



**Practical guide for companies  
on IRBC and OECD due diligence**



Rijksoverheid



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## Acronyms

|               |  |                        |
|---------------|--|------------------------|
| AAFA RSL      | American Apparel Footwear Association Restricted Substances List | - <a href="#">link</a> |
| ACT           | Action Collaboration Transformation                              | - <a href="#">link</a> |
| AGT           | Dutch Agreement on Sustainable Garments and Textile              | - <a href="#">link</a> |
| ARISA         | Advocating Rights in South Asia                                  | - <a href="#">link</a> |
| B Corp        | Certified Business corporation                                   | - <a href="#">link</a> |
| BCCU          | Better Cotton Claim Unit   |                        |
| BCI           | Better Cotton Initiative   | - <a href="#">link</a> |
| BEPI          | Business Environmental Performance Initiative                    | - <a href="#">link</a> |
| BSCI          | Business Social Compliance Initiative                            | - <a href="#">link</a> |
| C2C           | Cradle To Cradle Certified™ Products Program                     |                        |
| CAP           | Corrective Action Plan   |                        |
| CB            | Collective Bargaining  |                        |
| CCS           | Content Claim Standard   | - <a href="#">link</a> |
| CDC           | Complaints and Disputes Committee                                | - <a href="#">link</a> |
| CEO           | Chief Executive Officer  |                        |
| CFRPP         | Common Framework for Responsible Purchasing Practices            | - <a href="#">link</a> |
| CMT           | Cut Make Trim  |                        |
| CNV           | Dutch Christian National Trade Union                             | - <a href="#">link</a> |
| CSR           | Corporate Social Responsibility                                  |                        |
| CSRD          | Corporate Sustainability Reporting Directive                     | - <a href="#">link</a> |
| ECAP          | European Clothing Action Plan                                    | - <a href="#">link</a> |
| ETI           | Ethical Trade Initiative   | - <a href="#">link</a> |
| FAWC          | Farm Animal Welfare Committee                                    | - <a href="#">link</a> |
| FBK           | Dutch fund against child labour                                  | - <a href="#">link</a> |
| FLA           | Fair Labor Association   | - <a href="#">link</a> |
| FNV           | Federation of Dutch Trade Unions                                 | - <a href="#">link</a> |
| FVO           | Dutch fund for responsible business                              | - <a href="#">link</a> |
| FWF           | Fair Wear Foundation   | - <a href="#">link</a> |
| GOTS          | Global Organic Textile Standard                                  | - <a href="#">link</a> |
| GRS           | Global Recycle Standard  | - <a href="#">link</a> |
| HDI           | Human Development Index  | - <a href="#">link</a> |
| Higg BRM      | Higg Brand Retail Module   | - <a href="#">link</a> |
| Higg FEM      | Higg Facility Environmental Module                               | - <a href="#">link</a> |
| Higg MSI      | Higg Materials Sustainability Index                              | - <a href="#">link</a> |
| IDH           | Initiatief Duurzame Handel / Sustainable Trade Initiative        | - <a href="#">link</a> |
| ILO           | International Labour Organisation                                | - <a href="#">link</a> |
| IRBC          | International Responsible Business Conduct                       |                        |
| ITUC          | International Trade Union Conderation                            | - <a href="#">link</a> |
| KPI           | Key Performance Indicator  |                        |
| LCA           | Life Cycle Assessment  | - <a href="#">link</a> |
| LWG           | Leather Working Group  | - <a href="#">link</a> |
| MRS�          | Manufacturing Restricted Substance List                          |                        |
| MSDS          | Material Safety Data Sheets                                      |                        |
| MSI           | Multi-stakeholder initiative                                     |                        |
| MT            | Management team  |                        |
| MVO Nederland | Maatschappelijk verantwoord ondernemen Nederland – CSR NL        | - <a href="#">link</a> |
| NGO           | Non-governmental organisation                                    |                        |
| OAR           | Open Apparel Registry  | - <a href="#">link</a> |
| OC            | Organic Cotton   |                        |
| OCA           | Organic Cotton Accelerator                                       | - <a href="#">link</a> |
| OCS           | Organic Content Standard   | - <a href="#">link</a> |

|        |  |                        |
|--------|--|------------------------|
| OECD   | Organisation for Economic Cooperation and Development                  | - <a href="#">link</a> |
| OESO   | Organisatie voor Economische Samenwerking en Ontwikkeling              | - <a href="#">link</a> |
| PaCT   | Partnership for Cleaner Textile  | - <a href="#">link</a> |
| PPA    | Purchasing Practices Assessment  |                        |
| PPSA   | Purchasing Practices Self-Assessment                                   |                        |
| PST    | German Partnership for Sustainable Textiles                            | - <a href="#">link</a> |
| PVC    | Polyvinylchloride  |                        |
| RAS    | Responsible Alpaca Standard  | - <a href="#">link</a> |
| RBC    | Responsible Business Conduct   |                        |
| RCS    | Recycled Claim Standard  | - <a href="#">link</a> |
| RDS    | Responsible Down Standard  | - <a href="#">link</a> |
| REACH  | Registration, Evaluation, Authorisation, Restriction of chemicals      | - <a href="#">link</a> |
| RMS    | Responsible Mohair Standard  | - <a href="#">link</a> |
| RSL    | Restricted Sustances List  |                        |
| RVO    | Rijksdienst voor Ondernemend Nederland - Netherlands Enterprise Agency | - <a href="#">link</a> |
| RWS    | Responsible Wool Standard  | - <a href="#">link</a> |
| SAC    | Sustainable Apparel Coalition  | - <a href="#">link</a> |
| SAI    | Social Accountability International                                    | - <a href="#">link</a> |
| SAVE   | Social Awareness and Voluntary Education                               | - <a href="#">link</a> |
| SDG    | Social Development Goals   | - <a href="#">link</a> |
| SER    | Social and Economic Council of the Netherlands                         | - <a href="#">link</a> |
| SLCP   | Social & Labor Convergence Program                                     | - <a href="#">link</a> |
| SME    | Small and medium-sized enterprises                                     |                        |
| SMETA  | Sedex Members Ethical Trade Audit                                      | - <a href="#">link</a> |
| SOMO   | Dutch NGO that investigates multinationals                             | - <a href="#">link</a> |
| STITCH | Sustainable Textile Initiative: Together for Change                    | - <a href="#">link</a> |
| UN     | United Nations   | - <a href="#">link</a> |
| UNDP   | United Nations Development Programme                                   | - <a href="#">link</a> |
| UNGP   | United Nations Guiding Principles (on Business and Human Rights)       | - <a href="#">link</a> |
| UNICEF | United Nations Children's Fund   | - <a href="#">link</a> |
| WRAP   | Worldwide Responsible Accredited Production                            | - <a href="#">link</a> |
| ZDHC   | Zero discharge of hazardous chemicals                                  | - <a href="#">link</a> |

# Introduction

This is the assessment framework of the *Agreement on Sustainable Garments and Textile* (hereafter "AGT"). The AGT secretariat has used this assessment framework as the basis for the assessment of the *AGT companies*. In this document we explain the framework itself, and we provide an explanation of the various steps that companies must take, the associated processes and we provide various guidelines. Finally, by way of illustration, we also give explicit practical examples of companies. In this way, the assessment framework also supports companies in the sector that were not affiliated with the AGT in how they can carry out due diligence.

The assessment framework is based on the *OECD Guidelines* and the concept of due diligence. Appendix 4 of the *agreement* describes how the AGT secretariat assesses the quality of the action plans that companies have drawn up annually in the context of their due diligence. This framework has been drawn up because it requires further elaboration to make this practical for companies.

**About the AGT**  
 The Agreement was a multi-stakeholder collaboration of companies, industry organisations, government, trade unions and civil society organisations. From 2016 they worked together to prevent abuses such as exploitation, animal suffering and environmental damage, based on the OECD guidelines and the UN Guiding Principles for Business and Human Rights (Ruggie Principles or UNGPs). The Agreement ended on December 31, 2021.

## Due diligence as a basis

Due diligence in the context of responsible business conduct concerns the effort we ask of companies to prevent them from becoming involved in violations of human rights, the environment and animals. It is the process companies use to identify, prevent and mitigate risks. In that process companies must be accountable for how they address actual and potential negative impacts on human rights, the environment and animal welfare in their own operations, their supply chain and other business relationships. See below the different steps that companies go through as part of their due diligence process and the obligations for companies per year of the Agreement.



Diagram 1: Due diligence process steps and commitments for companies per year

## **Reason for publication of the assessment framework**

The *participants of the agreement* consider it important to be transparent about what the assessment process looks like, so that it is clear that all companies are measured by the same yardstick. The AGT also wants to show how it implements the *OECD Guidelines* and due diligence in a practical way, so that others can learn from them and build on them. An extensive *analysis carried out by the OECD* showed that the AGT largely acts in accordance to this. The AGT expects this document to be useful for companies (both SMEs and large companies) outside the AGT and for other sectors, with the EU *Corporate Social Reporting Directive (CSRD)* and the due diligence legislation approaching at national and EU level.

## **Structure of the framework**

The requirements included in the text of the *AGT* have been worked out in practical terms in a due diligence questionnaire. In it, every question is accompanied by supplemental information, identified as "I-Function" which explains what is meant by the question. In addition, where available, practical examples of companies per question have been added. In 2020, additions concerning COVID-19 were added which support companies in responsibly dealing with the impacts of the COVID-19 pandemic. Also, every question in the due diligence questionnaire comes with effort and/or results indicators and a correlating assessment score. In accordance with these indicators, the secretariat assesses the participating companies.

The indicators consist of several elements. Minimum requirements companies must meet are determined by the duration of membership. These minimum requirements are indicated as "key questions" in the due diligence questionnaire. These obligations increase annually and are cumulative. This is important for demonstrating a continuous process of improvement.

## **Developing assessment criteria**

This document is just a representation of the current assessment procedure, because assessment criteria evolve every year. On the one hand this can be explained by the lack of a blueprint on how to implement due diligence in practice. On the other hand, the AGT sometimes faces dilemmas, which cannot simply be solved by one, clear-cut answer derived from the assessment criteria, one example being the outbreak of the COVID-19 pandemic. By practically implementing due diligence, the interpretation of the theory behind it evolves continuously. In this case, the AGT seeks cooperation with the OECD, *AGT's participating parties*, *AGT's supporters* and expert centres like the *NCP* and *Shift*. It is with the latter two actors that the AGT works on closer concretisation of the assessment criteria.

This document is also a living document with regard to the hyperlinks to websites, tools and good practices. Links may no longer work when a company's communication has been modified or a tool has been moved.

## **Learn more about the practical implementation of the OECD Guidelines**

The Agreement expired at the end of December 2021. The parties and companies within the Agreement and the SER have gained a lot of experience in making the OECD guidelines practical. If you would like to know more about this or would like to be put in touch with one of the former parties, please contact [InternationalRBC-agreements@ser.nl](mailto:InternationalRBC-agreements@ser.nl).

