compliance: The policies referred to in 1.1 (and 1.3) are not communicated to relevant employees in the company. As a result, people are not aware of existing responsibilities.

1.5 Do you regularly review and, where relevant, update the policies referred to in 1.1 and 1.3?

Explanation: Policies need to be reviewed and if needed, updated as risks in company operations, supply chains and business relationships emerge and evolve, including regulatory developments. The intervals can be different from company to company.

This is not a requirement from the start of the Agreement, if the company just drafted its policy (policies).

Evidence: Procedure for updating policies. Previous and new policies.

Full compliance: All policies referred to in 1.1 (and 1.3) are regularly reviewed and where relevant, updated.

Partial compliance: Some policies referred to in 1.1 (and 1.3) are regularly reviewed and where relevant, updated.

No compliance: No regular reviews of policies are taken place.

1.6 Within your organisation, do you have a commitment and responsibility from the top, including where relevant board level responsibility, to respect human rights and to prevent and mitigate environmental damage and biodiversity loss?

Explanation: This includes:

- Oversight and responsibility for due diligence is assigned to senior management (people who have mandate and authority to influence business decisions and operations relevant to the human rights, environment and biodiversity risks).
- If relevant, board has been assigned responsibility for responsible business conduct more broadly.

Evidence: Description of oversight and responsibility within the company, for instance in an annual sustainability report, organisational charts.

Full compliance: The company has assigned oversight and responsibility for due diligence to relevant senior management. Where relevant, the board has been assigned responsibility for responsible business conduct more broadly.

Partial compliance: The company has assigned oversight and responsibility for due diligence to some, but not all relevant senior management. The board, where relevant, has not been assigned responsibility for responsible business conduct more proudly.

No compliance: The company has no commitment and responsibility from the top for human rights, environment or biodiversity.

1.7 Is responsibility for implementing the policies referred to in 1.1 and 1.3 assigned across relevant departments (areas, functions) within your company?

Explanation: This includes:

- Responsibility for implementing the policies referred to in 1.1 and 1.3 is assigned across relevant departments (areas, functions) with particular attention to those people whose actions and decisions are most likely to increase or decrease risks.
- There is alignment and coordination across teams, functions and business units on implementing relevant aspects of the policies referred to in 1.1 and 1.3
- Topics discussed are put in board meetings.
- This also includes assigning necessary financial resources and outcomes attached to KPIs.

Evidence: Description of the responsibility for implementing the policies within the company, for instance in an annual sustainability report, organisational charts.

Full compliance: The company has assigned responsibility for implementing the policies referred to in 1.1 (and 1.3) across relevant departments (areas, functions) with particular attention to those people whose actions and decisions are most likely to increase or decrease risks.

There is alignment and coordination across teams, functions and business units on implementing relevant aspects of the policies referred to in 1.1 (and 1.3) Human rights, environment and biodiversity topics are regularly discussed in board meetings. Necessary financial resources and outcomes attached to KPI are assigned.

Partial compliance: The company has implemented some, but not all elements required for full compliance.

No compliance: The company has not assigned responsibility for implementing the policies referred to in 1.1 (and 1.3) across relevant departments (areas, functions). There is no alignment and coordination across teams, functions and business units on implementing relevant aspect of the policies referred to in 1.1 and 1.3. Human rights, environment and biodiversity topics are not discussed in board meetings. Necessary financial resources and outcomes attached to KPI are not assigned.

1.8 Do you provide resources such as awareness raising/ training / capacity building to relevant employees to help them understand and implement relevant aspects of the policies referred to in 1.1 and 1.3, including due diligence?

Explanation: This includes relevant company employees, freelancers and subcontracted employees.

Evidence: Description of the awareness raising/training/capacity building within the company, for instance in an annual sustainability report, screenshots of e-learnings, PPTs.

Full compliance: The company provides awareness raising/training/capacity building to relevant employees to help them understand and implement relevant aspects of the policies referred to in 1.1 (and 1.3).

Partial compliance: The company provides awareness raising/training/capacity building to relevant employees, but they do not cover the full scope of due diligence or are not provided to all relevant employees, or do not meet another element required for full compliance.

No compliance: The company does not provide awareness raising/training/capacity building to relevant employees to help them to understand and implement relevant aspects of the policies referred to in 1.1 (and 1.3).

1.9 Do you communicate key aspects of the policies referred to in 1.1 and 1.3 to suppliers and other relevant business relationships?

Explanation: This is for Tier 1 suppliers with whom companies have contractual relationships and who provide critical raw materials/components/services to wind / solar projects.

Evidence: Supplier code of conduct, supplier principles, excerpts from supplier contracts, emails etc.

Full compliance: The company communicates key aspects of the policies referred to in 1.1 (and 1.3) to suppliers and other relevant business relationships.

Partial compliance: The company communicates key aspects of the policies referred to in 1.1 (and 1.3) to suppliers and other relevant business relationships, but does not include all policies referred to in 1.1 and 1.3 or does not do so consistently.

