



INPUT ON CORPORATE HUMAN RIGHTS DUE DILIGENCE

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INTRODUCTION

Data is the lynchpin of corporate human rights due diligence programs. With suppliers often numbering in the thousands, a company's approach to data acquisition can make or break its ability to assess adverse human rights impacts in its supply chain, conduct follow-up risk mitigation and preventive action, and monitor performance. A field of practice is emerging around how to proactively gain this data from suppliers to foster transparency and ensure human rights are upheld throughout the extended enterprise.

Assent Compliance is pleased to leverage its considerable expertise in supply chain engagement to support the United Nations Working Group on Business and Human Rights as it compiles emerging best practices and innovations on corporate human rights due diligence strategies. In this report, you'll gain insight into what Assent has learned during its eleven years performing supply chain data acquisition — an activity that underpins successful human rights due diligence.

CONTEXT

Every step in the supply chain due diligence process requires data. Identifying the potential for adverse human rights impacts requires a broad understanding of a supplier's practices, procedures and policies, as well as risk factors relating to the characteristics of the supplier's workforce, industry and country of operation. Due to the scale and complexity of supply chains today, mitigating and preventing potential adverse human rights impacts requires a targeted approach, and an understanding of the supplier's baseline practices to track and assess improvements. Accounting for how these potential adverse human rights impacts are being addressed requires data-driven targets and performance measurement.

Assent has observed a growing awareness of the vital role data-sharing technologies play in a company's ability to uphold human rights in its supply chain. To conduct effective human rights due diligence, a company requires data systems capable of transferring traceability information between it and its suppliers. To do this effectively — that is, achieve high response rates and acquire high-quality, actionable data — companies require the active participation of a range of actors, including their suppliers.

However, many make the mistake of assuming suppliers will be ready, willing and able to respond to data requests. Additionally, busy compliance officers don't always have the tools to develop robust requests, limiting the efficacy of the data they collect. Assent has found that companies can overcome these barriers and strengthen supplier relationships by adopting the following techniques.

EMERGING PRACTICES

A. IMPLEMENT DATA EXCHANGE STANDARDS

Industry data exchange standards are mutually beneficial to companies and their suppliers, making human rights due diligence accessible to the broad private sector landscape through universal, easy-to-use tools. Suppliers often don't have the resources to respond to the volume of requests they receive. Standardization significantly reduces the load, allowing them to collect one set of data and submit it to their customers in a standard format. It also streamlines the data collection process for downstream companies, who may not have the human rights expertise or resources to develop robust surveys.

Assent Compliance is proud of its role as the convening force for the Social Responsibility Alliance (SRA), an initiative that provides companies with the open-source reporting templates needed to build socially responsible supply chains. The initiative's first output, called the Slavery and Trafficking Risk Template (STRT), was created to streamline reporting on human trafficking and slavery risk in supply chains.

With the standard, suppliers complete the template once and share it across their customer base, allowing them to focus their resources on improvements that matter. It also provides busy compliance officers with a proven tool that helps them meet their human rights commitments. It is maintained by a multi-stakeholder committee that reviews the template regularly to ensure it aligns with new research, industry developments, and, crucially, supplier and external party feedback. Due to its open-source nature, it is open to external scrutiny and feedback, informing its ongoing evolution.

In creating the STRT, the SRA took inspiration from the Responsible Minerals Initiative's widely successful Conflict Minerals Reporting Template (CMRT), which has come to play an integral role in corporate conflict minerals programs. The CMRT has made conflict minerals due diligence accessible to the private sector at large, and is a strong example of how data exchange standards can drive human rights improvements.

The Social and Labor Convergence Project (SLCP) is another example of an initiative dedicated to creating a common supply chain reporting framework. When launched, the SLCP's converged assessment framework will be used to collect social and labor data that stakeholders in the apparel and footwear sector can use to drive improvements in working conditions and track progress. One assessment for all means vast amounts of resources will be saved.

These are a few examples of how leading initiatives are streamlining the data that companies use to perform human rights due diligence in their supply chains and make meaningful advancements in human rights. New multi-stakeholder initiatives are building on proven strategies by including the development and dissemination of data exchange standards relevant to their work. Business and human rights communities should consider how to include data exchange standards within their arsenal of tools to promote corporate respect for human rights.

