

GUIDANCE MANUAL FOR THE CONVERGED HUMAN RIGHTS & ENVIRONMENTAL DUE DILIGENCE (HREDD) ASSESSMENT TOOL

Version 1, November 2024

AIM Progress, Consumer Goods Forum, Fair Labor Association, Proforest.

The Converged HREDD Assessment tool and guidance were developed through AIM-Progress and the Consumer Goods Forum. The tool was originally authored by the Fair Labor Association and piloted and adapted by Proforest. This is a common reference tool to be used as best practice guidance to support engagement on human rights and environmental due diligence.

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CONVERGED HREDD ASSESSMENT TOOL

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1 SECTION 1 - OVERVIEW

1.1 Introduction

This document is an instruction manual for the Converged Human Rights and Environment Due Diligence (HREDD) Assessment Tool, hereafter referred to as ‘the tool’. The tool, currently in excel form, can be accessed and downloaded from partner websites.

Applied at parent company level, this tool will help businesses assess the maturity of a company’s HREDD systems across its own operations and supply chains, including both service and goods providers. It can be used by companies in any goods/service sector. It is a practical, ready to use resource inspired by company best practices to support business-to-business engagement and continuous improvement of businesses’ HREDD maturity.

The tool aims to create convergence of HREDD approaches and requests from buyers. Another goal is the facilitation of information exchange on pre-competitive sustainability issues that are central in emerging regulations such as the EU Corporate Sustainability Reporting Directive and the EU Corporate Sustainability Due Diligence Directive. We hope the tool can support companies on their journey to develop and continuously improve their approach, as they endeavour to effectively implement HREDD (see more about how the tool was developed in section 1.2 and 1.3).

This document accompanies the tool and is aimed at businesses to either i) assess their own HREDD systems or ii) to ask businesses who supply them with goods and services to assess their respective HREDD systems.

This document is articulated in three sections:

- 1) General introduction and overview
- 2) Instructions and explanations for companies completing the tool
- 3) Annex with all requirements

1.2 Why has this tool been developed?

This tool has been developed in light of an increasing focus on effective human rights and environmental due diligence systems in global supply chains and increasing legislation across Europe. HREDD allows businesses to pro-actively identify, prevent and address human rights and environmental risks and impacts.

Members of AIM-Progress and the Consumer Goods Forum Human Rights Coalition (major FMCG companies) have developed this tool in collaboration with the Fair Labor Association and Proforest to reduce the proliferation of new assessments and the exacerbation of supplier assessment fatigue. Our goal is that the content, requirements, and language in the tool can be used to converge approaches to HREDD maturity assessment across the FMCG sector and beyond.

The Converged HREDD Tool can be used alongside other sector or commodity specific tools. For example:

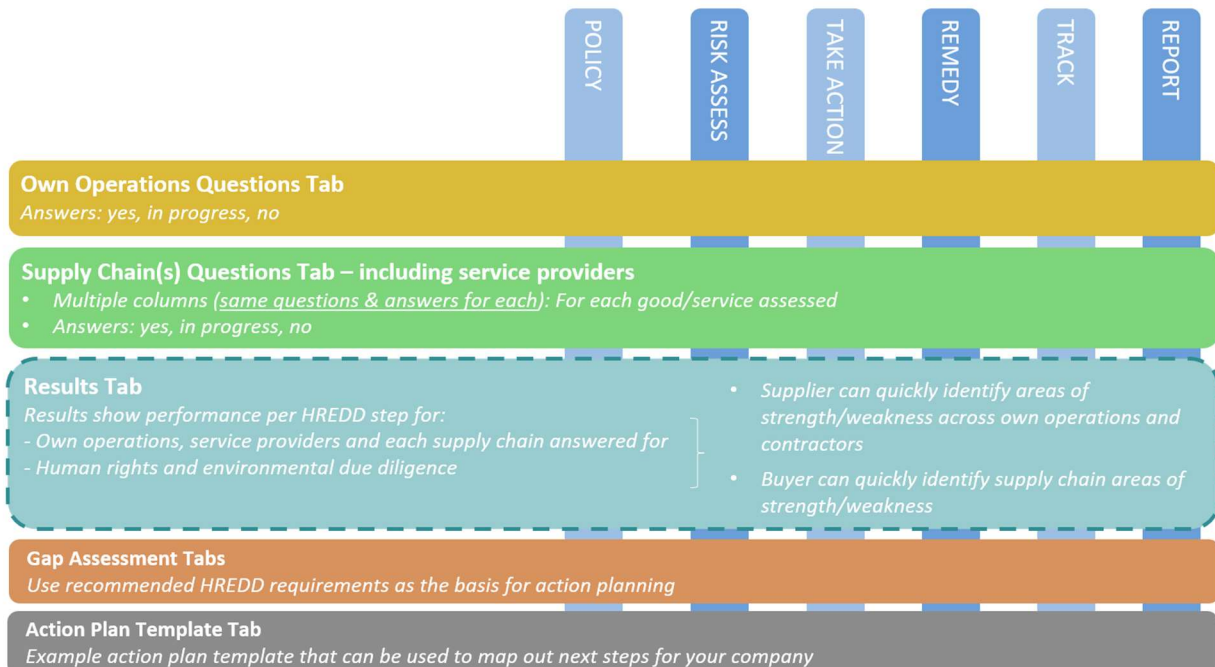
- The Converged Tool can be used for assessing direct goods/service suppliers. It can then be complemented with other assessment types used for indirect suppliers.
- The Converged Tool can be used at parent company level. It can then be complemented with other assessments used at site/facility level where risk suggests a more granular view is needed.

