



GBA BATTERY
PASSPORT

The Human Rights Index

GLOBAL
BATTERY
ALLIANCE

BATTERIES POWERING
SUSTAINABLE DEVELOPMENT

Developed in collaboration with



LEVIN SOURCES

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The Human Rights Index

Version 1.0

Developed in collaboration with



LEVIN SOURCES

Key to the icons



Index is equivalent to the given standard. An enterprise certified by this system does not need to answer this question.



Index is partially equivalent to the given standard. An enterprise certified by this system needs to answer this question for those aspects that are not aligned.



Index is not equivalent to the given standard. An enterprise certified by this system still needs to answer this question.



Fundamental – this indicator pair will be moved into, or adapted into a new management systems index. Where it will be adapted into a new MSI, then it will remain in the HRI. There are 40 Fundamental LPS and 68 indicators.



Horizontal – this indicator pair will be found in other issue indices, in adapted form. There are 15 LPS and 27 horizontal.



Specific – this indicator pair will only be found in this index. There is 1 specific LPS and 2 indicators



This **CLI** expectation will move to another issue index after Davos 2023.



This expectation aligns and **goes beyond** the UNGPs



This expectation fully aligns with the UNGPs













NOTE TO THE READER

We encourage readers first to read the [Background & Glossary](#) for the Human Rights Index (HRI) and Child Labour Index (CLI) which provides an important explanation of the development, scope, structure, and logic of both indices, as well as key definitions.












PROVISION 1:

Human Rights Policy and
Commitment










Provision 1: Human rights policy and commitment

Performance expectation	Impact Domain 1 Indicators (in own operations)	Impact Domain 2 Indicators (in supply chain)	Guidance Placeholder	Type of indicator
Criterion 1.1: Content The enterprise has a policy and public commitment to respect human rights				
 <p>1.1.1 Alignment with internationally recognised human rights frameworks</p>	 <p>The enterprise has a human rights commitment or policy that is in line with internationally recognised human rights, as outlined in the International Bill of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work (2022). (1)</p>	 <p>As part of supplier onboarding or renewal, the enterprise requires its suppliers to have a human rights commitment or policy in line with internationally recognised human rights, as outlined in the International Bill of Human Rights and ILO Declaration on Fundamental Principles and Rights at Work (2022). (1)</p>		 <p>Horizontal</p> <p>All ESG policy commitments should be written in line with the relevant international legal instrument(s).</p>
 <p>1.1.2 Comprehensive coverage of universal human rights</p>	 <p>The commitment or policy:</p> <ul style="list-style-type: none"> • does not explicitly exclude any internationally recognised human rights from its coverage. (1) • does not limit the company's recognition of human rights to the provisions of national law or wider industry practice where these are weaker than the international standards. (1) • reflects an understanding that certain human rights are particularly salient for the company. (1) • ensures that human rights are considered in relation to their impacts on people and not (only) the business. (1) 	 <p>As part of supplier onboarding or renewal, the enterprise verifies that the policy or commitment includes the quality aspects set out in ID#1. (1)</p> <p>AND</p> <p>The enterprise defines its approach for suppliers who do not have policies with the defined quality aspects, including supporting them to develop one within the shortest timeframe possible (to be agreed between the parties) where appropriate. (1)</p>		 <p>Horizontal</p> <p>All policy commitments should comprehensively cover the various dimensions necessary to effectively manage the ESG issue.</p>
 <p>1.1.3 Alignment with international frameworks on business and human rights</p>	 <p>The commitment or policy explicitly references the enterprise's commitment to conform to the UN Guiding Principles on Business and Human Rights and/or the OECD Guidelines for Multinational Enterprises. (1)</p>	 <p>As part of supplier onboarding or renewal, the enterprise requires its suppliers to have a commitment or policy that explicitly references the UN Guiding Principles on Business and Human Rights and/or the OECD Guidelines for Multinational Enterprises. (1)</p> <p>AND</p> <p>Other human rights frameworks as may be applicable. (1)</p>	<p>Human rights frameworks in scope include but are not limited to:</p> <ul style="list-style-type: none"> • UN Sustainable Development Goals, including Goal 16 on Peace, Justice and Strong Institutions • OECD Due Diligence Guidance for Responsible Business Conduct • OECD Due Diligence Guidance for the Responsible Sourcing of Minerals from Conflict-Affected and High-Risk Areas • Children's Rights and Business Principles • ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy • Voluntary Principles on Security and Human Rights. 	 <p>Horizontal</p> <p>All policy commitments should be written in line with the relevant international normative framework(s).</p>















Provision 1: Human rights policy and commitment

Performance expectation	Impact Domain 1 Indicators (in own operations)	Impact Domain 2 Indicators (in supply chain)	Guidance Placeholder	Type of indicator
Criterion 1.1: Content The enterprise has a policy and public commitment to respect human rights				
 <p>1.1.4 Scope of commitment or policy</p>	 <p>The human rights commitment or policy sets out that it applies across the company's own operations and its business relationships. (1)</p>	 <p>As part of supplier onboarding or renewal, the enterprise verifies that its suppliers' human rights commitments or policies apply across suppliers' operations and business relationships, including supply chain. (1)</p>		 <p>Fundamental</p> <p>MS Index: Policy</p>
 <p>1.1.5 Expectations of personnel, business relationships and other parties directly linked to its operations, products or services</p> <p><i>Sourced from Draft EC Battery Regulation</i></p>	 <p>The enterprise describes the processes its personnel must implement to fulfil its human rights commitment or policy. (1)</p> <p><i>AND</i> The enterprise defines what is expected of its business relationships to support this fulfilment. (1)</p>	 <p>As part of supplier onboarding or renewal the enterprise requires its supplier to have a process that describes:</p> <ul style="list-style-type: none"> the processes the supplier's personnel must implement to fulfil the supplier's human rights policy or commitment. (1) what is expected of its business relationships with regards to respect for human rights. (1) 	<p>The human rights commitment or policy makes clear the enterprise's expectations of personnel, business relationships and other parties directly linked to its operations, products or services with regards to the respect for human rights, meaning avoiding infringing on the human rights of others and addressing adverse human rights impacts with which they are connected.</p> <p>Contractual expectations may include (UNICEF 2013, Supplementary criterion 5a):</p> <ul style="list-style-type: none"> informing the company of all relevant business relationships, including with other suppliers, subcontractors and associates promptly addressing issues of non-conformance related to children's rights as and when they arise; participating in any child-focused human rights and social compliance monitoring organized by the company. <p>This description of implementation measures may be captured in the policy itself or accompanying procedures, protocols, and/or processes.</p> <p>The operational processes should be aligned with the human rights policy and there should be no tensions between them.</p> <p>Business relationships includes business partners and other parties directly linked to the enterprise's or supplier's operations, products or services, e.g. state security forces.</p>	 <p>Fundamental</p> <p>MS Index: Policy</p>
 <p>1.1.6 Policy updates</p>	 <p>There is evidence that the public commitment is updated to reflect:</p> <ul style="list-style-type: none"> Significant developments in the prevalence and nature of human rights issues relevant to the company's operations, supply chain and communities. (1) Lessons learned from tracking compliance with and effectiveness of the company's human rights due diligence systems. (1) 			 <p>Fundamental</p> <p>MS Index: Policy</p>












Provision 1: Human rights policy and commitment

Performance expectation	Impact Domain 1 Indicators (in own operations)	Impact Domain 2 Indicators (in supply chain)	Guidance Placeholder	Type of indicator
Criterion 1.2: Dissemination and communication The enterprise disseminates its human rights commitment or policy to all relevant stakeholders, including managers, employees, suppliers, subcontractors and the public.				
 <p>1.2.1 The policy is publicly available and proactively communicated</p>	 <p>The human rights commitment or policy is:</p> <ul style="list-style-type: none"> publicly available. (1) communicated internally to all personnel. (1) proactively communicated to the external stakeholders who need to be aware of it to ensure its effective implementation. (1) 		<p>This applies to all human rights issue policies, e.g. child labour policy.</p> <p>Relevant external stakeholders may include: suppliers, business relationships, government agencies, community members, NGOs, civil society organisations, women’s organisations and the legitimate representatives of vulnerable people.</p> <p>Actions to proactively communicate the policy may include but not be limited to</p> <ul style="list-style-type: none"> posting the policy on the enterprise website Posts the policy on the enterprise intranet Promoting the policy through social media or worker voice apps Inserting references to the policy in its contracts with third parties. 	 <p>Fundamental</p> <p>MS Index: Policy</p>
 <p>1.2.2 Accessibility and understandability to all workers</p>	 <p>The commitment or policy is accessible and understandable to all workers. (1)</p>		<p>The commitment or policy should be made available in multiple languages or communicated to illiterate or other vulnerable workers in ways that are particular to their needs that increase accessibility and understandability. This may include mechanisms for people without internet access.</p>	 <p>Fundamental</p> <p>MS Index: Participation for any policy</p>
 <p>1.2.3 Embedding in the terms of business relationships</p>	<p>The enterprise incorporates or references its human rights commitment/ policy/ statement into commercial contracts and/ or written agreements with business partners. (1)</p> <p><i>AND</i></p> <p>There are contractual assurances that the policy will be adhered to. (1)</p>	 <p>The enterprise incorporates or references its human rights commitment/ policy/ statement into commercial contracts and/or written agreements with all suppliers. (1)</p> <p><i>AND</i></p> <p>There are contractual assurances that the policy will be adhered to. (1)</p>		 <p>Horizontal</p> <p>ESG policies should be implemented through contractual assurances in business relationships.</p>








