



Collaborating for positive impact
through responsible sourcing

RESPONSIBLE SOURCING JOURNEY

MAY 2022

INTRODUCTION

The AIM-Progress Responsible Sourcing Journey (RSJ) provides a blueprint to help member companies accelerate the development and implementation of responsible sourcing practices that positively impact people's lives throughout their supply chains.

The RSJ enables companies to understand where they are on this journey and helps them identify and plan their future efforts more effectively. The journey is applicable to the 4 pillars of responsible sourcing: Human Rights & labour standards, health and safety, environment and business ethics.

This revised version of the RSJ reinforces AIM-Progress member companies' commitment to respect Human Rights with:

- A new framework aligned to the OECD Due Diligence Guidance for Responsible Business Conduct, based on the UNGPs.
- New criteria focused on responsible recruitment & eliminating forced labour and enabling living wage/income.

The RSJ provides an up to-date and comprehensive description of practical actions and implementation measures to improve working conditions throughout the supply chain and better manage social and environmental impacts, integrating companies' implementation of the UN Guiding Principles on Business and Human Rights (UNGPs) and business's contributions to the UN Sustainable Development Goals (SDGs).

OECD due diligence process





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4 maturity levels



The RSJ defines **four maturity stages** on the journey to responsible sourcing: Launched – Established – Integrated - Leadership. Criteria within the first maturity level (Launched) have been designed as **stepping stones** to start on the journey. The criteria from one maturity level to the next **build on one another**.

This document provides a **modular framework** to help companies evolve through the four stages of maturity in the **6 modules covered by the OECD framework**. It shows how strengthening activities in each of these areas (or modules) supports progress through the stages of maturity and provides **guidance on how to get started and how to build on existing efforts** to achieve best practice. It covers core elements of companies' responsible sourcing practices, and sets out key concepts and definitions in relation to the **UNGPs and SDGs**



6 modules



Module 1

01

Embed responsible business conduct into policies and management systems

Start with a statement of policy or code of conduct reinforcing the company's commitment to source responsibly and its plans for implementing responsible sourcing due diligence. This needs to be embedded throughout the organisation through effective governance, stakeholder engagement and sourcing requirements.

Module 2

02

Identify and assess actual and potential adverse impacts

Assess how the company's activities and business relationships in the supply chain may impact people's lives to identify salient Human Rights issues and the most severe risks of negative impacts. Set strategic direction on how to manage risks and carry out increasingly in-depth assessments of prioritised supply chains in order to identify and assess specific actual and potential adverse impacts.

Module 3

03

Cease, prevent and mitigate adverse impacts

Develop and implement plans that are fit-for-purpose to prevent and mitigate potential adverse impacts. Collaborate with peers and suppliers and leverage stakeholder engagement, including with rightsholders and vulnerable groups to implement appropriate mitigation steps and ensure effectiveness. As a last resort, disengage responsibly from business relationships directly causing/contributing to adverse Human Rights and environmental impacts

Module 4

04

Track implementation and results

Track the implementation, effectiveness and impact of the company's responsible sourcing due diligence activities, i.e. measures to identify, prevent, mitigate and, where appropriate, support remediation of impacts. Monitor progress made by suppliers and other business partners, and ensure transparency with affected stakeholders and others. Use the lessons learned from tracking to improve processes and approaches in the future.

Module 5

05

Communicate how impacts are addressed

Communicate both internally and externally relevant information on your responsible sourcing programme, including policies, processes and activities conducted to identify and address actual or potential adverse impacts. Include the findings and outcomes of those activities.

Module 6

06

Implement grievance mechanisms and provide for or cooperate in remediation when appropriate

Develop and embed effective grievance mechanisms in line with the UNGPs to provide remedy and prevent future adverse impacts. Engage stakeholders and listen to those who are negatively affected to take account of their perspectives when providing remedy.



Responsible sourcing journey overview



LAUNCHED

ESTABLISHED

In addition to Launched

INTEGRATED

In addition to Established

LEADERSHIP

In addition to Integrated

01

Embed responsible business conduct

We have a publicly available commitment to respect Human Rights. We have a responsible sourcing policy and/ or code of conduct (CoC) setting minimum expectations for our suppliers.
We have obtained executive buy-in and have assigned a function to take the lead.
Awareness is built with direct suppliers and key staff on our responsible sourcing programme and expectations.

We have a publicly available Human Rights Policy. We have defined a strategy and set compliance targets and we report regularly internally. Our responsible sourcing expectations are included in our supplier contracts and are part of our standard supplier pre-qualification processes. Our procurement incentives are aligned with responsible sourcing targets.

Our responsible sourcing approach is linked to the SDGs and includes a Human Rights Due Diligence process. Governance of the programme is at the highest level of the organisation. Human Rights training has been conducted internally and for suppliers operating in high-risk contexts. Responsible sourcing goals are integrated into performance reviews and remuneration schemes across the organisation. Our Responsible Sourcing Policy is cascaded to our upstream suppliers.

Our company's business goals support positive social and environmental impacts. Responsible sourcing permeates from the Board, the CEO and the top leadership team to relevant business units and employees' roles. We are driving change in our industry via active investment in knowledge sharing, peer education, mentoring and sharing best practice. We support the payment of Living Wages or earning of Living Incomes in our supply chain.

02

Identify and assess

We have visibility of Tier 1 vendors. We have defined assessment processes, including different instruments based on risk materiality criteria and are actively assessing our Tier 1 suppliers in high-risk procurement categories. We have identified and prioritised the risks in our supply chain related to the four pillars of responsible sourcing.

We have identified the most salient human rights issues in our supply chain. Our highest risk supply chains are mapped beyond Tier 1. High-risk Tier 1 suppliers are being proactively monitored through continuous review and engagement. We are engaged through relevant collaborative initiatives to assess practices in our supply chain and to share assessments to avoid duplication of efforts for our suppliers.

We have visibility of our highest risk supply chains all the way back to origin. Our grievance mechanism informs our materiality/risk assessments.
Our company publicly discloses results of its materiality/risk assessments. Forced labour assessments are actively and regularly conducted for prioritised extended supply chains, such as recruitment agencies used by suppliers.

Our assessments identify opportunities to achieve positive livelihood impacts on people upstream in our supply chains. Our materiality/ risk identification goes beyond due diligence and deals with root causes. Our company publicly discloses our supplier mapping.

03

Cease, prevent and mitigate

We use the findings of supplier risk assessments to draw up plans to prevent and mitigate potential future adverse impacts.
We take immediate steps to mitigate critical issues.

We work with our suppliers to close out non-conformances and implement mitigation plans.
We are actively engaged with our suppliers in multi-stakeholder initiatives and with our peers through relevant collaborative platforms to address issues collectively.

We are partnering with our suppliers to enhance their prevention and mitigation capability. In highest risk areas we are engaged with vulnerable groups/rightsholders. We are taking joint action with our suppliers to mitigate forced labour risks and Living Wage/Income gaps.

We are collaborating widely with governments, suppliers, civil society organisations and industry peers to contribute to the SDGs. We are engaged with vulnerable groups/rightsholders when evaluating the effectiveness of any action taken to address critical issues.

04

Track implementation and results

We monitor inputs (resources, activities and assessments) and outputs (tangible results of our activities) and track the process of our responsible sourcing programme.

We monitor inputs, outputs and outcomes (signs that change is happening for people and within businesses) and track improvements.

We monitor inputs, outputs and outcomes and track the progress of our human rights due diligence and improvements in conditions for workers and/or farmers in a number of high-risk or strategic supply chains.

We monitor significant impacts (positive or negative) related to our business activities and business relationships and track impacts on the safety, incomes, empowerment, dignity and respect of people in a number of high-risk and/ or strategic supply chains.

05

Communicate

We are reporting regularly on the basic activities of our programme to relevant functions internally, and externally when legally required.

We report details of our programme outcomes and findings both internally and externally. Our reporting goes beyond mandatory requirements to identify impacts and explains the company's governance structure.

We report transparently on all aspects of our programme. Our reporting is fully integrated into our procurement KPIs or practices. We work with independent third parties to provide external assurance of our reporting on responsible sourcing.

Our responsible sourcing reporting and its KPIs trigger transformational change in our business strategy and ways of working. Our disclosure includes impact measurement on the effectiveness of prevention or mitigation measures.