Alternatively, the language of this HREDD Assessment Tool could be integrated into existing assessment approaches offered by service providers or deployed by companies. Use of this tool is voluntary and represents best practice. Whether and how companies choose to use it, or not, may depend on their due diligence approach, supply chain, and other factors.

The tool will allow companies to understand their upstream (i.e. towards production base) HREDD systems. However, it does not cover downstream due diligence (i.e. including product use and disposal) which is also a requirement of some HREDD regulations.

1.3 Key elements of the tool – principles, architecture, maturity measurement

The tool currently sits in an automated excel file and is structured as follows, with questions about each step of HREDD across different scopes:



The tool measures maturity in four categories:

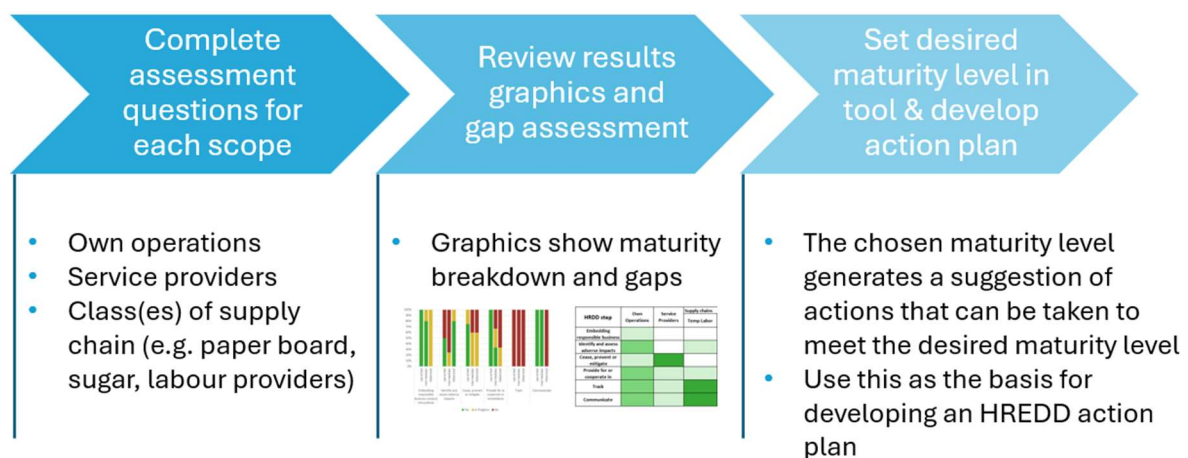
Starting	Launched	Intermediate	Advanced
The approach to human rights and environmental issues is reactive. The company may have started to work on some basic HREDD elements, but there is not yet a consistent and structural HREDD process in place.	Initial development of a structural proactive approach to addressing human rights and environmental issues. Basic HREDD elements in place across all steps, but not yet with the desired depth.	HREDD elements in place across all steps with each step informing and shaping the next. Stakeholders feed into the due diligence process at key steps.	Robust and meaningful HREDD in place across all steps of HREDD. More impactful and engaged measures are undertaken consistently. Later HREDD steps feed back and inform the practice of earlier steps.