No compliance: The company does not communicate key aspects of the policies referred to in 1.1 (and 1.3) to suppliers and other relevant business relationships.

1.10 Do you have pre-qualification processes on due diligence for suppliers and other business relationships?

Explanation: This requirement aims at due diligence.

Evidence: Description of the process, for instance in an annual sustainability report, pre-qualification questionnaires and procedures.

Full compliance: The company has a pre-qualification processes on due diligence for suppliers and other business relationships.

Partial compliance: The company has pre-qualification processes for suppliers and other business relationships, but the scope is not in line on due diligence or it is not done consistently.

No compliance: The company does not have pre-qualification processes on due diligence for its suppliers and business relationships.

1.11 Do you provide resources such as awareness raising/training / capacity building to prioritized suppliers and other business relationships for them to understand and apply the policies referred to in 1.1 and 1.3 and implement due diligence?

Explanation: This is for Tier 1 suppliers with whom companies have contractual relationships and who provide critical raw materials/components/services to wind / solar projects.

Evidence: Description of the resources provided, for instance in an annual sustainability report, screenshots of e-learning, PPTs.

Full compliance: The company provides resources such as awareness raising / training / capacity building to prioritized suppliers and other business relations for them to understand and apply policy (policies) referred to in 1.1 (and 1.3) and implement due diligence.

Partial compliance: The company can demonstrate it has provided resources such as awareness raising/training/capacity building to prioritised suppliers and other business relationships, but it does not do so on a consistent basis.

No compliance: The company does not provide resources and training / capacity building/awareness raising to suppliers and other business relationships for them to understand and apply policy (policies) referred to in 1.1 (and 1.3) and implement due diligence.

2. Due Diligence Step 2: Identify and assess actual and potential adverse impacts associated with the enterprises operations, products or services

2.1 Have you mapped your value chain?

Explanation: This is done on a risk based approach and on a component level. Value chain here includes company's critical suppliers, including in circularity-by design and end of life phase.

Evidence: value chain mappings.

Full compliance: The company has mapped its value chain.

Partial compliance: The company is in the process of mapping its value chain.

No compliance: The company has not mapped its value chain.

2.2 Have you identified and assessed actual and potential adverse impacts on people, the environment and biodiversity in your value chain?

Explanation: This includes company's own operations, upstream and downstream value chain and is done on a risk based approach. Assumptions can be used here.

Evidence: Risk assessment, risk assessment template, double materiality assessment.

Full compliance: The company has identified and assessed actual and potential adverse impacts on people, the environment and biodiversity in its value chain.

Partial compliance: The company is in the process of identifying and assessing actual and potential adverse impacts on people, the environment and biodiversity in its value chain.

No compliance: The company has not identified and assessed actual and potential adverse impacts on people, the environment and biodiversity in its value chain.

2.3 Have you started identifying suppliers beyond Tier 1?

Explanation: This question refers to actual information about suppliers, such as their names and locations. As opposed to the assumptions in the mapping under 2.1.

Evidence: Supplier lists/ databases.

Full compliance: The company has identified suppliers beyond Tier 1.

Partial compliance: The company is engaged in efforts to identify suppliers beyond Tier 1.

No compliance: The company has not identified suppliers beyond Tier 1.

2.4 Are you engaged in efforts to increase insight of potential and actual adverse impacts in your value chain?

Explanation: This includes collaborative efforts, such as multi-stakeholder initiatives and industry collaborations.

Evidence: Membership of multi-stakeholder initiatives or participation in (collective) projects.

Full compliance: The company is engaged in efforts to increase insight of potential and actual adverse impacts in its value chain.

Partial compliance: N/A

No compliance: The company is not engaged in efforts to increase insight of potential and actual adverse impacts in its value chain.

2.5 Do you reassess impacts at regular intervals: prior to major decisions or changes in the activity, in response to or in anticipation of changes in the operating environment and periodically throughout the life of an activity or relationship?

Explanation: This is about the assessment done on 2.2

Examples of "major decisions or changes in the activity" include market entry, product launch, policy change, or wider changes to the business.

Examples of "changes in the operating environment" include rising social tensions and other risks picked up through news monitoring etc.

Evidence: Risk assessment template, risk assessments, process document.

Full compliance: The company reassesses impacts at regular intervals: prior to major decisions or changes in the activity; in response to or in anticipation of changes in the operating environment; and periodically throughout the life of an activity or relationship.

Partial compliance: The company reassesses impacts at some regular intervals, but does not do it systematically.

No compliance: The company does not reassess impacts at regular intervals.

2.6 Do you consult and engage impacted and potentially impacted rights-holders including workers, workers' representatives, trade unions and communities to gather information on adverse impacts and risks?

Explanation: Examples of rights-holders:

- Affected communities
- Workers, including outsourced and informal workers
- People living close to or downstream from the operations, including landowners, farmers and indigenous peoples
- Environmental and human rights defenders
- Society (all people)

Evidence: Process document on risk assessment, audit schemes and audit reports, worker voice programs.