## 1. Overview of the assessment process

The diagram below illustrates the annual assessment process. This process contributes to the following aims of the agreement:

- to achieve substantial progress towards improving the situation for groups experiencing adverse impacts in respect of specific risks in the garment and textile production or supply chain within 3-5 years;
- to provide individual enterprises with guidelines for preventing their own operation or business relationships from having or potentially having an adverse impact in the production or supply chain and for counteracting it if such an impact does arise;
- to develop joint activities and projects to address problems that enterprises in the garment and textile sector cannot resolve completely and/or on their own.

The assessment process is overseen by the secretariat’s account managers, and facilitated by the [Social and Economic Council of the Netherlands \(SER\)](#). The secretariat monitors, assesses and advises companies on due diligence and its implementation in their own production chains.

### Aim of assessment

The assessment of companies serves several purposes:

- To stimulate companies to meet the requirements of the agreement.
- To determine whether companies understand the concept of due diligence and whether due diligence is implemented in their operational management.
- To measure and monitor progress regarding the due diligence process.
- To report on the progress of the due diligence process.
- To measure and monitor progress concerning concrete results on the nine themes of the agreement with regard to human rights, the environment and animal welfare. As such, how the company contributes to actual improvements in its production chain is monitored.
- To report on progress towards concrete results in the nine themes.
- To be transparent about the assessment to external stakeholders.

### AGT assessment process

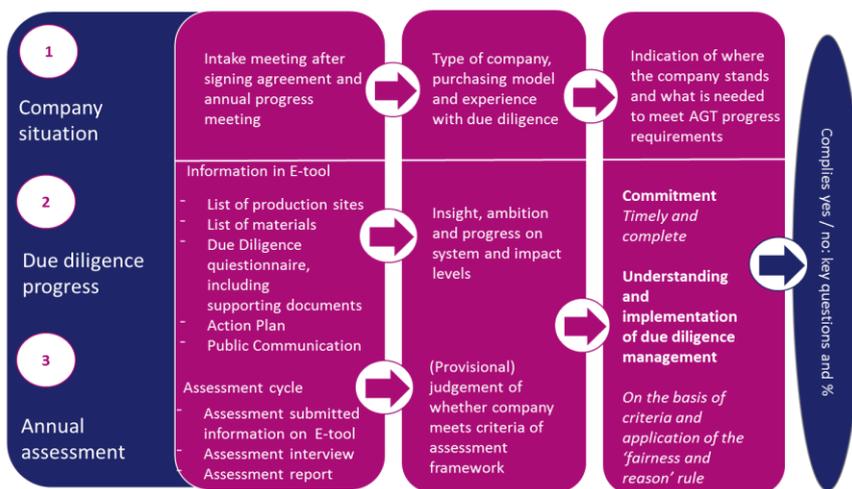


Diagram 2: This diagram displays the different stages of the assessment process

Even though participation in the agreement was voluntary, it was binding. That is to say, not meeting the requirements of the agreement could lead to a binding ruling of the [Independent Complaints and Disputes Committee \(CDC\)](#). The diagram above displays the steps that were part of the assessment process. All this information was used by the

secretariat in order to complete a final assessment. The various stages of the assessment process are clarified below.

### **Explanation of the various steps of the assessment process:**

- **Intake interview** – After companies have joined the agreement, the secretariat invites them for an intake interview. The purpose of the interview is to explain the procedures of the AGT and to gain understanding of the nature of the company and its operations. Based on this information, the secretariat makes estimates of the risks that the company may encounter.
- **Annual progress interview** – This interview will take place after the first assessment. The aim of the interview is updating one another on the most recent *developments*, gaining knowledge about the progress to minimise potentially known and /or grave risks and to determine whether support is desired.
- **E-tool** – In order to support the due diligence process, the AGT uses a secured, online environment (“E-tool”) through which companies submit the required documents. Moreover, in this tool the account managers are able to give their feedback to the companies.
- **List of production sites** – Part of the due diligence process is to create a risk analysis. The risk analysis is based on three questions: what do I make, where do I make it, and how do I make it?. The list of production sites answers the second question “Where do I make it?” All companies fill in an *Excel document* in which there are mandatory and optional fields that support the risk analysis. The publication of the aggregate list of all production sites represents a step towards full transparency. The longer companies participate in the agreement, the more insight they acquire into their supply chains. This data will also be communicated publicly via *Open Apparel Registry*.
- **List of materials** – The list of materials answers the first question (what do I make?) fundamental to risk analysis that every company must perform. All companies are obliged to report on materials that are used in their production chains. For this end, companies may use their own format or use the *basic Excel* format or *advanced Excel* format.
- **Due diligence questionnaire** – Completing this questionnaire helps companies proceed smoothly, and correctly, through the due diligence process. The list provides insight into the expectations and requirements companies need to meet. Moreover, this questionnaire requires companies to upload documents that clarify how due diligence is implemented within the company. This due diligence questionnaire is elaborated on in detail in chapter two of this document. On top of that, an Excel overview that provides the questions, tags and scores per question is incorporated in the last appendix of this document. As such, one can determine per question whether or not it is a core question, what the maximum score is and whether it is a question that focusses on effort or results.
- **Action plan** - Participating companies are obliged to draft an annual action plan, for which there is no prescribed format. Besides looking at the past and the steps that have been taken and insights that have been brought in regarding the due diligence process, the action plan also flashes forward and describes how the company will act upon insights that will be yielded continuously during the due diligence process. As such, the action plan identifies prioritized risks and how those risks will be addressed, including deadlines. This will be determined via formulation of objectives and actions.
- **Public communication** – No later than the third year of a company’s participation in the AGT, participating companies are expected *to communicate publicly* about their

efforts regarding due diligence. [On this link](#), one can find examples of public communication of all individual companies.

- **Annual assessment interview** – With all participating companies, the AGT secretariat holds an annual assessment interview with top management and international CSR/RBC managers. On top of that, other managers (of the procurement department or designers, for example) will be questioned about their share in the due diligence process of the company. The aim of the interview is twofold. Firstly, it is of fundamental importance for the account managers' assessment of the companies' progress in conducting due diligence. Therewith, the account managers will be able to determine whether or not the company meets the requirements of the AGT. Secondly, the interview serves as an opportunity to advise the company on where measures need to be put in place and what is needed to do so.
- **Assessment report** – The AGT secretariat sets up an assessment report, which consists of all findings of the various steps of the assessment process (see diagram above). The aim of this report is to record the AGT secretariat's points of evaluation and agreements made between them and the company. This report is to be read in combination with the assessment the secretariat has added in the E-tool.

Drafting these documents as elaborated in step 2 of the diagram "AGT assessment process" above (lists of production sites and materials, due diligence questionnaire including evidence, action plan and public communication) is part of the due diligence process that companies work through. The secretariat uses these documents and other information that companies are required to provide to assess the company in question. Therefore, it is important that these documents are handed in on time and are filled in completely. Not handing in the documents on time and completely has consequences:

- A company that fails to submit the documents by the agreed deadline is given another two months to do so. Also, a maximum of 15 points are deducted for tardy submission.
- Companies that once again fail to meet the extended two-month deadline are denied assessment. Their cases are escalated to the Steering Committee which can ultimately decide to present the cases to the [Complaints and Disputes Committee](#).

If the documents are received on time and filled in completely, the secretariat will assess their contents based on the effort and results indicators described in chapter 2 below.

## 2. Due diligence questionnaire, i-function, assessment criteria and practical examples

The **AGT** identifies requirements participating companies are obliged to meet. The practical side of these requirements is elaborated on in the due diligence questionnaire. As such, the due diligence questionnaire is of fundamental importance for the assessment.

The due diligence questionnaire is incorporated in the E-tool. Accompanied will be an "i-function" which provides the user with information about the question or provides examples. It is important to note that "I-function" is derived from "Information-function". In 2020 these i-functions also provide guidance on how to operate responsibly on impacts of COVID-19. This chapter entails the complete text of the i-functions per question, including guidance on COVID-19. Also, every question is supplemented by effort or result indicators for the assessment, which will be used by the secretariat to assess participating companies.

The indicators consist of various elements. For each year companies participate in the AGT, minimum requirements companies are required to meet are established. The number of requirements will increase annually and are cumulative. Therefore, continuous improvements can be monitored.

Brief explanations of the concepts underlying each question are presented below.

- **Key question** – A key question is more important than other questions, and is perceived as fundamental to establish an effective due diligence system. For every question, an assessment is made of whether or not it is a key question and this depends on the number of years the company participates in the AGT. Every year, systematically, companies are urged to demonstrate progress. This principle is supported by the indication of a key question via a "tag". In addition, with every year a company participates in the AGT the number of key questions that need to be completed increases. In case this is not met, even though the company has obtained a sufficient number of points, the company does not meet the requirements of the AGT.
- **Maximum score** – The maximum score will be determined per question and is based on whether a company can answer "Yes" to the question. Other options besides "Yes" are "No", "Partly" and "N/A". Additionally, the maximum score differs and is specified per question. Also, on some key questions no score can be obtained because these are divided up into sub-questions. On these, points can only be obtained on these sub-questions. In that case, the score in the overview of the assessment criteria of the key question will be identified as "N/A".
- **Effort indicator** – A question that touches upon effort focusses on the process of due diligence. As such, the effort of a company does not necessarily revolve around results in the production chain. It is a continuous process that will never be "completed". What is important is the effort and progress of the company.

The effort indicators cover:

- Understanding of the due diligence process: evidence that indicates the extent to which the company understands the concept of due diligence and how exactly it conducts due diligence correctly.
- Management systems and implementation: the systems/mechanisms that are in place and how these are not only used to embed corporate social responsibility (international RBC) in the business conduct of the company but also to permanently place the results of the process.

All questions are identified as effort or results indicators. Each question indicates whether the question relates to effort or result by mean of a label, either "Effort" or "Result", followed by the number 1 (=yes) or 0 (=no).

- **Result indicator** – A question that touches upon result aims to answer whether or not a company has actually prevented and/or decreased negative impacts in its production chain. Obviously, this is the essence of due diligence and the reason why criteria specially for results were established. Moreover, they primarily concern the goals and actions on the nine core themes of the AGT and are derived from the due diligence questionnaire. Also, in the E-tool they are assigned tags. By conducting the due diligence process, companies identify the themes on which they must act and are able to set priorities thereby. Accordingly, the secretariat will determine whether the prioritization is substantiated well enough.

### **Explanation of structure due diligence questionnaire & scoring**

All questions in the due diligence questionnaire can be answered with "Yes", "Partly", "No", or "N/A" and correlate to points that make up a score. The number of points that is dedicated to each question depends on the weight of the question. The maximum number of points that can be obtained will be awarded if a company is able to answer a question with "Yes". An answer of "Partly" earns half of the maximum amount of points, and with an answer of "No", no points will be awarded. If an answer is "N/A", the number of points will decrease. Filling in the due diligence questionnaire will lead to a percentile score based on the maximum number of points that can be obtained.