Provision 1: Human rights policy and commitment

Performance expectation	Impact Domain 1 Indicators (in own operations)	Impact Domain 2 Indicators (in supply chain)	Guidance Placeholder	Type of indicator
Criterion 1.3: Development and Approval of the Human Rights Policy Development of the policy involves staff in key internal functions, such as procurement and human resources, as well as relevant human rights and gender expertise from inside and outside the enterprise, where possible, to ensure incorporation of leading practice from within the enterprise's sector. The involvement of senior leadership in approving the commitment helps signal its importance.				
 <p>1.3.1 Consultation with internal and/or external stakeholders and experts</p>	 <p>Relevant internal and external experts have been consulted and their perspectives considered in the policy's development. (1)</p> <p><i>AND</i></p> <p>The enterprise offers its expertise to inform the development of business partners' human rights policies and procedures, when requested. (1)</p>	 <p>The enterprise offers its expertise to inform the development of suppliers' human rights policies and processes, when requested. (1)</p>	<p>The inclusion of relevant expertise ensures that an understanding of leading practice in human rights due diligence in the enterprise's sector influences the content of the human rights policy and supporting processes.</p> <p>Relevant expertise may include:</p> <ul style="list-style-type: none"> • The board • Senior-level management • Employees from human resources, legal, public relations, operations, HSE, etc. • Trade unions and employee representatives • Recognised experts in leading practice in human rights due diligence in the enterprise's sector, communities and/or affected stakeholders. 	 <p>Fundamental</p> <p>MS Index: Participation for any policy</p>
 <p>1.3.2 Considering the perspectives of relevant business partners in the human rights policy development</p>	 <p>Relevant business partners have been consulted and their perspectives have been considered in the policy's development. (1)</p>		<p>Relevant business partners includes:</p> <ul style="list-style-type: none"> • Customers • Tier 1 suppliers, including sub-contractors • Tier n suppliers in its high and medium-risk supply chains • Vulnerable people in provenances to which the enterprise has a high likelihood of linkage. <p>It is good practice for the enterprise to justify its sample of 'relevant business partners' consulted as part of policy development.</p>	 <p>Fundamental</p> <p>MS Index: Participation for any policy</p>
 <p>1.3.3 Considering the perspectives of potentially affected people in policy development</p>	 <p>Potentially affected people have been consulted in the policy's development and their perspectives have been considered. (1)</p>	 <p>The enterprise checks that the perspectives of potentially affected people have been considered in their suppliers' policy development. (1)</p> <p><i>AND</i></p> <p>Where the perspectives of potentially affected people (or their legitimate representatives) have not been considered in their suppliers' policy development, the enterprise encourages them to do so. (1)</p>	<p>Particular consideration should be given to workers (and their legitimate representatives) and vulnerable people (or their reasonable alternatives).</p> <p>Where it is not possible to consult potentially affected people then the perspectives of their legitimate representatives or reasonable alternatives can be used instead.</p>	 <p>Fundamental</p> <p>MS Index: Participation for any policy</p>
 <p>1.3.4 Senior approval</p>	 <p>The policy or commitment is approved at the most senior level of the enterprise. (1)</p>			 <p>Horizontal</p> <p>ESG policies should be approved at the most senior level because leadership is accountable for controlling risk.</p>

Provision 1: Human rights policy and commitment

Performance expectation	Impact Domain 1 Indicators (in own operations)	Impact Domain 2 Indicators (in supply chain)	Guidance Placeholder	Type of indicator
<p>Criterion 1.3: Development and Approval of the Human Rights Policy Development of the policy involves staff in key internal functions, such as procurement and human resources, as well as relevant human rights and gender expertise from inside and outside the enterprise, where possible, to ensure incorporation of leading practice from within the enterprise's sector. The involvement of senior leadership in approving the commitment helps signal its importance.</p>				
 <p>1.3.5 Worker approval</p>	 <p>The policy or commitment has been approved by workers' representatives (1)</p>			 <p>Horizontal</p> <p>ESG policies should be approved by workers' representatives as a priority internal stakeholder who may be impacted by the policy's existence or the effectiveness of its implementation.</p>
<p>Criterion 1.4: Embedding: accountability, resources and decision-making The enterprise has assigned sufficient resources to the implementation of the policy and supporting procedures, invests in training and capacity building and ensures leadership is accountable for oversight and implementation.</p>				
 <p>1.4.1 Embedding the policy within the enterprise's management systems</p>	 <p>The enterprise embeds its human rights commitment or policy within its management systems and implements it as part of its regular business processes. (1)</p> <p><i>AND</i> The enterprise embeds the human rights commitment or policy within its business relationships as part of its regular business processes. (1)</p>	 <p>The enterprise checks its tier 1 suppliers embed their human rights commitment or policy within their management systems and implement it as part of regular business processes. (1)</p> <p><i>AND</i> The enterprise uses a risk-based approach to determine whether it should audit a supplier's embedding of its policy within its management systems, and verifies this through second or third party audit based on risk level and whether or not a prior audit can be relied upon. (1)</p>	<p>A risk-based approach means</p> <ul style="list-style-type: none"> • Prioritising putting attention and resources to those business relationships and tier 1 suppliers identified as high risk based its human rights risk assessment process, and • Ensuring the enterprise's actions and response are proportionate to the business partner's risk level, with higher risk business partners requiring more robust risk controls and potentially greater investment, attention, and support. <p>The decision to rely upon a prior audit rests not just on whether an audit has happened but whether it is a robust and credible audit.</p>	 <p>Horizontal</p> <p>ESG policies should be embedded within the enterprise's management systems and implemented as part of regular business processes.</p>
 <p>1.4.2 Senior oversight and accountability for implementation</p>	 <p>Senior management is accountable to the executive for implementation of the human rights commitment or policy and supporting processes. (1)</p> <p><i>AND</i> Workers'/trade union have a role in holding management accountable for the implementation of the policy and supporting processes. (1)</p>	 <p>The enterprise checks that its tier n suppliers have assigned accountability for implementation of the human rights commitment or policy and supporting processes to senior management or the executive. (1)</p> <p><i>AND</i> Where accountability is not assigned to senior management or an executive the enterprise incentivises its supplier to do so. (1)</p>	<p>See A2 in the UNGPs assurance guidance for guidance on how to ensure quality in accountability, for example, on appropriate performance incentives, and the type of engagement expected with management, and the nature of board discussions on human rights.</p>	 <p>Horizontal</p> <p>Policies exist to control risk, and risk controls should be overseen by leadership.</p>

Provision 1: Human rights policy and commitment

Performance expectation	Impact Domain 1 Indicators (in own operations)	Impact Domain 2 Indicators (in supply chain)	Guidance Placeholder	Type of indicator
Criterion 1.4: Embedding: accountability, resources and decision-making The enterprise has assigned sufficient resources to the implementation of the policy and supporting procedures, invests in training and capacity building and ensures leadership is accountable for oversight and implementation.				
 <p>1.4.3 The enterprise has assigned responsibility internally to lead the identification, mitigation, prevention and remediation of human rights risks and impacts</p>	 <p>The enterprise has assigned responsibility for leading the identification, mitigation, prevention and remediation of human rights risks and adverse impacts in its own operations and business relationships to personnel trained in human rights due diligence. (1)</p>		Responsibility should be assigned through an individual's job description.	 Horizontal Responsibility for implementing policies must always be assigned to adequately trained individuals
 <p>1.4.4 The company has assigned sufficient internal resources for implementing the human rights commitment, policy and/or procedures</p>	 <p>The enterprise has allocated sufficient internal resources to enable these personnel to respond effectively to human rights issues arising in its operations and business relationships. (1)</p>	 <p>The enterprise has allocated sufficient internal resources to enable effective responses to human rights issues arising in its supply chains. (1)</p>	Internal resources may include financial (money), human (personnel), social (relationships, institutions, governance mechanisms), physical (infrastructure) and/or other capital. "Sufficient" may be judged in several ways, e.g. whether <ul style="list-style-type: none"> • The budget is proportionate to the impact being addressed, i.e. it reflects the "scale and costs of the mitigation measure to address it."¹ • A lower level of resource is applied "to manage less serious and lower priority impacts when compared to more serious and higher priority one."² • The total budget equals the average annual total remediation cases multiplied by the average cost of remediation for each case + 20% (or so) to allow for unprecedented incidents.³ • Whether or not there is a surplus in available funds at the end of the budget period.⁴ 	 Horizontal No policy can be implemented without allocation of sufficient resources









¹ RMI and the Coppermark Company (2022) The Criteria Guide for the Risk Readiness Assessment: Draft for public consultation, April 2022. At <https://www.responsiblemineralsinitiative.org/media/docs/RRA/Risk%20Readiness%20Assessment%20Criteria%20Guide%20-%20Draft%20for%20Public%20Consultation%20April%202022.pdf>, page 23.