Full compliance: The company consults and engages impacted and potentially impacted rights-holders including workers, workers' representatives and trade unions to gather information on adverse impacts and risks.

Partial compliance: The company consults some, but not all relevant stakeholders and rightsholders to gather information on adverse impacts and risks.

No compliance: The company does not consult and engage impacted and potentially impacted rights-holders.

2.7 Where directly consulting with rights-holders is not possible, do you consider reasonable alternatives, such as consulting credible, independent expert resources, including human rights and environmental defenders, trade unions and civil society groups?

Explanation: This includes the use of reports published by human rights and environmental defenders, trade unions and civil society groups, reports of National Human Rights Institutions (NHRIs) and UN Special Procedures such as UN Special Rapporteurs and independent experts where rights-holders' views on adverse impacts are included.

Evidence: Process document on risk assessment, list of sources used.

Full compliance: Where directly consulting with rights-holders is not possible, the company always uses reasonable alternatives, such as consulting credible, independent expert resources, including human rights defenders, trade unions and civil society groups.

Partial compliance: Where directly consulting with rights-holders is not possible, the company sometimes uses reasonable alternatives, such as consulting credible, independent expert resources, including human rights defenders, trade unions and civil society groups.

No compliance: Where directly consulting with rights-holders is not possible, the company does not consider reasonable alternatives, such as consulting credible, independent expert resources, including human rights defenders, trade unions and civil society groups.

2.8 Do you pay special attention to potential adverse impacts on individuals from groups or populations that may have a heightened

risk of vulnerability or marginalisation, and to different risks that may be faced by different genders?

Explanation: The UN has elaborated on the rights of the following particularly vulnerable groups:

- Women
- Children
- Migrant workers and their families
- Persons belonging to national or ethnic, religious and linguistic minorities
- Persons with disabilities, and
- Indigenous peoples

There are, however, more groups that may be at heightened risk of vulnerability or marginalisation, depending on the context. See <https://rightstracker.org/groups>.

Evidence: Process document on risk assessment, lists of particularly vulnerable groups in e.g. the supply chains, development plans, environmental impact assessments, social impact assessments.

Full compliance: The company pays special attention to potential adverse impacts on individuals from groups or populations that may have a heightened risk of vulnerability or marginalisation, and to different risks that may be faced by different gender.

Partial compliance: The company pays some attention to potential adverse impacts on individuals from groups or populations that may have a heightened risk of vulnerability or marginalisation, and to different risks that may be faced by different gender, but does not do it consistently.

No compliance: The company does not pay special attention to potential adverse impacts on individuals from groups or populations that may have a heightened risk of vulnerability or marginalisation, and to different risks that may be faced by women and men.

2.9 Do you assess your involvement (causation, contribution, linkage) with the actual or potential adverse impacts identified in 2.2?

Explanation:

Causation: An enterprise "causes" an adverse impact if the enterprise's activities on their own are sufficient to result in the adverse impact.

Contribution: An enterprise "contributes to" an impact if its activities, in combination with the activities of other entities cause the impact, or if the activities of the enterprise cause, facilitate or incentivise another entity to cause an adverse impact. Contribution must be substantial, meaning that it does not include minor or trivial contributions.

Linkage: "Linkage" is defined by the relationship between the adverse impact and the enterprise's products, services or operations through another entity (i.e. business relationship). "Linkage" is not defined by direct contractual relationships, for example "direct sourcing".

An enterprise's relationship to adverse impact is not static. It may change, for example as situations evolve and depending upon the degree to which due diligence

and steps taken to address identified risks and impacts decrease the risk of the impacts occurring.

Evidence: Process document on risk assessment where the level of involvement is included.

Full compliance: The company assesses its involvement (causation, contribution, linkage) with the actual or potential adverse impacts identified in 2.2.

Partial compliance: The company has not yet assessed its involvement (causation, contribution, linkage) with the actual or potential adverse impacts identified in 2.2, but can show evidence that it is in the process of assessing this.

No compliance: The company does not assess its involvement (causation, contribution, linkage) with the actual or potential adverse impacts identified in 2.2.

2.10 Do you consult with business relationships, enterprises and other relevant stakeholders when assessing your involvement with adverse impacts?

Explanation: This is especially important for the adverse impacts companies may contribute to.

Evidence: Process document on risk assessment, audit schemes, emails, meeting agendas, meeting minutes.

Full compliance: The company consults with business relationships, enterprises and other relevant stakeholders when assessing its involvement with adverse impacts.

Partial compliance: The company has not yet consulted with business relationships, enterprises and other relevant stakeholders when assessing its involvement with adverse impacts, but can show evidence that it is in the process of organizing such consultation.

No compliance: The company does not consult with business relationships, enterprises and other relevant stakeholders when assessing its involvement with adverse impacts.