Key guiding principles shaped the design and ethos of the tool:

- The tool aims to be sector/supply chain agnostic – questions are general and not supply chain specific.
- The tool should be used by companies as part of a holistic HREDD strategy where assessment is the basis for strengthening management systems in line with the risks and context of a business or supplying businesses (that is compared to using assessment as the *primary* HREDD activity).
- The tool is for company self-assessment and aims to drive improvement. Buyers may use the results of their suppliers’ self-assessments for their own purposes.
- Where a company wants to ask their suppliers to complete the tool, the choice of suppliers engaged for HREDD assessment should be informed through a saliency assessment by the buying organisation. Which commodities or service providers are assessed/reported on should also be informed by the saliency analysis, completed by either the supplier or buyer of the materials/services.
- The tool helps identify gaps in HREDD actions and can therefore be used to put together an HREDD action plan.

1.4 Process steps and how you can use the results

The diagram below sets out how the tool can be used:



You can read more specific instructions on each of these stages in the next section.

2 SECTION 2 – INSTRUCTIONS FOR COMPLETING THE TOOL

2.1 What is HREDD?

HREDD (Human Rights and Environment Due Diligence) is a risk management process that organisations use to identify, prevent and address human rights and environmental risks and impacts.

Primarily the focus of the HREDD process is stopping negative impacts on people and the environment in supply chains, but when truly embedded in an organisation, there are business benefits too. HREDD will enable a company to be systematic and pro-active in their approach to addressing risks to people and the environment – managing risks before they become adverse impacts.

The importance of this process in global business practices is reflected in HREDD being embedded in international standards and legal frameworks, such as the [UN Guiding Principles on Business and Human Rights](#) and the [OECD Due Diligence Guidance for Responsible Business Conduct](#).

2.2 Steps to HREDD

There are six steps to HREDD. When fully implemented, each informs the next in a cycle of continuous improvement:

- Step 1: Embed responsible business conduct into policies and management systems (i.e. staff roles and responsibilities, activities and checks).
- Step 2: Identify and assess adverse actual and potential impacts in operations, supply chains, and business relationships.
- Step 3: Cease, prevent, or mitigate adverse impacts and risks
- Step 4: Track implementation and results
- Step 5: Communicate how impacts are addressed
- Step 6: Provide for or cooperate in remediation when appropriate



Source: OECD (2018), *OECD Due Diligence Guidance for Responsible Business Conduct*

HREDD should be put in place in a company’s own operations, and in relation to any goods and service providers to that company. The strength and depth of these systems will vary depending on the human rights and environmental risks associated with different areas of a business. Although not covered in this converged HREDD tool, downstream HREDD is also recommended for some goods types (for example consumer electronics, packaging, pharmaceuticals) where significant environmental or social impacts can arise through use/disposal stages of the value chain.

2.3 How does this tool work to assess my company’s HREDD systems?

This tool will ask you a set of questions about your approach to HREDD at parent company level. The questions cover three areas:

- 1) Due diligence practices in all your **own operations**
- 2) Due diligence practices in relation to **all contracted service providers**
- 3) Due diligence practices for **supply chains** you have identified as salient (or which you have agreed to report on with your buying organisation).

Section 2.6 defines these further.

2.4 Which supply chain(s) should I assess?

You can determine which supply chain(s) HREDD to assess in one of two ways:

- 1) **Your own saliency analysis:** If you have conducted a saliency analysis across your supply chains and identified the supply chains where the greatest risks lie (in terms of

severity and likelihood), you can decide to assess these with the tool. You can also discuss the supply chains you've identified with buyers, if applicable, to get their input.

- 2) **Request from a buying organisation:** A buying organisation requesting this assessment may ask you to assess specific supply chains related to certain classes of goods, products, or commodities (what these are will depend on your sector, but illustrative examples could be: aluminium, fish and seafood, palm oil, packaging or inks). Buyers may have identified these supply chains as having significant environmental or human rights issues for the buyer based on their saliency analysis.

You can assess up to three supply chains in the excel tool.