² RMI and the Coppermark Company (2022) The Criteria Guide for the Risk Readiness Assessment: Draft for public consultation, April 2022. At <https://www.responsiblemineralsinitiative.org/media/docs/RRA/Risk%20Readiness%20Assessment%20Criteria%20Guide%20-%20Draft%20for%20Public%20Consultation%20April%202022.pdf>, page 23.









³ Jasminder Kaur Smith-Khaira, UNICEF, personal communication to Estelle Levin-Nally, 18th October 2022.

⁴ Ines Kaempfer, The Centre for Child Rights and Business, personal communication to Estelle Levin-Nally, 18th October 2022

Provision 1: Human rights policy and commitment

Performance expectation	Impact Domain 1 Indicators (in own operations)	Impact Domain 2 Indicators (in supply chain)	Guidance Placeholder	Type of indicator
Criterion 1.4: Embedding: accountability, resources and decision-making The enterprise has assigned sufficient resources to the implementation of the policy and supporting procedures, invests in training and capacity building and ensures leadership is accountable for oversight and implementation.				
 <p>1.4.5 Training The enterprise has specific training for its employees and suppliers to address its salient human rights issues</p>	 <p>The enterprise or a third party provides training on identifying, mitigating, preventing and remedying human rights issues to its personnel to ensure integration of the human rights commitment and processes across functions within the enterprise. (1)</p> <p><i>AND</i> The training is delivered in accordance with the UNGPs Reporting Framework. (1)</p> <p><i>AND</i> The training is delivered: 1. Annually. (1) 2. When onboarding any new employee. (1) 3. Upon demand. (1)</p>	 <p>The enterprise checks that its suppliers provide and/or have received training on identifying, mitigating, preventing and remedying human rights issues to their personnel in accordance with the UNGPs Reporting Framework. (1)</p> <p>The enterprise makes specific training on human rights due diligence available to its high risk suppliers. (1)</p> <p><i>AND</i> The enterprise makes training on the specific salient human rights issues arising in its supply chains available to its relevant high risk tier n suppliers. (1)</p> <p><i>AND</i> The training is offered: 1. When onboarding any new supplier. (1) 2. Upon demand. (1)</p>	<p>For enterprises whose suppliers have received HRDD training, only part 1 of ID#2 applies.</p> <p>Personnel includes employees and contractors.</p> <p>The training should include awareness raising to all workers and tailored training to personnel with responsibilities for implementing human rights due diligence.</p> <p>It may occur the suppliers have human rights policies and procedures in place, but these may not be well understood or badly implemented, and/or the supplier does not have the capacity or resources to offer effective training. In such cases the enterprise should offer training to its suppliers.</p> <p>The training should also include prevention of gender-based violence in the workplace, specific training to young workers (where applicable) on their human rights including how to access and use the grievance mechanism, and specific training to security forces in line with the UN Guiding Principles on Security and Human Rights. These expectations will be captured in new GBA BP indices over time.</p>	 <p>Horizontal</p> <p>All ESG issues will require to be communicated through training in order to be effectively embedded</p>
Criterion 1.5 Purchasing Practices, including economic inclusion The enterprise takes measures to ensure its human rights due diligence processes do not inadvertently disadvantage SMEs and marginal producers in its supply chains.				
 <p>1.5.1 Aligning purchasing practices with the human rights policy or commitment</p>	 <p>There is no evidence that the enterprise's standard business processes make or have made demands of business partners that might cause them or have caused them to violate human rights. (1)</p> <p><i>AND</i> The enterprise's payment terms do not exceed 45 days from point of invoicing by vendors for SME vendors or 10 days from point of receipt of funds by enterprise from the client where the vendor is a sub-contractor. (1)</p>	 <p>The enterprise ensures that its purchasing and pricing policies and practices do not make demands of suppliers that might cause them to violate human rights. (1)</p>	<p>Purchasing practices include pricing, payment terms.</p> <p>Long payment terms contribute to the working capital gap, which may compel small businesses to borrow money and/ or may increase the risk of insolvency. In simple terms, this means there is less cash available to do things that are not 'core business', making SMEs less able to invest in improving human rights due diligence and so leaving human rights issues under-managed.</p>	 <p>Specific</p>













Provision 1: Human rights policy and commitment

Performance expectation	Impact Domain 1 Indicators (in own operations)	Impact Domain 2 Indicators (in supply chain)	Guidance Placeholder	Type of indicator
Criterion 1:5 Purchasing Practices, including economic inclusion The enterprise takes measures to ensure its human rights due diligence processes do not inadvertently disadvantage SMEs and marginal producers in its supply chains.				
 <p>1.5.2 Support to SMEs, including avoiding increasing vulnerable producers' exposure to human rights violations</p> <p><i>Sourced from OECD Minerals Guidance</i></p>	 <p>The enterprise does not prohibit sourcing from legitimate ASM. (1)</p> <p>AND The enterprise supports its SME sub-contractors, including ASM, to establish conformant human rights policies. (1)</p>	 <p>The enterprise supports its tier n SME suppliers, including ASM, to establish conformant human rights policies. (1)</p>	<p>The enterprise's due diligence systems should not prejudice against SMEs or marginal producers, such as "legitimate ASM" per the OECD FAQs on Artisanal and Small-scale Mining.</p>	 <p>Fundamental</p> <p>MS Index: Responsible Sourcing</p>
 <p>1.5.3 Proactive inclusion and enablement of SMEs, including ASM</p>	 <p>The enterprise has a commitment to proactively do business with SMEs and/or ASM. (1)</p> <p>AND The enterprise has introduced processes which make it easier for SMEs and/or ASM to become vendors. (1)</p> <p>AND The enterprise supports ASM professionalization through direct engagement with ASM workers or operators, including through commercial relationships with such entities, and/ or indirect engagement (e.g. by providing support to partnerships seeking to professionalize ASM). (1)</p>	 <p>The enterprise's responsible sourcing policy includes a commitment to proactively source from legitimate ASM who are in a formalisation process. (1)</p> <p>AND The enterprise supports ASM professionalization through direct engagement with ASM workers or operators, including through commercial and/or sourcing relationships with such entities, and/or indirect engagement (e.g. by providing support to NGOs, initiatives, or partnerships supporting ASM to formalize). (1)</p>	<p>The EU recognises the barriers to participation by SMEs in responsible business practices due to commercial constraints and is investing in supportive measures that complement mandatory corporate sustainability and due diligence legislations.</p> <p>The enterprise's procurement systems may proactively seek to include SMEs and marginal producers in their supply chains in ways that support their continuous professionalization and development, as a leading practice. Without this help, SMEs may be put into commercially unviable situations, so affecting their ability to invest in effective human rights due diligence.</p> <p>The OECD advocates for inclusion of legitimate ASM in responsible supply chains. This recognises that it may not be possible for artisanal and small-scale miners to become fully formal so impeding their ability to meet business partners' standards of responsible business conduct. In such cases the OECD encourages enablement of the ASM to professionalise and institutionalise. This usually involves a support organisation, either a business partner, or an NGO or a local responsible mining or sourcing initiative that the business partner can commission to assist.</p>	 <p>Move to KPI #27: Contribution to Local Economic Development</p>









PROVISION 2:

Risk and Impact Assessment





Provision 2: Risk and Impact Assessment

Performance expectation	Impact Domain 1 Indicators (in own operations)	Impact Domain 2 Indicators (in supply chain)	Guidance Placeholder	Type of indicator
Criterion 2.1: Risk and impact assessment There is a process in place to identify and assess risks and impacts related to human rights risks and impacts within the enterprise's operations and value chain				
 <p>2.1.1 Chain of custody and mapping business relationships</p> <p><i>Sourced from OECD Minerals Guidance</i></p>	 <p>The enterprise has established a system of controls that allows it to bring transparency to its supply chain. (1)</p> <p><i>AND</i> The enterprise maps its business relationships, including its supply chains, as the basis for risk identification. (1)</p> <p><i>AND</i> The enterprise maps the factual circumstances of each business relationship that is red flagged or marked as high-risk for human rights abuses. (1)</p>	 <p>The enterprise encourages its suppliers to map their supply chains and their factual circumstances. (1)</p> <p><i>AND</i> The enterprise maps the factual circumstances of each supplier that is red flagged or marked as high risk for human rights abuses. (1)</p> <p><i>AND</i> Reports its findings on high-risk suppliers to senior management. (1)</p> <p><i>AND</i> Where it cannot bring transparency to its supply chains, considers the implication of these blind spots as part of its responsible sourcing strategy. (1)</p>	<p>The enterprise establishes a system of controls either through establishing a chain of custody or through instituting a process that allows it to identify the upstream actors in its supply chain beyond tier 1.</p> <p>The enterprise maps the geographies, entities, and products in all its business relationships and supply chain. The enterprise additionally maps the production systems and transportation routes and means when sourcing from or through conflict-affected and high-risk settings.</p> <p>This is the basis for risk identification as it allows the enterprise to gauge its business partners' exposure to risk and the adequacy of their capacities to effectively manage risks and impacts relative to that exposure.</p>	 <p>Fundamental</p> <p>Move to MS Index: Risk Identification and Assessment or MS Index: Responsible Sourcing</p>
 <p>2.1.2 Carrying out on the ground assessments for high-risk business relationships</p> <p><i>Sourced from OECD Minerals Guidance</i></p>	 <p>The enterprise carries out operational risk assessments to assess human rights risks and impacts in its high-risk operations. (1)</p> <p><i>AND</i> The enterprise requires high risk business partners – which have not gone through a 2nd or 3rd party audit already – to undergo on the ground assessments which can be via collective schemes. (1)</p>	 <p>The enterprise carries out on-the-ground assessments to assess human rights risks and impacts in its high-risk supply chains. (1)</p>	<p>On-the-ground assessments may be limited to where there is a lack of sufficient and credible info.</p>	 <p>Fundamental</p>
 <p>2.1.3 Identifying human rights risks and impacts</p>	 <p>The enterprise identifies human rights issues with which it may be connected (whether causing, contributing to, or linked) throughout its own operations and business relationships. (1)</p> <p><i>AND</i> This process of issue identification follows the UNGPs and other international frameworks to which it has committed in its Human Rights Policy and/or Commitment. (1)</p>	 <p>The enterprise identifies human rights issues with which it may be connected throughout its supply chain. (1)</p> <p><i>AND</i> This process of issue identification follows the UNGPs, and other international frameworks to which it has committed in its Human Rights Policy and/or Commitment. (1)</p>		 <p>Horizontal.</p> <p>An enterprise is expected to identify the ESG risks and impacts to which it may be connected.</p>





Provision 2: Risk and Impact Assessment

Performance expectation	Impact Domain 1 Indicators (in own operations)	Impact Domain 2 Indicators (in supply chain)	Guidance Placeholder	Type of indicator
Criterion 2.1: Risk and impact assessment There is a process in place to identify and assess risks and impacts related to human rights risks and impacts within the enterprise's operations and value chain				
 <p>2.1.4 Assessing human rights risks and impacts</p>	 <p>The enterprise assesses human rights issues with which it may be connected throughout its own operations and business relationships. (1)</p> <p>AND This process of risk and impact assessment follows the UNGPs and other international frameworks to which it has committed in its Human Rights Policy and/or Commitment. (1)</p>	 <p>The enterprise assesses human rights issues with which it may be connected throughout its supply chain. (1)</p> <p>AND This process of risk and impact assessment follows the UNGPs, and other international frameworks to which it has committed in its Human Rights Policy and/or Commitment. (1)</p>	<p>The enterprise uses its assessment to determine the severity of an identified human rights risk or impact based on its scale, scope and remediability.</p> <ul style="list-style-type: none"> • Scale is the gravity of the impact • Scope is the number of people affected • Remediability is the ease or otherwise with which those impacted could be restored to their prior enjoyment of the right(s) 	 <p>Horizontal.</p> <p>An enterprise is expected to assess the ESG risks and impacts to which it may be connected.</p>
 <p>2.1.5 Assessing and monitoring connection to human rights risks and impacts when circumstances change</p>	 <p>Each time circumstances change, the enterprise assesses <i>whether and how</i>, through cause, contribution and/or direct linkage, it is or may be connected to actual or potential human rights issues in its operations, including through its business relationships. (1)</p> <p>AND The methods used are 1. Diverse (1), and 2. Gender responsive (1)</p>	 <p>Each time circumstances change, 1. the enterprise assesses <i>whether and how</i>, through cause, contribution and/or direct linkage, it is or may be connected to actual or potential human rights issues throughout its supply chains. (1)</p> <p>AND 2. the enterprise checks that its tier n suppliers determine <i>whether and how</i>, through cause, contribution and/or direct linkage, they are or may be connected to actual or potential human rights issues in their operations, including through their business relationships, and their supply chains. (1)</p> <p>AND The methods used are 1. Diverse (1) and 2. Gender responsive (1)</p>	<p>Throughout supply chains means to tier n.</p> <p>Change in circumstances in ID#1 may include:</p> <ul style="list-style-type: none"> • Carrying out a human rights risk assessment for the first time. • Operating in or sourcing from a new geography jurisdiction or provenance • Developing a new product or service line that varies significantly from existing lines • Changing the inputs of a product or service • Restructuring, or engaging in new forms of business relationships (e.g. mergers, acquisitions, new markets) <p>Change in circumstances in ID#2 may include:</p> <ul style="list-style-type: none"> • Sourcing from a new entity, enterprise or provenance • Sudden change in risk level of a jurisdiction, supplier or provenance, including but not limited to conflict, economic or political crisis, environmental emergency, a supplier restructuring, or engaging in new forms of business relationships (e.g. mergers, acquisitions) <p>Use of diverse methods to assess risks is necessary where there are blindspots. Diverse methods may include but not be limited to:</p> <ul style="list-style-type: none"> • Desk based research • On-site risk assessments for the sites where the enterprise has reason to believe human rights risks and impacts may be most severe • Tools to understand the risk by geography and commodity, materials or component type • Audit reports <p>The quality of efforts to determine connection to human rights incidents is important. Quality standards of such efforts may include:</p> <ul style="list-style-type: none"> • frequency of information gathering (at least quarterly) • reliability of information gathered (ideally through 3rd party monitoring or assessment) robustness of methodology 	 <p>Fundamental</p> <p>MS Index: Risk Identification and Assessment</p>

Provision 2: Risk and Impact Assessment

Performance expectation	Impact Domain 1 Indicators (in own operations)	Impact Domain 2 Indicators (in supply chain)	Guidance Placeholder	Type of indicator
Criterion 2.1: Risk and impact assessment There is a process in place to identify and assess risks and impacts related to human rights risks and impacts within the enterprise's operations and value chain				
 <p>2.1.6 Assessing connection to human rights risks and impacts where circumstances are not hanging</p>	 <p>Where circumstances are not changing: 1. the enterprise carries out an assessment of whether and how it is or may be connected to actual or potential human rights issues in its operations, including through its business relationships periodically. (1)</p> <p>AND</p> <p>2. This assessment is done with a regularity that is proportionate to the risk status of its tier n suppliers where circumstances have not changed, namely: (1)</p> <ul style="list-style-type: none"> • at least every three years for all low risk tier n suppliers' operations • at least every year for any provenance operating in a high-risk area • At least every quarter for any provenance operating in a conflict-affected area <p>AND</p> <p>3. the enterprise monitors whether and how it is or may be causing, contributing to and/or be directly linked to human rights issues in its operations and business relationships through ongoing risk monitoring. (1)</p> <p>AND</p> <p>For every such assessment and in all such monitoring, the methods used are</p> <ol style="list-style-type: none"> 1. Diverse (1), and 2. Gender-responsive (1) 	 <p>For existing suppliers where circumstances have not changed or are not changing: 1. The enterprise assesses <i>whether</i> and <i>how</i>, through cause, contribution and/or direct linkage, it is or may be connected to actual or potential human rights issues throughout its supply chains periodically, i.e. at least every three years for low-risk settings and at least every year in CAHRAs. (1)</p> <p>AND</p> <p>2. This assessment is done with a regularity that is proportionate to the risk status of its tier n suppliers where circumstances have not changed, namely: (1)</p> <ul style="list-style-type: none"> • at least every three years for all low risk tier n suppliers' operations • at least every year for any provenance operating in a high-risk area • At least every quarter for any provenance operating in a conflict-affected area <p>AND</p> <p>3. The enterprise monitors whether it is or may be causing, contributing or directly linked to human rights issues throughout its supply chains through ongoing risk monitoring. (1)</p> <p>AND</p> <p>The methods used are</p> <ol style="list-style-type: none"> 1. Diverse (1) and 2. Gender responsive (1) 	<p>Ongoing monitoring is done through early warning systems, grievance mechanisms, and media scanning.</p> <p>See 2.1.5 on the quality of efforts to determine connection to human rights incidents.</p>	 <p>Fundamental</p> <p>MS Index: Risk Identification and Assessment</p>