06

Grievance mechanism & remediation

We have one or more channels to communicate grievances. We require that our suppliers develop their own grievance mechanism (own, third party or shared). We identify the desired remedy in dialogue with the complainant and collect their feedback on the remedy and the outcome.

We work with our suppliers to map and develop their own grievance mechanism and monitor results and performance of the mechanism. We extend our own grievance mechanism to our direct suppliers if required. We ensure the remedy is commensurate with our level of responsibility for the grievance.

We encourage further extension of grievance mechanisms, such as introducing technological solutions to gather feedback directly from workers. We publicly disclose the performance of our mechanisms. We appoint an independent third party to monitor the implementation of the remediation plan and engage with local stakeholders and organisations to provide appropriate support to those affected.

We analyse the grievance data received from our key suppliers and work together to improve their grievance mechanisms. For severe grievances, we share publicly our level of responsibility and ensure confidentiality. When relevant we collaborate with other AIM-Progress members, as well as other peers and partners, to provide remedy.



How to use the RSJ framework

The RSJ framework was developed by AIM-Progress using various guidance documentation, standards and benchmarks and builds on AIM-Progress members' experience and input. It is updated regularly to incorporate best practice. The framework may be used as a benchmark tool or as blueprint to further embed and improve your responsible sourcing programme and its associated management systems. The RSJ is designed for any company wanting to strengthen their responsible sourcing programme, whether they are a brand or a supplier.

The RSJ is also available - for AIM-Progress members only - in an excel spreadsheet ("RSJ Self-Assessment Tool") to individually assess implementation of each of the responsible sourcing criteria. The tool allows companies to systematically select the implementation status against each maturity level to see where they may have gaps and opportunities for improvement. For each criteria, the implementation status may be selected as "not started", "initiated", "nearly done" or "fully implemented".

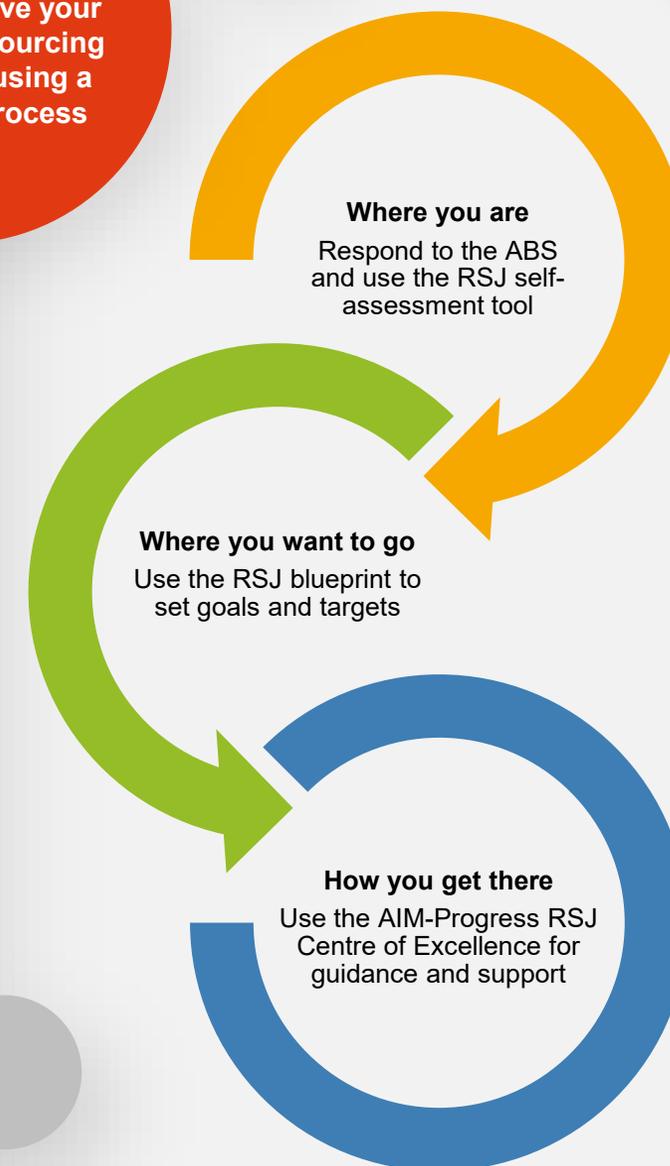
Some criteria identified as **"entry criteria"** must be fully implemented to achieve the associated maturity level. **These are highlighted in the individual modules**

The tool will provide companies with a global maturity score, as well as an implementation status (percentage of criteria implemented) for each of the 6 RSJ modules. Further guidance on score calculation is provided in the RSJ self-assessment tool.

The results of the self-assessment should be used to identify improvement areas and concrete actions. Member companies may use the self-assessment tool to review where they are, reflect on learnings and establish further improvement actions to consolidate their maturity or to reach the next maturity level.

AIM-Progress incorporates members' responses to the RSJ self-assessment tool into its Annual Benchmarking Survey (ABS), enabling member companies to understand how they compare with peers (aggregated and anonymised results) for each of the 6 RSJ modules. Companies participating in the ABS receive an individual company profile identifying key strengths, gaps and opportunities for improvement against the RSJ framework. This profile may be used by members to define their goals and targets and develop plans to get to the next stage. The AIM-Progress RSJ Centre of Excellence will be the go-to place for guidance and support for members to achieve these goals.