#### Application of N/A

A question can be answered with "N/A" in three situations.

1. If a company has prioritized correctly, non-prioritised themes can be set to not applicable. This means that the corresponding questions about goals, actions and results on a specific theme can be answered with "N/A".
2. If a company can achieve a goal with only actions by suppliers or actions on its own purchasing practice, one of the two questions can be put on "N/A". For each target set, actions are requested aimed at their own purchasing practice and actions aimed at suppliers. This will occur very rarely in practice.
3. If a question is not relevant to the business situation, the entire question can be set to not applicable. This is indicated in the assessment criteria for the relevant questions in the assessment framework. This can occur, for example, with the question about animal welfare policy when a company does not use animal materials.

The due diligence questionnaire (see below) consists of main questions and sub-questions. The main questions indicate the overarching theme of the series of questions posed. There are also key questions. These depend on the timeframe of the companies; the longer companies participate in the AGT, the more key questions they have to complete. If a company does not complete these key questions, regardless of the rest of the score, the company does not meet the requirements of the AGT in that year. Moreover, the sub-questions also have points that can be obtained.

Among other things, with the answers on the questions the secretariat will determine the progress of a company. Below, the number of points that can be obtained per question is elaborated on.

Chapter 4 will indicate the lowest threshold a company should to meet per year of participation. The last appendix of this document provides an overview of only the questions, including the maximum amount of points that can be obtained on each question and the total amount of points that can be obtained. On top of that, for every question it is indicated whether the question is a key question or not and if so, whether it is a question that touches upon effort or results.

The “comply or explain” principle applies to all effort criteria listed below.

**Step 1 Policy and organization**

The aim of the first step in the due diligence process is to draw up or update the company’s policy on international Responsible Business Conduct (international RBC). This step makes it clear whether the company’s policy is in line with the principles of the agreement and the international Responsible Business Conduct guidelines. It also gives an insight into the extent to which the policy pursued by the company is rooted in internal systems, processes, responsibilities and purchasing policy.

**1.1. Does your company have an international Responsible Business Conduct (international RBC) policy?**

Key question: year 2, 3, 4 & 5/ Maximum score: 0/ Effort: 1/ Result: 0

**I-Function**

This is a main question; points can only be obtained in the sub-questions below. In its policy on international RBC, a company sets out what it expects from itself and others, e.g., manufacturers, in terms of international RBC. This provides clarity, both internally and externally. Some companies, especially SMEs, have difficulty drawing up policy documents "that no-one reads anyway". There is something in that, as unwritten rules and agreements can be just as effective as formal texts. However, the great advantage of having an established policy is that it makes it easier to inform external parties about it. Customers, NGOs and suppliers are finding international RBC increasingly important. In their opinion, "no text" usually means "no policy". If you have not yet set down an international RBC policy on paper, put it on your "to do" list and take a look at how other companies have documented their international RBC policy.

| <b>Assessment criteria:</b> |  | <b>Score</b> |
|-----------------------------|--|--------------|
| <b>No:</b>                  | The company has answered all sub-questions below with “No”.  | N/A          |
| <b>Partially:</b>           | The company did not answer all the sub-questions below with “Yes”. It also responded to some sub-questions with “Partially” and/or “No”. | N/A          |
| <b>Yes:</b>                 | The company has selected “Yes” for all of the sub-questions below.   | N/A          |

**1.1.1. Does your company have an international RBC policy that endorses due diligence including purchasing practices, the nine key themes and the international guidelines specified in the AGT?**

Key question year 2, 3, 4 & 5/ Maximum score: 4/ Effort: 1/ Result: 0

**I-Function**

To gain a better understanding of due diligence, it helps to align the company's international RBC policy with the main principles of the AGT. For example, explain why you entered into the AGT, how you approach it and mention the 9 key themes in the areas of human rights, the environment and animal welfare for the full supply chain. It is also important to define a long-term vision regarding sustainability; what are you aiming for as a company? That can then be expressed as a number of key goals/core values/pillars.

If necessary, you can go through this process in two steps.

Step 1: Appendices 1 and 2 of the agreement feature background information, definitions and references to international guidelines relating to the nine key themes. You can use this information as a starting point for writing a policy for your company.

Step 2: Take an in-depth look at how others have documented their international RBC policy. This includes companies, but also NGOs and sustainability initiatives. Many examples of international RBC policy can be found on the internet. You may be able to copy texts, but bear

in mind that international RBC policy will only work if you fully stand for it, if you can explain it to others and if it is compatible with your company. Examples could be:

*Schijvens Corporate Fashion*

*Esprit*

*Prenatal*

*Yongo*

*O'Neill*

*Adidas* – extensive sustainability policies and standards on a range of topics

A good international RBC policy contains at least:

- An explicit endorsement of the due diligence method in accordance with the OECD guidelines;
- A set of basic principles for the nine themes for the entire production chain;
- A long-term vision regarding sustainability. It is essential for this to be endorsed by top management;
- Attention to purchasing practice, and a reference to purchasing policy. (See question 1.1.1.10)

The secretariat views it as crucial for the policy to state explicitly that the company assumes its responsibility within the supply chain. The secretariat also regards having a specific policy on bribery and corruption as good practice. For more information see [OESO-guidance](#) page 73, box 4.

- A position on subcontracting. See, among others, [page 40 of the OECD guidance on subcontracting](#).

See [this example policy and guidelines](#) on chain transparency as part of the overall policy.

| <b>Assessment criteria:</b> |  | <b>Score</b> |
|-----------------------------|--|--------------|
| <b>No:</b>                  | The company has no policy or the company has a policy but has not yet put this down on paper.  | 0            |
| <b>Partially:</b>           | The company has a policy, but certain points to score a “Yes” are missing. For example, the company does not include themes that are at risk for the company, or the company states that they have signed the agreement and are committed to its content, but does not explicitly refer to the concept of due diligence in accordance with the OECD guidelines.  | 2            |
| <b>Yes:</b>                 | Based on Appendix 1 of the agreement and international guidelines drawn up by the UN and the OECD, the company's international RBC policy contains at least: <ul style="list-style-type: none"> <li>– A mission, a long-term vision and goals in the field of sustainability supported by top management.</li> <li>– A reference to international guidelines as included in the: <ul style="list-style-type: none"> <li>○ OECD guidelines for multinational enterprises;</li> <li>○ UN Guiding Principles for Business and Human Rights;</li> <li>○ The 8 fundamental labour rights conventions of the ILO, as recorded in the ILO Declaration on Fundamental Principles and Rights in the Workplace;</li> <li>○ References which refers to the nine themes mentioned in the agreement.</li> </ul> </li> <li>– An explicit reference that the company upholds its responsibility throughout the entire supply chain and that the policy can be applied to all links in the chain, including suppliers, licensees and agents.</li> <li>– A position on subcontracting. State in your policy which agreements you make with suppliers about the use and monitoring of approved subcontractors. See, among others, <a href="#">page 40 of the OECD guidance on subcontracting</a>.</li> </ul> | 4            |

|                |   |  |
|----------------|---|--|
|                | <ul style="list-style-type: none"> <li>- An explicit endorsement of due diligence in accordance with the OECD guidelines.</li> <li>- Acknowledgement that the company sees its own purchasing practice as part of the policy pursued.</li> </ul>  |  |
| <b>N/A:</b>    | This question always applies, so this answer can never be chosen.   |  |
| <b>Remark:</b> | Please note: The inclusion of topics and themes in the policy that may be "salient" but do not belong to the nine themes mentioned in the agreement (such as corruption & bribery) is not assessed here. These are addressed in the specific question 1.1.2 (do you pay attention to other relevant themes?). |  |

### 1.1.1.1. Do you have an international RBC policy that includes discrimination and gender?

Key question year 2,3,4 and 5/ Maximum score: 2/ Effort: 1/Result: 0

#### I-Function

Discrimination is the unequal treatment of people in a similar situation. It is not only based on gender, but also on personal or other characteristics such as being a member of an ethnic or other minority group, a trade union or a religious group. Furthermore, discrimination can be based on a status conferred by third parties on account of birth, such as a specific caste, which are irrelevant in terms of doing the job.

Discrimination mainly occurs in:

- policy and practice relating to healthy and safe working conditions;
- policy and practice relating to salary levels (equal pay for equal work) and promotion or promotion opportunities;
- incidents involving harassment on the shop floor and appropriate measures to combat them;
- gender distribution at the various positions in the production chain;
- sexual intimidation in the work area.

Many companies find it difficult to prepare text for such complex subject. This is only logical, because it is quite difficult to articulate this theme completely, correctly and in line with international guidelines. Therefore, one could check Annex 1 of the covenant and/or the formulations used by initiatives such as: amfori BSCI, ETI, Fair Wear Foundation and/or SA8000. Refer additionally to the ILO conventions below. These give extra content and legitimacy to your policy.

See these tools for inspiration:

- Plan – [A Gender-Responsive Human Rights Due Diligence tool](#)
- Plan – [Applying Gender Responsive Human Rights Due Diligence in Practice](#)
- Plan – [Workbook Put Your Own Gender-Responsive Human Rights Due Diligence in Practice](#)

References:

- [ILO Convention 100: Equal Remuneration Convention, 1951](#)
- [ILO Convention 111: Discrimination \(Employment and Occupation\) Convention, 1958](#)
- [ILO Convention 183: Maternity Protection Convention, 2000](#)
- [ILO Convention 190: Violence and Harassment Convention, 2019](#)

| <b>Assessment criteria:</b> |   | <b>Score</b> |
|-----------------------------|---|--------------|
| <b>No:</b>                  | The company has not included this topic in the policy.  | 0            |
| <b>Partially:</b>           | The company pays attention to this topic in its policy but does not meet all aspects mentioned under "Yes". | 1            |

|             |   |   |
|-------------|---|---|
| <b>Yes:</b> | <p>The company has explicitly and correctly stated the topic in its policy. "Correctly" means in line with credible and accepted standards such as amfori BSCI, ETI, Fair Wear Foundation and SA8000. The formulations that they use are correct and based on international guidelines.</p> <p>In one of its policy documents, the company specifically refers to the ILO conventions relevant to this theme, namely:</p> <ul style="list-style-type: none"> <li>– ILO Convention 100 Equal Remuneration Convention, 1951</li> <li>– ILO Convention 111 Discrimination (Employment and Occupation) Convention, 1958</li> <li>– ILO Convention 183 Maternity Protection Convention, 2000</li> <li>– ILO Convention 190 Violence and Harassment Convention, 2019</li> </ul> | 2 |
|-------------|---|---|

### 1.1.1.2. Do you have an international RBC policy that includes child labour?

Key question year 2, 3, 4 & 5/ Maximum score: 2/ Effort: 1/ Result: 0

#### I-Function

Child labour is defined as children (aged under 18) doing work that infringes on their right to education, is harmful to their physical and/or mental health and their spiritual, moral or social development. [ILO-convention 138](#) establishes a minimum age of 15. National legislation imposing a higher standard takes precedence. Exceptions to the minimum age of 15 are permitted in countries specified by the ILO where the economic conditions and educational facilities are not sufficiently developed. The ILO has permitted this at the request of the countries concerned and after having consulted representative employer and employee organizations and the government.