2.5 Directions for completion

The key steps to using the tool are:

1. Nominate one person in the company who takes responsibility for overseeing completion of the tool. Complete the company information tab and state which supply chains you are reporting on.
2. In the supply chain tab: Add the name(s) of each material/good/commodity or specific service to the top of each column highlighted in yellow (from column J). For example, if you are reporting for paper and polymer beads, then please add paper to the top of one column, and polymer beads to the top of the next column. You must do this to 'open' the column for answering.
3. The nominated person should review all sections, questions and required evidence. This will inform who they should ask for support in answering the questions. We anticipate needing support from your human resources (HR), legal, operations, sustainability and possibly procurement colleagues, but this may vary depending on the company structure. If you have multiple facilities in your company, you will potentially need to engage across these. If you are assessing HREDD for more than one supply chain, you will need to contact those responsible for leading each of these.
4. Allocate responsibility and timelines to the relevant colleagues. Please note, there is guidance written against each question. Please use this to support you in accurately answering questions.
5. Answer the questions reflecting the status of HREDD in your company. Use the comments column wherever necessary to provide additional insight into the nature or extent of practices.
6. Before submitting the spreadsheet to a buyer or starting to review the results, please ensure the nominated person reviews all content and ensures all questions are answered fully, coherently and are based on available evidence.

2.6 Key definitions around scope

Questions are asked about due diligence across different scopes: in your own operations, with regards to service providers and across the chosen supply chains.

OWN OPERATIONS TAB	<p>Own Operations</p> <p>This refers to all your owned and operated facilities and operations globally.</p>
	<p>Questions about human rights due diligence relate to the due diligence you apply to your own operations that affects anyone working in/for those operations (whether direct/indirect*/permanent or temporary employees), as well as the due diligence that is in place for the people that are directly impacted by your own operations (e.g. those living locally).</p> <p>* Indirect workers include contracted workers employed through service providers that work in your own operations.</p>
	<p>Questions about environmental due diligence relate to the due diligence you have undertaken to respond to the direct environmental impacts of your own facilities and operations.</p>
<p>SUPPLY CHAINS TAB – INCLUDING SERVICE PROVIDERS</p> <p>When responding to questions about due diligence for your supply chain, you are responding on due diligence undertaken by YOUR company NOT the due diligence undertaken by the supplier themselves</p>	<p>Service Providers</p> <p>This refers to <u>all</u> companies that provide you with a service that allows you to operate, whether in the provision of labour (i.e. labour agencies providing on-site workers) or services such as cleaning, logistics, security, waste management, warehousing, etc.</p>
	<p>Questions about human rights due diligence relate to the due diligence <u>your company</u> undertakes with respect to the actual/potential human rights impacts of companies supplying you with services.</p>
	<p>Questions about environmental due diligence relate to the due diligence <u>your company</u> undertakes with respect to the actual/potential environmental impacts of your service providers.</p>
	<p>Supply Chains</p> <p>This refers to the suppliers who sell you the materials/ goods/ services/ commodities you would like to report against (e.g. cocoa, paperboard, labour provider).</p>
	<p>Questions about human rights due diligence relate to the due diligence steps you implement and directly control with respect to all the suppliers of the selected materials/ goods/ commodities, and should cover your direct supplier and upstream supply chain to the production base (on a risk-based basis).</p>
	<p>Questions about environmental due diligence relate to the due diligence steps undertaken <u>by your company</u> with respect to the environmental risks and impacts of all the suppliers of that material/good/commodity, and should cover your direct supplier and upstream supply chain to the production base (on a risk-based basis).</p>

For each question, in the 'answers' column, click on the cell/answer box. You will see a little arrow on the bottom right appear. Click this to see the answer options.

The answer options are as follows:

- **No:** you have not taken any action towards this requirement area
- **In progress:** you have started to take action in this area. Please choose this option where you have implemented actions in/for only some, but not all of your operations/ service providers/ supply chains. Or you have only partially implemented the requirement at the time of assessment.
- **Yes:** you have fully implemented the requirement across all of your own operations and service providers or fully for that material/good/commodity you are reporting on.
- **Not applicable:** the requirement is not relevant to your operations, service providers or supply chain. If you choose this option, **we ask that you then comment on why it is not applicable.**

