

Conference

Global Supply Chains – Global Responsibility

Human Rights and Decent Work in Global Supply Chains

Discussion Paper – Workshop #2

7 October 2020

European Sector Dialogues on human rights and decent work in global supply chains

By CSR Europe

Relevance: Why do we have to act?

- » Implementing the UN Guiding Principles on Business and Human Rights (UNGP) is a joint learning process, not only for companies but also for civil society, governments, communities and other stakeholders.
- » Sector dialogues to ensure corporate respect for human rights along global supply chains are a key element of the “smart mix” as envisaged by the UNGP. Any regulatory framework needs to be complemented by using the factual engagement and leverage of sector-wide multistakeholder cooperation.
- » Companies, in particular SMEs, need sector-specific support to exercise human rights due diligence and can benefit from the expertise of civil society and other relevant stakeholders. In addition to dialogue at the national level we need to use the combined market power of business sectors at the EU level.

Lessons Learned: Where do we stand today?

- » The “smart mix” needs a new generation of European Sector Dialogues that have the ambition to monitor corporate respect for human rights, provide a platform for dialogue and support policy coherence as well as collaborative multi-stakeholder action. A sector approach enables targeted and aligned improvements through collaborative projects.
- » Existing national and European initiatives are expedient in defining the WHY and the WHAT and communicating this as an expectation within the supply chain - but the HOW of making this a driver of real change and create impact for rights-holders along supply chains remains a challenge.
- » Enhanced efforts are needed to engage companies and stakeholders to boost local capacity-building and develop and implement scalable and measurable solutions.

The way forward: What can we do to generate impact?

- » European sector dialogues should be among the top priorities of a European action plan on human rights and decent work in global supply chains.
- » They need an agreed purpose, a clear roadmap and practical, achievable deliverables as well as a clear process involving civil society, trade unions and local stakeholders.
- » They should prioritise impact oriented collaborative action covering all five core elements of human rights due diligence from policy statements to the effectiveness of grievance mechanisms.
- » They should enhance local capacity-building for long-term impact and need to be tailored towards the specific contributions that companies can make and cover cross-cutting issues (e.g. living wages).

European Sector Dialogues on human rights and decent work in global supply chains

I. Introduction: Dealing with a new reality

Supply chains present complex challenges to people, communities, and companies globally: The risk of environmental degradation, human rights abuses, as well as the complexities of transparency and traceability are all well documented. The further development of resilient supply chains that are compliant with the UN Guiding Principles on Business and Human Rights (UNGP) is **a joint learning process, not only for companies but also for civil society, governments, communities and other stakeholders.**

The ambition of John Ruggie, author of the UN Guiding Principles, was very clear: “[...] They are a transformational roadmap to a future where the billions of people whose lives are impacted by corporate activities are treated with respect for their dignity and fundamental welfare – a world where human beings and corporations alike can thrive and prosper.”

The role of effective Human Rights Due Diligence (HRDD) processes (that include natural environment) can therefore not be overestimated. The recent COVID-19 pandemic has clearly shown that resilience and respect for human rights are two sides of one coin and a European action plan on human rights and decent work can play a major role as a driving force in dealing with the current crisis. *“There are an estimated 450 million people working in global supply chains, many of whom face reduced income or job loss as a result of the COVID-19 pandemic. Companies around the world are closing shops, cancelling orders, and stopping production. Workers in these supply chains are among the most vulnerable and most affected by the crisis”* ([see also here](#)).

Together with the climate change and biodiversity challenges, the HRDD and decent work agendas have never been this urgent and put-to-the-test: Will the responsibilities and liabilities throughout the value chains be exercised? How can governments play their role by providing appropriate instruments to promote and ensure business respect for human rights? How can the state-duty-to-protect be leveraged towards the corporate responsibility-to-respect? How can European Sector Dialogues, supply chain due diligence initiatives, and collaborative efforts deal with these new realities and expectations? How could they create impact and change based on the “do-no-harm” principle, preventing adverse human rights impacts throughout global supply chains? How could they go “beyond compliance and assurance”, developing scalable solutions that contribute to real change in workers’ lives and their communities? How can they lead to a duty to collaborate?

The engagement around mandatory due diligence, sector dialogues and collaborative action-oriented platforms are key elements of the “smart mix” as envisaged by the UNGP. A European Action Plan on human rights and decent work in global supply chains should look into these different pathways in a combined way. Many companies, industries and public authorities do not yet have a comprehensive understanding of the sustainability performance, opportunities, and social and environmental impacts of their supply chains. Such an approach could increase the adoption and respect of the UNGP and drive the change needed in global supply chains.