A child aged between 12 and 14 is allowed to perform light paid work, normally for approximately 12 to 14 hours a week, depending on the legislation. Nevertheless, this work should not hinder education or be harmful, otherwise it will still be deemed to be child labour. The definition of child labour also applies to 15 to 17-year-olds who perform hazardous work or work in the worst forms of child labour, including slavery and prostitution.

Many companies find it difficult to prepare text for this type of complex subject. This is only logical, because it is quite difficult to articulate this theme completely, correctly and in line with international guidelines. Therefore, check [Annex 1 of the Agreement](#) and/or formulations used by initiatives such as: amfori BSCI, ETI, Fair Wear Foundation and/or SA8000. Refer additionally to the ILO and UN conventions below. These give extra content and legitimacy to your policy. It is advised to always check your policy with experts like Unicef. You can also look at the [tools](#) that have been developed within the AGT child labour project. An example could be:

- [Prénatal](#) – an extensive overview of a child labour policy including a child labour remediation procedure

See also [this guideline for improving child labour and forced labour policies](#).

#### References:

- [ILO Convention 138: Minimum Age Convention, 1973](#)
- [ILO Convention 182: Worst Forms of Child Labour Convention, 1999](#)
- UNCRC Article 32: [Convention on the Rights of the Child](#)

| <b>Assessment criteria:</b> |   | <b>Score</b> |
|-----------------------------|---|--------------|
| <b>No:</b>                  | The company has not included this topic in the policy.  | 0            |
| <b>Partially:</b>           | The company pays attention to this topic in its policy but does not meet all aspects mentioned under "Yes". | 1            |

|             |   |   |
|-------------|---|---|
| <b>Yes:</b> | The company has explicitly and correctly stated the topic in its policy. The company refers specifically in one or more of its policy documents to the ILO conventions relevant to this theme, namely: <ul style="list-style-type: none"> <li>- ILO Convention 138 Minimum Age Convention, 1973</li> <li>- ILO Convention 182 Worst Forms of Child Labour Convention, 1999</li> <li>- UNCRC Article 32 Convention on the Rights of the Child</li> </ul> | 2 |
|-------------|---|---|

### 1.1.1.3. Do you have an international RBC policy that includes forced labour?

Key question year 2, 3, 4 & 5/ Maximum score: 2/ Effort: 1/ Result: 0

#### I-Function

Forced labour is defined as all work or service which is exacted from any person under the threat of any penalty and for which the person in question has not volunteered. In the context of forced or compulsory labour, the involuntary nature of the work is not necessarily the result of violent coercion, such as violence or the threat of violence. It can also take more subtle forms, e.g., by withholding identity documents or psychological coercion. It may also be linked to human trafficking. The purpose of human trafficking is usually exploitation. Forced labour takes many forms, including:

- Debt bondage: bonded labour resulting from previous debt (sometimes incurred before the worker was born) or a contractual obligation;
- Staff recruitment: advances and/or loans are sometimes used during staff recruitment which immediately leads to dependence;
- Housing: the combination of work and housing for migrants also creates extra dependence and therefore vulnerability to exploitation;
- Forced labour for production purposes in prisons, labour camps or prisoner-of-war camps;
- Work under coercion and in inhumane conditions for irregular or non-existent pay;
- Coercive labour: people indirectly coerced to work overtime because their usual pay is too low to live on.

Many companies find it difficult to prepare text for this type of complex subject. This is only logical, because it is quite difficult to articulate this theme completely, correctly and in line with international guidelines. Therefore, check Annex 1 of the agreement and/or the formulations used by initiatives such as: BSCI, ETI, Fair Wear Foundation and/or SA8000. Refer additionally to the ILO and UN conventions below. These give extra content and legitimacy to your policy. You can also look at the [tools](#) that have been developed within the AGT.

See also specifically [this guideline for improving child labour and forced labour policies](#).

#### References:

- [ILO Convention C029 Forced Labour Convention, 1930 \(no. 29\)](#)
- [ILO Convention 105 Abolition of Forced Labour Convention, 1957](#)
- [ILO Protocol 2014 to the Forced Labour Convention](#)

| <b>Assessment criteria:</b> |   | <b>Score</b> |
|-----------------------------|---|--------------|
| <b>No:</b>                  | The company has not included this topic in the policy.  | 0            |
| <b>Partially:</b>           | The company pays attention to this topic in its policy but does not meet all aspects mentioned under "Yes".   | 1            |
| <b>Yes:</b>                 | The company has explicitly and correctly stated the topic in its policy. The company refers specifically in one or more of its policy documents to the ILO conventions relevant to this theme, namely: <ul style="list-style-type: none"> <li>- ILO Convention 105 Abolition of Forced Labour Convention, 1957</li> <li>- ILO Protocol 2014 to the Forced Labour Convention</li> <li>- ILO Convention 29 Forced Labour Convention, 193</li> </ul> | 2            |

#### 1.1.1.4. Do you have an international RBC policy that includes freedom of association?

Key question year 2, 3, 4 & 5/ Maximum score: 2/ Effort: 1/ Result: 0

##### I-Function

Freedom of association means that employees have the right to organise themselves into trade unions and negotiate their terms of employment collectively. It also means that employee representatives are not subject to discrimination and have access to all workplaces where necessary to allow them to exercise their representative function. Moreover, it entails the employer's positive attitude towards trade union activities and maintenance of an open mind towards the activities of these unions.

In addition to what was elaborated on earlier, it is important to note that freedom of association is a prioritized theme within the agreement. This is because freedom of association can also be referred to as an "enabling right". If employees are strong and united, can make their voice heard collectively, and can negotiate about their rights and conditions at work, there is a good chance their situation and rights will also improve in other respects. In countries/sectors where there is a mature social dialogue (i.e., dialogue between the social partners: employers, employees, and perhaps also government), there is a much greater likelihood that there will be collective labour agreements that apply to the entire sector. These collective agreements set out the rights and obligations of employees and employers in line with the economic development of the sector. This frequently includes a negotiated wage, which is often higher than the minimum wage and can therefore constitute a major step towards a living wage.

Freedom of association means the following, at a minimum:

- Freedom of association;
- The right of employees to organise themselves into trade unions;
- The right to collective bargaining;
- The right to strike.

It is quite difficult to articulate this theme completely, correctly and in line with international guidelines. Therefore, check Appendix 1 of the [Agreement](#) and/or the formulations used by initiatives such as: BSCI, ETI, Fair Wear Foundation and/or SA8000. Refer additionally to the ILO conventions below. These give extra content and legitimacy to your policy. Also consult stakeholders on this theme, such as Dutch trade unions FNV and CNV International.

See [this STICH rapport](#) about the importance and more background of this topic.

References:

- [ILO Convention 87 Freedom of Association and Protection of the Right to Organise Convention, 1948](#)
- [ILO Convention 98 Right to Organize and Collective Bargaining Convention, 1949](#)

| Assessment criteria: |   | Score |
|----------------------|---|-------|
| <b>No:</b>           | The company has not included this topic in the policy.  | 0     |
| <b>Partially:</b>    | The company pays attention to this topic in its policy but does not meet all aspects mentioned under "Yes".   | 1     |
| <b>Yes:</b>          | The company has explicitly and correctly stated the topic in its policy. The company refers specifically in one or more of its policy documents to the ILO conventions relevant to this theme, namely: <ul style="list-style-type: none"><li>- ILO Convention 87 Freedom of Association and Protection of the Right to Organize Convention, 1948</li><li>- ILO Convention 98 Right to Organize and Collective Bargaining Convention, 1949</li></ul> | 2     |

#### 1.1.1.5. Do you have an international RBC policy that includes a living wage?

Key question year 2, 3, 4 & 5/ Maximum score: 2/ Effort: 1/ Result: 0

## **I-Function**

The Universal Declaration of Human Rights (1948) states that anyone who works has the right to a just and favourable remuneration ensuring an existence of human dignity for themselves and their families. Through the [Due Diligence Guidance](#) the OECD is elaborating this principle by stating that due diligence regarding wages within the supply chain means **tracking national legislation on wages** (payment of the legal minimum wage, remittance of social security contributions, and payment for overtime according to the regulations) on the one hand and (if the legal minimum is insufficient) **paying wages that meet the basic needs of employees and their families (a living wage) on the other.**

It is therefore important for the international RBC policy to devote attention both to ensuring that suppliers comply with national legislation on wages and to striving for a living wage within the supply chain.

### Re. 1. National Wage Legislation

In the garment industry, workers are often not paid the minimum wage or receive it too late (and then have to get into debt in order to pay for basic needs such as rent, food, and transport), and/or are not paid for their overtime in accordance with the applicable regulations. Payment of the minimum wage for a normal working week, other mandatory social security contributions, and for overtime according to the regulations is a minimum requirement.

### Re.2. Living Wage

The OECD Guidelines recommend paying a wage that "should be at least adequate to satisfy the basic needs of the workers and their families". This wage level is usually described as a living wage.

The ILO describes the living wage in its labour standards as follows: "a wage that is sufficient to provide for the basic needs of a family of average size in a particular economy." This means that a worker can in any event afford meals, rent, healthcare, education, clothes and transport, and is able to save. As such, a living wage is an important human right, especially as not paying a living wage often has negative consequences for other human rights (child labour, a safe and healthy workplace, overtime, and freedom of association). A living wage is therefore a priority theme in the agreement.

It is important to make clear (internally and externally) that compliance with legal agreements on wages and a living wage are important principles and should therefore be given a place in your policy. The three examples below show how multi-stakeholder initiatives have incorporated a living wage into their Code of Conduct or standard:

ETI: "Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income." [Ethical Trading Initiative](#).

SA8000 standard: "The organization shall respect the right of personnel to a living wage and ensure that wages for a normal work week, not including overtime, shall always meet at least legal or industry minimum standards, or collective bargaining agreements (where applicable).

"Wages shall be sufficient to meet the basic needs of personnel and to provide some discretionary income." [Social Accountability International](#) (Free download on the website).

[Fair Wear Foundation](#) Code of Labour Practices: "Wages and benefits paid for a standard working week shall meet at least legal or industry minimum standards and always be sufficient to meet basic needs of workers and their families and to provide some discretionary income."

To summarize: workers earn a living wage during a normal working week (i.e., without working overtime). The legal minimum wage is often lower than a living wage and is therefore not sufficient to cover basic needs. In such cases, your endeavours should therefore go beyond compliance with the minimum wage legislation. A living wage is not an “extra” or a “bonus”; it is a universal human right.