					FOR OWN OPERATIONS	
No.	Maturity	Requirement	Human Rights/ Environmental	No.	QUESTIONS	ANSWERS
Embed responsible business conduct						
6	Launched	The company has designated staff at a senior management level who lead on implementing the policy/policies.	Both	6	Does the company have designated staff, at a senior management level, who are responsible for implementing the policy/ policies?	<div style="border: 1px solid orange; padding: 2px;"> Yes </div>
7	Intermediate	The company provides employees and service providers, whose actions may impact human rights or environmental risks, with a training plan and operating procedures or other guidance on how to address those risks.	Human Rights	7a	Does the company provide employees and contracted workers whose actions may impact human rights , with a training plan and operating procedures or other guidance on how to address those risks?	<div style="border: 1px solid orange; padding: 2px;"> No In progress Yes Not applicable - please comment </div>

Please also use the comments column to give any relevant context to your answer or evidence submitted. For example, if you believe you have fulfilled a requirement, but in a slightly different way to that expressed in the guidance, please explain why here.

2.7 Approach to maturity measurement

A maturity level is achieved at each step of HREDD¹ as well as an overall HREDD level as a company.

¹ Embed responsible business conduct; identify and assess adverse impacts; cease, prevent or mitigate adverse impacts; provide for or cooperate in remediation where appropriate; track implementation and results; communicate how impacts are addressed.

Maturity is measured by which requirements have been fulfilled. There are requirements at launched, intermediate and advanced level. Where a company has not reached the launched level threshold but has some launched actions 'in progress' then it is classified as 'Starting'.

To achieve a maturity level at each step of HREDD (whether for own operations/service providers/supply chain or altogether)

- Questions must be answered 'yes' against at least **75% of all requirements** at that level of maturity for the step.

To achieve an overall maturity level, across the entire assessment:

- **ALL steps** must reach that maturity level across all scopes, and all maturity levels beneath this.

2.8 Evidence

If completing this tool for a customer, you will be asked to submit evidence to substantiate the answers you provide. As a buyer, the evidence must be reviewed to ensure it corresponds to the specific answers provided.

The following table sets out what evidence is required:

HREDD STEP	EVIDENCE REQUIREMENT (per scope answering for – own operations; service providers; supply chain class)
Embed responsible business conduct	<p>Accountability structure for the implementation of human rights and environmental commitments (e.g. organisational chart, governance documents, job description).</p> <ul style="list-style-type: none"> • LAUNCHED: this accountability structure shows senior management responsibility for the implementation of policy commitments, and evidence that this person holds responsibility (e.g. job description, sign-off of Standard Operating Procedures). • INTERMEDIATE: there is a responsibility-linked training plan and/or standard operating procedures, or guidance associated with the different roles in the accountability structure. • ADVANCED: the accountability structure extends to accountability at board (or equivalent) level with evidence of this such as minutes of board/management meetings discussing human rights or environmental topics. Note, policies signed by the CEO is <u>not</u> evidence of accountability at the board or equivalent level.
Identify and assess adverse impacts	<p>Risk assessment methodology and key outcomes, including date of completion and author. The risk assessment covers the scope answering for (i.e. own operations/ service providers/ supply chain(s)).</p> <ul style="list-style-type: none"> • LAUNCHED: The risk assessment uses indicators of risk from authoritative/credible and/or third party verified sources to identify the

	<p>most at-risk human rights or environmental issues among all potential and actual adverse impacts.</p> <ul style="list-style-type: none"> • INTERMEDIATE: The risk assessment includes evidence of using the following to prioritise topics for action²: <ul style="list-style-type: none"> • Saliency analysis for human rights (following the steps outlined in the UNGPs) and the identification of vulnerable populations. • Severity/significance/materiality for environmental impacts across land, air, water, biodiversity and other relevant natural resources. • For both human rights and environmental impacts - meaningful consultation with rightsholders or their credible proxies as evidenced by, for example, stakeholder/community meeting notes, social impact assessment reports; community-based monitoring system. • ADVANCED: The risk assessment should include a root cause analysis for each salient human rights and environmental issue identified. Risk information needs to be reviewed annually, or with a change in circumstances, to ensure it remains up to date.
Cease, prevent or mitigate	<p>Time bound action plan (TBAP):</p> <ul style="list-style-type: none"> • LAUNCHED: The plan includes actions to address salient human rights and/or environmental issues identified. There must be timelines for completion of activities and KPIs for measuring progress. • INTERMEDIATE: evidence (such as community meeting minutes/consultation or meeting reports) that relevant stakeholders or potentially affected people such as workers, and local communities have been engaged and consulted to develop the timebound action plan. • ADVANCED: the TBAP includes root cause analysis and actions on those root causes and deeper drivers.
Grievance and Remediation	<p>Standard Operating Procedure (SOP) for the management of grievances in the relevant scope (own operations/ service providers/ supply chains):</p> <ul style="list-style-type: none"> • LAUNCHED: The SOP should include evidence that complaints mechanisms are made available to potentially affected rightsholders (for example: copies of posters or notices on workers’ message boards about the grievance procedure; records of community meeting(s)/consultation(s) regarding the procedure; signature of workers’ representatives on the procedure acknowledging receipt). • INTERMEDIATE: The grievance mechanism should state, in easy-to-understand language, the process and indicative timeline for each