II. The fundamental challenge with the pandemic

COVID-19 has increased and widened the stakes fundamentally. Of course, the challenge stays to respect the UNGPs and sustainable supply chains but the pandemic will require even **more transformational shifts**. The first concern is how the people in supply chains are currently protected and how their livelihoods can be secured. A number of companies have taken measures to provide liquidity assurance to their small- and medium sized suppliers but the overall picture is gloomy.

The pandemic has also highlighted the **vulnerability of global supply chains**. In this time of crisis, Europe's dependence on certain geographic regions, industries and transport routes has been emphasized by Phil Hogan, the European Commissioner for Trade who advocates for a model of "Open Strategic Autonomy". A recent report by [Oxford Economics and Baker McKenzie](#) states that: "Due to both the pandemic,

a lack of understanding and flexibility of global supply chains and a lack of diversification in sourcing approaches, 'manufacturing deserts' have been created where regions or even whole countries' output drops so significantly, they become a no-go zone". When the pandemic subsides and working conditions return to a – likely very different – normal, Europe will need to bounce back using more agile and local supply chains that can ensure future negative shocks on supply are minimized. A common approach that companies will begin to take is to diversify their supply chains and relocate parts of them to mitigate future risks. This move will undoubtedly have significant risks for the sustainability of future supply chains. "While a more resilient supply chain may result in operations or sourcing moving to a different region, it is important for companies to address the inevitable change in sustainability and HRDD risks", as outlined by [Ecovadis](#).

III. The purpose of due diligence: level playing field & impact

The entire system is at stake and not only individual company behavior and processes: All stakeholders are called to tackle the issues at hand and to build back better. Responsible sourcing and sustainable raw materials are the result of how products and services are devised and how production processes are designed, operated, regulated and/or facilitated by governments. Further aspects include customer preferences, how trade relations are organised, how development, social and environmental policies are implemented, and how capacity building is supported.

A shared vision but multiple instruments

The shared vision is clear: We are striving towards an economic system that is a genuine contributor to the UN 2030 Goals and the Paris Climate Agreement, a value chain that – at each of its stages – is a net contributor to more sustainable added value. In addition, it safeguards human rights (including fundamental labour rights) in line with the UNGP through a strong system of HRDD and promotes an inclusive society.

The awareness and integration of HRDD by companies can be further improved, as outlined in a [recent study](#) published by the European Commission. Several approaches have been developed over the past decade with a strong involvement of European companies and stakeholders:

- » In different countries (US, Australia, Netherlands, UK, France, etc.) **specific laws** – mainly related to business and human rights – have been established. The European Union has already made specific regulations related to conflict minerals, timber and reporting. On April 29, 2020, the European Commissioner for Justice, Didier Reynders, announced that the **European Union plans to develop a legislative proposal** by 2021 requiring businesses to carry out due diligence in relation to the potential human rights and environmental impacts of their operations and supply chains.
- » Quite a few sector/materials supply chain initiatives have emerged within Europe or with strong involvement of European companies and stakeholders (Together for Sustainability, Amfori, Aim-Progress, JAC, Railsponsible, Drive Sustainability, Global Battery Alliance, IDH, Global Platform for Sustainable Natural Rubber, Roundtable for Sustainable Palm Oil, Bonsucro etc.).
- » In the Netherlands a unique approach has been developed: the International RBC Sector Agreements ('convenanten'). This program has started in 2008 already, initiated by the tri-partite Social Economic Council (SER). Its purpose is to bring all parties around the table in sectoral agreements on responsible business conduct. Some of the lessons learned are of importance for a sectoral approach to HRDD:

- » Structural investments are needed over a prolonged period of time.
- » The ‘Protect’ role of government (national, EU) is much broader than “just” demanding companies to implement due diligence - policy coherence is needed in areas like competition law, public procurement, trade and development cooperation.
- » The size of a company as such is not the determining factor for its’ ability to apply due diligence.
- » In Germany, the first NAP sector dialogue has started and will focus on the automotive industry. Companies, business associations, trade unions, civil society organisations and the Federal Ministry of Labour and Social Affairs have signed a dialogue agreement to strengthen human rights due diligence in global supply chains. Pooling their competences and resources the stakeholders have committed themselves to:
 - » developing a common understanding of industry-specific human rights risks as well as requirements for human rights due diligence;
 - » developing and disseminating implementation-oriented, industry-specific guidelines for the integration of the NAP requirements on human rights due diligence (five core elements) into operational management processes;
 - » agreeing on suitable indicators and a possible process so that companies can verify the effectiveness of measures taken;
 - » enabling and supporting SMEs and suppliers in the automotive industry by exchanging and identifying examples of best practice;
 - » setting up joint pilot projects such as a sector-wide grievance mechanism
- » More than 300 **International Frameworks Agreements** have been developed mainly with European companies.