Provision 2: Risk and Impact Assessment

Performance expectation	Impact Domain 1 Indicators (in own operations)	Impact Domain 2 Indicators (in supply chain)	Guidance Placeholder	Type of indicator
Criterion 2.1: Risk and impact assessment There is a process in place to identify and assess risks and impacts related to human rights risks and impacts within the enterprise's operations and value chain				
 <p>2.1.7 Considering the perspectives in potentially affected people and experts in assessing risks and impacts</p>	 <p>In assessing the risks and impacts of human rights related to its own operations and business relationships, the enterprise:</p> <ol style="list-style-type: none"> 1. identifies potentially affected people (and their legitimate representatives or reasonable alternates). (1) 2. consults with potentially affected people (or their legitimate representatives or reasonable alternates). (1) 3. consults with internal and external stakeholders. (1) 4. takes into account impacts on stakeholders from groups or populations that may be at heightened risk of vulnerability or marginalisation. (1) 5. pays particular attention to the different kinds of impacts that can be experienced by varying genders. (1) <p>AND Where business partners do not do any of these things, the enterprise encourages them to do so. (1)</p>	 <p>In engaging its tier 1 suppliers to understand the quality of their risk and impact assessment, the enterprise checks that these suppliers</p> <ol style="list-style-type: none"> 1. identify and engage with potentially affected people. (1) 2. consult with relevant stakeholders, including potentially affected people, when assessing the risks and impacts to human rights in its operations and supply chains. (1) 3. Take into account impacts on stakeholders from groups or populations that may be at heightened risk of vulnerability or marginalisation. (1) 4. pay particular attention to the different kinds of impacts that can be experienced by varying genders. (1) <p>AND Where suppliers do not do any of these things, the enterprise encourages them to do so. (1)</p>	<p>This expectation refers to identification and consultation with stakeholders when carrying out risk and impact assessment.</p> <p>Where it is not possible to consult potentially affected people then the perspectives of their legitimate representatives or reasonable alternatives can be used instead.</p> <p>Internal stakeholders of greatest relevance may include management, HR, workforce and their representatives, etc.</p> <p>External stakeholders of greatest relevance may include: suppliers, regulators, issue experts, NGOs, CSOs, women's organisations, and (women) community leaders responsible mining and sourcing initiatives, etc.</p> <p>Populations that may be at heightened risk of vulnerability or marginalisation. These groups may include women children, Indigenous peoples, ethnic minorities, certain religious groups, people of a certain descent or caste, or migrant workers from another area.</p>	 <p>Fundamental</p> <p>MS Index: Risk assessment</p>









PROVISION 3:

Prioritisation, Prevention
and Mitigation









Provision 3: Prioritisation, Prevention and Mitigation

Performance expectation	Impact Domain 1 Indicators (in own operations)	Impact Domain 2 Indicators (in supply chain)	Guidance Placeholder	Type of indicator
Criterion 3.1: Prioritisation, prevention and mitigation The enterprise strengthens and integrates human rights within relevant enterprise functions and takes actions to prevent and address impacts.				
 <p>3.1.1 Prioritisation of actions based on salience and the views of potentially affected people</p>	 <p>The enterprise prioritises actions to prevent and mitigate potential and actual impacts on the basis of salience. (1)</p> <p>AND By taking into account the perspectives of (potentially) affected people. (1)</p>	 <p>The enterprise prioritises actions to prevent and mitigate potential and actual impacts in its supply chains on the basis of their salience. (1)</p> <p>AND By taking into account the perspectives of (potentially) affected people. (1)</p>	<p>Risk salience is the severity of actual or potential risks and impacts (in their scale, scope and the ease with which they can be remediated), typically on a scale of 1 to 5, multiplied by the likelihood of the risk or impact arising, typically on a scale of 1 to 5.</p> <p>An enterprise should prioritise acting first on its most salient risks.</p>	 <p>Fundamental</p> <p>MS Index: Participation and Inclusion</p>
 <p>3.1.2 Engaging other relevant stakeholders as part of risk mitigation preparedness</p>	 <p>In preparing for the effective mitigation of human rights issues, the enterprise identifies relevant stakeholders to engage with about human rights issues in its operations. (1)</p> <p>AND The enterprise engages with such stakeholders when they identify human rights issues in their operations in order to gather information or explore opportunities for collaborative action to prevent and address adverse human rights impacts. (1)</p>	 <p>In preparing for the effective mitigation of human rights issues, the enterprise identifies other relevant stakeholders to engage with about human rights issues in its supply chains. (1)</p> <p>AND The enterprise engages with such stakeholders when they identify human rights issues in their supply chains in order to gather information or explore opportunities for collaborative action to prevent and address human rights impacts. (1)</p>	<p>This expectation refers to identification of stakeholders as part of mitigation planning, in advance of incidents arising so that when an incident occurs the enterprise is poised for swift and effective action.</p> <p>Relevant stakeholders may include: workers or their representatives, trade unions, policy-focused civil society organisations, women's organisations, international organisations and individual governments.</p> <p>These stakeholders may serve as important sources of information or as partners for collaborative action to prevent and address human rights impacts</p>	 <p>Fundamental</p> <p>MS Index: Participation and Inclusion</p>
 <p>3.1.3 Prevention and mitigation action plan</p> <p><i>Sourced from The EU Corporate Sustainability Due Diligence directive draft (Article 7, point 2a) as of August 2022</i></p>	 <p>The enterprise has a mitigation action plan to reduce the salience of human rights risks and the severity of human rights impacts to which it is connected in its operations, business relationships and supply chains. (1)</p> <p>AND The mitigation action plan is regularly reviewed and updated based on the findings of periodic risk assessment and ongoing monitoring. (1)</p>	 <p>The enterprise checks that its tier 1 suppliers have a mitigation action plan to reduce the salience of human rights risks and the severity of human rights impacts to which they are connected in their operations, business relationships and supply chains. (1)</p> <p>AND The enterprise checks that its tier 1 suppliers' mitigation action plans relate to the findings of their periodic risk assessments and ongoing monitoring. (1)</p> <p>AND Where suppliers do not have sufficient capacity to address the risks or impacts arising in their own operations or supply chain, the enterprise supports them to build that capacity. (1)</p>	<p>The mitigation action plan should focus on</p> <ol style="list-style-type: none"> 1. how the company can contribute to the reduction in the likelihood of risks arising. This may involve actions inside or outside the enterprise. 2. how the company will contribute to reducing the severity of human rights impacts, should a risk materialise. This may involve actions inside or outside the enterprise. <p>This aligns with the prevention action plan required by the draft EU Corporate Sustainability Due Diligence directive.</p>	 <p>Horizontal</p> <p>All salient or significant ESG issues should be managed using a prevention and mitigation action plan or equivalent.</p>

Provision 3: Prioritisation, Prevention and Mitigation

Performance expectation	Impact Domain 1 Indicators (in own operations)	Impact Domain 2 Indicators (in supply chain)	Guidance Placeholder	Type of indicator
Criterion 3.1: Prioritisation, prevention and mitigation The enterprise strengthens and integrates human rights within relevant enterprise functions and takes actions to prevent and address impacts.				
 <p>3.1.4 Addressing impacts through differentiated action to cease, prevent, mitigate and remediate the impacts</p>	 <p>Where the enterprise may cause an adverse impact through its operations, the enterprise has a formal process to follow that ensures the enterprise takes the necessary steps to cease or prevent the action causing or contributing to the impact. (1)</p>	 <p>Where the enterprise has contributed to or may have contributed to an impact through its supply chain relationships, it has a formal process to follow that ensures the enterprise ceases or prevents the action contributing to the impact and that the supplier ceases or prevents the action causing or contributing to the impact. (2)</p> <p><i>AND</i> Where a supplier's capacity is limited, the enterprise supports the supplier to cease, prevent and/or remediate the impact. (1)</p>	The formal process for suppliers should include: <ol style="list-style-type: none"> checking whether its tier n supplier(s) may have contributed to or caused the impact, checking the supplier's capacity to mitigate the identified impact, verifying that the suppliers take the necessary steps to prevent causing or contributing to the impact, using its leverage to cause its supplier(s) or other relevant stakeholders to take the necessary actions to cease contributing to the impact, using its leverage to ensure its supplier(s) contribute(s) to remediation of the impact. 	 <p>Fundamental</p> <p>MS Index: Prioritisation, prevention, and mitigation</p>
 <p>3.1.5 Use of leverage in business relationships</p>	 <p>Where the enterprise's own operations, products or services are or may be directly linked to an adverse impact through its business relationships, the enterprise exercises its leverage in order to seek to address the risk or impact. (1)</p> <p><i>AND</i> Where the enterprise does not have sufficient leverage to address the risk or impact, it seeks to build its leverage to address potential or actual risks and impacts to the greatest extent possible. (1)</p> <p><i>AND</i> Where an enterprise is unsuccessful in using leverage in a business relationship or along its supply chain, it considers all relevant factors to determine the appropriate action to take. (1)</p>	 <p>Where the enterprise's tier n suppliers' operations, products or services are or may be directly linked to an adverse impact through their business relationships, the enterprise exercises and builds its leverage in order to influence its supplier or other stakeholders to address the risk or impact. (1)</p> <p><i>AND</i> The enterprise verifies that tier n suppliers use (or increase) their leverage in order to seek to address the risks or impacts arising in their own supply chains. (1)</p> <p><i>AND</i> Where tier n suppliers do not have sufficient leverage to prevent, mitigate or address a risk or impact, the enterprise provides capacity building support to help its suppliers increase their leverage, for the purpose of addressing potential or actual risks and impacts to the greatest extent possible. (1)</p> <p><i>AND</i> Where an enterprise is unsuccessful in using leverage along its supply chain, it considers all relevant factors to determine the appropriate action to take. (1)</p>	Relevant factors to take into consideration when leverage is ineffective and the enterprise is determining whether or not to terminate the business relationship include: <ul style="list-style-type: none"> How crucial the relationship is, The severity of the impacts, and Any adverse consequences of terminating the relationship, including for (potentially) affected people. (1) 	 <p>Fundamental</p> <p>MS Index: Participation and Inclusion (stakeholder engagement)</p>

