B. EDUCATE SUPPLIERS

Many suppliers are unsure of (or do not fully understand) the standards they are being asked to comply with or what data they should be tracking and submitting. Eliminating the knowledge barrier through training and education is arguably the most important step in improving supply chain engagement and fostering continuous improvement. Leading companies are developing education programs and training materials, either internally or with the help of a third-party service provider, to help suppliers respond to requests for information.

Any comprehensive learning management system should combine the regulatory knowledge of industry experts and the teaching capacity of certified instructional designers to provide suppliers and companies with interactive training modules and custom learning paths. Assent has found that the more educated companies and their suppliers are, the more likely their due diligence efforts are to succeed.

C. SPEAK THE RIGHT LANGUAGE

Learning to communicate with suppliers in their own language significantly increases engagement. It not only improves the clarity of communication, but reduces errors and demonstrates commitment to the relationship. Leading companies provide multilingual support options for global suppliers, and work with suppliers in their native language whenever possible.

D. PROVIDE SUPPORT

As suppliers work to respond to data requests, they may face situations or challenges that are new to them, or confuse their existing processes. Providing suppliers with a dedicated support mechanism, including resources and training, reduces the risk of mistakes, and demonstrates a commitment to success. Third parties should support their clients by giving them access to 24-hour support, including telephone, email and live chat.

E. KEEP IT SIMPLE

Keeping requests simple means collecting vital information without overwhelming suppliers with additional or too-frequent requests. It reduces the burden on the supplier and allows them to focus on accurately providing necessary information without the distraction of fringe requests. By keeping it simple, companies improve engagement and increase the quality of the data they receive. They do so by keeping instructions clear and concise, capturing the most useful data possible from suppliers and giving them sufficient time between requests, and by leveraging standards to limit how many different types of data they are requesting from suppliers.

Software platforms can further simplify due diligence campaigns by providing suppliers with an intuitive portal through which they can submit data, using a token-based system to accelerate and secure the login process. This ensures suppliers can participate quickly and effortlessly in surveys.

F. START EARLY

Many suppliers aren't ready to respond to data requests when they receive them. Not only do they need to gather the necessary information to respond to surveys accurately, but they often need to receive the training required to do so. To ensure due diligence campaigns are as successful as possible, companies should start as soon as possible. This means keeping an up-to-date contact database and providing training to any personnel involved with executing the campaign.

Third-party solution providers can maintain and leverage the database of compliance contacts it amasses over time as it collects data on behalf of its clients. This will enable companies to quickly determine which individuals among its suppliers are best equipped to receive and respond to the data request, improving response rates significantly. Third parties should also leverage prominent data exchange standards so companies can use data that already exists in the provider's database for their own program, which also limits the strain on suppliers who often have to make repeat duplicate submissions.

Conclusion

Over the past 11 years, Assent has seen human rights due diligence grow from a cosmetic initiative into an imperative. During that time, it has been proud to work alongside pioneers in data collection standardization, and help some of the largest and most influential companies in the world build their supply chain engagement strategies from the ground up. Although many companies have invested in their programs, Assent has learned that most are not adequately equipped to assess risk in their supply chains alone.

They need support.

Third-party data collection and management service providers can deliver the valuable training, data services, regulatory expertise, data exchange standards implementation and supplier support companies need to execute robust, successful human rights due diligence initiatives. Assent has been proud to watch its clients become industry leaders on human rights action, and build due diligence programs that assess and mitigate a broad range of risks that have the potential to impact workers across the globe.

About Assent Compliance

Assent Compliance is an industry-leading SaaS (software as a service) data management solution provider, working with a supplier network of more than a quarter million manufacturers. The company plays a valuable private sector role in bringing efficient and effective transparency to large and complex supply chains, facilitating efforts to protect workers from human rights abuses. It works with leading Fortune 500/1000 companies and a wide range of small and medium-sized businesses. Assent is a proud participant of the UN Global Compact, including the Decent Work in Global Supply Chains Action Platform.