- » Moreover, the **financial sector** is working on this topic and an overview of different initiatives can be found in the [re-sources pages of the UNEP Finance Initiative](#).

Expectations were laid down in different international frameworks such as the UN Guiding Principles on Business and Human Rights, the OECD Guidance for Responsible Business Conduct; the OECD Guidelines for Multinational Enterprises, the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy and the OECD Due Diligence Guidance for Responsible Minerals.

Most of the laws issued by national governments require companies to **report** on their supply chain management systems and measures adopted to carry out due diligence. Only few of them - the French Corporate Duty of Vigilance Law and the Dutch Child Labour Due Diligence Bill - establish **civil liability** for companies not complying with legal requirements. Moreover, national laws rely on different sets of criteria to identify which companies are affected by their provisions.

The current situation does not contribute to the creation of a level playing field for businesses to operate in. As mentioned already, both the UN Human Rights Council and the European Commission are moving in this direction by elaborating a binding treaty on business and human rights and an EU law on due diligence, respectively. *“There is more and more understanding that the smart mix prescribed by the UN Guiding Principles on Business and Human Rights means that there needs to be legislation in order to reach the stated aims”*, says Heidi Hautala, Vice-President of European Parliament. This is also described in the study commissioned by the European Commission [“Study on due diligence requirements through the supply chain”](#).

IV. Couple the “Duty of care” with the “Duty to collaborate”

The discussion is therefore not related to the “why” but rather to the “how” and what the potential impact of a regulatory approach on the sustainability in supply chains will be. **The smart mix undoubtedly needs a new generation of European Sector Dialogues that have the ambition to monitor corporate respect for human rights, provide a platform for dialogue and support policy coherence as well as collaborative multi-stakeholder action.**

In line with increasing legal requirements, the need for

guidance and support for companies is growing. The main purpose of European Sector Dialogues and their biggest added value to a regulatory approach is, indeed, to create **a forum for all relevant stakeholders** for discussion and collaboration regarding practical solutions and actions. A sector dialogue adds a “duty to collaborate” to the “duty of care”. Sector-specific support to exercise human rights due diligence and the exchange of best practice drawn up with the aid of dedicated multi-stakeholder forums enable companies to fulfil the legal requirements and other stakehol-

ders to play a proactive and enabling role. Thus, **a regulatory framework needs to be complemented by using the factual engagement and leverage of sector-wide multistakeholder cooperation.** By being tailored to the sector specific needs of businesses, including SMEs, European Sector Dialogues foster proactive engagement instead of disengagement and box-ticking approaches.

Furthermore, when legal liabilities come into play – as in the recent case of Apple, Google and other tech companies – a company might choose to avoid the risk and not engage in practical improvement. The EU study however focuses almost uniquely on companies' individual approach to due diligence, including individual pathways for remediation such as financial compensation, restoration, injunction or interdictions for potential harmful actions. The underlying assumption is that when these individual actions are taken, the sum of single companies' efforts can reach the desired sustainability outcome. This assumption is contested in reality.

In an extensive [evaluation report by the Dutch government](#), the notion of collective and collaborative efforts is supported: *“As yet, little is known about the effectiveness and efficiency of this kind of legislation. It is unclear how much capacity is needed to set clear standards and to actually enforce the OECD Guidelines. Reporting requirements are relatively easy to enforce, but whether they lead to actual changes in company behaviour and impact in global value chains remains to be seen.”* What can effectively be done by one company alone to tackle and countermeasure unsustainable conditions in the supply chain is in general limited.

Joint efforts can help overcome these boundaries. That is also why the EU study outlines that **mandatory due diligence legislation would need to be part of a broad package of measures which should be implemented by the EU and its Member States.**

As mentioned earlier, to foster compliance and achieve impact, we propose to couple the “Duty of care” with a “Duty to collaborate”, a duty or at least a commitment that does not only benefit companies but also policymakers and other stakeholders. For that purpose, along with the establishment of an action plan on EU sector dialogues (and cross-sectoral dialogues), a smart policy mix of measures is needed, such as:

- » bilateral agreements between governments,
- » support of multi-stakeholder initiatives and ventures,
- » the provision of financial and capacity-building assistance to achieve the standards (e.g. through development co-operation, impact investment, ...),
- » aligned public procurement practices,
- » changes in competition law that allow businesses greater freedom to collaborate.