Provision 3: Prioritisation, Prevention and Mitigation

Performance expectation	Impact Domain 1 Indicators (in own operations)	Impact Domain 2 Indicators (in supply chain)	Guidance Placeholder	Type of indicator
<p>Criterion 3.1: Prioritisation, prevention and mitigation The enterprise strengthens and integrates human rights within relevant enterprise functions and takes actions to prevent and address impacts.</p>				
 <p>3.1.6 Taking appropriate action where there is non-compliance</p> <p><i>Sourced from EC Corporate Sustainability Due Diligence Directive</i></p>	 <p>The enterprise has a process to follow in the event of non-compliance with its human rights policy or supporting processes. (1)</p> <p>AND The enterprise uses what it learns to:</p> <ul style="list-style-type: none"> • Improve its human rights policy or commitment and processes, (1) • inform its human rights risk identification and assessment process, (1) • inform its human rights risk minimisation and prevention plan (1) and • take disciplinary action for business partners that do not comply. (1) 	 <p>The enterprise has a process to follow for suppliers that do not meet its supplier requirements related to its human rights policy and supporting processes. (1)</p> <p>AND The enterprise uses what it learns to do whichever of the following is applicable: (1)</p> <ul style="list-style-type: none"> • Improve its human rights policy or commitment and processes, • inform its human rights risk identification and assessment process, • inform its human rights risk minimisation and prevention plan and • take disciplinary action for business partners that do not comply. 	<p>The non-compliance process for business partners and suppliers should include:</p> <ul style="list-style-type: none"> • Engagement with senior management, • Support to develop missing or inadequate policies and procedures • Agreement of mitigation actions to correct human rights performance to make the business partner / supplier compliant in the shortest timeframe possible, • What to do if a supplier or business partner does not achieve a corrective action plan in the agreed timeframe, • What to do should the supplier or business partner faces financial limitations in its ability to implement corrective action plan, including capacity building and support measures, and • Triggers for suspending or discontinuing business should mitigation actions be inadequate by design (i.e. in proportion to the severity of the impact) or implementation (i.e. in relation to actions or timeframe per the agreement made). 	 <p>Horizontal</p> <p>Non-compliance may engender different management responses for different ESG issues.</p>
 <p>3.1.7 The enterprise participates in an upstream due diligence programme</p> <p><i>Sourced from OECD Minerals Guidance</i></p>	 <p>The enterprise participates in joint initiatives that bring economies of scale and standardisation to upstream human rights due diligence. (1)</p>	 <p>The enterprise encourages its suppliers to participate in a due diligence programme through membership and/or financial support. (1)</p>		 <p>Fundamental</p> <p>MS Index: Participation and Inclusion</p>








PROVISION 4:

Monitoring Effectiveness





Provision 4: Monitoring Effectiveness

Performance expectation	Impact Domain 1 Indicators (in own operations)	Impact Domain 2 Indicators (in supply chain)	Guidance Placeholder	Type of indicator
Criterion 4.1: Monitoring, performance tracking and verification The enterprise monitors its human rights impacts and tracks and verifies its performance related to the effectiveness of its efforts to reduce human rights issues.				
 <p>4.1.1 Managing data related to human rights issues</p>	 <p>The enterprise has developed a database and record-keeping system related to monitoring human rights risks, incidents and impacts in its operational business relationships. (1)</p>	 <p>The enterprise has developed a database and record-keeping system related to monitoring risks, incidents and impacts in its supply chain relationships. (1)</p>		 <p>Fundamental</p> <p>MS Index: Monitoring and evaluating effectiveness</p>
 <p>4.1.2 Verification</p> <p><i>Sourced from OECD Minerals Guidance</i></p>	 <p>The enterprise uses independent third party assurance reports to verify that its human rights due diligence policy or commitment and supporting processes are being implemented properly. (1)</p>	 <p>The enterprise uses independent third-party assurance reports to ensure its high risk suppliers' human rights due diligence policy or commitment and supporting processes are being implemented properly. (1)</p>		 <p>Fundamental</p> <p>MS Index: Monitoring and evaluating effectiveness</p>
 <p>4.1.3 Ongoing monitoring of the effectiveness of the enterprises' human rights due diligence</p> <p><i>Sourced from UNGPs Reporting Framework</i></p>	 <p>The enterprise monitors how well it complies with its human rights commitment or policy and supporting processes by participating in periodic monitoring of the effectiveness of the identification, prevention, mitigation, bringing to an end and minimisation of the extent of human rights impacts in its operations and business relationships. (1)</p> <p>AND This monitoring is done at least every 12 months, and whenever there are reasonable grounds to believe that significant new risks of the occurrence of those adverse impacts may arise. (1)</p> <p>AND The enterprise can demonstrate how the information gathered in this monitoring has influenced improvements in its human rights due diligence processes. (1)</p>	 <p>The enterprise monitors how well its tier 1 suppliers comply with its human right commitment or policy and supporting processes. (1)</p> <p>AND The enterprise verifies that its tier 1 suppliers are monitoring their human rights impacts. (1)</p> <p>AND The enterprise verifies that its tier 1 suppliers are tracking the effectiveness of their efforts to prevent and address human rights risks and impacts in their own operations and along their supply chain on a periodic basis. (2)</p> <p>AND That the suppliers engage with (potentially) affected people (or their legitimate representatives) as part of this monitoring and tracking. (1)</p>	<p>Leading practice is monitoring compliance for all business relationships, not just those that have a human rights commitment in a contract. Monitoring includes some of the following elements:</p> <ul style="list-style-type: none"> Tracking human rights impacts, processes and/or inputs Developing enterprise-specific indicators Tracking performance of suppliers and other business relationships Verifying performance Reporting performance tracking to senior management Making improvements to prevent and address human rights impacts 	 <p>Fundamental</p> <p>MS Index: Monitoring & evaluating effectiveness</p>
 <p>4.1.4 Engaging potentially affected people as part of tracking effectiveness</p>	 <p>The enterprise seeks to engage with (potentially) affected people as part of monitoring and tracking the effectiveness of its responses to identified human rights impacts, including along its supply chain. (1)</p>	 <p>The enterprise verifies that its tier 1 suppliers seek to engage with (potentially) affected people as part of monitoring and tracking the effectiveness of the supplier's responses to identified human rights impacts in their operations and supply chains. (1)</p>		 <p>Fundamental</p> <p>MS index: Participation and Inclusion or Monitoring & Evaluating Effectiveness</p>

Provision 4: Monitoring Effectiveness

Performance expectation	Impact Domain 1 Indicators (in own operations)	Impact Domain 2 Indicators (in supply chain)	Guidance Placeholder	Type of indicator
<p>Criterion 4.1: Monitoring, performance tracking and verification The enterprise monitors its human rights impacts and tracks and verifies its performance related to the effectiveness of its efforts to reduce human rights issues.</p>				
<p> 4.1.5 Tools and systems</p>	<p>   </p> <p>The enterprise uses diverse systems to monitor human rights impacts and track the effectiveness of its efforts to address human rights impacts in its own operations and along its supply chain. (2)</p> <p><i>AND</i> The enterprise measures the effectiveness of its approach to addressing human rights impacts using both quantitative and qualitative methods. (1)</p>	<p></p> <p>The enterprise verifies that its tier 1 suppliers use diverse systems as part of their monitoring and tracking of their human rights impacts and the effectiveness of their efforts to address these. (1)</p>	<p>The enterprise uses a set of tools and systems to monitor its human rights impacts and track its efforts to address them, including those associated with the sourcing and/or trading of minerals</p> <p>Diverse systems may include:</p> <ul style="list-style-type: none"> • Human rights or cross-functional working group with expertise in gender equality, children’s rights and any other pertinent risk area that regularly monitors how human rights risks and impacts are addressed • IT systems and/or databases to track and monitor incidents in the workplace and in communities (segregated by gender, age and other relevant identity factors) • Engagement with trade unions and women’s organisations • Surveys of employees or external stakeholders (with secured, anonymous surveys with women employees and women in communities) • Internal audits • Systems to track developments in the nature of the enterprise’s salient issues including sexual harassment • Developing gender-sensitive warning systems and protection of whistle blowers • Implementation of an effective operational-level grievance mechanism • Regular assessment of the grievance mechanism’s capability to capture human rights risks and violations that threaten groups that have been historically marginalised 	<p> Fundamental</p> <p>MS Index: Monitoring & Evaluating Effectiveness.s</p>