² When reviewing this evidence, please align with how specific questions on the risk assessment process have been answered.

	<p>stage of the process and how meaningful engagement with the grievance raiser is undertaken.</p> <ul style="list-style-type: none"> • ADVANCED: The SOP aligns with the 8 effectiveness criteria of the UNGPs. See: UNGPs here and relevant OHCHR Guidance here.
Track implementation and results	<p>Monitoring methodology and KPIs:</p> <ul style="list-style-type: none"> • LAUNCHED: the methodology and KPIs link to the time bound action plan. • INTERMEDIATE: the methodology and KPIs not only track implementation of actions (i.e. outputs of actions) but also whether they have been effective (i.e. outcomes or impact of actions). KPIs and/or progress against them have been developed with input from stakeholders, as evidenced by stakeholder & community meeting minutes/notes/reports. • ADVANCED: the monitoring methodology includes a clear process to feed lessons back from the management of human rights/environmental risks and impacts back into the due diligence process.
Communicate	<p>Public communication of how the company is addressing issues</p> <ul style="list-style-type: none"> • LAUNCHED: this should cover actions taken and progress made towards policy implementation as evidenced by memos from meetings, records from regularly held calls, communication pieces or a sustainability report. • INTERMEDIATE: this should include communication of actual and potential risks, HREDD systems and actions taken to address these. • ADVANCED: Third party verification of the report/communication

2.9 Results – Identifying gaps and recommended next steps

The results tab auto-generates results visuals as you complete the tool, providing you with an overall maturity, as well as how this breaks down across HREDD steps and scopes.

Once you have received your results you can then use the ‘gap assessment’ tabs to select what level of maturity you would like to achieve for each scope. For example:

- If your overall maturity is Starting, you may be aiming for Launched.
- If your overall maturity is Starting but you can see for the majority of areas you are Launched, you may be aiming for Intermediate.

Once you have selected your chosen maturity goal you will see an automated checklist generated which will identify two things:

1. Key elements of your existing HREDD system to check (this covers a wider range of elements than the question set you were asked in order to provide you with more detail

on what should be in place). Consider whether you have these elements in place before moving on to requirements at the next maturity level.

2. What steps you could take to reach the next maturity level.

Please note: this list of gaps identified/elements to check will be generated from a long list of requirements (please see pages 15-21 in this document) which provide greater detail behind the questions and guides you on putting in place the right elements to make progress.

The gap assessment can be used as the basis for developing an action plan for your business.

Consider the proposed actions in the gap assessment and determine:

- If they are relevant for your business
- The basis on which you should prioritise the actions proposed
- How you are going to meet the requirement suggested – what activities are needed, and how can the proposed actions be adapted to meet the needs of your business and risks identified.
- Who will be responsible for taking those actions
- What resources need to be allocated to the tasks
- What the timelines for these actions are and how you can tell they have been completed.

An action plan template is included in the tool for reference and can be used, if helpful, to structure your planning.

3 SECTION 3 - ANNEX

Detailed requirements for each HREDD Step – Those in bold are used as the basis for questions in the converged HREDD tool

This set of requirements describes the elements of an HREDD system. The elements are split into different levels of maturity to show progress from the first building blocks of HREDD towards more mature and integrated systems (see maturity framework pg. 5). This set of requirements forms the basis of the questions asked in the Converged HREDD Assessment Tool. To reduce the number of questions asked, we incorporated only a subset of the requirements into the tool – requirements that reflect more action oriented and meaningful engagement on HREDD. The full set of detailed requirements is used in the tool in the gap assessment tab to highlight elements of a company’s HREDD system that should be in place at each level of maturity.