The added value of European sector dialogues

1. HRDD needs further improvement and mandatory legislation plays a key role to create a level playing field. However, any future European supply chain law will only be effective if:
 - » it is tightly coupled with sector- and cross-sectoral dialogues
 - » it is coherent with other existing and forthcoming policies on trade, development, public procurement, sustainable finance (EU Taxonomy) and corporate non-financial disclosure
2. European Sector Dialogues on HRDD have a key role to play in the implementation of a mandatory horizontal legislation, not least because the combined market power of an entire European sector has the potential to bring about improvements that national dialogues alone would be unable to achieve. Their overall agenda can be to:
 - » supplement legislation with sector guidelines
 - » provide systematic monitoring of the current risks and HRDD performance by companies and stakeholders
 - » offer a platform for a genuinely solution- and collaboration-oriented dialogue
 - » develop or expand alliances or collaborative platforms that engage companies and stakeholders to boost local capacity-building and develop and implement scalable and measurable solutions
 - » explore and advise on policy (coherence) improvements to increase human rights and sustainability impacts

To avoid duplication and overlap and in order to develop an overall template and roadmap for these European Sector Dialogues, the current efforts need to be evaluated.

V. The challenges of collaborative supply chain initiatives

Over the past years, the promotion of HRDD and the development of sustainable and resilient supply chains has been on the agenda of different industrial sectors. These initiatives mainly converge on the wider agenda of supply chain due diligence and can be found in a wide variety of industrial sectors like the automotive industry, chemicals, pharmacy, steel, consumer goods, textile, mining, different raw materials sourcing (mica, cobalt, rubber, ...). An overview can be found [here](#). These initiatives can have different origins:

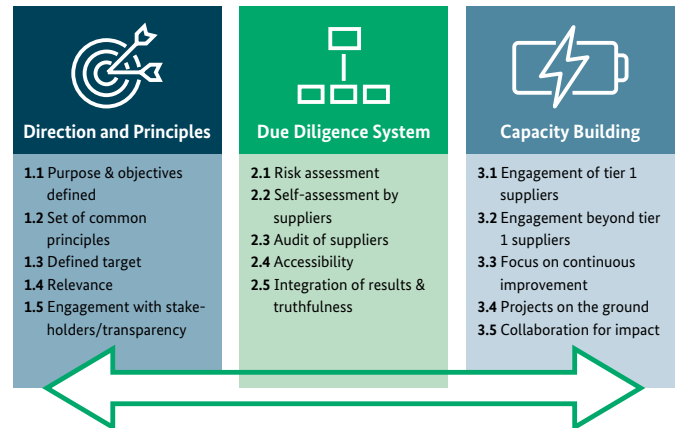
- » started informally by a group of companies
- » developed inside an industry federation
- » incubated and facilitated by sustainability networks or specific data platform providers
- » created by different stakeholder groups
- » initiated by the government such as the Dutch “conventanten” approach or the German NAP sector dialogues

The purpose of most of the initiatives is oriented towards defining a set of common principles and to provide a system of due diligence in one way or another. However, overall the real purpose of sustainability standards, due diligence approaches and sector-initiatives is to promote production- and trading models that deliver better social and environmental outcomes with respect to the UNGPs and general sustainability frameworks. They incentivize positive change amongst actors on the ground and help build their capacity to adopt new practices.

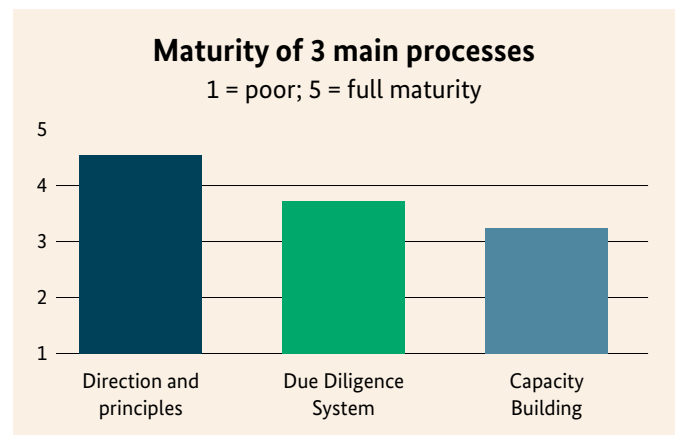
Achieving impact stays a challenge

For the purpose of this discussion document, CSR Europe developed a benchmark tool that allows us to look into how supply chain initiatives contribute to the above purpose. The tool combines the ISEAL Credibility Principles with the Drive Sustainability Process Model (see annex 1)

More specific assessments can be made, not least through [the way the Guiding Principles are aligning with the OECD Due Diligence Guidance](#), but this goes beyond the scope of this paper.