Provision 4: Monitoring Effectiveness

Performance expectation	Impact Domain 1 Indicators (in own operations)	Impact Domain 2 Indicators (in supply chain)	Guidance Placeholder	Type of indicator
<p>Criterion 4.1: Monitoring, performance tracking and verification The enterprise monitors its human rights impacts and tracks and verifies its performance related to the effectiveness of its efforts to reduce human rights issues.</p>				
<p> 4.1.6 Key Performance Indicators (KPIs)</p>	<p></p> <p>Tailored KPIs are developed to help the enterprise track whether or not its efforts are improving outcomes for potentially affected people in its operations and business relationships. (1)</p> <p><i>AND</i> The enterprise monitors changes in risk salience in its operations and business relationships. (1)</p> <p><i>AND</i> The enterprise monitors:</p> <ul style="list-style-type: none"> • The number of incidents discovered in the past 12 months in its operations • The type of incidents (e.g. harassment, discrimination, wage violation, forced labour, child labour, torture, gender based violence, etc.). (1) • The percentage (%) of cases where remediation was achieved successfully (1) • The average duration of remediation, from discovery of a case to successful remedy. (1) • The satisfaction with remedy expressed by affected stakeholders. (1) • The rate and direction of change in these KPIs over time. (1) <p><i>AND</i> All data input for monitoring purposes is disaggregated by gender, age and vulnerable groups (e.g. Indigenous Peoples, migrants and other groups at risk of marginalisation). (1)</p> <p><i>AND</i> The enterprise has reported this data into the Battery Passport. (2)</p>	<p></p> <p>The enterprise monitors changes in risk salience in its supply chains. (1)</p> <p><i>AND</i> The enterprise monitors:</p> <ul style="list-style-type: none"> • The number of incidents discovered in the past 12 months in its supply chain. (1) • The type of incidents (e.g. harassment, discrimination, wage violation, forced labour, child labour, torture, gender based violence, etc.). (1) • The percentage (%) of cases where remediation was achieved successfully. (1) • The average duration of remediation, from discovery of a case to successful remedy. (1) • The satisfaction with remedy expressed by affected stakeholders. (1) • The rate and direction of change in these KPIs over time. (1) <p><i>AND</i> The enterprise organises the statistics by Geography, Product (mineral, metal, component type etc.), and provenance. (1)</p> <p><i>AND</i> The enterprise has reported these figures into the Battery Passport. (2)</p> <p><i>AND</i> Where a supplier is not gathering data such that the enterprise can monitor these KPIs in its supply chains, the enterprise supports its suppliers to institute such KPIs for reporting purposes. (1)</p>	<p>The enterprise uses Key Performance Indicators (KPIs) to track its performance regarding addressing actual and potential human rights impacts in its operations and supply chains.</p>	<p> Fundamental</p> <p>MS Index: Monitoring & Evaluating Effectiveness</p>












PROVISION 5:

Reporting





Provision 5: Reporting

Performance expectation	Impact Domain 1 Indicators (in own operations)	Impact Domain 2 Indicators (in supply chain)	Guidance Placeholder	Type of indicator
Criterion 5.1: Reporting and communication The enterprise should be prepared to communicate about its efforts to prevent and mitigate human rights issues, including concerns raised relating to potentially affected stakeholders. Enterprises that may be involved in severe human rights impacts should report formally on their efforts.				
 <p>5.1.1 Public Reporting in alignment with the UNGPs</p>	 <p>The enterprise reports formally and publicly on how it addresses human rights impacts. (1)</p> <p><i>AND</i></p> <p>The enterprise reports on its human rights risks and impacts in a way that aligns with the UN Guiding Principles on Business and Human Rights (UNGPs) Reporting Framework. (1)</p>	 <p>The enterprise verifies that its high-risk suppliers are formally and publicly reporting on how they address human rights impacts. (1)</p> <p><i>AND</i></p> <p><i>Where high-risk suppliers are not formally and publicly reporting:</i></p> <ol style="list-style-type: none"> 1. The enterprise encourages its high-risk suppliers to formally and publicly report on how they address human rights impacts. (1) <p><i>AND</i></p> <ol style="list-style-type: none"> 2. The enterprise requires its high-risk suppliers to report to it (the enterprise) on how they address human rights issues in their operations and supply chains. (1) <p><i>AND</i></p> <ol style="list-style-type: none"> 3. The enterprise supports its small-scale suppliers in their reporting either directly or indirectly. (1) <p><i>AND</i></p> <ol style="list-style-type: none"> 4. Where high-risk suppliers do not provide a report to the enterprise on how they address human rights risks and impacts in their operations and supply chains, the enterprise requests and facilitates such reporting. (1) 	<p>Whilst all companies have a responsibility to respect human rights in accordance with the UNGPs, and should therefore be reporting publicly on their human rights issues and due diligence, the expectation is that enterprises need only receive information from high-risk suppliers on how they are addressing human rights issues in order to reduce burden and increase feasibility of implementation of this index.</p> <p>Direct support to suppliers may involve making internal resources available; indirect support may involve financing or otherwise enabling a third party to support the supplier.</p> <p>See Part B2/a-k of UNGPs Assurance Guidance for greater guidance.</p>	 <p>Fundamental</p> <p>MS Index: Transparency and Reporting</p>
 <p>5.1.2 Dissemination</p>	 <p>The enterprise disseminates this report to its diverse stakeholders. (1)</p>		<p>Besides publishing the report on its website, the company should proactively disseminate the report to priority stakeholders at a minimum, which may include but not limited to:</p> <ul style="list-style-type: none"> • Potentially affected people and/or their legitimate representatives • Shareholders, board and executive • Workers and worker representatives • Suppliers • Customers • Women's organisations 	 <p>Fundamental</p> <p>MS Index: Transparency and Reporting</p>

Provision 5: Reporting









Performance expectation	Impact Domain 1 Indicators (in own operations)	Impact Domain 2 Indicators (in supply chain)	Guidance Placeholder	Type of indicator
<p>Criterion 5.1: Reporting and communication</p> <p>The enterprise should be prepared to communicate about its efforts to prevent and mitigate human rights issues, including concerns raised relating to potentially affected stakeholders. Enterprises that may be involved in severe human rights impacts should report formally on their efforts.</p>				
 <p>5.1.3 Content and quality of information in the human rights report</p>	 <p>The public human rights reports includes:</p> <ul style="list-style-type: none"> Information on the effectiveness of its human rights due diligence systems. (2) Information on the actions taken by the company to address identified risks (e.g. management systems established; risk assessment methodology implemented; steps taken to manage risks; and efforts made to monitor and track performance for risk mitigation). (1) a description of any audits in which the company has participated. (1) <p>AND</p> <p>This information is provided in a way that:</p> <ul style="list-style-type: none"> is gender-responsive. (1) is sufficient to allow stakeholders to evaluate its efforts to prevent and address human rights risks and impacts. (1) 	 <p>The enterprise requires its tier 1 suppliers to report to it (the enterprise) on how they address human rights issues in their operations and supply chains. (1)</p> <p>AND</p> <p>It has a quality control system for ensuring its suppliers' human rights reports: (1)</p> <ul style="list-style-type: none"> provide information on the effectiveness of their human rights due diligence systems provide information on the actions take by the enterprise to address identified risks provide a description of any audits in which the enterprise has participated Are gender-responsive Are sufficient to allow stakeholders to evaluate their efforts to prevent and address human rights risks and impacts. <p>AND</p> <p>Where quality controls find supplier reports to be inferior, the enterprise communicates to its supplier on what the principles of good reporting it would expect or provides training in good reporting. (1)</p>	<p>Stakeholders are able to evaluate the enterprise's human rights efforts and performance effectively when, for example, the information:</p> <ul style="list-style-type: none"> Is true and accurate Is concise, clearly written and presented. Goes into enough detail for stakeholders to understand clearly scope, extent, intent, timing, and quality of efforts Is presented in such a way as to be comprehensible to the diversity of stakeholders. <p>"Information provided by the enterprise, whether through formal reporting or otherwise," enables "stakeholders to properly evaluate its efforts to prevent and address human rights."</p>	 <p>Fundamental</p> <p>MS Index: Transparency and Reporting</p>
 <p>5.1.4 Frequency of reporting</p>	 <p>The enterprise reports on its human rights due diligence annually. (1)</p>	 <p>The enterprise assesses the quality of its suppliers' human rights reporting as part of the supplier onboarding process or whenever there is a change in circumstances. (1)</p>		 <p>Fundamental</p> <p>MS Index: Transparency and Reporting</p>
 <p>5.1.5 Transparency and risks of communication</p> <p><i>Sourced from OECD Minerals Guidance</i></p>	 <p>The enterprise has defined a general approach to mitigating the risks of transparency on its efforts to address identified human rights impacts. (1)</p> <p>AND</p> <p>The enterprise considers any risks to potentially affected people that could result from its communications. (1)</p> <p>AND</p> <p>The enterprise discloses information with due regards taken of business confidentiality and other competitive concerns. (1)</p>		<p>"When communicating about their efforts, companies err on the side of being more transparent wherever possible. At the same time, the UNGPs recognise that there will be legitimate limitations on the ability to share information in certain circumstances. Those circumstances may include when communicating certain information may pose risks to affected stakeholders or to enterprise personnel, or as a result of legitimate requirements of commercial confidentiality."</p> <p>The enterprise is not expected to disclose price information or supplier relationships.</p>	 <p>Fundamental</p> <p>MS Index: Transparency and Reporting</p>