How to improve your responsible sourcing programme using a three-step process



MODULE 1 Embed responsible business conduct



	LAUNCHED	ESTABLISHED In addition to Launched	INTEGRATED In addition to Established	LEADERSHIP In addition to Integrated
Policy	<p>1.1.1 Our company publicly commits to respecting all internationally recognised Human Rights across its activities and to ensuring its business relationships respect Human Rights.</p> <p>1.1.2 We have a publicly available commitment against forced labour aligned with the Consumer Goods Forum's Priority Industry Principles (PIPs) or equivalent.</p> <p>1.1.3 We have a publicly available commitment to pay a Living Wage to workers in our own operations.</p>	<p>1.1.4 We have a publicly available Human Rights Policy or equivalent.</p> <p>1.1.5 Our Human Rights Policy refers to the CGF PIPs or other equivalent internationally recognised instruments pertaining to forced labour risks.</p> <p>1.1.6 We have a publicly available commitment to work with our direct and extended suppliers to enable Living Wage to be paid or Living Income to be earned in our supply chain.</p>	<p>1.1.7 Our Responsible Sourcing Policy includes a Human Rights Due Diligence (HRDD) process.</p> <p>1.1.8 Our Responsible Sourcing Policy promotes access to grievance mechanisms for all workers and communities.</p> <p>1.1.9 Our responsible sourcing approach is linked to the SDGs.</p> <p>1.1.10 A time-bound target backs our commitment to support Living Wage or Income to be paid/earned in our supply chain.</p>	<p>1.1.11 Our company purpose and core values include the responsibility to respect Human Rights and fair compensation.</p> <p>1.1.12 Our company business goals support positive social and environmental impacts.</p> <p>1.1.13 Our responsible sourcing strategy contributes to the SDGs by cascading requirements upstream along the supply chain.</p> <p>1.1.14 Through our company's publicly available Human Rights Policy we expect our suppliers to commit to respect the ILO fundamental rights at work and to explicitly refer to them in that commitment.</p>
Governance	<p>1.2.1 We have an assigned function for responsible sourcing and resources allocated (people and budget).</p> <p>1.2.2 Our procurement and other relevant staff have had responsible sourcing and Human Rights risks training.</p>	<p>1.2.3 We have assigned responsibility specifically for respecting Human Rights.</p> <p>1.2.4 We have a long-term responsible sourcing plan in place, including targets and KPIs.</p> <p>1.2.5 Our procurement and other relevant staff incentives are aligned with responsible sourcing targets.</p> <p>1.2.6 Our governance and management systems clarify that suppliers will not face reprisals for reporting risk or instances of forced labour and provide a clear procedure of how any reported risks will be addressed and, if needed, escalated.</p>	<p>1.2.7 Our responsible sourcing governance is at the highest level of the organisation.</p> <p>1.2.8 We have cross-functional coordination to ensure responsible sourcing is integrated into relevant parts of our business and strategy.</p> <p>1.2.9 Responsible sourcing goals are integrated into performance reviews and remuneration schemes across our organisation.</p>	<p>1.2.10 We have assigned Board level responsibilities for respecting Human Rights.</p> <p>1.2.11 We have incentives for the Board, CEO and the top leadership team reflecting the specific roles that functions have in achieving relevant responsible sourcing goals.</p> <p>1.2.12 Our governance and management systems supporting our commitment to Living Wage or Income include certification/third party verification.</p>
Stakeholder engagement	<p>1.3.1 We work with relevant functions to ensure commitment and buy-in for our responsible sourcing programme, including training on company policies, the sharing of our Code of Conduct with suppliers and stakeholders and support to direct suppliers to cascade our commitments along the supply chain.</p> <p>1.3.2 Internal company awareness is built on how our own activities, such as purchasing practices, may increase the risk of unauthorised subcontracting and other forced labour risk factors.</p> <p>1.3.3 We are engaged in multi-stakeholder initiatives to drive alignment of tools and methodologies for addressing Living Wage and Income gaps, as well as proposing strategies for remediation.</p>	<p>1.3.4 We engage with internal stakeholders to define our salient Human Rights issues.</p> <p>1.3.5 We report regularly internally on our responsible sourcing KPIs and supply chain mapping.</p> <p>1.3.6 Awareness is built with key company staff (such as buyers or procurement officers) and suppliers on what constitutes forced labour (e.g. its common forms, types of vulnerable workers and supply chains, and our expectations of suppliers, especially those operating in high-risk contexts).</p>	<p>1.3.7 We ensure alignment across functions and business units on our Responsible Sourcing Policy and ensure responsible sourcing is integrated, as relevant, into every part of the business.</p> <p>1.3.8 Our Responsible Sourcing Policy is cascaded to our upstream suppliers beyond tier one.</p> <p>1.3.9 Targeted in-depth Human Rights training has been conducted for relevant managers and workers, including those working on procurement. Training has also been provided to suppliers operating in high-risk contexts.</p>	<p>1.3.10 Our CEO and Board champion the company's Responsible Sourcing Policy.</p> <p>1.3.11 We are driving change in our industry via active investment in knowledge sharing, peer education, mentoring and sharing best practice.</p> <p>1.3.12 We have ensured all workers and suppliers in scope of our Responsible Sourcing Policy have had training on human rights;</p> <p>1.3.13 We ensure that workers and civil society partners are included in the development and delivery of our Responsible Sourcing Policy.</p>
Sourcing requirements	<p>1.4.1 Our Responsible Sourcing Policy and/or Supplier Code of Conduct is publicly available and sets minimum expectations for our suppliers, covers the four pillars of responsible sourcing and integrates the UNGPs and relevant international conventions.</p> <p>1.4.2 Responsible sourcing is included in our broader evaluation of suppliers.</p> <p>1.4.3 Our Supplier Code of Conduct specifically prohibits suppliers and any third party recruitment intermediaries from imposing financial burdens on job seekers and workers by collecting recruitment fees or related costs.</p> <p>1.4.4 Our Supplier Code of Conduct specifically requires our suppliers to promote freedom of association and encourage Living Wage/Income.</p>	<p>1.4.5 Our responsible sourcing expectations are included in our supplier contracts or other forms of written agreements.</p> <p>1.4.6 Our suppliers' performance is graded with appropriate/adequate weighting of responsible sourcing metrics against commercial performance.</p> <p>1.4.7 Responsible Sourcing expectations or requirements are part of our standard supplier pre-qualification processes.</p> <p>1.4.8 Responsible Sourcing expectations or requirements are included in buyer performance management.</p>	<p>1.4.9 We ask our direct suppliers to have a human rights due diligence process and ensure their workers have access to one or more grievance mechanism/s.</p> <p>1.4.10 Responsible sourcing expectations or requirements are included in supplier incentives for continuous improvement (e.g. financial or contractual rewards for performance).</p> <p>1.4.11 We ask our tier one suppliers to make a publicly available commitment against forced labour aligned with the Priority Industry Principles (PIPs) or equivalent, specifying the 3 principles. This is accompanied by other policies relevant to how forced labour may arise in their supply chains, e.g. in relation to recruitment and retention practices, subcontracting, use of recruitment agencies.</p> <p>1.4.12 Suppliers beyond tier one are asked to take ownership of implementing responsible sourcing requirements.</p> <p>1.4.13 We encourage our direct suppliers to make a public commitment to Living Wage or Income in their own operations.</p>	<p>1.4.14 We support the payment of Living Wages or earning of Living Incomes by working closely with suppliers to share responsibility for supply chain costs.</p>



MODULE 2 Identify and assess adverse impacts

LAUNCHED

ESTABLISHED

In addition to Launched

INTEGRATED

In addition to Established

LEADERSHIP

In addition to Integrated

Materiality / Risk identification

- 2.1.1 We have identified suppliers in scope for our responsible sourcing programme.
- 2.1.2 We have carried out a materiality/risk assessment in our supply chains and procurement categories.
- 2.1.3 Our materiality/risk assessment processes take into account external risk factors that affect sourcing, including geographical, economic, social and other political or technological risks (PEST analysis).
- 2.1.4 Our materiality/risk assessment scope includes salient Human Rights risks, including forced labour.
- 2.1.5 A wage level mapping process is being developed to identify Living Wage / Income risks and assess actual and potential adverse Human Rights impacts in own operations. The process involves relevant trade unions (or equivalent worker bodies).

- 2.1.6 We monitor and update, when relevant, our materiality/ risk assessments, including when these are triggered by key moments in the company's activities (e.g. policy change, market entry, new projects). This includes engaging with stakeholders and vulnerable groups as part of the risk identification process or credible proxies such as local NGOs.
- 2.1.7 We use the lens of risk to people to identify the high risks/ severe negative impacts in our supply chains.
- 2.1.8 We have identified the most salient Human Rights issues in our supply chains.
- 2.1.9 We use indicators of forced labour risks that include country risk factors, risk factors linked to migration and informal/non-written contracts, risk factors linked to presence of debt risk linked to recruitment fees.
- 2.1.10 The Living Wage / Income risks and potential and actual Human Rights impacts in own operations are identified.

- 2.1.11 Our grievance mechanism informs our materiality/risks assessments.
- 2.1.12 We have assessment and prioritisation processes that identify our sourcing areas with negative or positive impacts on the SDGs.
- 2.1.13 Our company publicly discloses results of its materiality/risk assessments, which may be aggregated across its operations and locations.
- 2.1.14 A process to identify Living Wage / Income risks in prioritised supply chain is in place

- 2.1.15 Our assessments identify opportunities to achieve positive livelihood impacts on people upstream in our supply chains.
- 2.1.16 Our materiality/ risk identification goes beyond due diligence and deals with root causes to achieve step-change improvements and positive impacts on the SDGs.
- 2.1.17 Our company publicly discloses our supplier mapping, including the names and locations of suppliers of the high risk parts of the company's supply chain.

Assessments

- 2.2.1 We have defined a supply chain assessment process that includes different instruments based on risk materiality criteria, such as: supplier self-assessment; remote assessment; on-site audit, etc.
- 2.2.2 We know where our tier one suppliers are located and from where we source products and services.
- 2.2.3 We are actively assessing our tier one suppliers for our direct high-risk procurement categories.
- 2.2.4 The company is in the process of developing assessment processes and tools for Living Wage / Income. This includes identifying reliable and credible Living Wage / Income benchmarks that represent local living conditions and living costs, understanding workers' current earnings and how these compare to Living Wage / Income benchmarks, and ensuring uniformity of calculation. Benchmarks should be validated by external experts and/or other stakeholders.

- 2.2.5 High risk tier one suppliers are being proactively monitored through continuous review and engagement.
- 2.2.6 Our highest risk supply chains are mapped beyond tier one.
- 2.2.7 Responsible sourcing assessments cover all procurement categories – direct and indirect.
- 2.2.8 We are engaged through relevant collaboration to assess practices in our supply chain and to share assessments to avoid duplication of efforts for our suppliers.
- 2.2.9 Forced labour assessment processes and tools are an active and regular feature in prioritised tier one supply chains globally. The process includes in-depth risk assessments of specific high-risk suppliers or supply chain segments, such as commodity traders, that source raw materials or operate upstream in high-risk areas. These assessments comprise extensive stakeholder engagement carried out in areas with heightened risk, for example with trade unions, civil society or other experts, stronger pre-qualification processes for suppliers, etc.