Note 1: a normal working week is, for example, 40 hours and in most cases (in accordance with ILO) a maximum of 48 hours. The normal working week is generally recorded in the local legislation and/or collective labour agreement.

Note 2: A “negotiated wage” that has been determined through negotiations between employees (represented by trade unions) and employers is recognized as a living wage or even as the optimum result by many parties. Some even say the best wage is a negotiated wage. This is because a wage that is determined through equitable negotiation between the main parties involved and simultaneously taking into account the local, social and economic context brings optimum justice to the wishes and demands of employees and employer

| <b>Assessment criteria:</b> |  | <b>Score</b> |
|-----------------------------|--|--------------|
| <b>No:</b>                  | The company has not included this topic in the policy.   | 0            |
| <b>Partially:</b>           | The company pays attention to this topic in its policy but does not meet all aspects mentioned under “Yes”.  | 1            |
| <b>Yes:</b>                 | <p>The company has explicitly and correctly stated the topic in its policy. A living wage (based on a normal working week) comprises two components:</p> <ul style="list-style-type: none"> <li>– Compliance with national wage legislation by suppliers (payment of the minimum wage, payment of overtime in accordance with regulations, payment of social security).</li> <li>– Wages paid by suppliers are sufficient to meet the basic needs of employees and their families and allow for modest savings.</li> </ul> <p>The company refers specifically in one or more of its policy documents to the ILO conventions relevant to this theme, namely:</p> <ul style="list-style-type: none"> <li>– ILO Convention 26 Minimum Wage-Fixing Machinery Convention, 1928</li> <li>– ILO Convention 131 Minimum Wage Fixing Convention, 1970</li> <li>– OECD Guidelines for Multinational Enterprises (2011), chapter 5, article 4b</li> </ul> | 2            |
| <b>Remark</b>               | Please note: The given definitions in the I-function of ETI, Fair Wear Foundation and SA8000 are examples of correct definitions of living wage. The amfori BSCI Code of Conduct mentions Fair Remuneration and is somewhat ambivalent about whether or not this means a living wage. Therefore, the definition chosen by amfori - BSCI is not considered correct.   |              |

#### **1.1.1.6. Do you have an international RBC policy that includes a safe and healthy workplace?**

Key question year 2, 3, 4 & 5/ Maximum score: 2/ Effort: 1/ Result: 0

##### **I-Function**

Workers all over the world have the right to a safe and healthy workplace. In many countries, workplace health and safety is a matter of concern, especially in less developed countries. The problems partly correlate to the stage of development of the country in question. While a country may have good regulations or legislation in place, local authorities have insufficient knowledge and/or capacity to supervise compliance effectively. On top of that, bribery and corruption can also play a role. Cooperation among several actors is required to resolve these kinds of structural problems.

It is quite difficult to articulate this theme completely, correctly and in line with international guidelines. Therefore, check [Appendix 1 of the Agreement](#) and/or the formulations used by initiatives such as: BSCI, ETI, Fair Wear Foundation and/or SA8000. Refer additionally to the ILO conventions below. These give extra content and legitimacy to your policy.

Reference:

- [ILO Convention 155 Occupational Safety and Health Convention, 1981](#)

| <b>Assessment criteria:</b> |  | <b>Score</b> |
|-----------------------------|--|--------------|
| <b>No:</b>                  | The company has not included this topic in its policy.   | 0            |
| <b>Partially:</b>           | The company pays attention to this topic in its policy but does not meet all aspects listed under "Yes".   | 1            |
| <b>Yes:</b>                 | The company has explicitly and correctly stated this topic in its policy. The company refers specifically in one or more of its policy documents to the ILO conventions relevant to this theme, namely: <ul style="list-style-type: none"> <li>- ILO Convention 155 Occupational Safety and Health Convention, 1981</li> </ul> | 2            |

#### **1.1.1.7. Do you have an international RBC policy that includes raw materials?**

Key question year 2, 3, 4 & 5/ Maximum score: 2/ Effort: 1/ Result: 0

##### **I-Function**

The environmental impact of the textile supply chain mainly correlates with the production of raw materials (the materials used in clothing). For example, cotton production uses large quantities of water, pesticides and fertilizers. The production of wool releases large quantities of greenhouse gasses and keeping sheep requires a lot of land. Synthetic materials are usually manufactured from non-renewable resources (petroleum). In recent years, much progress has been made towards a more sustainable use of raw materials, such as the use of recycled materials or materials being manufactured in a more sustainable way. In your international RBC policy, you should mention that you use or aspire to use more sustainable alternatives.

For inspiration, see, among others, the "[wet processing guidebook](#)" developed by Solidaridad.

See these example of materials and corresponding certificates that have been identified as more sustainable and are included in a roadmap:

- [De Bijenkorf](#)
- [G-star](#)

| <b>Assessment criteria:</b> |  | <b>Score</b> |
|-----------------------------|--|--------------|
| <b>No:</b>                  | The company has not included this topic in the policy.   | 0            |
| <b>Partially:</b>           | The company pays attention to this topic in its policy but does not meet all aspects mentioned under "Yes".  | 1            |
| <b>Yes:</b>                 | The company incorporates working towards a more sustainable materials mix into collections into its policy and explains what this incorporates;<br>The company indicates which raw materials are classified as more sustainable and/or indicates which materials may not be used. The guidelines for this are in line with the information from the AGT, but can go further: for example, companies that prefer one of the more sustainable cotton options (e.g. only consider organic cotton as sustainable and do not consider BCI to be sustainable), or companies that focus on recycled materials (based on a circular production model). | 2            |

**1.1.1.8. Do you have an international RBC policy that includes water pollution and the use of chemicals, water and energy?**

Key question year 2, 3, 4 & 5/ Maximum score: 2/ Effort: 1/ Result: 0

**I-Function**

The availability of sufficient quantities of clean water is set to become a major problem in the near future. The large quantities of chemicals used in the dyeing, printing and washing processes to give textiles and garments the desired appearance and "handfeel" are major sources of water pollution. Moreover, a lot of energy is wasted because processes take place at high (sometimes unnecessarily high) temperatures. Local legislation and regulations are sometimes circumvented, especially where they are inadequately enforced, if at all, by the local authorities. Environmental pollution in textile clusters has a major adverse impact on the local population, agriculture and other water users.

It is therefore important to develop a policy on this. A general reference to "care for the environment" is not sufficient. It is about developing specific policy on water, energy, chemicals and waste water treatment. Consequently, this is a big topic. You can build up this policy step by step. Also include the references below in your policy.

References:

- OECD Guidelines for Multinational Enterprises, [Chapter VI. Environment](#)
- [OECD Principles on Water Governance](#), 2015

Examples of environmental policies:

- [AFIRM RSL](#)
- [AAFA RSL](#)
- [ZDHC MRSL](#)
- [ZDHC Waste Water Guidelines](#)

| <b>Assessment criteria:</b> |  | <b>Score</b> |
|-----------------------------|--|--------------|
| <b>No:</b>                  | The company has not included the four topics of water, energy, chemicals and water pollution in the policy. General references to "care for the environment" or a reference to the clause in the BSCI Code of Conduct that relates to the environment or to REACH is clearly insufficient.   | 0            |
| <b>Partially:</b>           | The company pays attention to the four topics in its policy but does not meet all aspects mentioned under "Yes".   | 1            |
| <b>Yes:</b>                 | <p>The company mentions the use of water, energy and chemicals in its policy (for example in the Code of Conduct), as well as the need to purify waste water. It also states that a factory must comply with local laws and regulations on these four topics. The focus is on factories with "wet processes"; dyers, denim laundries, printers, and also sewing factories that can wash and print clothing.</p> <p>Water treatment: the company stipulates that waste water must be purified before it is discharged. The quality of the waste water meets at least the minimal legal requirements - the plant can also demonstrate that emission requirements are met. A widely used standard - which in many cases goes beyond local legislation - for waste water is the <a href="#">ZDHC Waste Water guidelines</a>.</p> <p>Chemicals: The company has an RSL (restricted substance list) that at a minimum complies with REACH, but preferably goes one step further. For example Modint RSL, <a href="#">RSL of the American Apparel Footwear Association (AAFA)</a>, <a href="#">AFIRM RSL</a>, <a href="#">Oeko-Tex 100</a>. Furthermore, the company has a policy that requires suppliers to have insight in the environmental and health-damaging properties</p> | 2            |

|                                       |   |  |
|---------------------------------------|---|--|
|                                       | <p>of chemicals and to take appropriate measures for storage, use and disposal to protect employees and the environment (think of MSDS (material safety data sheets)), procedures based thereon and chemical inventory sheets). The policy must state that the company cooperates with suppliers to implement improvements.</p> <p>Use of water and energy: the company requires its suppliers to be conscious of their use resources. Suppliers monitor water and energy consumption and record the sources (e.g., groundwater that has been pumped up by the suppliers themselves or via the water network for energy (boiler fuel (coal, wood, gas), electricity (net, diesel generator)), and set targets (good practice) for reducing resource consumption/kg of output and/or for a shift to more environmentally friendly water and energy sources (water reuse, solar panels/boilers, or switch from coal to gas).</p> <ul style="list-style-type: none"> <li>- OECD Guidelines for Multinational Enterprises, <i>Chapter VI. Environment.</i></li> <li>- <i>OECD Principles on Water Governance</i>, 2015</li> </ul> |  |
| <p><b>Good practice:</b></p>          | <p>The company explicitly states in its policy that it takes water, energy and the chemical impact of the designs into account in its design and development process. Designs and processes are chosen that have less impact on the environment. For example, a company can use the Jeanologia EIM tool for denim. All companies can use the <i>Wetprocessing guidebook</i> that was developed within the AGT by Solidaridad. It asks companies to send and discuss this completed questionnaire to and with its supplier.</p> <p>As an addition to the RSL, the company has a policy that excludes the use of damaging and very damaging chemicals (by, for example, including the <i>ZDHC MRS</i>L or something comparable in the policy, or the company has in another way excluding criteria for a certain hazardous or damaging chemical categories).</p>  |  |
| <p><b>Additional information:</b></p> | <p>There are a large number of quality marks/systems covering elements of this subject. See <i>Wetprocessing uidebook</i> where this application is recorded.</p> <p>Fairly complete on these themes are: <i>SAC Higg FEM</i> (may only be shared by factory with SAC members), Bluesign (quite expensive because it is a very all-encompassing system), Oeko-Tex STEP, and a basically sound ISO 14001 management system (from a factory) should contain all these elements. amfori BEPI is an improvement programme, but does not have a fixed Code of Conduct (they do endorse the goals of the <i>ZDHC</i>, in particular with regard to the <i>MRS</i>L).</p> <p><sup>1</sup> REACH is the European legislation that sets rules for product safety and the safe use of chemicals. Complying with REACH for clothing made abroad is important - and must therefore be guaranteed - but this is purely a legal obligation and relates in particular to the safety of products for the end user. A reference to REACH therefore does not constitute a "Partially" answer here.</p>  |  |

### 1.1.1.9. Do you have an international RBC policy that includes animal welfare?

Key question year 2, 3, 4 & 5/ Maximum score: 2/ Effort: 1/ Result: 0

#### I-Function

In the EU, animals are considered to be sentient beings. The Dutch Animal Act states that an animal has intrinsic value (section 1.3) and that animals must be treated with respect. The law therefore stipulates rules for handling animals. In the international dialogue on animal welfare, the Five Freedoms for animal welfare are used as principles. These state that animals must be:

1. free from thirst, hunger and incorrect feeding: ready access to fresh water and a diet to maintain good health and vigour;
2. free from physical and thermal discomfort: an appropriate environment including shelter and a comfortable resting area;
3. free from pain, injury or disease: preventive care or rapid diagnosis and treatment;
4. free from fear and chronic stress: provision of conditions and treatment to prevent mental suffering;
5. free to express their natural behaviour: by providing sufficient space, proper facilities and company of the animal's own kind.

