

# SUPPLY CHAIN DUE DILIGENCE

---

COMPARING REGULATIONS & GUIDANCE

IN PARTNERSHIP WITH



**VECTRA**  
INTERNATIONAL  
ENABLING POSITIVE IMPACT



# Supply Chain Due Diligence

## *Comparing Regulations & Guidance*

This resource can be used as a guide to the areas and issues that need to be addressed when conducting supply chain due diligence. It covers the key elements for mature programs that are aligned with legal requirements and includes a sample of the relevant regulations. This is not meant to be an exhaustive listing of all global or regional due diligence regulations and guidance, nor a complete matrix of those regulations mentioned in the tables below.

### **Regulations in the matrix below are:**

- Organization for Economic Cooperation and Development Due Diligence Guidelines (OECD)
- German Supply Chain Due Diligence Act (Germany)
- Uyghur Forced Labor Prevention Act (USA)
- French Corporate Duty of Vigilance Law (France)
- Japan's Guidelines on Corporate Human Rights Due Diligence (Japan)
- European Union's Corporate Sustainability Due Diligence Directive (EU)
- Canada's Corporate Respect for Human Rights and the Environment Aboard Act (Canada)

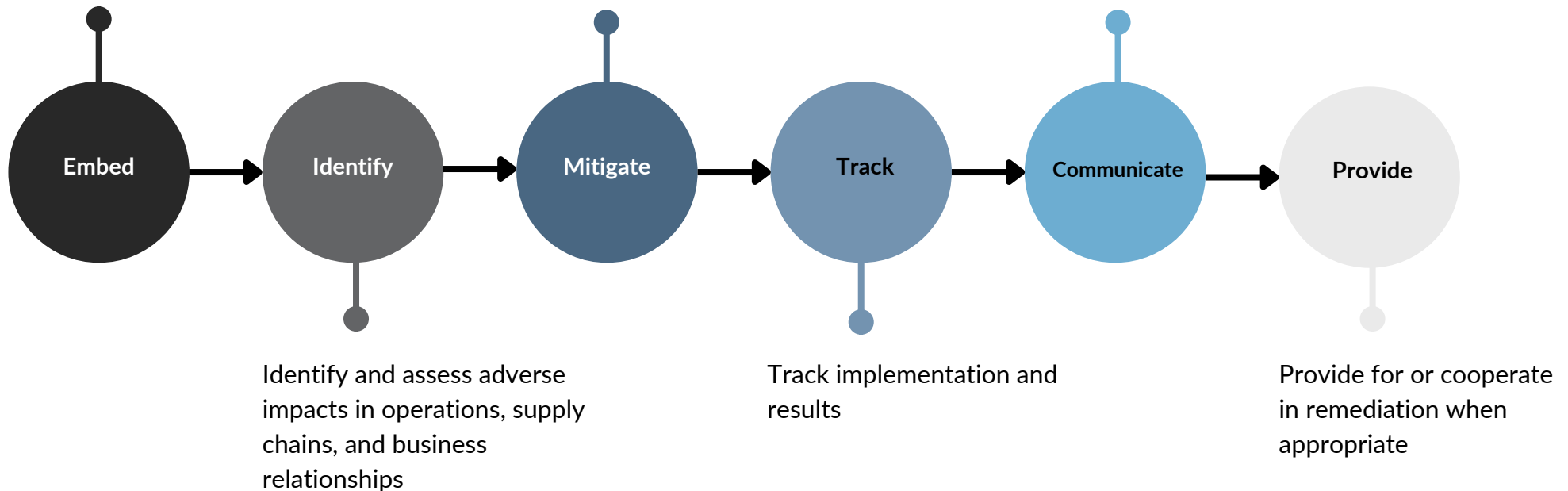
On the following pages, we provide the OECD language on specific provisions, and show which laws and guidance specifically address that provision. The Ethisphere-VECTRA Supply Chain Due Diligence Maturity Assessment is aligned with all OECD provisions.

*The information provided in this resources does not, and is not intended to, constitute legal advice. Instead, all information, content, and materials available in this resource are for general informational purposes only.*

The OECD serves as the basis for all supply chain due diligence regulations. This resources is formatted around the OECD guidance with more guidance from the other regulations included to show additional provisions from those rules around supply chain due diligence. The numbered guidance denotes the OECD guidance, and the italicized text denotes the additional guidance from other regulations.

## OECD DUE DILIGENCE PROCESS & SUPPORTING MEASURES

Embed responsible business  
conduct into policies and  
management systems





## 1. EMBED RESPONSIBLE BUSINESS CONDUCT INTO POLICIES AND MANAGEMENT SYSTEMS

**1.1 Devise, adopt, and disseminate a combination of policies on RBC issues that articulate the enterprise's commitments to the principles and standards contained in the OECD Guidelines for MNEs and its plans for implementing due diligence, which will be relevant for the enterprises's own operations, its supply chain, and other business relationships.**



a. Review and update existing policies on RBC issues (e.g. labour, human rights, environment, disclosure, consumer protection, governance, anti-bribery and corruption) to align with the principles and standards of the OECD Guidelines for MNEs.



b. Develop specific policies on the enterprise's most significant risks, building on findings from its assessment of risk, in order to provide guidance on the enterprise's specific approach to addressing those risks. Consider making the enterprise's due diligence plans part of these policies.



c. Make the enterprise's policies on RBC issues publicly available, e.g. on the enterprise's website, at the enterprise's premises, and when relevant, in the local languages.