- 2.2.10 We have visibility of our highest risk supply chains all the way back to origin and we demonstrate transparency externally.
- 2.2.11 Forced labour in-depth assessments conducted in prioritised tier one supply chains include independent and unannounced access to worksites and workers to collect information and carry out workplace assessments, interviews of workers in a secure environment, without the presence of their managers, with the assistance of an interpreter if necessary (e.g. in case of migrant workers or workers belonging to national minorities).
- 2.2.12 Forced labour assessments are actively and regularly conducted for prioritised extended supply chains, such as recruitment agencies used by suppliers.
- 2.2.13 Living Wage/ Income assessment processes and tools are actively and regularly conducted in prioritised supply chains. At a minimum, assessments must identify potential risks related to commercial and purchasing practices, state of social dialogue between workers and employers, as well as national and sectoral minimum wage-setting and industrial relations systems.

- 2.2.14 For high-risk supply chains, and from the supply base to the potentially affected stakeholders, we have full visibility of where products come from and how they are produced.
- 2.2.15 Our company has assessed the number of workers affected by (the scope of) the payment of recruitment fees or related costs in its supply chain and demonstrates progress.
- 2.2.16 Our company has assessed the number of workers/farmers in the supply chain affected by any payment/earnings below Living Wage/Income levels and demonstrates progress.





MODULE 3 Cease, prevent and mitigate adverse impacts

LAUNCHED

Own operations:

- 3.1.1 We cease activities which are directly causing/contributing to adverse Human Rights and environmental impacts in our company's own operations.
- 3.1.2 Practical solutions to close Living Wage gaps are being developed for own operations.

Supply chain:

- 3.1.3 We use the findings of supplier risk assessments to draw up plans to prevent and mitigate potential future adverse impacts.
- 3.1.4 We take immediate steps to mitigate critical issues.

ESTABLISHED

In addition to Launched

- 3.1.5 We work with our suppliers to close out non-conformances and implement mitigation plans.
- 3.1.6 As a last resort, after failed attempts at mitigating severe impacts, we disengage from business relationships directly causing/contributing to adverse Human Rights and environmental impacts.
- 3.1.7 We train and educate our suppliers, in collaboration with peers where appropriate, to prevent adverse Human Rights and environmental impacts.

INTEGRATED

In addition to Established

- 3.1.8 We are partnering with our suppliers to elevate their capability related to prevention and mitigation of Human Rights and environmental adverse impacts.
- 3.1.9 We are taking action to mitigate forced labour risks by supporting our suppliers, including where appropriate financial support, to implement agreed corrective action plans.
- 3.1.10 We are taking actions to mitigate Living Wage/Income gaps in our supply chains identified through assessment processes and grievance mechanisms. These actions include engaging with suppliers and supporting activities to improve pay systems and foster social dialogue.

LEADERSHIP

In addition to Integrated

- 3.1.11 Partnering with suppliers is central to our approach to continuous improvement and building our business.
- 3.1.12 We are co-creating solutions with suppliers, customers, partners, workers and other stakeholders to achieve shared improvements and benefits.

Cease, prevent or mitigate

Stakeholders engagement

- 3.2.1 We have a stakeholder engagement strategy/approach.
- 3.2.2 We have mapped and identified relevant stakeholders/ relevant platforms to engage with.
- 3.2.3 We are engaging with workers/ worker organisations in our own operations to include their views in our responsible sourcing programme.

- 3.2.4 We are engaging with our peers through relevant collaborative platforms to keep abreast of industry best practice in preventing and mitigating risks and adverse impacts in our supply chains.
- 3.2.5 We are engaging with our suppliers in multi-stakeholder initiatives to share best practice and to address issues together.
- 3.2.6 Our suppliers are engaging with workers/worker organisations in our tier one supply chains on prevention and mitigation of activities.

- 3.2.7 In areas with heightened risk, we are engaging with vulnerable groups/ rightsholders, such as workers, trade unions, NGOs, civil society or relevant representatives, to devise and implement appropriate mitigation steps.
- 3.2.8 We have a periodic stakeholder engagement review process in place.

- 3.2.9 We are engaging with vulnerable groups/ rightsholders when evaluating the effectiveness of any action taken to address critical issues.
- 3.2.10 We are engaging with our suppliers and stakeholders in multi-stakeholder initiatives on transformative practices and on increasing transparency in the entire supply chain.
- 3.2.11 We are collaborating with governments, suppliers, civil society organisations and industry peers to contribute to the SDGs.





MODULE 4 Track implementation and results

Track implementation and results

LAUNCHED

We monitor inputs (resources, activities and assessments) and outputs (tangible results of activities) and track the process of our responsible sourcing programme roll-out such as:

4.1.1 for our own operations :

- working conditions of employees in own operations, including collective bargaining agreements
- employee grievance resolution
- resources (personnel, budget)
- awareness raising activities, such as training on responsible sourcing policy and/or code of conduct
- development of short- to medium-term responsible sourcing plans

4.1.2 for our supply chain:

- suppliers in scope
- supplier risk level (low, medium, high)
- suppliers that have signed/understood code of conduct
- supplier assessments (planned and carried out)
- supplier assessments by type (self-assessment, audits -remote or in-person, visits) and by level of risk (low, medium, high)

ESTABLISHED

In addition to Launched

We monitor inputs, outputs and outcomes (signs that change is happening for people and within businesses) and track improvements such as:

4.1.3 for our own operations :

- working conditions of all workers in our own operations including third-party labour
- worker grievances and resolution
- integration of responsible sourcing into purchasing practices, including incentives (RSJ)
- outcomes of awareness raising and training activities
- ongoing improvements to responsible sourcing process and systems

4.1.4 for our supply chain:

- grievances from our own employees about our supply chain
- visibility beyond tier one
- suppliers' compliance status
- non-conformances by type
- non-conformances closed out
- remediation actions
- suppliers engaged in capacity building projects at supplier sites
- implementation of improvement plans
- use of worker voice tools/ farmer surveys
- grievances from suppliers/ people in supply chain
- supplier assessments by type (worker voice surveys, human rights assessments)
- training of workers/ farmers/ smallholders

INTEGRATED

In addition to Established

We monitor inputs, outputs and outcomes, and track the progress of our human rights due diligence and improvements in conditions for workers and/or farmers in a number of high risk or strategic supply chains such as:

4.1.5 for our own operations :

- time-bound targets on gender equality and women's empowerment
- human rights policy and due diligence programme implementation
- link to SDGs
- implementation of remediation plans

4.1.6 for our supply chain:

- salient Human Rights issues identified and addressed
- visibility of high-risk/ strategic supply chains mapped to origin
- results of worker/ farmer/ smallholder engagement activities, e.g. surveys/ worker voice tools
- implementation of activities to prevent forced labour in high risk/ strategic supply chains/ regions
- outcomes or impact of training of workers/ farmers/ smallholders
- impacts on people's working conditions (e.g. lost time accidents, absenteeism, turnover, working hours, health and safety)
- impacts on environment (e.g. air/ water pollution/ deforestation)
- suppliers' Human Rights performance, e.g. through a balanced scorecard
- our supply chain monitoring disaggregates data by gender

LEADERSHIP

In addition to Integrated

We monitor significant impacts (positive or negative) related to our business activities and business relationships and track impacts on the safety, incomes, empowerment, dignity and respect of people in a number of high-risk and/ or strategic supply chains such as:

4.1.7 for our own operations:

- incentives for Board members and senior managers linked to human rights policy or strategy
- demonstrable impact on people in own operations
- time-bound targets on diversity and inclusion
- third-party verification and feedback on remediation plans
- contribution to SDGs
- value generated (such as % turnover linked to responsibly sourced items; number of new developments/ products launched with responsibly sourced components)

4.1.8 for our supply chain:

- worker/ farmer/ smallholder awareness of rights & ability to collectively represent themselves
- worker/ farmer/ smallholder reports on improvements in supply chains including reduced risks of forced labour or child labour and/ or improvements in incomes/ health and safety/ empowerment/ respect
- worker/ farmer/ smallholder grievances filed and remediated in supply chain (A-P GM Framework)
- development of, participation in or contribution to remediation programmes
- suppliers moving to pay a Living Wage/ Income
- responsible recruitment models where workers do not pay for jobs
- supplier diversity - business models/ governance systems/ structures that give greater power to workers, minority groups, small-scale farmers and local communities
- engagement with stakeholders and vulnerable groups when evaluating the effectiveness of any action taken
- suppliers receiving more business, shared value and better contractual terms [price premiums, increased orders, longer contracts, funding, benefit sharing, innovation] for showing continuous improvement on Human Rights
- time-bound targets on gender equality and women's empowerment for the supply chain
- impact on land rights, water rights and water and sanitation including community grievances
- our supply chain monitoring disaggregates data for minority and vulnerable groups





MODULE 5 Communicate how impacts are addressed

Communicate how impacts are addressed

LAUNCHED

Internal reporting

5.1.1. We report regularly (at a minimum annually) on basic aspects of our programme, such as key inputs and responsible sourcing programme roll-out to relevant functions internally in our company.