Embed responsible business conduct

HREDD STEPS	REQUIREMENT NO.	MATURITY	REQUIREMENT
Embed responsible business conduct	1	Launched	The company has public commitments covering human rights and environmental issues set out in a policy or policies.
	2	Launched	The policy/policies are communicated to the company's staff, contracted staff, service providers, suppliers and other potentially affected stakeholders.
	3	Intermediate	The policy reflects an understanding that certain human rights and environmental issues are particularly salient for the company.
	4	Intermediate	The policy meets or exceeds internationally recognised standards and guidelines, including a commitment to respect human rights and implement Human Rights and Environmental Due Diligence, in alignment with the UNGPs, across its operations, service providers, and supply chain.
	5	Advanced	The policy/policies have been signed off by the company leadership, and that leadership is held accountable for addressing human rights and environmental issues.

HREDD STEPS	REQUIRE- MENT NO.	MATURITY	REQUIREMENT
Embed responsible business conduct	6	Launched	The company has designated staff at a senior management level who lead on implementing the policy/policies.
	7	Intermediate	The company provides employees and service providers, whose actions may impact human rights or environmental risks, with a training plan and operating procedures or other guidance on how to address those risks.
	8	Intermediate	Responsibilities for policy implementation are embedded in other relevant functions (e.g., procurement) and are included in staff job description and workplan.
	9	Advanced	The meaningful implementation of the human rights and environmental policy is linked to performance incentives for responsible staff across functions.

Identify and Assess Adverse Impacts

HREDD STEPS	REQUIRE- MNT NO.	MATURITY	REQUIREMENT
Identify and assess adverse impacts	10	Launched	The company has conducted an initial desktop assessment to identify sites/ activities/ supply chain tiers and geographies with human rights and environmental risks, covering their own operations, service providers and supply chain.
	11	Intermediate	The company has prioritized environmental and human rights issues using a saliency analysis and through identifying the most vulnerable groups and natural ecosystems.

HREDD STEPS	REQUIREMENT NO.	MATURITY	REQUIREMENT
Identify and assess adverse impacts	12	Intermediate	The risk assessment includes meaningful consultation with rights holders and/or their credible proxies (e.g. civil society, IPLC representatives, unions etc.) and incorporates their inputs.
	13	Advanced	Further in-depth investigations are conducted to develop a context-specific understanding of root causes behind the salient human rights and salient environmental issues.
	14	Advanced	The company reviews changes in environmental and human rights risks and impacts on a regular basis and updates their risk assessment and actions needed accordingly.
	15	Advanced	The risk assessment and list of high-risk salient issues is made public.
	16	Advanced	Issues raised through the company's grievance mechanisms and suppliers/ service provider assessments inform the human rights and environmental risk assessments.
Supply Chain Mapping	17	Launched	The company has a written plan to map their at-risk contractors/ supply chain to the point where it can conduct due diligence, as driven by their risk assessment.
	18	Intermediate	For at-risk supply chains, the company has mapped the supply chain to the point where it can conduct due diligence as driven by their risk assessment.

Cease, Prevent or Mitigate Adverse Impact

HREDD STEPS	REQUIREMENT NO.	MATURITY	REQUIREMENT
Cease, Prevent or Mitigate - PLANNING	19	Launched	The company has a timebound action plan in place to take action to address any salient negative human rights risks and environmental risks identified in its own operations, service providers and supply chains.
	20	Intermediate	The action plan(s) are based on the outcomes of the risk assessment and HREDD Maturity Evaluation.
	21	Intermediate	Stakeholders are consulted and their input integrated into the development and updating of the action plan.
	22	Advanced	The action plan is reviewed annually and updated based on progress and changes in risks and impacts.
	23	Advanced	The action plan includes actions to address the root causes of high risks in its own operations, service providers and supply chains that were identified in the risk assessment.
Cease, Prevent or Mitigate - ACTION	24	Launched	The company has a due diligence process (prior to onboarding) for new suppliers (of goods and services), which includes checking for compliance with minimum commitments, identification of any new risks that the supply chain brings (e.g., via exposure to new sourcing regions).
	25	Launched	Human Rights and Environmental expectations are part of contractual agreements.
	26	Intermediate	The company assesses the maturity of their high-risk suppliers' HREDD systems, including capacity for implementation.
	27	Intermediate	The company's highest risk Tier 1 suppliers (according to the risk assessment) have an action plan in place to demonstrate how they prevent, mitigate, and remediate any high environmental and salient human rights risks. These action plans must also include actions to close gaps identified in their management systems as part of the HREDD Maturity Evaluation.