OECD	Germany	USA	France	Japan	EU	Canada
------	---------	-----	--------	-------	----	--------

d. Communicate the policies to the enterprise's own relevant employees and other workers, e.g. during staff orientation or training and periodically as needed to maintain awareness.



e. Update the enterprise's policies as risks in the enterprise's operations, supply chain and other business relationships emerge and evolve.



*The enterprise must issue a policy statement on its human rights strategy. Senior management must adopt the policy statement. The policy statement must include at least the following: 1) the description of the procedure by which the enterprise fulfills its obligations; 2) the enterprises priority human rights and environment-related risks identified by the risk analysis; 3) the definition of the human rights and environment-related expectations placed on its employees and suppliers in the supply chain.*



*The enterprise must implement a human rights strategy in the relevant business processes set out in the policy statement.*





*Shall adopt a plan to ensure that the business model and strategy of the company are compatible with the transition to a sustainable economy and with the limiting of global warming to 1.5 °C in line with the Paris Agreement. This plan shall, in particular, identify, on the basis of information reasonably available to the company, the extent to which climate change is a risk for, or an impact of, the company's operations. If climate change is or should have been identified as a principal risk for, or a principal impact of, the company's operations, the company includes emission reduction objectives in its plan.*

*The fulfillment of due diligence obligations must be continuously document and kept on file for 7 years from creation.*

*The enterprise must give due consideration to the interests of its employees, employees within its supply chains and those who may otherwise be directly affected in a protected legal position by the economic activities of the enterprise or by the economic activities of an enterprise in its supply chain.*





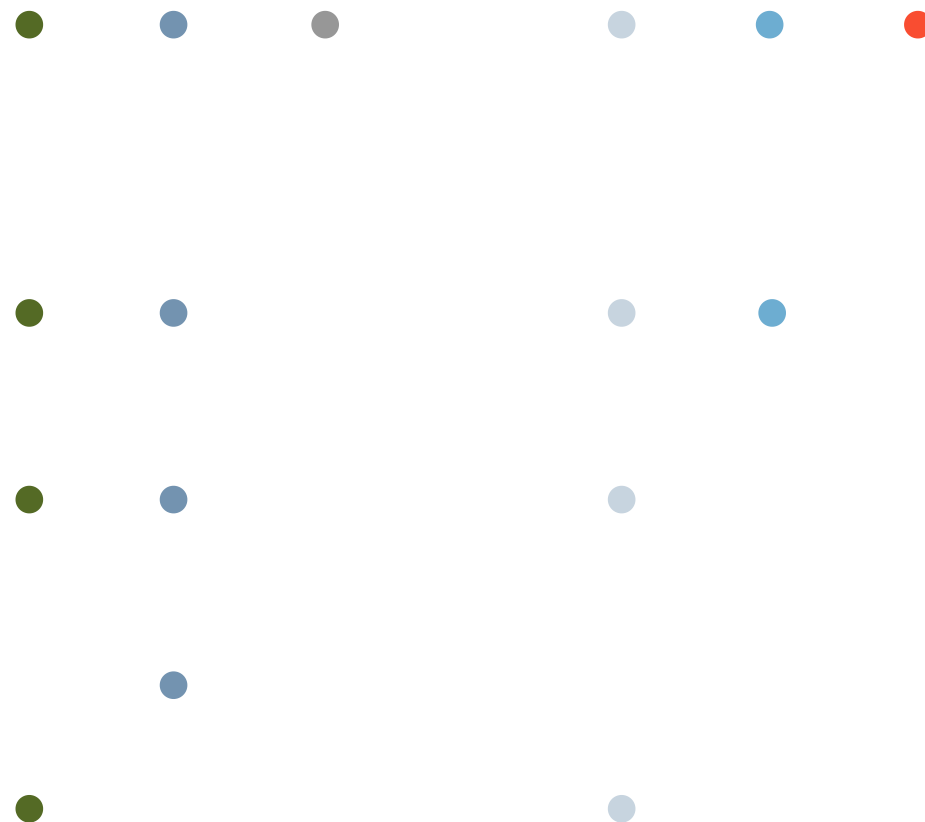
**1.2 Seek to embed the enterprise’s policies on RBC issues into the enterprise’s oversight bodies. Embed the enterprise’s policies on RBC issues into management systems so that they are implemented as part of the regular business processes, taking into account the potential independence, autonomy and legal structure of these bodies that may be foreseen in domestic law and regulations.**

a. Assign oversight and responsibility for due diligence to relevant senior management and assign board level responsibilities for RBC more broadly.

b. Assign responsibility for implementing aspects of the policies across relevant departments with particular attention to those workers whose actions and decisions are most likely to increase or decrease risks.

*Senior management must seek information on a regular basis, at least once a year, about the work of the responsible person(s).*

c. Develop or adapt existing information and record-keeping systems to collect information on due diligence processes, related decision-making and responses.