External reporting

5.1.2 Where regulation requires us to report externally, we comply with these requirements, such as UK Modern Slavery Act or California Transparency in Supply Chains Act.

ESTABLISHED In addition to Launched

Internal reporting

5.1.3 We report regularly on the details of our programme activities and findings (governance, processes, stakeholders perspectives and KPIs) to our Board and executive teams.

5.1.4 We communicate to and engage regularly on our programme activities with our employees.

External reporting

5.1.5 We report publicly using communication channels, such as our sustainability or Human Rights reports and our website.

5.1.6 Our reporting goes beyond mandatory requirements to identify impacts and explains the company's governance structures to manage Human Rights issues.

5.1.7 Our reporting states salient Human Rights issues associated with the company's activities and business relationships.

5.1.8 We report to our suppliers on their sustainability compliance status.

INTEGRATED In addition to Established

Internal reporting

5.1.9 Our reporting is fully integrated into our procurement KPIs or practices, such as supplier balanced scorecard, commodity sourcing strategy.

External reporting

5.1.10 Our reporting includes a description of our Human Rights governance and demonstrates top level oversight.

5.1.11 Our reporting explains the company's engagement with stakeholders in relation to each salient Human Rights issue, including Living Wage and Responsible Recruitment.

5.1.12 Our reporting provides clear, relevant examples of measures taken to prevent or mitigate Human Rights risks.

5.1.13 Disclosure includes a forward-looking approach or strategy to further embed respect for Human Rights.

5.1.14 We work with independent third parties to provide external assurance on our responsible sourcing reporting.

5.1.15 Our reporting explains the company's process to address grievances and includes information about complaint handling outcomes.

5.1.16 We work with suppliers to encourage them to communicate and engage regularly on their programme activities to their employees.

5.1.17 We report to our suppliers on their sustainability performance alongside commercial metrics using a supplier balanced scorecard.

LEADERSHIP In addition to Integrated

Internal reporting

5.1.18 Our responsible sourcing reporting and its KPIs trigger transformational change in our business strategy and ways of working.

External reporting

5.1.19 We leverage the UNGP framework to guide our overall reporting.

5.1.20 We report on our contribution to the SDGs.

5.1.21 Our disclosure includes impact measurement on the effectiveness of prevention or mitigation measures taken to address key salient Human Rights issues, including Living Wage and Responsible Recruitment.

5.1.22 For Human Rights impacts that our company causes or contributes to, we communicate to impacted or potentially impacted rightsholders, in an accessible manner, the information that is specifically relevant to them.



MODULE 6 Grievance mechanisms and remediation



LAUNCHED

ESTABLISHED

In addition to Launched

INTEGRATED

In addition to Established

LEADERSHIP

In addition to Integrated

Grievance mechanism

6.1.1 We have one or more channels for communicating a grievance (own, third party or shared) which our own employees can use to raise complaints or concerns including in relation to human rights issues.

6.1.2 If no grievance mechanism is in place, we build in-house capability by mapping:

Individuals or groups of people who might be affected directly and indirectly by our business activities.

Where they may be typically located.

What types of grievances they could potentially raise with our business.

Any ways in which the groups identified can currently contact our business about concerns they may have.

Local labour laws and regulations relevant to raising grievances such as freedom of speech and association, of countries we operate in and our key sourcing countries (high-risk, strategic).

6.1.3 We indicate in our supplier code of conduct, contract, or equivalent document our requirement that our suppliers need to:

Develop their own grievance mechanisms (own, third party or shared) through which affected individuals or groups of individuals can raise complaints or concerns including in relation to human rights issues.

Commit to non-retaliation, making clear that the person who submits a grievance will not be disadvantaged or punished as a result.

Not to impede access to state-based mechanisms and not to impede access by competent authorities investigating and adjudicating credible allegations of human rights impacts.

6.1.4 We monitor the impact of our grievance mechanisms using complainant feedback.

6.1.5 We have one or more channels for communicating grievances (own, third party or shared) through which employees and external individuals or communities directly or indirectly impacted by our own activities, or by individuals or organisations acting on our behalf, can raise complaints or concerns.

6.1.6 We engage in dialogue with our suppliers about mapping existing grievance mechanisms, developing their own, monitoring and evaluating the results and having ownership of the process for handling grievances.

6.1.7 We extend our own grievance mechanism to our direct suppliers when specific circumstances prevent them from establishing their own grievance mechanism, for example if they do not have the capability to develop their own, or if they operate in a geography with poor governance

6.1.8 We set KPIs to monitor and assess the performance of the mechanisms. KPIs are set for both the department and individual personnel assigned to the mechanisms, at own operations and at supplier engagement level.

6.1.9 We support our suppliers in making their grievance mechanisms available to all individuals or groups of individuals directly or indirectly impacted by their activities, or by individuals or organisations acting on their behalf.

6.1.10 We integrate or link existing channels for receiving complaints such as trade unions / workers organisations / industrial relations processes, audit process (workers interviews), worker voice tools, maintaining confidentiality.

6.1.11 We publicly disclose the performance of our mechanisms, including number of grievances filed and resolved, how remedy was provided and how the grievances were resolved.

6.1.12 We have a formal review process including interviews with potential users, particularly women and vulnerable or marginalised groups, and the use of worker voice tools.

6.1.13 We require our key suppliers (high risk and strategic) to provide us with an overview of the trends of types and numbers of relevant grievances received, the remedy provided, the outcomes and how they deal with issues raised.

6.1.14 We analyse the grievance data received from our key suppliers (high risk, strategic) to identify trends, gaps and opportunities and work together to improve their grievance mechanisms.

6.1.15 We use our experiences from operating the mechanisms and data from our suppliers to improve the functioning of the mechanisms and to adapt other relevant management processes, including purchasing practices when grievances are coming from the supply chain.

6.1.16 We have an independent third party in charge of evaluating our own operations' mechanisms and taking into account the voice of potential users and complainants.

Remediation

6.2.1 We inform the complainant about the grievance process, roles and responsibilities, and timeframe. We keep them informed of the progress of the procedure.

6.2.2 We appoint an internal or external stakeholder who has the relevant knowledge and expertise to investigate the complaint and determine who needs to be consulted. The facts which led to the grievance, who the responsible party is, and the desired remedy are established in dialogue with the complainant.

6.2.3 We identify the desired remedy in dialogue with the complainant, and we ensure that outcomes and remedies are in accordance with internationally recognised human rights guidance and adopt the higher standard in case of conflict with national legislation.

6.2.4 We systematically collect feedback from the complainant regarding the implementation of the remedy and the outcome.

6.2.5 We assess whether we have caused, contributed or are linked to the grievance to establish our level of responsibility and therefore ensure the remedy is commensurate with our level of responsibility for the grievance.

6.2.6 We provide different channels and support to appeal the proposed remedy if the complainant is not satisfied.

6.2.7 We ensure our appeal process is communicated effectively and the proposed remedy is to the satisfaction of the complainant and respond to his/her/their needs.

6.2.8 We require regular reports on implementation by the party against which the complaint was lodged.

6.2.9 We consult the complainant and/or the appointed representative to co-develop the remediation plan. The plan includes corrections and actions to address the root causes. The action plan protocol promotes dialogue and mediation to support resolution. We consider existing remediation channels when co-developing the remediation plan.

6.2.10 We monitor existing channels for receiving complaints such as trade unions / workers organisations / industrial relation processes, audit process (workers interviews), worker voice tools.