HREDD STEPS	REQUIRE-MENT NO.	MATURITY	REQUIREMENT
	28	Intermediate	Based on supplier/service provider prioritization, the company engages with its suppliers to build their awareness and capability to implement these expectations and support them in addressing identified gaps.
	29	Advanced	The company supports sectoral/at scale action on high-risk issues commensurate with their size/footprint in the sector.
	30	Advanced	The company's purchasing/contracting function(s) have processes in place to reward good/improved human rights and/or environmental performance of suppliers and service providers.

Provide for or Cooperate in Remediation where Appropriate

HREDD STEPS	REQUIRE-MENT NO.	MATURITY	REQUIREMENT
Grievance and remediation	31	Launched	The company has a grievance mechanism in place which is open to all rights holders affected by their own operations, among service providers and in the supply chain.
	32	Launched	The company has communicated the operational grievance mechanism internally to its workers and contracted workers, service providers, communities potentially impacted by their business operations, and with suppliers.
	33	Intermediate	The grievance mechanism(s) is managed by individual(s) with appropriate training in engaging with vulnerable individuals, handling sensitive information and ensuring data protection.
	34	Intermediate	The grievance mechanism clearly states the process and indicative timeline for each stage of the process, AND the process includes meaningful engagement with the grievance raiser.

HREDD STEPS	REQUIREMENT NO.	MATURITY	REQUIREMENT
Grievance and remediation	35	Intermediate	The company has a remediation approach to address open grievances, which includes systemic changes to systems and processes as needed to prevent the identified impacts.
	36	Intermediate	The company takes action to use leverage and collaborative action to support remediation of harm (if occurred) to people and the environment that it has contributed to or is linked to through business relationships, e.g. direct or indirect suppliers.
	37	Intermediate	The company encourages or supports the development of grievance processes among those it has business relationships with.
	38	Intermediate	The company always conducts a follow-up or uses its leverage to ensure a follow-up is conducted on whether the agreed remedy reaches the grievance raiser.
	39	Advanced	The grievance mechanism aligns with the 8 effectiveness criteria of the UNGPs (see guidance column for more information).
	40	Advanced	Grievances are recorded in a public log, with transparent reporting on follow up and progress.
	41	Advanced	The company regularly conducts an analysis of trust in the grievance mechanism through a credible third-party.

Track implementation and results

HREDD STEPS	REQUIREMENT NO.	MATURITY	REQUIREMENT
	42	Launched	The company is monitoring the implementation of its action plan to address human rights and environmental risks in its own operations, service providers and supply chain.

HREDD STEPS	REQUIREMENT NO.	MATURITY	REQUIREMENT
Track implementation and results	43	Intermediate	The company records and tracks KPIs capturing the progress and effectiveness of preventive, mitigative and remediation actions in its own operations, service providers and supply chain through impact measurement.
	44	Intermediate	The targets or KPIs against which progress is measured are developed with input from internal and external stakeholders.
	45	Advanced	The company has formal processes through which it identifies lessons in managing human rights and environmental risks and impacts and feeds this back into the due diligence process.

Communicate

HREDD STEPS	REQUIREMENT NO.	MATURITY	REQUIREMENT
Communicate	46	Launched	The company publicly communicates actions taken and progress made on policy implementation to staff (including contracted workers); potentially affected stakeholders & public.
	47	Intermediate	The company publicly communicates the actual and potential human rights and environmental risks in its own operations, among service providers, Tier 1 suppliers, and sourcing regions; and actions being taken to address these risks.
	48	Intermediate	These communication updates are given at least on an annual basis.
	49	Intermediate	The company publicly communicates the effectiveness and progress of actions taken to address the risks identified, as well as any associated impacts.
	50	Advanced	Progress updates/reports are 3rd party verified.