2.11 Do you prioritize your most significant adverse impacts on likelihood and severity (salience)?

Explanation: It may not always be possible for enterprises to identify and respond to all adverse impacts related to their activities and business relationships immediately. In this respect, the OECD Guidelines for MNEs also clarify that where "enterprises have large numbers of suppliers, they are encouraged to identify general areas where the risk of adverse impacts is most significant and, based on this risk assessment, prioritise suppliers for due diligence". Enterprises are responsible for addressing any adverse impacts that they have caused or contributed to.

The significance of an adverse impact is understood as a function of its likelihood and severity. Severity of impacts is measured by their scale, scope and irremediable character.

- Scale refers to the gravity of the adverse impact.

- Scope concerns the reach of the impact, for example the number of individuals that are or will be affected or the extent of environmental damage.
- Irremediable character means any limits on the ability to restore the individuals or environment affected to a situation equivalent to their situation before the adverse impact.

In the case of human rights, severity is a greater factor than likelihood. Where prioritisation is necessary enterprises should begin with those impacts that would be most severe, recognising that a delayed response may affect remediability. For example, if a potential adverse impact can result in loss of life, it may be prioritised even if it is less likely.

Evidence: Process document on risk assessment, risk assessments which includes prioritizations.

Full compliance: The company prioritizes its most significant adverse impacts based on likelihood and severity (salience).

Partial compliance: The company prioritizes its most significant adverse impacts, but does not do so based on likelihood and severity (salience).

No compliance: The company does not prioritize its most significant adverse impacts.

2.12 Do you consult with business relationships, other relevant enterprises and stakeholders, and impacted rights-holders or their representatives on prioritization decisions?

Explanation: These consultations can be done together with the consultations in 2.6.

Evidence: Process document on risk assessment, evidence of consultations with human rights defenders, trade unions and civil society groups (emails, meeting minutes etc.), heat map.

Full compliance: The company consults with business relationships, other relevant enterprises and stakeholders, and impacted rights-holders or their representatives on prioritization decisions.

Partial compliance: The company has not yet consulted with business relationships, other relevant enterprises, stakeholders, and impacted rights-holders or their representatives on prioritization decisions, but can show evidence that it is in the process of organizing such consultation.

No compliance: The company does not consult with business relationships, other relevant enterprises and stakeholders, and impacted rights-holders or their representatives on prioritization decisions.

2.13 Do you assess the extent to which tier 1 business relationships have appropriate policies and processes in place to identify, prevent and mitigate adverse impact?

Explanation: This is often done through supplier assessments or audits, which need to include assessments of due diligence.

Evidence: Supplier assessments, audits.

Full compliance: The company assesses the extent to which tier 1 business relationships have appropriate policies and processes in place to identify, prevent and mitigate adverse impact.

Partial compliance: The company assesses the extent to which some tier 1 business relationships have appropriate policies and processes in place to identify, prevent and mitigate adverse impacts.

No compliance: The company does not assess the extent to which tier 1 business relationships have appropriate policies and processes in place to identify, prevent and mitigate adverse impact.

3. Due Diligence Step 3. Cease, prevent and mitigate adverse impacts

3.1 Do you have a process/procedure, including implementation plans in place for how to cease, prevent and mitigate adverse impacts that you cause or contribute to?

Explanation: Process might also include action plans. In some instances, these implementation plans are also called preventive action plans and corrective action plans.

Companies can take prioritisation done in 2.11 into account.

Evidence: Process documents, roadmaps, action plans.

Full compliance: The company has a process/procedure in place, including implementation plans for how to cease, prevent and mitigate adverse impacts that it causes or contributes to.

Partial compliance: The company can show evidence that it is in the process of setting up a process/procedure, including implementation plans for how to cease, prevent and mitigate adverse impacts that it causes or contributes to.

No compliance: The company does not have a process/procedure in place, including implementation plans for how to cease, prevent and mitigate adverse impacts that it causes or contributes to.

3.2 Dependent on your role, do you consult and engage with impacted or potentially impacted rightsholders or their representatives in developing and implementing the plans referred to in 3.1?

Explanation: Where companies cause an adverse impact, they are expected to consult and engage with impacted or potentially impacted rights-holders or their representatives.

Where companies contribute to an adverse impact caused by another entity, the requirement to consult and engage with impacted or potentially impacted rights-holders or their representatives may be fulfilled by or through the causing entity.

Evidence: Meeting minutes, interview reports, email communication, process documents.

Full compliance: The company consults and engages with impacted or potentially impacted rightsholders or their representatives in developing and implementing the plans referred to in 3.1.

Partial compliance: The company consults and engages with some impacted or potentially impacted rightsholders or their representatives in developing and implementing the plans referred to in 3.1, but it is a one-time engagement or it does not include all relevant rightsholders or their representatives.

No compliance: The company does not consult and engage with impacted or potentially impacted rightsholders or their representatives in developing and implementing the plans referred to in 3.1.