6.2.11 We appoint an independent third party to monitor the implementation of the remediation plan.

6.2.12 We identify and engage with local stakeholders and organisations, such as women, LGBTQI or minority rights organisations, to provide appropriate support to those affected.

6.2.13 We ensure that remediation outcomes accord with the higher standard in case of conflict between national legislation and international norms on human rights.

6.2.14 We share publicly about our level of responsibility for the grievance and our remediation plan for severe grievances, including the process, actions and timelines, via the most appropriate communication channel and ensure confidentiality.

6.2.15 When impacts cannot be remedied alone, we collaborate with other AIM-Progress members, if relevant, as well as other peers and partners to provide remedy.



Entry criteria



Criteria identified as “entry criteria” must be fully implemented to achieve the associated maturity level. They are highlighted in each section.

MODULE

ESTABLISHED

INTEGRATED

LEADERSHIP

01

1.1.4 We have a publicly available Human Rights Policy or equivalent.
1.4.5 Our responsible sourcing expectations are included in our supplier contracts or other forms of written agreements.

1.2.7 Our responsible sourcing governance is at the highest level of the organisation.
1.4.12 Suppliers beyond tier one are asked to take ownership of implementing responsible sourcing requirements.

1.2.11 We have incentives for the Board, CEO and the top leadership team reflecting the specific roles that functions have in achieving relevant responsible sourcing goals.

02

2.1.8 We have identified the most salient Human Rights issues in our supply chains.
2.2.5 High risk tier one suppliers are being proactively monitored through continuous review and engagement.

2.1.13 Our company publicly discloses results of its materiality/risk assessments, which may be aggregated across its operations and locations.

03

3.1.5 We work with our suppliers to close out non-conformances and implement mitigation plans.

3.1.8 We are partnering with our suppliers to elevate their capability related to prevention and mitigation of Human Rights and environmental adverse impacts.

3.2.9 We are engaging with vulnerable groups/ rightsholders when evaluating the effectiveness of any action taken to address critical issues.

04

No entry criteria selected for Module 4

05

5.1.5 We report publicly using communication channels, such as our sustainability or Human Rights reports and our website.
5.1.7 Our reporting states salient Human Rights issues associated with the company's activities and business relationships.

5.1.12 Our reporting provides clear, relevant examples of measures taken to prevent or mitigate Human Rights risks.

5.1.21 Our disclosure includes impact measurement on the effectiveness of prevention or mitigation measures taken to address key salient Human Rights issues, including Living Wage and Responsible Recruitment.

06

No entry criteria selected for Module 6



MODULE 1 Guidance tips



Involving senior management

The 'tone at the top' set by senior management is critical to ensuring the business takes responsible sourcing seriously, so the process of developing the policy statement must be driven by senior management from the start.

Top management can demonstrate that leadership in responsible sourcing is a priority for the company through their speeches and messages, corporate communications and personal conversations (for example, between the CEO and the leadership team when considering a specific business issue).

Involving internal stakeholders in the process

It is particularly important to engage with internal stakeholders who will be expected to implement the policy to ensure that responsible sourcing (a potentially abstract concept) is translated into 'business speak' and everyone inside the company understands how it is relevant to their work. This can provide reassurance that it will be accepted as a credible commitment and generate greater buy-in once it is formally adopted. Functions likely to be involved during this process include:

- CSR/Sustainability teams to bring expertise on the company's broader sustainability commitments
- Legal/Compliance to review the policy in light of company's legal obligations
- Senior management to support and formally approve policy
- Communications to help ensure effective translation into business language within the company, as well as supporting external communication once adopted.

Communicating the policy

After approval, the policy should be clearly communicated to relevant staff and external business partners and stakeholders – both those who are expected to implement it (for example, the company's contractors and suppliers) and those who have a direct interest in its implementation (for example, potentially affected communities, investors, consumers and civil society organizations). Consider a dedicated Responsible sourcing/ Suppliers/ Human Rights day where a special message is shared with stakeholders to publicise the policy, emphasize the company's commitment and highlight the company's progress on responsible sourcing/ UNGPs/ SDGs.

Assigning responsibility for responsible sourcing:

- Initially, a single function or department may need to take the lead in kick-starting the process. Corporate functions such as procurement, human resources and sales will also need to be involved to ensure cross-functional support for the embedding process.
- Reward and recognition systems should be expanded to include respect for responsible sourcing. For example, an incentive system may include at least one goal related to responsible sourcing as part of the framework against which relevant employees are evaluated and bonuses can be linked with associated achievements.
- Rewards and recognition are also important to recognize suppliers' compliance and encourage them to improve.

Training key staff

Tailored training should be provided for staff who may encounter responsible sourcing dilemmas (for example, procurement personnel, who are often dealing with business pressures related to price and delivery time as well as social performance, could be trained on their dialogue/ relationship with suppliers). Training should be reviewed regularly to assess if it is effective.



MODULE 2 Guidance tips



Assessing and prioritising impacts

Start with desk research to identify the risks in supply chains in particular countries and/or sectors relevant to the company's operations. Besides publicly available information, companies may also gain useful insights from other sources, such as self-assessments by suppliers and third party audit reports.

Define assessment processes and types according to the level of risks/impacts or opportunity. For example, an unknown supply chain could be first assessed using supplier self-assessment or remote third-party assessment, then third party verification on the ground should be carried out in cases where high risks have been identified.

Typical risk management processes are based on both the likelihood of the risk occurring and on the potential severity of impact on people. Potentially severe impacts on people should always be prioritised.

Assessment processes must take adequate account of the perspectives of individuals or groups who could be impacted – what the UNGPs call 'potentially affected stakeholders' by consulting them or 'credible proxies', such as local NGOs who work with affected stakeholders and have direct insights into their perspectives.

Most companies can be involved with many potential impacts and, due to legitimate resource constraints, will need to decide which ones to focus on first. The UNGPs recognise this reality in Principle 24: companies prioritise attention and action by focusing on those issues that present the greatest severity of harm to people

Conducting meaningful stakeholder engagement

Engagement helps to build a relationship based on trust between the company and affected stakeholders. It means listening to affected stakeholders' perspectives on the impacts associated with the company's activities, hearing their experiences and ideas, and taking account of their perspectives in internal decision-making.

Direct engagement can be organised through workers' committees, community dialogues, round-tables, face-to-face meetings and grievance mechanisms. It is always important for the company to provide feedback to stakeholders on how their inputs have been taken into account to help show that the company took their input seriously.

Engaging with relevant stakeholders

In the context of the UNGPs, there are three groups of relevant stakeholders:

- Potentially affected stakeholders and their legitimate representatives, such as employees, contract workers, workers in the supply chain, smallholder farmers and their families, members of the community around a business facility or site, consumers or end users. Stakeholder engagement should be inclusive with due concern for the perspectives of marginalised and vulnerable groups, such as women, children, indigenous peoples, migrant workers or the LGBTQI+ community.
- Credible proxies for the views of affected stakeholders, which can include development and human rights NGOs, international trade unions and local civil society organisations.
- Human rights experts who can bring knowledge or expertise that the company needs to effectively manage human rights.



MODULE 3 Guidance tips

Cease, prevent or mitigate

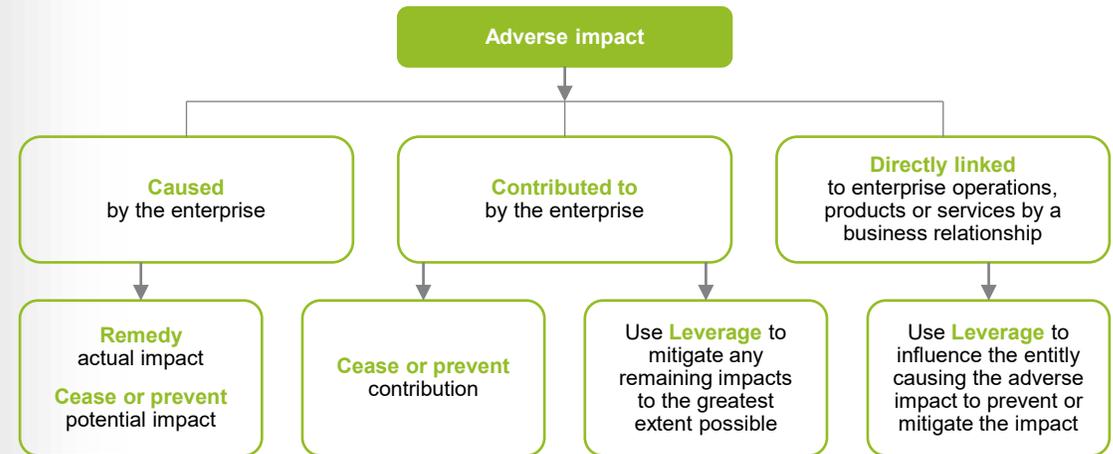
Companies should cease activities that are causing or contributing to adverse impacts, based on assessment of their involvement with adverse impacts in their own operations, and disengage responsibly, as a last resort, from business relationships directly causing/ contributing to adverse impacts in their supply chain.