	OECD	Germany	USA	France	Japan	EU	Canada
--	------	---------	-----	--------	-------	----	--------

d. Establish channels of communication, or utilise existing channels of communication, between relevant senior management and implementing departments for sharing and documenting information on risk and decision-making.



e. Encourage alignment across teams and business units on relevant aspects of the enterprise's RBC policies. This could be done for example by creating cross-functional groups or committees to share information and decision-making about risks, and including business units that can impact observance of the RBC policies in decision-making.



f. Provide training to workers to help them understand and implement relevant aspects of RBC policies and provide adequate resources commensurate with the extent of due diligence needed.



g. Develop incentives for workers and business units that are compatible with the enterprise's RBC policies.



h. Develop, draw from or adapt existing complaint procedures for workers to raise issues or complaints related to RBC issues (e.g. labour practices, corruption, corporate governance).





OECD	Germany	USA	France	Japan	EU	Canada
------	---------	-----	--------	-------	----	--------

i. Develop processes to respond to or, where appropriate, provide remedies in situations where the RBC policy is not observed (e.g. through additional fact-finding, capacity building or disciplinary actions/sanctions).



### 1.3 Incorporate RBC expectations and policies into engagement with suppliers and other business relationships.



a. Communicate key aspects of the RBC policies to suppliers and other relevant business relationships.



b. Include conditions and expectations on RBC issues in supplier or business relationship contracts or other forms of written agreements.

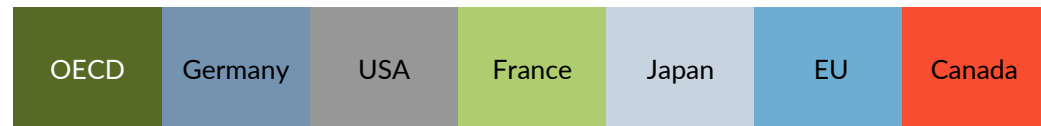


c. Develop and implement pre-qualification processes on due diligence for suppliers and other business relationships, where feasible, adapting such processes to the specific risk and context in order to focus on RBC issues that have been identified as relevant for the business relationships and their activities or area(s) of operation.



d. Provide adequate resources and training to suppliers and other business relationships for them to understand and apply the relevant RBC policies and implement due diligence.





e. Seek to understand and address barriers arising from the enterprise's way of doing business that may impede the ability of suppliers and other business relationships to implement RBC polices, such as the enterprise's purchasing practices and commercial incentives.



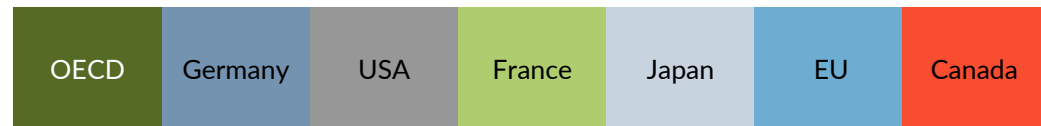
## 2. IDENTIFY AND ASSESS ACTUAL AND POTENTIAL ADVERSE IMPACTS ASSOCIATED WITH THE ENTERPRISE'S OPERATIONS, PRODUCTS, OR SERVICE

**2.1 Carry out a broad scoping exercise to identify all areas of the business, across its operations and relationships, including in its supply chains, where RBC risks are most likely to be present and most significant. Relevant elements include, among others, information about sectoral, geographic, product and enterprise risk factors, including known risks the enterprise has faced or is likely to face. The scoping exercise should enable the enterprise to carry out an initial prioritisation of the most significant risk areas for further assessment. For enterprises with less diverse operations, in particular smaller enterprises, a scoping exercise may not be necessary before moving to the stage of identifying and prioritising specific impacts.**



a. Create an initial, high-level picture of the enterprise's areas of operation and types of business relationships to understand what information will be relevant to gather.





b. Gather information to understand high-level risks of adverse impacts related to the sector (e.g. products and their supply chains, services and other activities), geography (e.g. governance and rule-of-law, conflict, pervasive human rights or environmental adverse impacts) or enterprise-specific risk factors (e.g. known instances of corruption, misconduct, implementation of standards for RBC). Sources might include reports from governments, international organisations, civil society organisations, workers' representatives and trade unions, national human rights institutions (NHRIs), media or other experts.



c. Where gaps in information exist, consult with relevant stakeholders and experts.



d. Consider information raised through early warning systems (e.g. hotlines) and grievance mechanisms.



e. Identify the most significant RBC risk areas and prioritise these as the starting point for a deeper assessment of potential and actual impacts.



f. Review the findings of the scoping exercise on a regular basis.