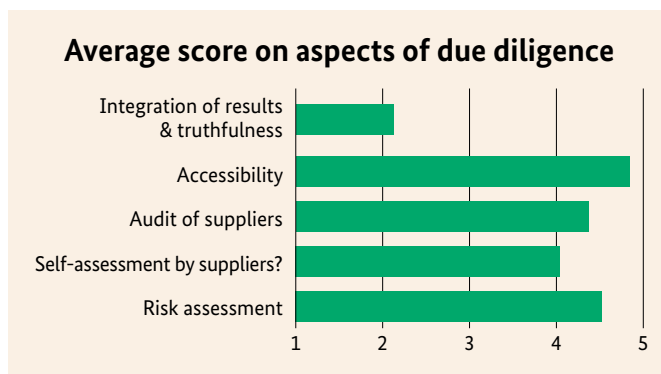
If we apply this model to a sample of 10 sectorial and cross-sectoral supply chain initiatives (for the list see annex 1), several conclusions can be made. A first result of the analysis shows that the maturity of each of the 3 main processes for a sustainable supply chain initiative is very different: all initiatives score high on setting the principles and direction, but the implementation of due diligence systems, and especially the change-oriented work, is much less developed.



The issue with **due diligence** – even when systems are in place – seems to be that it is hard for the initiative to introduce requirements on how the results should be used – or not – within each of the companies. **The role of the Chief Purchasing Officer and the integration of due diligence in corporate decision-making is essential.** Due diligence performance without a process to use the results is weakening the potential impact of the entire process itself. Based on

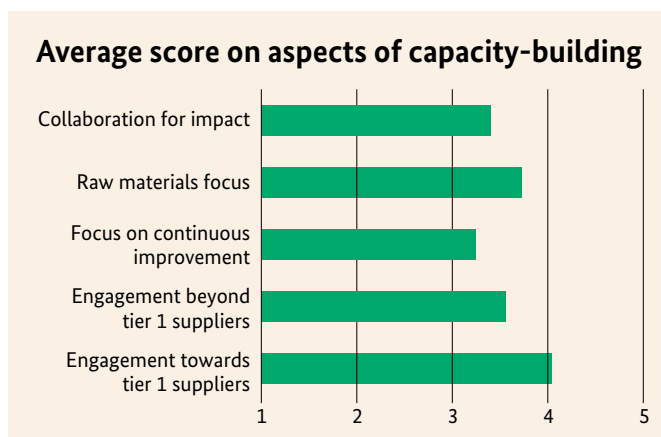
their practical experience, different collaborative initiatives also express the need for **better understanding of how to measure the impact** of their efforts and how to advance on the challenge of due diligence at the deeper levels of the value chain; for example, is there a need for a different method towards **raw materials risk approaches** and what kind of technologies for transparency and traceability work best?

The sector initiatives further outlined the need to make the due diligence efforts more efficient through more alignment in the field of mutual recognition. They equally outlined the need to engage the mid-stream companies, between up- and downstream, more strongly.



The lower capacity-building is, the more HRDD is at risk

As regards the **capacity-building process**, we do not only see that this is overall the least developed process but also that on all aspects there is a relatively average maturity score. Although sector initiatives pay some level of attention to the practical improvement of their supply chains, delivery is not optimal.



Especially the lower average score on continuous improvement – by the individual company and by the initiative – shows that the way countermeasures are organized (trainings, support to suppliers, local supplier engagement, ...) can be further enhanced.

This finding was confirmed in a webinar (CSR Europe, 6th May 2020) with more than ten sectoral supply chain initiatives. **Especially the funding of approaches that go beyond "pilots" is seen as a key area of improvement together with a more geographical, cross-sectoral method.**

The above-mentioned analysis and comments are based on private sector initiatives. The Dutch experience with sector agreements is a government-driven approach, whereby it is industries which must initiate their commitment to develop such agreements with other partners.