Companies should develop and implement plans that are fit-for-purpose to prevent and mitigate potential adverse impacts. Prevention refers to activities that are intended to avoid an adverse impact occurring in the first place (e.g. which reduce the likelihood of an adverse impact occurring); whereas mitigation refers to activities that reduce the impact when an adverse impact does occur. Prevention is the primary goal of due diligence.

Addressing living wage/income gaps

The work of organizations such as [IDH - the Sustainable Trade Initiative](#), [Business for Inclusive Growth - B4IG](#), [United Nations Global Compact - UNGC](#), [the Fairwage Network](#), [UK Living Wage Foundation](#) and [Living Wage for US](#) have paved the way with clear calls for pragmatic action to address the issue of living wage/income in a sustainable way and have facilitated the distribution of tools and best practice. Clear, practical steps and roadmaps, such as those developed by [IDH](#) and the [UNGC](#), amongst others, are enabling companies to take action towards closing the living wage gap. Building on these tools and guidance, AIM-Progress has added new RSJ criteria which aim at capturing the key elements of how companies take action to ensure that companies' employees/ suppliers/ contractors and/or franchisees are paid a living wage/income. "Living wage" and "living income" are both about achieving a decent standard of living for households. The concept of a living wage applies in the context of hired workers (in factories, on farms, etc.), whereas living income is discussed in the context of any income earner, such as self-employed farmers. The RSJ maturity roadmap covers companies' engagement in addressing the living wage/income gaps both in their own operations and in their supply chain.

Addressing adverse impact



Source: OECD Due Diligence Guidance for Responsible Business Conduct - 2019

Collaborating to address 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 enterprise's own operations or supply chain.

- Companies can collaborate at an industry or multi-industry level, as well as with relevant stakeholders throughout the responsible sourcing due diligence process, although they always remain responsible for ensuring that their due diligence is carried out effectively.
- Collaboration initiatives such as AIM-Progress help members pool knowledge, increase leverage and scale up effective measures.





MODULE 4 Guidance tips (1)

Tracking the implementation and effectiveness of a company’s responsible sourcing due diligence approach requires measures to identify, prevent, mitigate and, where appropriate, support remediation of adverse impacts, including with business relationships. In turn, companies may use the lessons learned from tracking to improve these processes and approaches in the future.

Developing company-specific indicators

How a company tracks its implementation and results, will vary based on the context in which the company operates and the risks that it faces through its own activities and in its supply chain. In many cases, the company will need to look across a range of inputs, outputs, outcomes and impact data, including data about a company’s approach to human rights in its own operations, supply chain assessment data, data from worker voice surveys or grievance mechanisms, or procurement practices to get a full picture.

Supply chain monitoring

Supply chain monitoring programmes usually involve standards, a supplier code and/or responsible sourcing policy, and assessments (remote or on-the-ground, done by the company, the supplier or a third party) covering corporate structures, geography, sites or products.

Identify the most appropriate assessment type based on the impacts, risks and opportunities. Assessments can provide important snapshots in time to identify how to improve supplier performance, but they have limitations and can be undermined if suppliers lack capacity to meet standards in practice. Capability building and long-term partnerships can help suppliers improve and enhance business relationships.

Seeking feedback directly from workers can enhance transparency, improve a company’s ability to identify the issues that workers are facing, and support a focus on remediation, prevention and best practices.

Companies may work with external parties, such as assurance providers, NGOs, or multi-stakeholder and industry organisations, to verify human rights performance.

Description

INPUT

What resources contribute to the responsible sourcing programme?
What processes and tools (including assessments) does the company have in place to carry out responsible sourcing due diligence and provide remedy?

OUTPUT

What are the results of the due diligence process? What is generated through those activities?

OUTCOME

What changes occurred in the target population or in the business?

IMPACT

What is the impact of those changes on people or the business? How do they contribute to the SDGs?





MODULE 4 Guidance tips (2)

EXAMPLES OF INDICATORS

Source shown in brackets: WBA (World Benchmarking Alliance), CHRB (Corporate Human Rights Benchmark), KTC (Know the Chain); where no source is shown the indicator is recommended by AIM-Progress

Track implementation and results

LAUNCHED

Own operations

% of own workforce covered by collective bargaining agreements (WBA)

injury rates or lost days (or near miss frequency rate) and fatalities and occupational disease rates in own operations (CHRB)

Supply chains

of assessments conducted by type (KTC)

of suppliers/ workers per location assessed (KTC)

of workers covered by assessments (KTC)

or %age of workers interviewed by assessments (KTC)

% of suppliers monitored annually, including spend %

of internal training days by role

\$ investment in RS programme

ESTABLISHED

Own operations

% change in awareness levels as a result of internal training

Supply chains

of high risk/ low risk suppliers

% of non-compliant/ improving/ compliant suppliers

% of NCs resolved

NCs by issue type, severity & geographic spread

of grievances filed and remediated in own operations (A-P GM Framework)

% of suppliers trained (CHRB, KTC) / # of supplier training days

of commodity supply chains with visibility beyond Tier 1

of workers/ farmers surveyed/ engaged using worker voice tools/ surveys

INTEGRATED

Own operations

of workers in own operations paid a living wage (CHRB)

% of women on highest governance body in own operations (WBA)

of stakeholders, including workers, involved in salient risk assessments (member comments)

Supply chains

of workers/ farmers/ people in community experiencing reduction in risks of forced labour/ improvements in health and safety (CHRB)

of workers working more than 48 hours in a regular work week or 60 hours including overtime (WBA/ ILO/ CHRB)

% of supply chain covered by collective bargaining agreements (WBA)

of supplying sites with grievance mechanisms (KTC)

\$ recruitment fee reimbursement (KTC)

human rights violations identified, prevented or mitigated

responsibly sourced procurement categories (volume and/or spend in absolute values and/or %)

LEADERSHIP

Own operations

of board members & senior managers with incentives linked to company's human rights policy commitment(s) or strategy (CHRB)

ratio of basic salary and remuneration of women to men in total direct operations workforce for each employee category, by significant locations of operation (WBA/ Oxfam)

Supply chains

of workers/ farmers/ people in community directly reporting improvements in risks of forced labour/ safety/ incomes/ empowerment/ dignity and respect

of workers/ farmers in supply chain who are closer to the living wage/ income benchmark (Oxfam) / # of workers who are affected by any payment below a living wage (CHRB)

of grievances raised and resolved in supply chains (A-P GM Framework, KTC)

% of workers/ farmers aware of their rights (Oxfam)

% of workers effectively represented at supplier sites (Oxfam, CHRB, Oxfam, KTC)

of diverse suppliers in supply chain (Oxfam)

of suppliers receiving more business, shared value and better contractual terms [price premiums, increased orders, longer contracts, funding, benefit sharing, innovation] for showing continuous improvement in human rights (CHRB)



MODULE 5 Guidance tips



Communicating about a company's responsible sourcing programme

In many regions, legislation requires companies to report on their non-financial performance (including in relation to responsible sourcing, human rights, due diligence and environmental impacts), thereby providing synergies between compliance and the Responsible Sourcing Journey.

The UN Guiding Principles Reporting Framework provides guidance on reporting about governance of respect for human rights, defining a focus of reporting and management of salient human rights issues, with eight overarching questions – which, together with the identification of salient issues, is the minimum requirement to use the framework – and an additional 23 supporting questions. Companies should be able, over time, to address these supporting questions more fully and deeply, leading to more robust reporting overall.