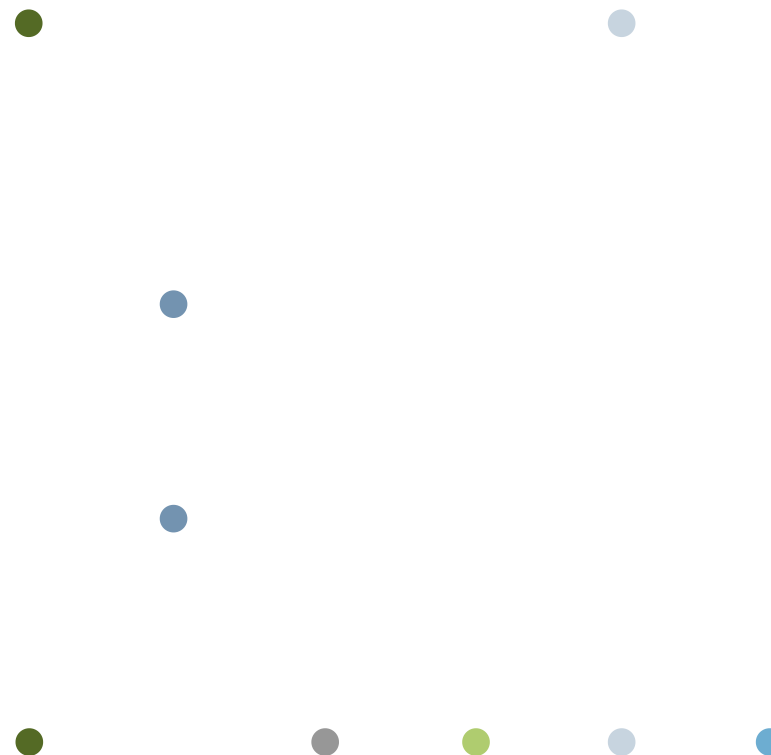


g. Update the scoping exercise with new information whenever the enterprise makes significant changes, such as operating in or sourcing from a new country; developing a new product or service line that varies significantly from existing lines; changing the inputs of a product or service; restructuring, or engaging in new forms of business relationships (e.g. mergers, acquisitions, new clients and markets).

*The risk analysis must be carried out **once a year** (as well as on an ad hoc basis if the enterprise will expect a significantly changed or significantly expanded risk situation in the supply chain, for example due to the introduction of new products, projects or a new business field).*

*The enterprise must ensure that the results of the risk analysis are communicated internally to the relevant decision-makers, such as the Board of Directors or purchasing department.*

**2.2 Starting with the significant areas of risk identified above, carry out iterative and increasingly in-depth assessments of prioritised operations, suppliers and other business relationships in order to identify and assess specific actual and potential adverse RBC impacts.**



OECD	Germany	USA	France	Japan	EU	Canada
------	---------	-----	--------	-------	----	--------

a. Map the enterprise’s operations, suppliers and other business relationships, including associated supply chains, relevant to the prioritised risk.

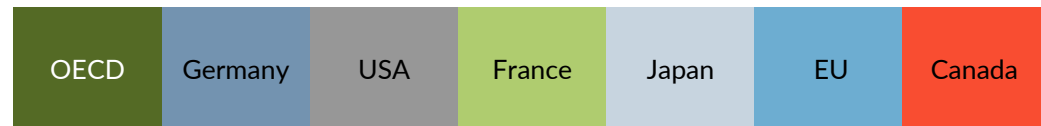


b. Catalogue the specific RBC standards and issues applicable to the risk being assessed, including relevant provisions from the OECD Guidelines for MNEs, as well as domestic laws and relevant international and industry-specific frameworks on RBC issues.



c. Obtain, when appropriate and feasible, relevant information about business relationships beyond contractual relationships (e.g. sub-suppliers beyond “tier 1”). Establish processes individually or collaboratively to assess the risk profile of more remote tiers of the relationship, including by reviewing existing assessments, and engaging with mid-stream actors and “control points” in the supply chain to assess their due diligence practices against this Guidance.





d. Assess the nature and extent of actual and potential impacts linked to prioritised operations, suppliers or other business relationships (i.e. which RBC issue is impacted and in what ways, the scope of the impact, etc.). Where available, use information from the enterprise's own, or third parties', environmental impact assessments (EIA), environmental and social impacts assessments (ESIA), human rights impact assessments (HRIA), legal reviews, compliance management systems regarding corruption, financial audits (for disclosure), occupational, health and safety inspections; and any other relevant assessments of business relationships carried out by the enterprise or by industry and multi-stakeholder initiatives, including environmental, social and labour audits, corruption assessments and KYC processes.

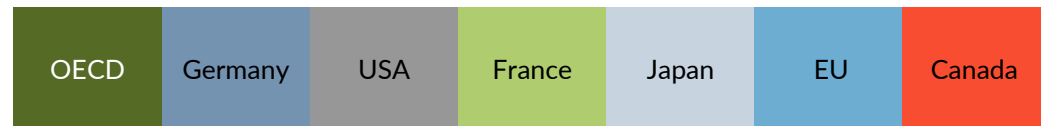


e. Identify activities that may not be carried out in an appropriate legal and institutional framework sufficient to protect the rights of all persons and enterprises involved.

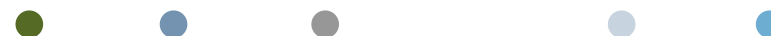


f. Consider the RBC risks prior to a proposed business activity (e.g. an acquisition, restructuring, new market entry, new product or service development) projecting how the proposed activity and associated business relationships could have adverse impacts on specific RBC issues.





g. Reassess impacts at regular intervals as needed: prior to major decisions or changes in the activity (e.g. market entry, product launch, policy change, or wider changes to the business); in response to or in anticipation of changes in the operating environment (e.g. rising social tensions); and periodically throughout the life of an activity or relationship.



h. For human rights impacts, consult and engage impacted and potentially impacted rightsholders, including workers, workers' representatives and trade unions, to gather information on adverse impacts and risks, taking into account potential barriers to effective stakeholder engagement. Where directly consulting with rightsholders is not possible, consider reasonable alternatives such as consulting credible, independent expert resources, including human rights defenders, trade unions and civil society groups. Consult potentially impacted rightsholders both prior to and during projects or activities that may affect them (e.g. through site-level assessments).



i. In assessing impacts related to human rights, pay special attention to potential adverse impacts on individuals from groups or populations that may have a heightened risk of vulnerability or marginalisation, and to different risks that may be faced by women and men.



j. For enterprises with multiple entities within an enterprise group, support local entities to carry out their own assessments.