3.3 In case you are one of several entities contributing to adverse impact, do you engage with other involved entities to cease impacts and prevent them from recurring or risks from materialising?

Explanation: This can be done through, for example, multi-stakeholder initiatives, industry initiatives, cross-sector collaboration and engagements with governments, and is especially important in regards to systemic issues.

Systemic issues refer to problems or challenges that are prevalent within a context and are driven by root causes outside of the company's immediate control, but that nonetheless increase the risk of adverse impacts within the company's own operations or supply chain.

Evidence: Meeting agendas, meeting minutes, emails, memberships in multi-stakeholder initiatives and industry associations, engagements with governments (emails, meeting agendas, meeting minutes).

Full compliance: When the company is one of several entities contributing to adverse impact, it engages with other involved entities to cease impacts and prevent them from recurring or risks from materializing.

Partial compliance: When the company is one of several entities contributing to adverse impact, it engages with some, but not all other involved entities to cease impacts and prevent them from recurring or risks from materializing.

No compliance: When the company is one of several entities contributing to adverse impact, it does not engage with other involved entities to cease impacts and prevent them from recurring or risks from materializing.

3.4 Do you take steps to cease or prevent your contribution to adverse impacts that are caused by another entity?

Explanation: Some examples of how "contribution" may look like: lending vehicles to security forces that use them to travel to local villages and commit atrocities, setting a very short lead time for delivery, changing requirements at the eleventh hour, or negotiating prices aggressively, thus pushing suppliers to violate workers' rights through e.g. excessive overtime, suppressed wages, or poor health & safety.

Evidence: Process documents, action plans.

Full compliance: The company takes steps to cease or prevent its contribution to adverse impacts that are caused by another entity.

Partial compliance: The company takes steps to cease or prevent its contribution to some adverse impacts that are caused by another entity.

No compliance: The company does not take steps to cease or prevent its contribution to adverse impacts that are caused by another entity.

3.5 Do you develop and implement plans to seek to prevent or mitigate actual or potential adverse impact linked to your operations, products or services?

Explanation: According to the OECD Guidance (Annex Q34), the expectation that enterprises seek to prevent or mitigate adverse impacts linked to their operations, products or services is not intended to shift responsibility from the entity causing or contributing to an adverse impact to the enterprise with which it has a business relationship. The responsibility for the impact remains with the entity or entities that are causing or contributing to the impacts.

However, while the enterprise may not be able to address the impact itself, it should seek to influence its business relationship to prevent or mitigate the adverse impacts. Actions that can be taken to seek to prevent and mitigate adverse impacts linked to a business relationship, which should be stated in plans, include:

- Modifying business operations or activities to prevent and mitigate adverse impacts linked to the enterprise's business relationships.
- Using leverage to affect change in the practices of the entity that is causing the adverse impact(s) to the extent possible.
- Supporting business relationships in the prevention or mitigation of adverse impact(s).
- Disengaging from the business relationship.
- Addressing systemic issues.

Evidence: Process documents, action plans, engagements with suppliers (emails, meeting agendas, meeting minutes).

Full compliance: The company develops and implements plans to seek to prevent or mitigate actual or potential adverse impacts linked to its operations, products or services.

Partial compliance: The company develops and implements plans to seek to prevent or mitigate some of its actual or potential adverse impact linked to its operations, products or services, but they do not include all actual or potential adverse impacts.

No compliance: The company does not develop and implement plans to seek to prevent or mitigate actual or potential adverse impact linked to its operations, products or services.

3.6 Does your plan referred to in 3.5 include support or collaboration with the relevant business relationships for them to prevent or mitigate adverse impacts?

Explanation: The OECD Guidance (Annex Q38) provides some examples how an enterprise may support its business relationships for them to prevent or mitigate adverse impacts:

- Partnering with suppliers/business relationships to develop and implement corrective action plans that are time-bound and outcome-oriented.

- Providing technical guidance to suppliers/business relationships – for example, in the form of training, management systems upgrading, etc.
- Facilitating participation of suppliers/business relationships in broader sector-wide initiatives or regional initiatives to prevent impacts.
- Facilitating linkages of suppliers/business relationships with local service providers.
- Facilitating access to financing for suppliers/business relationships to help implement corrective action plans, for example, through direct financing, low-interest loans, guarantees of continued sourcing, and assistance in securing financing.

Evidence: Audit reports, audit schemes, process documents.

Full compliance: The company supports or collaborates with the relevant business relationships for them to prevent or mitigate adverse impacts.

Partial compliance: The company supports or collaborates with some of its relevant business relationships for them to prevent or mitigate adverse impacts.

No compliance: The company does not support or collaborate with the relevant business relationships for them to prevent or mitigate adverse impacts.

3.7 Do you use your leverage, in other ways than what is referred to in 3.6, to prompt the business relationships to prevent and mitigate adverse impacts?