One of the lessons learned in [the recent evaluation](#) is that **governments need to acknowledge that they are the main funder for the administration of the work in the agreements and also of the collective impact-oriented projects that result from this agreement.** For the latter, the Dutch government has created a 70%-30% co-funding mechanism. The same report also outlines **the need for incentives for companies to participate in sector initiatives**, for example, by rewarding frontrunners through public procurement and/or tackling laggards. Overall, a smart mix of measures and policies is deemed necessary to be able to start a real change process.

A key conclusion from this analysis is that **sustainable supply chain initiatives are expedient in defining the WHY and the WHAT and communicating this as an expectation within the supply chain - but the HOW of making this a driver of real change and create impact on the actual conditions of people working in the supply chain is much more challenging.** One way forward might be to actively engage the stakeholders in production countries in local dialogues and networks as "Drive Sustainability" did in China.

Reassurance should not be the purpose

The purpose of supply chain sustainability and HRDD should not be for the downstream companies or customers to be reassured, but to improve the sustainability conditions of the way products, parts, services, components and raw materials are sourced. However, there seems to be an

inadequate opportunity to drive change through the supply chain. The engagement models to work towards suppliers (e.g. individual corrective action plans) might be insufficiently rolled out, are not diversified enough or do not have an adequate scale.

But above all, there is the problem that the multi-stakeholder practical collaboration is insufficient for being able to deliver the processes of change to the extent needed.

An individual company faces the challenge that the overall effect of its action is additionally determined by external

factors. **Changes required to obtain sustainable raw materials or to enhance sustainability in the value chain require a more holistic eco-system approach that includes local governance systems, local socio-economic realities and dynamics, contractual arrangements, investment and trade policies etc.**

The major challenge of sector supply chain initiatives is to be able to change this ecosystem in a meaningful way. European Sector Dialogues could provide a platform to respond to these challenges by installing a structured multi-stakeholder approach geared towards practical action and improvement.

Strategic considerations for European sector dialogues

1. The main mission of a European Sector Dialogue on HRDD should be clear: to advance together on all drivers in order to establish more sustainable and circular sourcing.
2. A European Sector Dialogue on HRDD needs to be directly linked to any European law on mandatory HRDD.
3. A European Sector Dialogue's main purpose is to support the delivery of HRDD and decent work through a systematic and holistic sector strategy and action plan for enterprises, governments and stakeholders to address the sector and cross-sector challenges they are faced with within their supply chain.
4. A European Sector Dialogue on HRDD needs to make this strategy actionable, building upon, complementing and strengthening the impact of existing and new collaborative supply chain sustainability initiatives. It can do this, for instance, through
 - » Providing a systematic platform for dialogue and joint action between different stakeholders on how to improve the HRDD approaches, especially in relation to the weaknesses outlined above:
 - » to create a common understanding and measurement of key issues and the ways to assess impact,
 - » to integrate the understanding of the risks in company decision-making and in government policy choices,
 - » to agree on and implement more practical collaboration, e.g. joint action-oriented projects between the stakeholders to enhance local capacity -building for long-term impact.
 - » Identifying the choke-points in a value-chain eco-system approach towards HRDD and sustainable supply chains and make policy recommendations for enhanced coherence, mutual recognition and collaboration.
 - » Developing and promoting incentives towards the integration of sustainability in company decision-making processes, in capacity-building and impact-oriented actions as well as practical efforts of all stakeholders.

VI. A new generation of European sector dialogues

Vision and Mission

The vision of a European Sector Dialogue on HRDD is to establish resilient and sustainable supply chains that are UNGP-compliant for each sector and create advancement in the targets as defined by the UN Sustainable Development Goals. The mission of a European Sectoral Dialogue on HRDD is to support the delivery of HRDD and Decent Work through adopting a systematic and holistic approach to the challenges within the supply chain of that sector. It is the

most important platform of dialogue between all stakeholders involved in the specific value chain of an industrial sector. Its sphere of influence should not be oriented only towards companies, but also towards the role of governments and stakeholders (civil society, labor unions etc.), meaning that enabling or limiting policy measures, civil society actions and stakeholder interventions should be discussed together with the company actions.