**2.3 Assess the enterprise’s involvement with the actual or potential adverse impacts identified in order to determine the appropriate responses (see 3.1 and 3.3). Specifically, assess whether the enterprise: caused (or would cause) the adverse impact; or contributed (or would contribute) to the adverse impact; or whether the adverse impact is (or would be) directly linked to its operations, products or services by a business relationship.**

a. Consult with business relationships, other relevant enterprises and other relevant stakeholders.

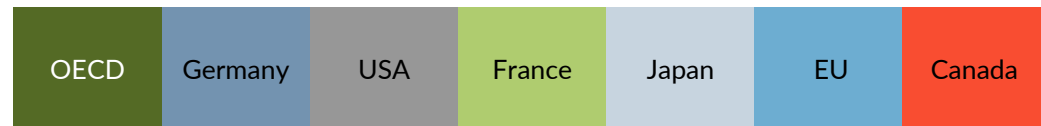
b. Consult with impacted stakeholders and rightsholders or their legitimate representatives.

c. Seek relevant internal or external expertise as needed.

d. If impacted stakeholders or rightsholders disagree with the enterprise’s assessment of its involvement with any actual or potential adverse impact, cooperate in good faith with legitimate mechanisms designed to help resolve the disagreements and provide remediation.

	OECD	Germany	USA	France	Japan	EU	Canada
j. For enterprises with multiple entities within an enterprise group, support local entities to carry out their own assessments.	●				●		
<b>2.3 Assess the enterprise’s involvement with the actual or potential adverse impacts identified in order to determine the appropriate responses (see 3.1 and 3.3). Specifically, assess whether the enterprise: caused (or would cause) the adverse impact; or contributed (or would contribute) to the adverse impact; or whether the adverse impact is (or would be) directly linked to its operations, products or services by a business relationship.</b>	●	●	●	●	●	●	●
a. Consult with business relationships, other relevant enterprises and other relevant stakeholders.	●	●	●		●		●
b. Consult with impacted stakeholders and rightsholders or their legitimate representatives.	●	●			●		●
c. Seek relevant internal or external expertise as needed.	●				●		
d. If impacted stakeholders or rightsholders disagree with the enterprise’s assessment of its involvement with any actual or potential adverse impact, cooperate in good faith with legitimate mechanisms designed to help resolve the disagreements and provide remediation.	●				●		





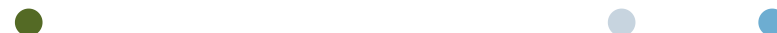
**2.4 Drawing from the information obtained on actual and potential adverse impacts, where necessary, prioritise the most significant RBC risks and impacts for action, based on severity and likelihood. Prioritisation will be relevant where it is not possible to address all potential and actual adverse impacts immediately. Once the most significant impacts are identified and dealt with, the enterprise should move on to address less significant impacts.**

- a. Identify which potential or actual impacts may be addressed immediately, at least to some degree (e.g. update contract terms with suppliers, amend audit protocols to focus on risks that may have been previously missed during audits).
- b. Prioritise for action any activities that are causing or contributing to adverse impacts on RBC issues, based on the enterprise's assessment of their involvement with adverse impacts as per 2.3.
- c. For impacts involving business relationships, assess the extent to which business relationships have appropriate policies and processes in place to identify, prevent and mitigate relevant RBC risks themselves.



	OECD	Germany	USA	France	Japan	EU	Canada
--	------	---------	-----	--------	-------	----	--------

d. Where it is not possible to address all real and potential adverse impacts directly linked to the enterprise's operations, products or services by business relationships (or to address them to the full extent desirable), evaluate the likelihood and severity of the identified impacts or risks to understand which issues should be prioritised for action.



e. Consult with business relationships, other relevant enterprises and impacted or potentially impacted stakeholders and rightsholders on prioritisation decisions.



f. Seek relevant internal or external expertise as needed.



### 3. CEASE, PREVENT, AND MITIGATE ADVERSE IMPACTS

**3.1 Stop activities that are causing or contributing to adverse impacts on RBC issues, based on the enterprise's assessment of its involvement with adverse impacts as per 2.3. Develop and implement plans that are fit-for-purpose to prevent and mitigate potential (future) adverse impacts.**



a. Assign relevant senior responsibility for ensuring that activities that cause or contribute to adverse impacts cease, and for preventing activities that may cause or contribute to adverse impacts in the future.