Explanation: The OECD Guidance (Annex Q36) provides some examples of how enterprises may use their leverage:

- Engagement with the business relationship to urge them to prevent and/or mitigate impacts through letter-writing, emails, telephone calls or face-to-face meetings with the business relationship at operational, senior management and/or board level to express views on RBC issues.
- Building expectations around responsible business conduct and due diligence specifically into commercial contracts.
- Linking business incentives – such as the commitment to long-term contracts and future orders – with performance on responsible business conduct.
- For investors, attendance and speaking at Annual General Meetings to express views on RBC matters and using voting rights to express views on responsible business conduct issues, requesting information from and engaging with investee companies to obtain relevant information and make expectations clear.
- Engagement with regulators and policymakers on responsible business conduct issues for them to effect change in the wrongful practices of the entity causing the harm.
- Communicating the possibility of disengagement if expectations around responsible business conduct are not respected (e.g. through contractual clauses).

Evidence: Supplier portals with guidance, capacity-building, trainings; evidence of assistance with management systems upgrades and grievance mechanisms improvements; evidence of long-term contracts/ guarantees of continued sourcing; facilitation of participation in initiatives (emails, meeting minutes, etc.); engagements with governments/authorities (emails, meeting minutes, etc.)

Full compliance: The company uses its leverage in other ways than what is referred to in 3.6, to prompt the business relationships to prevent and mitigate

adverse impact.

Partial compliance: The company is working on building leverage to prompt its business relationships to prevent and mitigate adverse impact.

No compliance: The company does not use its leverage in other ways than what is referred to in 3.6, to prompt the business relationships to prevent and mitigate adverse impact.

3.8 Do you prevent or mitigate adverse impacts on people, the environment and biodiversity in cooperation with other companies, civil society organizations and trade unions?

Explanation: This is a general question on step 3.

Evidence: Membership of multi-stakeholder initiatives or participation in (collective) projects.

Full compliance: The company prevents or mitigates adverse impacts on people, the environment and biodiversity in cooperation with other companies, civil society organizations and trade unions.

Partial compliance: The company does not prevent or mitigate adverse impacts on people, the environment and biodiversity in cooperation with other companies, civil society organizations and trade unions, but it is in the process of doing so.

No compliance: The company does not prevent or mitigate adverse impacts on people, the environment and biodiversity in cooperation with other companies, civil society organizations and trade unions.

4. Due diligence step 4: Track implementation and results

4.1 Do you monitor and track the implementation and effectiveness of your own internal commitments, activities and goals on due diligence?

Explanation: This includes periodic internal or third party reviews or audits of the outcomes achieved and the requirements under the Corporate Sustainability Reporting Directive.

Evidence: Periodic internal or third party reviews or audits, KPIs, annual reports, due diligence action plans.

Full compliance: The company monitors and tracks the implementation and effectiveness of its own internal commitments, activities and goals on due diligence.

Partial compliance: The company monitors and tracks the implementation and effectiveness of some of its own internal commitments, activities and goals on due diligence.

No compliance: The company does not monitor or track the implementation and effectiveness of its own internal commitments, activities and goals on due diligence.

4.2 Do you communicate the results from the monitoring and tracking referred to in 4.1 at relevant levels of the company?

Explanation: This includes the functions referred to in 1.6 and 1.7.

Evidence: Internal communication excerpts, PowerPoint presentations, due diligence action plans.

Full compliance: The company communicates the results from the monitoring and tracking referred to in 4.1 at relevant levels of the company.

Partial compliance: The company communicates the results from the monitoring and tracking referred to in 4.1 at some but not all relevant levels of the company.

No compliance: The company does not communicate the results from the monitoring and tracking referred to in 4.1 at relevant levels of the company.

4.3 Do you carry out periodic assessments of business relationships, to verify that risk mitigation measures are being pursued or to validate that adverse impacts have actually been prevented or mitigated?

Explanation: These can be follow-ups to the supplier assessments/audits carried out under 2.13, but can also be other regular assessments, especially for long-term partners.

Evidence: Supplier assessment, audits, corrective action plans.

Full compliance: The company carries out periodic assessments of business relationships, to verify that risk mitigation measures are being pursued or to validate that adverse impacts have actually been prevented or mitigated.

Partial compliance: The company does not carry out periodic assessments of business relationships, to verify that risk mitigation measures are being pursued or to validate that adverse impacts have actually been prevented or mitigated, but it is in the process of doing so.

No compliance: The company does not carry out periodic assessments of business relationships, to verify that risk mitigation measures are being pursued or to validate that adverse impacts have actually been prevented or mitigated.

4.4 For impacts you cause or contribute to, do you consult and engage impacted or potentially impacted rightsholders, including workers, workers' representatives, trade unions and communities, in your monitoring and tracking in 4.1 and periodic assessments in 4.3?

Explanation: If the consultations are "ongoing", which is among the four criteria for meaningful stakeholder engagement (two-way, in good faith, ongoing, responsive), these consultations can be done together with the consultations in 2.6 and 3.2.