Frameworks, such as the Global Reporting Initiative (GRI), the UN Global Compact's Communication on Progress or the International Integrated Reporting Framework provide helpful starting points for reporting on salient human rights issues, in line with the UNGPs. Please note that there are currently international efforts to harmonise non-financial reporting frameworks. The IFRS Foundation was established to develop a single set of high-quality, understandable, enforceable and globally accepted accounting and sustainability disclosure standards—IFRS Standards—and to promote and facilitate adoption of the standards. Their work is in progress.

The company should demonstrate the effectiveness of its efforts through proactive communication with affected stakeholders, such as workers, end-users and communities

Reporting best practice

In its guidance document [HUMAN RIGHTS REPORTING: Are companies telling investors what they need to know?](#), Shift recommendations include:

- Focusing on the greatest risks to people that are connected to the company's operations and value chain, and using these salient human rights issues to guide the company's reporting and actions.
- Sharing examples that provide meaningful insight into how policies and processes are implemented in practice.
- Explaining challenges faced by the company in working to respect human rights and the environment. This will help inform readers about operating realities and contextualise what the company is trying to achieve.
- Developing a clear narrative about the company's approach to understanding and addressing human rights and environmental risks, which a company can draw from to meet specific reporting needs.

Communicating with rightsholders

Where a company causes or contributes to human rights or environmental impacts it should communicate the relevant information to impacted or potentially impacted rightsholders in a timely, culturally sensitive and accessible manner. Credible proxies, such as development NGOs, human rights organisations, international trade union confederations, and other local civil society organisations, may be able to function as intermediary organisations for companies to communicate with, and may be able to help the company understand how its disclosure of its efforts is likely to be perceived by affected stakeholders.





MODULE 6 Guidance tips

Grievance mechanisms

Grievance mechanisms are an important part of a company's commitments under the United Nations Guiding Principles on Business and Human Rights (UNGPs). The UNGPs set out that where companies have caused or contributed to an impact, they have a responsibility to provide or contribute to remedy for those who have been affected.

An effective grievance mechanism provides companies with a process for systematically receiving, investigating and responding to rightsholder' complaints and implementing remedy to solve them. Grievance mechanisms should sit within a broader stakeholder engagement approach, offering multiple opportunities for rightsholders to raise concerns and/or provide feedback.

AIM-Progress has developed a [GRIEVANCE MECHANISM MATURITY 1.0 FRAMEWORK & GUIDANCE](#). This document provides a framework to embed an efficient grievance mechanism in line with the UNGPs. It provides a blueprint to help AIM-Progress members accelerate the development and implementation of their grievance mechanisms to provide remedy and prevent future adverse impact through systemic remediation, and continuous improvement

Remediation

The remediation process is about taking the necessary actions to make good/ remedy any negative impacts that the company has caused or contributed to or to work with supply chain partners to ensure remedy for any negative impacts which the company is linked to through its supply chain

“Remediation” and “remedy” refer respectively to the process of providing remedy for an adverse impact and to the substantive outcomes (i.e. remedy) that can counteract, or “make good”, the adverse impact.

A fair and just remedy can come in many forms, including apologies, restitution, rehabilitation, restoration, financial or non-financial compensation, punitive sanctions, injunctions, and guarantees of non-repetition. The remediation approach should be informed, where possible, by victims and include stakeholder perspectives. As private entities, companies may not be able to provide each of these remedies themselves but should cooperate in legitimate processes to award and implement such remedies.

Companies are expected to use leverage with third parties and business relationships to effectively change practices by a supplier, contractor or business partner that could cause harm to people – for example, through commercial leverage, multistakeholder collaboration, training or resources for suppliers



Definitions



Business relationship: Business relationships refer to those relationships a business enterprise has with its business partners, entities in its value chain and any other non-state or state entity directly linked to its business operations, products or services. These include indirect business relationships in the value chain, beyond the first tier, and minority as well as majority shareholding positions in joint ventures.

Due diligence: A process through which organizations proactively identify, assess, prevent, mitigate and account for how they address their actual and potential adverse human rights impacts as an integral part of decision-making and risk management.

Internationally recognized human rights standards and principles: The UNGPs make clear that the International Bill of Human Rights and the International Labour Organization (ILO) Declaration provide the basic reference points for businesses in understanding what human rights are, how their own activities and business relationships may affect them, and how to ensure that they prevent or mitigate the risk of negative impacts on people. The 1948 Universal Declaration of Human Rights, drawn up by representatives from many nations to prevent a recurrence of the atrocities of the Second World War, is the cornerstone of modern human rights law. At the World Conference on Human Rights in Vienna in 1993, all 171 participating countries reaffirmed their commitment to the aspirations expressed in that document. Together with the International Covenant on Civil and Political Rights of 1966 and the International Covenant on Economic, Social and Cultural Rights ratified by over 150 states in 1966, these three documents are known as the 'International Bill of Human Rights'. Regarding workers' human rights, the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work commits all its member states to four categories of principles and rights: freedom of association and the right to collective bargaining; the elimination of

compulsory labour; the abolition of child labour; and the elimination of discrimination in respect of employment and occupation.

Procurement: The activity of acquiring goods or services from suppliers – from the identification of sourcing needs, to the end of life of goods or the end of a services contract.

Remediation: The process of providing remedy for a negative human rights impact and to the substantive outcomes that can counteract, or make good, the negative impact. These outcomes may take a range of forms such as apologies, restitution, rehabilitation, financial or non-financial compensation, and punitive sanctions (whether criminal or administrative, such as fines), as well as the prevention of harm through, for example, injunctions or guarantees of non-repetition

Living wage: the remuneration received for a standard work week by a worker in a particular place sufficient to afford a decent standard of living for the worker and her or his family. Elements of a decent standard of living include food, water, housing, education, health care, transportation, clothing, and other essential needs, including provision for unexpected events. (source : [globallivingwagecoalition : https://www.globallivingwagecoalition.org/about/what-is-a-living-wage/](https://www.globallivingwagecoalition.org/about/what-is-a-living-wage/))

Living income: The net annual income required for a household in a particular place to afford a decent standard of living for all members of that household.

Elements of a decent standard of living include: food, water, housing, education, healthcare, transportation, clothing, and other essential needs including provisions for unexpected events. (source: <https://www.living-income.com/>)

Priority Industry Principles (PIP): The Consumer Goods Forum developed the three following Priority Industry Principles as part of their efforts to tackle forced labour.

- Every worker should have freedom of movement
- No worker should pay for a job
- No worker should be indebted or coerced to work

AIM-Progress supports these principles.

Salient human rights issues: Those human rights that are at risk of the most severe negative impacts through a company's activities or business relationships. The concept of salience uses the lens of risk to people, not the business, as the starting point. Identifying a company's salient human rights issues is the first step of human rights due diligence under the UNGPs.

Sourcing: Part of the procurement process that includes planning, defining specifications and selecting suppliers.

Stakeholder engagement or consultation: An ongoing process of interaction and dialogue between an enterprise and its potentially affected stakeholders that enables the enterprise to hear, understand and respond to their interests and concerns, including through collaborative approaches.

Supply chain mapping: Identifying and locating the stages and movement of goods or services from raw materials to end customer. Supply chains can be mapped in a conceptual way, showing each tier or stage in a supply chain diagram, or in geographic map format.

Supply chain visibility: A generic term referring to the level of information known about suppliers and their business and sustainability practices.

Traceability: The registering and tracking of parts, processes and materials used in production by lot or serial number

Sources: UN Guiding Principles Glossary | The Corporate Responsibility to Respect Human Rights – Interpretative guide | ISO 20400: 2017 definitions | CSCMP Supply Chain Management Definitions and Glossary



Further information



Module 1

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[Oxfam Australia, ‘Guide to Free, Prior and Informed Consent’, 2014](#)

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[Know the chain ‘Benchmarking methodology’ 2022](#)

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[Oxfam’s Supplier Ethical Framework \(2020\) and Human Rights Roadmap](#)

[World Economic Forum – Common Metrics for Sustainable Value Creation](#)

Module 5

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[The UN Guiding Principles Reporting Framework](#)

[Cross references UN GP with other initiatives](#)

[Shift ‘Maturity of Human Rights reporting’ 2017](#)

Module 6

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[Shift, ‘Remediation, Grievance Mechanisms and the Corporate Responsibility to Respect Human Rights’, 2014](#)

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[Aim-Progress ‘Grievance mechanism maturity 1.0’ 2022](#)



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