OECD	Germany	USA	France	Japan	EU	Canada
------	---------	-----	--------	-------	----	--------

b. In the case of complex actions or actions that may be difficult to stop due to operational, contractual or legal issues, create a roadmap for how to stop the activities causing or contributing to adverse impacts, involving in-house legal counsel and impacted or potentially impacted stakeholders and rightsholders.



c. Update the enterprise's policies to provide guidance on how to avoid and address the adverse impacts in the future and ensure their implementation.



d. Provide training that is fit-for-purpose for the enterprise's relevant workers and management.



e. Draw from the findings of the risk assessment to update and strengthen management systems to better track information and flag risks before adverse impacts occur.



f. Consult and engage with impacted and potentially impacted stakeholders and rightsholders and their representatives to devise appropriate actions and implement the plan.





g. In the case of collective or cumulative impacts (i.e. where the enterprise is only one of several entities contributing to the adverse impact occurring) and, where appropriate, seek to engage with other involved entities to cease the impacts and prevent them from recurring or to prevent risks from materialising, e.g. through industry initiatives and engagement with governments.



h. In cases where the enterprise is contributing to adverse impacts or risks that are caused by another entity, it should take necessary steps to cease or prevent its contribution as described above, also building and using leverage to mitigate any remaining impacts to the greatest extent possible.



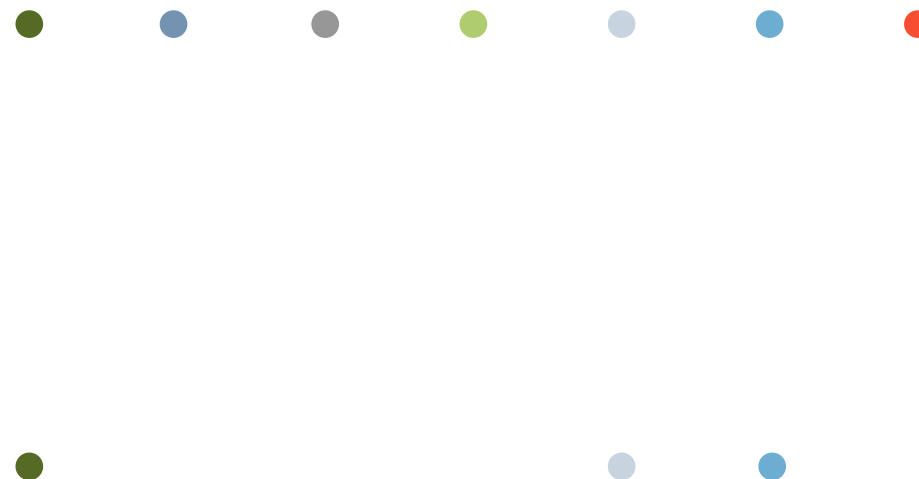
*If an enterprise has actual indications that suggest a violation of human rights or environment-related obligations at indirect suppliers, it must carry out a full investigation (risk analysis), lay down appropriate preventative measures that prevent, cease or mitigate the risk, and update its policy.*

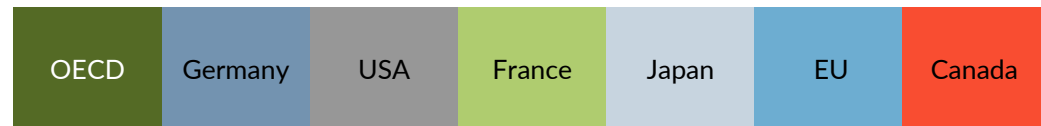




**3.2 Based on the enterprise's prioritisation (see Section 2.4), develop and implement plans to seek to prevent or mitigate actual or potential adverse impacts on RBC issues which are directly linked to the enterprise's operations, products or services by business relationships. Appropriate responses to risks associated with business relationships may at times include: continuation of the relationship throughout the course of risk mitigation efforts; temporary suspension of the relationship while pursuing ongoing risk mitigation; or, disengagement with the business relationship either after failed attempts at mitigation, or where the enterprise deems mitigation not feasible, or because of the severity of the adverse impact. A decision to disengage should take into account potential social and economic adverse impacts. These plans should detail the actions the enterprise will take, as well as its expectations of its suppliers, buyers and other business relationships.**

- a. Assign responsibility for developing, implementing and monitoring these plans.





b. Support or collaborate with the relevant business relationship(s) in developing fit-for-purpose plans for them to prevent or mitigate adverse impacts identified within reasonable and clearly defined timelines, using qualitative and quantitative indicators for defining and measuring improvement (sometimes referred to as “corrective action plans”).



c. Use leverage, to the extent possible, to prompt the business relationship(s) to prevent or mitigate adverse impacts or risks.



d. If the enterprise does not have sufficient leverage, consider ways to build additional leverage with the business relationship, including for example through outreach from senior management and through commercial incentives. To the extent possible, cooperate with other actors to build and exert collective leverage, for example through collaborative approaches in industry associations, or through engagement with governments.



e. To prevent potential (future) adverse impacts and address actual impacts, seek to build leverage into new and existing business relationships, e.g. through policies or codes of conduct, contracts, written agreements or use of market power.



OECD	Germany	USA	France	Japan	EU	Canada
------	---------	-----	--------	-------	----	--------

f. For human rights impacts, encourage entities causing or contributing to adverse impacts to consult and engage with impacted or potentially impacted rightsholders or their representatives in developing and implementing corrective action plans.



g. Support relevant suppliers and other business relationships in the prevention or mitigation of adverse impacts or risks, e.g. through training, upgrading of facilities, or strengthening of their management systems, striving for continuous improvement.



h. Consider disengagement from the supplier or other business relationship as a last resort after failed attempts at preventing or mitigating severe impacts; when adverse impacts are irremediable; where there is no reasonable prospect of change; or when severe adverse impacts or risks are identified and the entity causing the impact does not take immediate action to prevent or mitigate them. Any plans for disengagement should also take into account how crucial the supplier or business relationship is to the enterprise, the legal implications of remaining in or ending the relationship, how disengagement might change impacts on the ground, as well as credible information about the potential social and economic adverse impacts related to the decision to disengage.