Key elements for a European sector dialogue

Governance and finance

- » Selection of the sectors should be based on solid and evidence-based criteria
- » Multistakeholder approach in governance and actions
- » Facilitated by a neutral platform provider with adequate resources, staff and methodological knowledge
- » Governments and businesses should ensure adequate levels of funding in particular for a well-resourced secretariat to facilitate action-oriented engagement
- » Clear process to also involve local stakeholders (e.g. farmer or mining communities) is equally important

Scope of activity

- » All 5 core elements of HRDD according to UNGP from policy statements to the effectiveness of grievance mechanisms
- » An agreed purpose, a clear roadmap and practical, achievable deliverables
- » Focus on impacts created by company actions but also by government policies and stakeholder interventions
- » Tailored towards the specific contributions that companies can make
- » Covering direct issues (e.g. human rights infringements) and cross-cutting issues (e.g. living wages)
- » Prioritisation of impact oriented collaborative action above individual company behavior.

Key focal points for dialogue

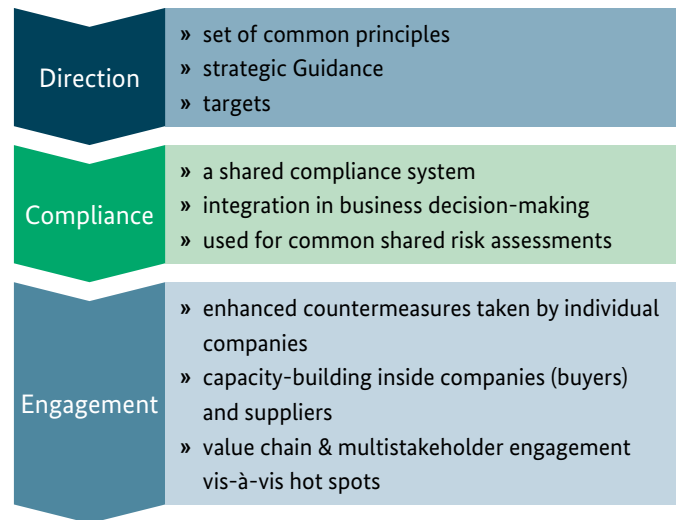
- » Impact and change: how to achieve and how to measure
- » The effectiveness of different countermeasures: integration in company decision-making, funding for capacity-building, contractual arrangement, ...
- » Interlinkages of all value chain stages: up- to downstream

The assessment tool provides the opportunity to make a high-level assessment of different sector initiatives based on publicly available materials. It is based on a combination of ISEAL 10 Credibility Principles with [Drive Sustainability's](#) Process Model.

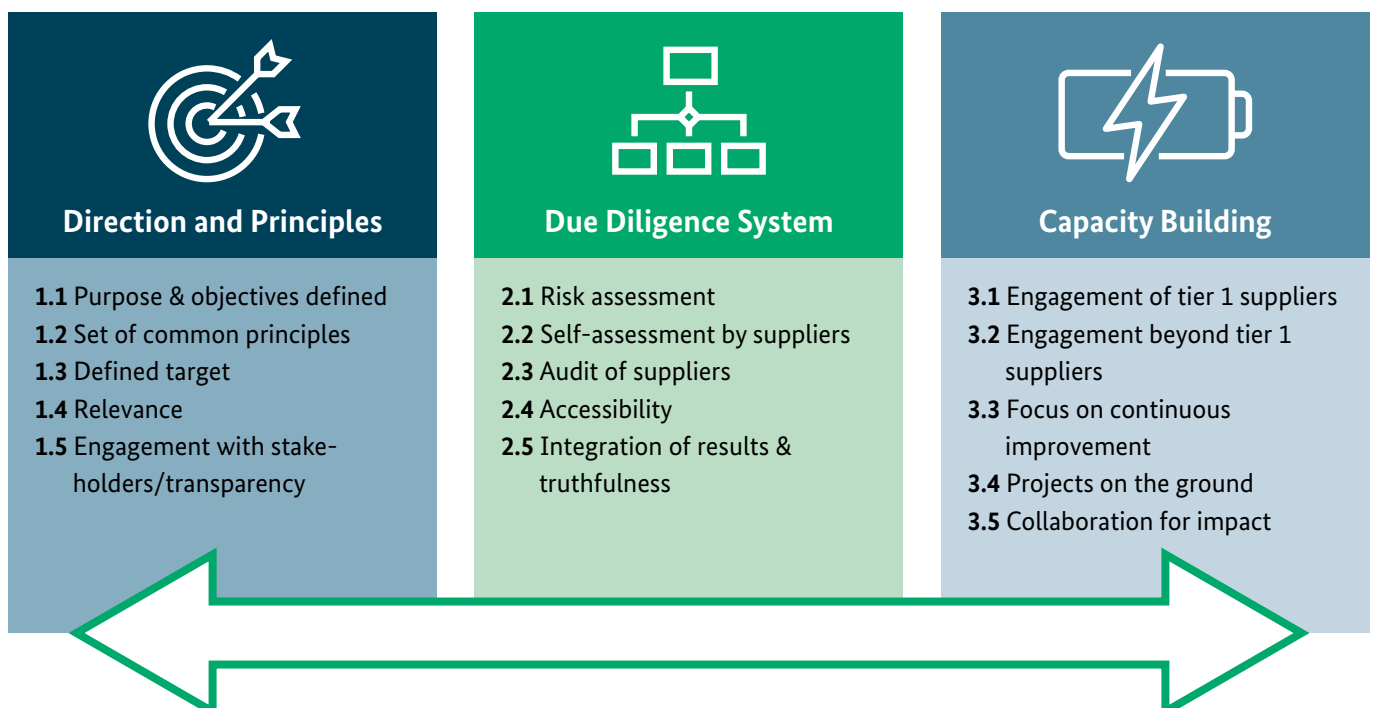
Together with stakeholders, ISEAL developed 10 Credibility Principles which can be used as an inspiration to evaluate **credibility and core values** of an initiative. [They outline what is essential](#) for a standards system to deliver positive impact. The ten principles are:

- » **Sustainability:** clear objectives are defined
- » **Improvement:** focus on impacts and outcomes
- » **Relevance:** materiality at its core
- » **Rigour:** quality of all components of the standard
- » **Engagement:** multistakeholder approach
- » **Impartiality:** identifying and mitigating conflicts of interest
- » **Transparency**
- » **Accessibility:** minimize costs and easy access to information
- » **Truthfulness:** communication is not misleading and verifiable
- » **Efficiency:** sound revenue models and organizational management strategies

Within the automotive industry, “Drive Sustainability” has developed “The Drive Sustainability Process Model” that allows for a more **impact and change-oriented evaluation model** of supply chain sustainability processes. This model defines three core business processes that need to be in place to push effectiveness and impact. The model is applicable to the efforts by individual companies and by supply chain initiatives.



Combined with the ISEAL model, this allows the use of a 15-criteria evaluation model (description of each of the criteria is provided on the next page)



1. Direction & principles	1.1	Purpose & objectives defined	Are purpose and objectives defined?
	1.2	Set of common principles	Does the initiative have a set of common principles to be applied to themselves and their supply chains?
	1.3	Defined targets	Are targets for the initiative defined and timebound?
	1.4	Relevance	Do the purpose and principles cover the most significant sustainability impacts and reflect international standards?
	1.5	Engagement with stakeholders/transparency	Are stakeholders engaged in definition & follow up of direction
2. Due diligence system	2.1	Risk assessment	Does the initiative provide a risk assessment framework and tool?
	2.2	Self-assessment by suppliers?	Is a SAQ system rolled out - at scale - on a common and shared platform?
	2.3	Audit of suppliers	Is an audit system rolled out - at scale - on a common and shared platform?
	2.4	Accessibility	Is a process defined that reduces barriers to implementation (costs, languages, information on the requirements, etc.)?
	2.5	Integration of results & truthfulness	Does the initiative set requirements for the partners to use the results of assessments for purchasing decisions?
3. Capacity-building and impact	3.1	Engagement of tier 1 suppliers	Does the initiative have a programme of capacity-building for tier 1 suppliers?
	3.2	Engagement beyond tier 1 suppliers	Does the initiative provide a process and fair business models to further engage the entire supply chain?
	3.3	Focus on continuous improvement	Does the initiative provide a programme for continuous improvement through countermeasures by individual partners AND by the initiative?
	3.4	Raw materials focus	Does the initiative contain a specific focus on the sustainability of the raw materials used in the value chain?
	3.5	Collaboration for impact	Is there a specific plan implemented to collaborate with other initiatives/actors to create more impact at scale?

Methodology: The scoring on each of the items is based on an intersubjective approach towards public available materials

The measurement model (summarized above) has been applied to 10 supply chain sustainability initiatives:

- » Action Collaboration Transformation (ACT)
- » Aluminium Stewardship Initiative (asi)
- » amfori Trade with Purpose
- » BON SUCRO
- » drive sustainability
- » GPSNR
- » the sustainable trade initiative
- » Pharmaceutical Supply Chain Initiative (PSCI)
- » Responsible Steel
- » Together for Sustainability