Depending on your products, you may choose to include policy relating to animal welfare. If you do not use materials or textiles of animal origin (such as wool, leather, silk, down, etc.), one can also choose to leave this out or to adopt the following sentence in your policy: "At the moment we do not use materials of animal origin. If this changes in the future, we will conduct our due diligence with regard to risks on animal welfare violations."

On pages 163 and 164 of [the report on Animal welfare in the clothing and textile sector](#) (2018) you will find useful tips for drafting your animal welfare policy. In [this report](#) (only available in Dutch) you will also find a lot of information about animal welfare in general, per animal species, sustainable alternatives and available certification. Animal welfare factsheets with a summary of the report in English can be found [here](#).

It is important to also bring your suppliers along in your policy to put them in a position to comply. You can then start the conversation about the expectations and ambitions. Also, you can record these in written communication, for example, in the guidebook for the supplier, the code of conduct or sharing a separate animal welfare policy. This concerns, among other things, abiding relevant certification obligations of the company you have acknowledged, delivering real (transaction) certificates. This is specified per type of material and needs to correlate with your internal system. If there is no certification that sounds logical, one can also think about, when placing orders, obtaining information about the collection and circumstances of the resources of animal origins.

Examples of complete animal welfare policies are:

- [Ducky Dons](#)
- [Prénatal](#)

| Assessment criteria: |   | Score |
|----------------------|---|-------|
| <b>No:</b>           | The company has not included this topic in its policy but the company does use animal derived materials.  | 0     |
| <b>Partially:</b>    | The company pays attention to this topic in its policy but does not meet all aspects listed under "Yes".  | 1     |
| <b>Yes:</b>          | The company includes striving for animal welfare when developing collections in its policy and explains what this incorporates;<br>The company indicates which raw materials of animal origin are classified as more sustainable to them and/or which materials may not be used. These guidelines are in line with the information from | 2     |

|             |   |  |
|-------------|---|--|
|             | <p>the AGT, but can go further. Think of companies that prohibit the use of fur or down from live plucked ducks and only source down and feathers certified with <i>RDS</i>, or companies that exclude leather from exotic species or mohair until reliable, well-implementable and verifiable standards have been developed.</p> <p>The company refers specifically in one or more of its policy documents to the international guidelines relevant to this theme, namely:</p> <ul style="list-style-type: none"> <li>- the Five Freedoms for Animal Welfare, FAWC 1993</li> </ul> |  |
| <b>N/A:</b> | <p>No animal materials are used. If so, you can choose to include the following sentence in your policy: "We currently do not use any materials of animal origin. Should this change in the future, we will do our due diligence regarding the risk of animal welfare issues."</p>  |  |

### 1.1.1.10. Do you pay attention to purchasing practices in the international RBC policy?

Key question year 2, 3, 4 & 5/ Maximum score: 6/ Effort: 1/ Result: 0

#### I-Function

The purchasing practices of companies can contribute to negative impacts in the chain. Examples of such impacts are excessive and forced overtime after changing orders or using too short delivery times. Overly sharp negotiation on purchase prices "forces" suppliers into "cost-cutting", which can lead to low employee wages in the chain and evasion of social and environmental legislation. Late payment of orders can lead to late payment of wages. These examples show how important it is for a company to be committed to evaluating and adapting its own procurement practice, making it possible for suppliers to make the desired improvements.

More specifically, it is important that a company commit itself at the policy level to the following principles:

- The company acknowledges the possible negative impact in the chain as a result of its own actions;
- The company commits itself to gaining insight into and improving its own purchasing practices based on collection and analysis of feedback;
- The company regularly discusses insights and feedback obtained regarding its own purchasing practices, including its own potential negative impacts, with suppliers, and evaluates them on the basis of established indicators;
- The company acknowledges the importance of translating these evaluations into changes in purchasing practices.

For more background information you can consult the [Joint Ethical Trading Initiatives' Guide to Buying Responsibly](#). Or see an example of SAI including an example of a [Buyer-Supplier Mutual Code of Conduct](#). You can also look at the [Common Framework for Responsible Purchasing Practices \(CFRPP\)](#). This is a document that is still under development, but which aims to become leading on the theme of purchasing practices.

#### COVID-19

COVID-19 has greatly disrupted contemporary ways of doing business. While the immediate consequences of the crisis were serious, the situation presents a unique opportunity to rebuild structures in a more sustainable and fair way. A major concern is building functioning social services and buffers for employees, including unemployment benefits. Fair and cooperative relationships between retailers, brands and suppliers, as well as prices that cover the costs of responsible manufacturing, should be the foundation for future sustainable global supply chains.

It is therefore important to keep the following responsible purchasing decisions in mind:

- Maintain a frequent and transparent dialogue with all supply chain partners about sourcing decisions and look for collaborative solutions. Decisions should not be made unilaterally.
- Meet your obligations and pay in full for completed or pending orders.

- If orders cannot be completed, give priority to covering labour costs, as well as materials or other costs that have already been incurred.
- Work hard to minimise the ongoing impacts on employees who are already in difficult circumstances.
- Cooperate with suppliers on orders for the coming months to identify alternatives to order cancellation, and keep order cancellation as a last resort.
- Anticipate changes or delays in production and be flexible with regard to delivery dates, payment terms and financial liability.
- Do not end the business relationship with your supplier without first discussing scenarios and solutions. If exit is unavoidable, make sure employees are protected and paid, and have a *responsible exit strategy* in mind.
- Work closely with suppliers, including raw material suppliers, to jointly plan and secure needed capacity and make updated forecasts.

See these examples:

- [Emma Safety Footwear](#) page 3 - 2-way code of conduct
- [Marlies Dekkers](#) page 4
- [Marlies Dekkers](#) page 12
- [ETP](#) pagina 7
- [Fristads](#) page 22-23
- [America Today](#) page 9
- [Yongo](#)

| <b>Assessment criteria:</b> |  | <b>Score</b> |
|-----------------------------|--|--------------|
| <b>No:</b>                  | The company has no explicit references to its own purchasing practice in its policy.   | 0            |
| <b>Partially:</b>           | The company pays attention to this topic in its policy but does not meet all aspects mentioned under "Yes".  | 3            |
| <b>Yes:</b>                 | The company explicitly refers in its policy to the role of its own purchasing policy and describes /recognises that: <ul style="list-style-type: none"> <li>- The company's purchasing practices have a potential negative impact in the chain on people, animals and /or the environment;</li> <li>- The possible contribution of the company's own purchasing practices to these negative impacts must be regularly discussed with suppliers and evaluated on the basis of established indicators;</li> <li>- The outcomes of these discussions must be translated into changes in purchasing practice.</li> </ul> | 6            |
| <b>Good practice:</b>       | The company, in its agreements with suppliers, not only records what it expects from the supplier, but also what the supplier can expect from the company. The responsibility for avoiding negative impacts in the chain is now no longer placed unilaterally with the supplier (which is often the case) but is deliberately shared by the company and the supplier. One way to implement this in practice is with a "Buyer-Supplier Mutual Code of Conduct" or Two-Way Code of Conduct as described by <a href="#">SAI</a> and <a href="#">ETI</a> (page 30).  |              |

### 1.1.2. Are other themes relevant to your international RBC policy?

Key question year 2, 3, 4 & 5/ Maximum Score: 2/ Effort: 1/ Result:0

#### I-Function

In addition to the nine key themes of the agreement, you can include additional themes, such as overtime, the employment relationship, corruption, bribery, housing/hostels and home working. For example, many national and international initiatives focus attention on maximising overtime and the existence and nature of employment contracts for employees.

However, one can also think of themes such as greenhouse gasses, circular solutions and limiting the amount of plastic that you put into circulation, for example, in the form of packaging. You will choose themes that are based on risks that apply to your specific chain, products and business/sourcing model.

If you produce in countries with an increased risk of corruption and bribery (for example, China), including policies on corruption and bribery is a must. For inspiration see the [OECD Good Practice Guidance on Internal Controls, Ethics and Compliance](#) and the rapport of the Partnership for Sustainable Textiles on '[Preventing corruption in the supply chain; how companies can address challenges](#)'.

| <b>Assessment criteria:</b> |  | <b>Score</b> |
|-----------------------------|--|--------------|
| <b>No:</b>                  | The company has no other themes in its policy besides the nine key themes.   | 0            |
| <b>Partially:</b>           | The company has only included one other theme in its policy.   | 1            |
| <b>Yes:</b>                 | The company has included two or more other themes in its policy. This concerns a selection from the themes: overtime, labour relations, corruption and bribery, housing/hostels, homeworkers, plastics, greenhouse gasses or circularity. If the company mentions other themes, please include them in the comments box. If the company only buys in high-risk countries, this should at least include the theme of corruption and bribery. The selected themes must be linked to actual or potential risks of human, environmental and animal welfare violations based on the company's own operations and the chain. | 2            |

### 1.1.3. Are exclusion criteria part of your international RBC policy?

Key question: -/ Maximum score: 2/ Effort: 1/ Result: 0

#### I-Function

You can exclude items from your international RBC policy such as specific production countries and regions, raw materials, production processes, value chain partners and home workers on the basis of certain information, guidelines or positions. Exclusion criteria must be linked to the real or possible risks of violations against people, environment and animals. For example, you can exclude certain countries temporarily or permanently on the basis of UN sanctions. You can exclude certain processes such as the dangerous "sandblasting" of jeans or certain types of plastisol prints. You can also exclude materials because you consider their impact on people, animals and/or the environment unacceptable or undesirable, such as exotic leathers (snake or crocodile skins), uncertified down, angora, cotton, fur, mulesing sheep and PVC.

| <b>Assessment criteria:</b> |   | <b>Score</b> |
|-----------------------------|---|--------------|
| <b>No:</b>                  | The company does not exclude specific matters in its policy, even though based on the risk analysis there are risks of violations that would benefit from doing so. | 0            |
| <b>Partially:</b>           | The company pays attention to this topic in its policy but does not meet all aspects listed under "Yes."  | 1            |

|             |   |   |
|-------------|---|---|
| <b>Yes:</b> | The company excludes one or more specific matters in its policy (and therefore no general matters such as child labour).<br>The excluded matters are relevant to the company's products and chain (for example, excluding sandblasting is irrelevant when it is clear that the company in question is not selling denim).<br>The excluded matters are not already anchored in the law, as is the case for certain harmful chemicals in accordance with <a href="#">REACH</a> legislation.<br>The company describes the basis on which guidelines, negative impacts and/or possible risks in the chain matters have been excluded. | 2 |
|-------------|---|---|

## 1.2. Is international RBC integrated into your operational management?

Key question year 2, 3, 4 & 5/ Maximum score: 0/ Effort: 1/ Result: 0

### I-Function

This is a main question; scores can only be earned on sub-questions.