OECD	Germany	USA	France	Japan	EU	Canada
------	---------	-----	--------	-------	----	--------

i. If an enterprise decides to remain in a relationship, it should be prepared to account for its ongoing risk mitigation efforts and be aware of the reputational, financial or legal risks of the continuing connection.



j. Encourage relevant authorities in the country where the impact is occurring to act, e.g. through inspections, enforcement and application of existing laws and regulations.



## 4. TRACK IMPLEMENTATION RESULTS

**4.1 Track the implementation and effectiveness of the enterprise's due diligence activities, i.e. its measures to identify, prevent, mitigate and, where appropriate, support remediation of impacts, including with business relationships. In turn, use the lessons learned from tracking to improve these processes in the future.**



a. Monitor and track implementation and effectiveness of the enterprise's own internal commitments, activities and goals on due diligence, e.g. by carrying out periodic internal or third party reviews or audits of the outcomes achieved and communicating results at relevant levels within the enterprise.





OECD	Germany	USA	France	Japan	EU	Canada
------	---------	-----	--------	-------	----	--------

b. Carry out periodic assessments of business relationships, to verify that risk mitigation measures are being pursued or to validate that adverse impacts have actually been prevented or mitigated.

●	●	●		●	●	
---	---	---	--	---	---	--

c. For human rights impacts the enterprise has, or may, cause or contribute to, seek to consult and engage impacted or potentially impacted rightsholders, including workers, workers' representatives and trade unions.

●				●	●	
---	--	--	--	---	---	--

d. Seek to encourage periodic reviews of relevant multi-stakeholder and industry initiatives of which the enterprise is a member, including their alignment with this Guidance, and their value to the enterprise in helping it identify, prevent or mitigate adverse impacts linked to its business, taking into account the independence of these initiatives.

●		●		●		
---	--	---	--	---	--	--

e. Identify adverse impacts or risks that may have been overlooked in past due diligence processes and include these in the future.

●				●		
---	--	--	--	---	--	--

f. Include feedback of lessons learned into the enterprise's due diligence in order to improve the process and outcomes in the future.

●				●		
---	--	--	--	---	--	--

*The effectiveness of the remedial action must be assessed **once per year** and on an ad hoc basis if significant changes experienced or expected.*

	●				●	
--	---	--	--	--	---	--

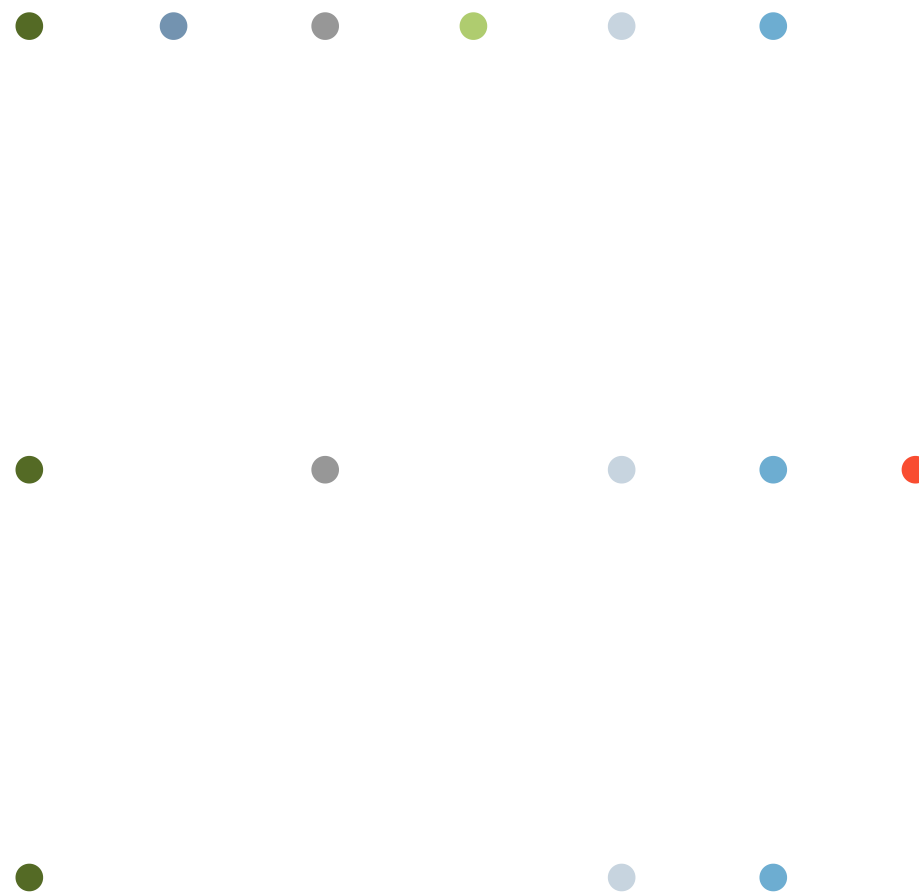


## 5. COMMUNICATE HOW IMPACTS ARE ADDRESSED

**5.1 Communicate externally relevant information on due diligence policies, processes, activities conducted to identify and address actual or potential adverse impacts, including the findings and outcomes of those activities.**