Evidence: Meeting minutes, interview reports, email communication, process documents, employee surveys.

Full compliance: For impacts the company causes or contributes to, the company consults and engages impacted or potentially impacted rights-holders, including workers, workers' representatives and trade unions, in its monitoring and tracking in 4.1 and periodic assessments in 4.3.

Partial compliance: For some of the impacts the company causes or contributes to, the company consults and engages impacted or potentially impacted rights-holders, including workers, workers' representatives and trade unions, in its monitoring and tracking in 4.1 and periodic assessments in 4.3.

No compliance: For none of the impacts the company causes or contributes to, the company consults and engages impacted or potentially impacted rights-holders, including workers, workers' representatives and trade unions, in its monitoring and tracking in 4.1 and periodic assessments in 4.3.

5. Due diligence step 5: Communicate how impacts are addressed

5.1 Do you publicly report on your due diligence processes?

Explanation: The report should include information on:

- Company's human rights and environmental due diligence process.
- The most important actual or potential adverse impacts identified in the value chain.
- Activities that have been undertaken for the mapping and monitoring of those impacts.
- Measures carried out by the company to prevent, remedy or cease actual or potential adverse impacts and the results of such measures.

These reports can be in the format of annual, sustainability or corporate responsibility reports or other appropriate forms of disclosure in line with legislation such as the Corporate Sustainability Reporting Directive, the German Supply Chain Act, the UK Modern Slavery Act and others.

Evidence: Sustainability report, annual report, modern slavery act reporting etc.

Full compliance: The company publicly reports on its due diligence processes and this information includes at minimum:

- Company's human rights and environmental due diligence process.
- The most important actual or potential adverse impacts identified in the value chain.
- Activities that have been undertaken for the mapping and monitoring of those impacts.
- Measures carried out by the company to prevent, remedy or cease actual or potential adverse impacts and the results of such measures.

Partial compliance: The company publicly reports on its due diligence processes, but these reports include only some of the elements listed for full compliance.

No compliance: The company does not publicly report on its due diligence processes.

5.2 Do you publish the above information on your website?

Explanation: This is needed for the information to be easily accessible.

Evidence: Link to publication.

Full compliance: The company publishes the reports referred to in 5.1 on its website.

Partial compliance: The company publishes some of the reports referred to in 5.1 on its website.

No compliance: The company does not publish the reports referred to in 5.1 on its website.

6. Due diligence step 6: Provide for or cooperate in remediation when appropriate

6.1 Do you have processes to respond to or, where appropriate, provide remedies in situations where the policy (policies) referred to in 1.1 and 1.3 are not observed?

Explanation: These processes need to include commitments on:

- Provide for or cooperate in remediation, if the company identifies that it has caused or contributed to actual adverse impacts.
- Seek to restore the human rights, environment and biodiversity prior to the situation had the adverse impact not occurred (where possible) and enable remediation that is proportionate to the significance and scale of the adverse impact.
- Comply with the law and seek out international guidelines on remediation where available, and where such standards or guidelines are not available, consider a remedy that would be consistent with that provided in similar cases.
- In relation to human rights impacts, consult and engage with impacted rightsholders and their representatives in the determination of the remedy.
- Seek to assess the level of satisfaction of those who have raised complaints with the process provided and its outcome(s).
- Cooperate in good faith with judicial or non-judicial mechanisms, including NCPs and courts.
- For human rights impacts that the company causes or contributes to, to communicate with impacted or potentially impacted rightsholders in a timely, culturally sensitive and accessible manner.

Evidence: Process documents on remedy, PowerPoint presentations from trainings on remedy, mappings of different remediation mechanisms (collective agreements, insurance, legislation, multi-stakeholder initiatives etc.).

Full compliance: The company has processes to respond to or, where appropriate, provide remedies in situations where their policy (policies) referred to in 1.1 and 1.3 are not observed and these processes include commitments on:

- Provide for or cooperate in remediation, if the company identifies that it has caused or contributed to actual adverse impacts.
- Seek to restore human rights, environment and biodiversity prior to the situation had the adverse impact not occurred (where possible) and enable remediation that is proportionate to the significance and scale of the adverse impact.
- Comply with the law and seek out international guidelines on remediation where available, and where such standards or guidelines are not available, consider a remedy that would be consistent with that provided in similar cases.

- In relation to human rights impacts, consult and engage with impacted rightsholders and their representatives in the determination of the remedy.
- Seek to assess the level of satisfaction of those who have raised complaints with the process provided and its outcome(s).
- Cooperate in good faith with judicial or non-judicial mechanisms, including the NCP and courts.
- For human rights impacts that the company causes or contributes to, to communicate with impacted or potentially impacted rightsholders in a timely, culturally sensitive and accessible manner.

Partial compliance: The company has processes to respond to or, where appropriate, provide remedies in situations where the policies referred to in 1.1 and 1.3 are not observed, but these processes include only some of the elements listed for full compliance.