Add an organizational chart if available. This question may sound rather abstract, but if you replace "international RBC" with "quality", you will probably be able to provide an excellent answer. After all, the procedures, roles, responsibilities, contracts and requirements relating to quality are clearly defined in most companies. You can therefore do the same for international RBC. Make international RBC an integral part of your operational management: decision-making processes, allocation of responsibilities, internal communication, international RBC tasks assigned to different departments, purchasing policy, training, staff deployment and budget.

Integration within the organization is crucial for the successful implementation of the company's international RBC policy. What does the international RBC policy look like in actual practice? Which departments are involved? Who has what responsibilities? What, for example, is the role of the international RBC/CSR manager in the process if a buyer wants to start ordering from a new production site? Does the production site first need to be visited and approved by the international RBC/CSR manager? And who is responsible for monitoring Corrective Action Plans (CAPs)? Specifying these processes ensures internal clarity and continuity. The sub-questions below are about the integration of the international RBC policy into the various different parts of the company.

Tip: Make all departments part of the implementation of the relevant parts of the international RBC policy (for example, buying, design, quality). A department or employee is relevant when her/his operations and choices may affect the increase or decrease of risks in the production chain.

| <b>Assessment criteria:</b> | <b>Score</b>   |     |
|-----------------------------|--|-----|
| <b>No:</b>                  | The company has answered all sub-questions below with "No".  | N/A |
| <b>Partially:</b>           | The company did not answer all the sub-questions below with "Yes". It also responded to some sub-questions with "Partially" and/or "No". | N/A |
| <b>Yes:</b>                 | The company answered "Yes" for all of the sub-questions below.   | N/A |

### 1.2.1. Is the international RBC policy communicated internally?

Key question: - / Maximum score: 2/ Effort: 1/ Result: 0

#### I-Function

It is important to inform all employees in the company about your international RBC policy. This will enable them to take the right action and contribute to the goals. For example, add the international RBC policy to the company handbook, working documents and the introduction program for new employees. Place international RBC on the agenda for team meetings and, for example, address a specific topic each month (such as subcontracting, risks in a specific country, or using a new, more sustainable material).

It is also important to include your agents/purchasing offices in the international RBC policy and what expectations you have of them when putting international RBC into practice.

Check out this example:

- [Heigo](#) page 13

| Assessment criteria: |   | Score |
|----------------------|---|-------|
| <b>No:</b>           | The company does not communicate internally about the international RBC policy.   | 0     |
| <b>Partially:</b>    | The company communicates the policy internally but does not answer all the questions concerning the following aspects with "Yes".   | 1     |
| <b>Yes:</b>          | The company communicates the policy internally and pays attention to the following aspects: <ul style="list-style-type: none"><li>- The policy is communicated to all employees (both existing and new)</li><li>- As a result, people are (at least broadly) aware of existing responsibilities, procedures and results</li><li>- International RBC is a regular, documented and recurring topic of discussion for the most relevant departments in the company (management, purchasing, design, procurement offices or agents, etc.)</li></ul> | 2     |

### 1.2.2. Is the international RBC policy supported and communicated by senior management?

Key question: -/ Maximum score: 2/ Effort: 1/ Result: 0

#### I-Function

It may be stating the obvious to say that the success of international RBC policy depends on the support it receives from the company's senior management. If international RBC is of secondary importance to the boss, it will also be for employees and suppliers. If the boss is passionate about international RBC, international RBC will be given priority. The commitment and involvement of the MT, the CEO, and the purchasing director regarding international RBC are crucial if due diligence is to be truly integrated into the company's operations. This not only refers to speaking out about the importance of international RBC; even more so, it is about the choices top management makes. These must enable the company to effectively manage risks in the production chain.

Ways for top management to demonstrate commitment and involvement:

- Including international RBC in the company's strategy;
- Declaring within the organization that the company intends to uphold its responsibility within the supply chain;
- Being aware of important steps in the field of international RBC and/or formulating KPIs for itself for which it can also be held accountable;
- The RBC/CSR manager/department receiving support from top management;
- Taking part in an annual assessment interview with the secretariat.

A director who endorses and supports the international RBC policy with a personal quote, photograph, presentation, visit to a seminar or supplier will make all the difference.

Check out these examples:

- [Ducky Dons](#) page 2 – explicit and inspiring commitment for CSR from CEO
- [Zeeman](#) pages 3 and 9 - explicit commitment for CSR from CEO and Chairman of the Supervisory Board

**COVID-19**

We understand that clothing brands and retailers are going through extremely difficult times and are focused on keeping things running. Despite these challenging circumstances, companies must continue to uphold the principles of responsible business conduct. This includes understanding how their decisions will affect employees in their supply chain during the crisis and doing everything possible to mitigate negative impacts.

Responsible business is the only route that can ensure that business relationships can be strengthened in times of crisis. This will ensure business continuity where possible, and safeguard human rights and enable human prosperity in global value chains. After all, all players in the global value chain need each other. In other words, dialogue, solidarity and cooperation are critical.

Senior management can show their support by, among other things, keeping the international RBC team or human rights/sustainability/compliance staff intact to support recovery that is socially, economically and environmentally sustainable.

| <b>Assessment criteria:</b> |  | <b>Score</b> |
|-----------------------------|--|--------------|
| <b>No:</b>                  | The international RBC policy is not supported by the top management of the company.<br>Top management claim international RBC policy is important, but this does not become evident based on choices made and which lead to non-compliance with the obligations stated in the agreement. Indicators for this are, for example, an inadequate position of the international RBC/CSR manager and/or the lack of international RBC responsibilities for MT members and senior employees and/or lack of incentives/KPIs for employees with tasks that have an effect on the implementation of the international RBC policy (purchasing/design).  | 0            |
| <b>Partially:</b>           | The company does not meet all aspects mentioned under "Yes".   | 1            |
| <b>Yes:</b>                 | Top management is involved in establishing, evaluating and reviewing of the international RBC mission, vision, strategy, policy and practice.<br>Top management supports international RBC policy by assessing/evaluating employees, their own agents and their own procurement offices against international RBC. This can be done, for example, by drawing up KPIs and/or by making it part of the job description of departments (such as sourcing, purchasing and design) and/or own agents and own purchasing offices.<br>Top management actively involves the person responsible for international RBC in decisions that influence the international RBC policy.<br>Both the CEO and other relevant MT members are present at the introduction and conclusion of the assessment interview. | 2            |

**1.2.3. Does the company have qualified staff with the necessary competence, knowledge, experience and position within the organization and who are responsible for the day-to-day implementation of the international RBC policy?**

Key question: -/ Maximum score: 2/ Effort: 1/ Result: 0

**I-Function**

It is important to consider and to formalize the responsibility for your international RBC policy. An international RBC/CSR manager can have primary responsibility, for example, for working closely with the procurement director and the purchasing department. The secretariat considers it good practice if the international RBC/CSR manager is a member of the management board, is on an equal footing with other board members (such as the purchasing director), and reports directly to the CEO.

A larger enterprise can work towards having a full-scale international RBC team, with links to top management and to the procurement, design, sales, and marketing departments. You can also set up international RBC task forces or project teams with the responsible procurement or quality management department. For example, one team can be responsible for sustainable materials, including design and production development, while another team is responsible for water, energy and chemicals. If cross-connections are made within the company, international RBC will become a shared responsibility of all departments. This prevents international RBC from depending on one person and everything being lost when that person leaves. Define these responsibilities and KPIs for the various departments and positions.

In general, it is important to ensure that the persons with international RBC responsibility have sufficient competences, knowledge and experience and hold positions that can influence the commercial process. This is not usually the case with trainees, while it does apply to experienced international RBC/CSR managers with sufficient influence in the organization.

| <b>Assessment criteria:</b> |  | <b>Score</b> |
|-----------------------------|--|--------------|
| <b>No:</b>                  | The company has no staff responsible for international RBC.  | 0            |
| <b>Partially:</b>           | The company does not meet all aspects mentioned under "Yes".   | 1            |
| <b>Yes:</b>                 | The company has staff with the right competencies, knowledge, experience and a position that facilitates effective implementation of the international RBC policy. | 2            |

**1.2.3.1. During the past year, did staff with daily responsibilities for implementing the international RBC policy make active use of tools and training to increase knowledge and experience and demonstrably apply them within the organization?**

Key question: -/ Maximum score: 4/ Effort: 1/ Result: 0

**I-Function**

Staff must have sufficient knowledge and expertise to incorporate international RBC policy into their day-to-day activities. As this policy is new to many companies and employees, this requires an investment in time and therefore also money. However, a lot of information is available free of charge. The secretariat and parties also organize regular international RBC-related training courses and workshops.

| <b>Assessment criteria:</b> |  | <b>Score</b> |
|-----------------------------|--|--------------|
| <b>No:</b>                  | No staff members with daily responsibilities for implementing the international RBC policy have actively used tools and training during the past year. | 0            |
| <b>Partially:</b>           | The company does not meet all aspects mentioned under "Yes".   | 2            |

|                       |   |   |
|-----------------------|---|---|
| <b>Yes:</b>           | The staff members with daily responsibilities for implementing the international RBC policy have actively participated or made use of relevant tools and training. For example, AGT, BSCI and/or Fair Wear Foundation training courses.<br>The knowledge and experience that was gained has been used and visibly applied within the organization, for example, by showing how the knowledge gained is shared with colleagues or by showing that policies, processes or the action plan have been adjusted. | 4 |
| <b>Good practice:</b> | The company has mapped out what knowledge the company lacks to tackle certain issues. This has been translated into goals and actions on how this knowledge can be obtained (training, workshops, external hiring, etc.).   |   |
| <b>Remark:</b>        | Depending on the size of the company, assess this question more strictly or less strictly.  |   |

#### 1.2.4. Are other departments involved with specific tasks, responsibilities and/or KPIs in the implementation of the international RBC policy?