a. Publicly report relevant information on due diligence processes, with due regard for commercial confidentiality and other competitive or security concerns, e.g. through the enterprise's annual, sustainability or corporate responsibility reports or other appropriate forms of disclosure. Include RBC policies, information on measures taken to embed RBC into policies and management systems, the enterprise's identified areas of significant risks, the significant adverse impacts or risks identified, prioritised and assessed, as well as the prioritisation criteria, the actions taken to prevent or mitigate those risks, including where possible estimated timelines and benchmarks for improvement and their outcomes, measures to track implementation and results and the enterprise's provision of or co-operation in any remediation.

b. Publish the above information in a way that is easily accessible and appropriate, e.g. on the enterprise's website, at the enterprise's premises and in local languages.





c. For human rights impacts that the enterprise causes or contributes to, be prepared to communicate with impacted or potentially impacted rightsholders in a timely, culturally sensitive and accessible manner, the information above that is specifically relevant to them, in particular when relevant concerns are raised by them or on their behalf.



*The enterprise must prepare an annual report on its fulfillment of due diligence obligations in the previous financial year and make it available free of charge on its website **no later than 4 months after the end of the financial period and maintain for a period of 7 years.***



## 6. PROVIDE FOR, OR COOPERATE IN, REMEDIATION WHEN APPROPRIATE

**6.1 When the enterprise identifies that it has caused or contributed to actual adverse impacts, address such impacts by providing for or cooperating in their remediation.**



a. Seek to restore the affected person or persons to the situation they would be in had the adverse impact not occurred (where possible) and enable remediation that is proportionate to the significance and scale of the adverse impact.





b. Comply with the law and seek out international guidelines on remediation where available, and where such standards or guidelines are not available, consider a remedy that would be consistent with that provided in similar cases. The type of remedy or combination of remedies that is appropriate will depend on the nature and extent of the adverse impact and may include apologies, restitution or rehabilitation (e.g., reinstatement of dismissed workers, recognition of the trade union for the purpose of collective bargaining), 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.

c. In relation to human rights impacts, consult and engage with impacted rightsholders and their representatives in the determination of the remedy.

d. Seek to assess the level of satisfaction of those who have raised complaints with the process provided and its outcome(s).





**6.2 When appropriate, provide for or cooperate with legitimate remediation mechanisms through which impacted stakeholders and rightsholders can raise complaints and seek to have them addressed with the enterprise. Referral of an alleged impact to a legitimate remediation mechanism may be particularly helpful in situations where there are disagreements on whether the enterprise caused or contributed to adverse impacts, or on the nature and extent of remediation to be provided.**



a. Cooperate in good faith with judicial or non-judicial mechanisms. For example if a specific instance is submitted to an NCP or through initiatives that provide other types of grievance mechanisms involving the conduct of the enterprise. If the actual adverse impact caused constitutes a criminal or administrative offense, the enterprise may be subject to criminal prosecution or administrative sanctions.





b. Establish operational-level grievance mechanisms (OLGM), for example in-house worker complaint mechanisms or third-party complaint systems. This may involve setting up a complaints process including: a roadmap for remediation and resolving complaints; timelines for resolving grievances; processes to respond to complaints if agreement is not reached or if impacts are particularly severe; determining the scope of the OLGM's mandate; consulting with relevant stakeholders on appropriate forms of OLGMs and ways to resolve complaints that are culturally appropriate and accessible; staffing and resourcing the OLGM; and tracking and monitoring the performance of the OLGM. For human rights impacts, align OLGMs with core criteria of legitimacy, accessibility, predictability, equitability, compatibility with the OECD Guidelines for MNEs, transparency and dialogue-based engagement.



c. Engage with workers' representatives and trade unions to establish a process through which they can raise complaints to the enterprise, for example, through grievance mechanisms set forth in any collective agreements or through Global Framework Agreements.



*Grievance/complaints procedures must be made available in plain text publicly.*



OECD	Germany	USA	France	Japan	EU	Canada
------	---------	-----	--------	-------	----	--------

*The persons entrusted by the enterprise with the conduct of the proceedings must offer a guaranty of impartiality; in particular, they must be independent and not bound by instructions. They are bound to secrecy.*



*The complaints procedure must maintain confidentiality of identity and must ensure effective protection against disadvantage or punishment as a result of a complaint.*



*The effectiveness of the complaints procedures must be reviewed at least once a year and on an ad hoc basis if the enterprise experiences or expects to experience significant changes. The measures must be repeated without undue delay if necessary.*



*The enterprise must set up the complaints procedure in such a way that it enables persons to report risks to human rights and environment-related violations of an indirect supplier.*



*Complainants are entitled to request appropriate follow-up on the complaint from the company with which they have filed a complaint pursuant to paragraph 1, and to meet with the company's representatives at an appropriate level to discuss potential or actual severe adverse impacts that are the subject matter of the complaint.*