Provision 5: Reporting















Performance expectation	Impact Domain 1 Indicators (in own operations)	Impact Domain 2 Indicators (in supply chain)	Guidance Placeholder	Type of indicator
Criterion 5.1: Reporting and communication The enterprise should be prepared to communicate about its efforts to prevent and mitigate human rights issues, including concerns raised relating to potentially affected stakeholders. Enterprises that may be involved in severe human rights impacts should report formally on their efforts.				
 <p>5.1.6 Disclosure of supplier disengagement</p> <p>The enterprise discloses where it has disengaged with suppliers and/or supply chains.</p> <p><i>Sourced from OECD Minerals Guidance (M&E Framework)</i></p>	 <p>The enterprise discloses the number of instances where it has had to take disciplinary measures with business partners due to human rights violations or failed attempts at mitigation. (1)</p> <p><i>AND</i> It does not disclose the identity of those business partners, except where the enterprise deems it acceptable to do so in accordance with applicable laws. (1)</p>	 <p>The enterprise discloses the number of instances where it has had to take disciplinary measures with suppliers due to human rights violations or failed attempts at mitigation. (1)</p> <p><i>AND</i> It does not disclose the identity of those suppliers, except where the enterprise deems it acceptable to do so in accordance with applicable laws. (1)</p>		 <p>Fundamental</p> <p>MS Index: Transparency and Reporting</p> <p>Or Responsible Sourcing</p>

PROVISION 6:
Remediation








Provision 6: Remediation

Performance expectation	Impact Domain 1 Indicators (in own operations)	Impact Domain 2 Indicators (in supply chain)	Guidance Placeholder	Type of indicator
Criterion 6.1: Grievance Mechanism The enterprise has a grievance mechanism aligned with requirements in the United Nations Guiding Principles for Business and Human Rights.				
 <p>6.1.1 An effective, operational-level grievance mechanism</p>	 <p>The enterprise has a grievance mechanism. (1)</p> <p><i>AND</i> It is aligned with UNGP effectiveness criteria. (1)</p> <p><i>AND</i> It is survivor centred. (1)</p> <p><i>AND</i> it is gender responsive. (1)</p> <p><i>AND</i> It is oriented at priority stakeholder groups (communities, workers, (potentially) affected persons, CSOs including women's organisations). (1)</p>	 <p>The enterprise requires its suppliers to have effective grievance mechanisms in place that are aligned with UNGP effectiveness criteria. (1)</p>	<p>The grievance mechanism should help identify and address instances of human rights impacts.</p> <p>UNGP effectiveness criteria dictate that the grievance mechanism should meet the following criteria. It must be:</p> <ul style="list-style-type: none"> • Legitimate (is it trusted by potential users) • Accessible (is it known to potential users and is assistance provided to those who may face barriers to accessing it) • Predictable (does it offer a clear and known procedure) • Equitable (do users have sufficient access to information and support in order to engage on fair, informed and respectful terms) • Transparent (are parties kept informed about progress) • Rights-compatible (are the remedies provided in line with international human rights standards) • A source of continuous learning (does it identify lessons for preventing future harm) • Focus on dialogue as a means to resolve grievances 	 <p>Fundamental</p> <p>MS Index: Grievance Mechanism</p>
 <p>6.1.2 A channel for receiving complaints and/or for addressing them</p>	 <p>The operational grievance mechanism includes (a) channel(s) for receiving complaints. (1)</p> <p><i>AND</i> The enterprise has a clear process for addressing complaints aligned with the UNGP Assurance Guidance C6.3/a. (1)</p> <p><i>AND</i> It provides the opportunity for the complainant to meet with the enterprise's representatives at an appropriate level to discuss potential or actual severe adverse impacts that are the subject matter of the complaint. (1)</p> <p><i>AND</i> These channel(s) are periodically assessed for their effectiveness. (1)</p> <p><i>AND</i> This assessment is done for effectiveness in accordance with UNGP effectiveness criteria. (1)</p> <p><i>AND</i> It is adjusted in response to the findings of this assessment. (1)</p>	 <p>The enterprise verifies that its tier 1 suppliers have policies and processes that provide a channel for receiving complaints and/or addressing them. (1)</p>	<p>Channels for receiving complaint may include but not be limited to:</p> <ul style="list-style-type: none"> • Whistle-blower / ethics hotlines • Employee ombudsman / human resources complaints processes • Open Door / Speak up policies • Trade Unions / Industrial Relations processes • Consumer complaints mechanisms • Community facing grievance mechanisms • Business-to-Business contract clauses with dispute resolution provisions • Supplier mechanisms relating to Code of Conduct requirements for supplier mechanisms • Audit processes (and worker interviews) • Supply chain hotlines • Stakeholder engagement (at the site level and the policy level) 	 <p>Fundamental</p> <p>MS Index: Grievance Mechanism</p>

Provision 6: Remediation

Performance expectation	Impact Domain 1 Indicators (in own operations)	Impact Domain 2 Indicators (in supply chain)	Guidance Placeholder	Type of indicator
Criterion 6.1: Grievance Mechanism The enterprise has a grievance mechanism aligned with requirements in the United Nations Guiding Principles for Business and Human Rights.				
 6.1.3 Stakeholders provide input on the design of grievance mechanisms	 The enterprise collaborates with stakeholders affected by human rights impacts around the design of its grievance mechanism(s). (1)			 Fundamental MS Index: Grievance Mechanism Or Participation and Inclusion
 6.1.4 Acknowledgement and response to stakeholder feedback	 The enterprise has a process to acknowledge, consider and respond to stakeholder allegations and feedback. (1)			 Fundamental MS Index: Participation and Inclusion
Criterion 6.2: Remediation The enterprise has a strategy in place to provide for or participate in remedy where it causes or contributes to a human rights impact.				
 6.2.1 Remediation strategy	 The enterprise has a strategy in place to provide for or participate in adequate remedy when it discovers that it causes or contributes to a human rights impact. (1) <i>AND</i> The strategy was designed in collaboration with relevant stakeholders & potentially affected people. (1) <i>AND</i> The strategy ensures that for each incident that generates a human rights impact all aspects set out in the guidance for this indicator are followed. (2)	 The enterprise verifies that its tier n suppliers in or sourcing from medium and/ or high-risk supply chains have a strategy in place to provide for or participate in adequate remedy where it causes or contributes to a human rights impact. (1) <i>AND</i> The strategy was designed in collaboration with relevant stakeholders & potentially affected people. (1)	The strategy for remediation ensures that for each incident which generates a human rights impact the enterprise: <ul style="list-style-type: none"> Participates in the design of the remediation approach Engagement of an independent third party case handler, where necessary Consults and engages with affected people in the determination and the acceptance of the remedy Identifies the remediation team Agrees who will fund the remediation costs Agrees who will be responsible for monitoring the ongoing programme Agrees with the stakeholders on the remediation programme Carries out swift and effective referral for GBV survivors and children at risk, and Seeks to restore the affected person or persons to the situation they would be in had the adverse impact not occurred and enable remediation that is proportionate to the significance and scale of the adverse impact 	 Fundamental MS Index: Remedy
 6.2.2 Monitoring effectiveness of remedy	 The enterprise monitors that the type of remedy or combination of remedies is appropriate for each incident. (2)	 The enterprise verifies that its affected supplier monitors that the type of remedy or combination of remedies is appropriate for each incident. (2)	KPIs for measuring appropriateness would include: <ul style="list-style-type: none"> The nature and extent of the adverse impact Financial or non-financial compensation (for example, establishing compensation funds for victims, or for future outreach and educational programmes) Punitive sanctions (for example, the dismissals of staff responsible for wrongdoing) Taking measures to prevent future adverse impacts Satisfaction of affected stakeholder 	 Fundamental MS Index: Remedy

Provision 6: Remediation

Performance expectation	Impact Domain 1 Indicators (in own operations)	Impact Domain 2 Indicators (in supply chain)	Guidance Placeholder	Type of indicator
Criterion 6.2: Remediation The enterprise has a strategy in place to provide for or participate in remedy where it causes or contributes to a human rights impact.				
 <p>6.2.3 Monitoring, implementation and closure of the remediation of each remedy case</p>	    <p>The enterprise participates in monitoring, implementation and closure of the remediation of each remedy case in its operations. (1)</p>	 <p>The enterprise monitors the implementation and closure of the remediation of each remedy case in its supply chains. (1)</p>		 <p>Fundamental</p> <p>MS Index: Remedy</p>