No compliance: The company does not have processes to respond to, or where appropriate, provide remedies in situations where the policies referred to in 1.1. and 1.3 are not observed.

6.2 Do you have a grievance mechanism where stakeholders can raise complaints or concerns?

Explanation: According to the commentary of UNGP 29, operational-level grievance mechanisms are accessible directly to individuals and communities who may be adversely impacted by a business enterprise. They are typically administered by enterprises, alone or in collaboration with others, including relevant stakeholders. They may also be provided through recourse to a mutually acceptable external expert or body. They do not require that those bringing a complaint first access other means of recourse. They can engage the business enterprise directly in assessing the issues and seeking remediation of any harm.

Companies can use different channels for grievances, dependent on the context, such as, online platforms, hotlines, postal addresses and community officers.

Evidence: Process documents, print screens of online platforms, photos of post boxes etc.

Full compliance: The company has a grievance mechanism where stakeholders can raise complaints or concerns.

Partial compliance: The company does not have a grievance mechanism where stakeholders can raise complaints or concerns, but it is in the process of setting up such a mechanism.

No compliance: The company does not have a grievance mechanism where stakeholders can raise complaints or concerns.

6.2.1 Do you cooperate with initiatives that provide other types of grievance mechanisms?

Explanation: This includes grievance mechanisms within multi-stakeholder initiatives and industry organisations.

Evidence: Membership of initiative that provide a grievance mechanism.

Full compliance: The company is a member of an initiative which has a collective grievance mechanism and shares this information on its website.

Partial compliance: The company is a member of an initiative which is in the process of setting up a collective grievance mechanism, or the company is in the process of joining an initiative with a collective grievance mechanism.

No compliance: The company is not a member of an initiative which has a collective grievance mechanism.

6.3 Do you inform identified external stakeholders and rightsholders of the grievance mechanism(s) referred to in 6.2 (and/or 6.2.1)?

Explanation: This includes external stakeholders and rights-holders around the company's own operations as well as in the company's supply chain.

Evidence: Posting of QR codes or links on the premises (included in contract clauses).

Full compliance: The company informs its identified external stakeholders and rights-holders of the grievance mechanism(s) referred to in 6.2 (and/or 6.2.1).

Partial compliance: The company informs some of its identified external stakeholders and rights-holders of the grievance mechanism(s) referred to in 6.2 (and/or 6.2.1).

No compliance: The company does not inform its identified external stakeholders and rights-holders of the grievance mechanism(s) referred to in 6.2 (and/or 6.2.1).

6.4 Have you assessed the grievance mechanism referred to in 6.2 against the UNGPs eight effectiveness criteria (principle 31)?

Explanation: According to UNGP 31, grievance mechanisms should be:

- A. Legitimate: Enabling trust from the stakeholder groups for whose use they are intended, and being accountable for the fair conduct of grievance processes.
- B. Accessible: Being known to all stakeholder groups for whose use they are intended, and providing adequate assistance for those who may face particular barriers to access.
- C. Predictable: Providing a clear and known procedure with an indicative time frame for each stage, and clarity on the types of process and outcome available and means of monitoring implementation.
- D. Equitable: Seeking to ensure that aggrieved parties have reasonable access to sources of information, advice and expertise necessary to engage in a grievance process on fair, informed and respectful terms.
- E. Transparent: Keeping parties to a grievance informed about its progress, and providing sufficient information about the mechanism's performance to build confidence in its effectiveness and meet any public interest at stake.
- F. Rights-compatible: Ensuring that outcomes and remedies accord with internationally recognized human rights.
- G. A source of continuous learning: Drawing on relevant measures to identify lessons for improving the mechanism and preventing future grievances and harms.
- H. Based on engagement and dialogue: Consulting the stakeholder groups for whose use they are intended on their design and performance, and focusing on dialogue as the means to address and resolve grievances.

Evidence: Description of the process, Assessment document including action plan.

Full compliance: The company has assessed the grievance mechanism(s) referred to in 6.2 (and/or 6.2.1) against the UNGPs eight effectiveness criteria and has taken action to improve it/them based on the assessment.

Partial compliance: The company has assessed the grievance mechanism(s) referred to in 6.2 (and/or 6.2.1) against the UNGPs eight effectiveness criteria but has not taken action to improve it/them based on the assessment.

No compliance: The company has not assessed the grievance mechanism(s) referred to in 6.2 (and/or 6.2.1) against the UNGPs eight effectiveness criteria.

6.5 Do you encourage complaints mechanisms at your suppliers?

Explanation: This can for instance be done through codes of conduct or contract conditions.

Evidence: Contract clauses, audit schemes where this is included, audit reports.

Full compliance: The company encourages complaints mechanisms at its suppliers with whom it has contractual relationships.

Partial compliance: The company encourages complaints mechanisms at some of its suppliers with whom it has contractual relationships.

No compliance: The company does not encourage complaints mechanisms at any of its suppliers with whom it has contractual relationships.