Key question: -/ Maximum score: 2/ Effort: 1/ Result: 0

##### I-Function

The international RBC policy is implemented by your company's purchasing and design departments. These departments decide on the product, influence production processes and choose the manufacturers and production countries. You should also make these departments jointly responsible for international RBC policy; after all, they may decide to exclude or cut back on certain processes and seek out less polluting materials. They decide which manufacturers to use and which to not work with or stop working with. Purchasing managers or quality controllers who visit manufacturers can be trained on how to carry out health and safety checks. For example the [Basic health & safety check](#) by Fair Wear Foundation.

It is important, however, that international RBC responsibilities and expectations are also stipulated in the job descriptions and performance requirements (KPIs) of the relevant employees. For example, buyers can only pursue a responsible procurement price policy if they are accountable not only for the margin and turnover but also for achieving sustainability goals.

Check out this example:

- [Zeeman](#) page 9 – overview CSR Steering Committee

| <b>Assessment criteria:</b> |  | <b>Score</b> |
|-----------------------------|--|--------------|
| <b>No:</b>                  | Other departments have little or no involvement in or responsibility for the implementation of international RBC policy. | 0            |
| <b>Partially:</b>           | The company does not meet all aspects mentioned under "Yes".   | 1            |

|             |   |   |
|-------------|---|---|
| <b>Yes:</b> | Other departments (other than the international RBC department) are involved in and are responsible for implementing the international RBC policy. This mainly concerns departments that influence the supply chain (purchasing/sourcing, development/design, merchandising, quality).<br>For the positions in these departments, implementation of the international RBC policy is part of the daily routine. (For example: international RBC tasks for QCs who conduct quality checks during production or buyers who follow up on CAPs). These tasks are demonstrably performed.<br>Expected activities of the departments and staff involved are recorded in job descriptions.<br>Departments and/or involved staff are provided with KPIs in the field of international RBC. | 2 |
|-------------|---|---|

**1.2.4.1. During the past year, did staff who play a role in the implementation of the international RBC policy make active use of tools and training to increase knowledge and experience and demonstrably apply them within the organization?**

Key question: -/ Maximum score: 4/ Effort: 1/ Result: 0

**I-Function**

For example, one can choose to give the procurement and design departments regular training in sustainable materials and processes. Many of the relevant tools are available free of charge. The training sessions and workshops within the context of the agreement are also open to members of staff in addition to the direct contact person for the secretariat (usually the international RBC/CSR manager). For example, let buyers attend the biennial Purchasing Practices training sessions.

| <b>Assessment criteria:</b> |  | <b>Score</b> |
|-----------------------------|--|--------------|
| <b>No:</b>                  | No staff from other departments with responsibilities for the implementation of international RBC policy actively used tools and training in the past year.  | 0            |
| <b>Partially:</b>           | The company does not meet all aspects mentioned under "Yes".   | 2            |
| <b>Yes:</b>                 | The staff of other departments with responsibilities for the implementation of the international RBC policy have actively participated in or made use of relevant tools and training (for example, AGT, BSCI and /or Fair Wear Foundation courses). The knowledge and experience acquired has been used and applied within the organization visibly, for example, by showing how the acquired knowledge has been shared with colleagues or by showing that purchasing practices, processes or action plans have been adjusted. | 4            |
| <b>Good practice:</b>       | The company has mapped out what knowledge the company lacks to tackle certain issues. This has been translated into goals and actions on how this knowledge can be obtained (training, workshops, external hiring, questioning suppliers, reading/doing independent research, etc.)  |              |

**1.2.5. Are sufficient budget and staff available to achieve the aims of the international RBC policy?**

Key question: -/ Maximum score: 4/ Effort: 1/ Result: 0

**I-Function**

The deployment of staff and the available budget for items such as monitoring, improvement plans, training of staff and value chain partners must be consistent with the allocated

responsibilities. An ambitious international RBC policy requires an ambitious budget to recruit enough people with sufficient experience and provide robust tools and training programs. The exact amount of this budget is arbitrary, but abide by it and act accordingly.

Bear in mind that international RBC not only costs money, but also generates money. Customers, governments, NGOs and consumers consider international RBC to be increasingly important. You will strengthen your company's reputation and your brand value if you take international RBC seriously.

| <b>Assessment criteria:</b> |  | <b>Score</b> |
|-----------------------------|--|--------------|
| <b>No:</b>                  | <p>The company does not comply with agreements recorded in the agreement.</p> <p>This is evident from, for example:</p> <ul style="list-style-type: none"> <li>– The structural missing of deadlines regarding the assessment process;</li> <li>– Non-compliance with agreed follow-up on actions part of the action plan or based on feedback from the secretariat;</li> <li>– Not following up on feedback from the assessment report in order to be able to meet the obligations established in the assessment framework;</li> <li>– The fact that the international RBC manager indicates that there is not enough capacity.</li> </ul>  | 0            |
| <b>Partially:</b>           | <p>The company meets the obligations of the agreement, but due to a partial lack of capacity:</p> <ul style="list-style-type: none"> <li>– Deadlines that are part of the assessment process are occasionally missed;</li> <li>– Non-compliance with agreed follow-up on actions regarding the action plan or based on feedback from the secretariat;</li> <li>– Not following up on feedback from the assessment report in order to be able to meet the obligations established in the assessment framework;</li> <li>– Not all known production locations are effectively monitored (auditing, actively following CAPs and stakeholder consultation).</li> </ul>   | 2            |
| <b>Yes:</b>                 | <p>The company meets the obligations of the agreement and shows continuous improvement compared to previous years in the implementation of the international RBC policy. The company clarifies which budgets are available for international RBC and the available capacity (budget and staff) is in proportion to the complexity of the chain.</p> <p>Please note: companies with a large/complex supply chains often indicate that they do not have the capacity to effectively monitor all production locations (auditing, actively following up CAPs and stakeholder consultation) because there are too many locations -&gt; If insufficient capacity impedes the ability of the organization to monitor all known locations, this question can never be answered with "Yes".</p> | 4            |

### **1.2.6. Are all international RBC themes in the Agreement integrated into the contractual relationship of suppliers?**

Key question: -/ Maximum score: 4/ Effort: 1/ Result: 0

#### **I-Function**

Having clear international RBC agreements with your suppliers increases the chance of implementation and success in the chain. To do this, you must clearly document a number of things, examples being: sending and having your supplier Code of Conduct signed, developing and having a Restricted Substances List (RSL) signed, including international RBC

in supplier and purchasing conditions, including international RBC aspects in a supplier or quality manual, agreeing on audits or pre-audits, and clearly documenting how the audit is followed up (follow-up of CAPs). It is also important to ensure that your Code of Conduct or the Code of Conduct of the initiative of which you are a member is made accessible to employees of the supplier through translation of the Code of Conduct into local languages. Including these types of aspects not only applies to first-tier suppliers but also to subcontractors and second and third-tier suppliers.

Some examples of AGT companies:

- *Ducky Dons* - inclusion of partnership principles into the contractual relationship
- *O'Neill* - all themes covered in code of conduct and are part of contractual agreement
- *G-star* - practical guidance on code of conduct
- *Vanilia* - responsible buying practices explicit part of the contract

In the supplier manual or other instrument more information is made available about what is expected from suppliers when resources of animal origin are used. This concerns, among other things, following relevant certification obligations that are acknowledged by the company and the supply of real transaction certifications. This is specified per material and correlates with the internal system of the AGT signee. Where there is no certification, one can also consider collecting information about the collection and circumstances of resources of animal origin while placing orders.

| <b>Assessment criteria:</b> |  | <b>Score</b> |
|-----------------------------|--|--------------|
| <b>No:</b>                  | The company has not integrated international RBC into the contractual relationship with suppliers.   | 0            |
| <b>Partially:</b>           | The company does not meet all aspects mentioned under "Yes".   | 2            |
| <b>Yes:</b>                 | The company has demonstrably integrated international RBC into the contractual relationship with its suppliers by: <ul style="list-style-type: none"> <li>- Having the international RBC policy/CoC signed by its suppliers;</li> <li>- Having an RSL signed by its suppliers;</li> <li>- Having international RBC principles included in the supplier or purchasing terms and conditions or supplier manual;</li> <li>- Having agreements in place with suppliers regarding audits and the follow-up of audits (CAPs);</li> <li>- Ensuring that the international RBC policy/Coc is available in local languages and making it available to the workers. For example by using amfori or Fair Wear Foundation translations, having it translated yourself or in collaboration with the supplier;</li> <li>- Having the above aspects documented for all first-tier suppliers and some or all second and third-tier suppliers.</li> </ul> | 4            |

### **1.2.7 Is international RBC part of your selection and evaluation of supplier and manufacturer performance?**

Key question: -/ Maximum score: 2/ Effort: 1/ Result: 0

#### **I-Function**

You probably "reward" suppliers who "do well". Doing well probably means delivering on time or even early, or just "without a fuss" and at a good price. The reward usually consists of the continuation of the relationship and/or the gradual increase of the number of orders.

However, you can go one step further and make international RBC part of your evaluation of the relationship with a supplier or manufacturer. For example, assign points or present awards based on performance and discuss this with the supplier/manufacturer. The points/performance system is shared and discussed. By making international RBC an integral part of such a system, you send a clear message. A manufacturer who "performs well" in terms of quality, price, delivery reliability *and* international RBC is rewarded for it. One

example of how to reward suppliers is to give preference to suppliers that meet the legal requirements as regards wages and that also make serious efforts regarding negotiated wages and/or a living wage.

Another example is to reward suppliers who show continuous progress in the field of international RBC or to reward suppliers for the fact that they assess or stimulate their own suppliers on international RBC aspects.

It may also become necessary to terminate the relationship based on international RBC aspects. This would be the case if a supplier makes insufficient progress (for example, due to repeated failure to implement CAPs), if the prevention of negative impacts is not possible, and when immediate and serious danger to employees or others is identified. In this last case, the relationship must be stopped until the danger has been removed. If termination of the relationship is unavoidable, it is important to do so in a responsible way. After all, termination of the relationship can have a considerable impact (on for example the jobs and incomes of the employees involved), in particular if the share in the factory was high. In these cases, the management (and the trade union, if any) must be informed in a timely manner and be provided with detailed and clear reasons for the decision.

See this example:

- [Groenendijk](#) page 15-16 (in Dutch)

| <b>Assessment criteria:</b> |   | <b>Score</b> |
|-----------------------------|---|--------------|
| <b>No:</b>                  | The company does not select and evaluate the performance of suppliers and producers on the basis of their performance on international RBC, but for example only on price, quality and delivery time.   | 0            |
| <b>Partially:</b>           | The company does not comply with all aspects listed under "Yes".  | 1            |
| <b>Yes:</b>                 | <ul style="list-style-type: none"> <li>- The company evaluates/assesses the performance of suppliers on international RBC.</li> <li>- This evaluation has a significant impact on increasing/decreasing new orders and /or granting other benefits (i.e., strategic partnership, long-term relationships, awards, investments).</li> <li>- The company assesses/screens new suppliers on international RBC aspects. This screening (pre-audit) has a significant weighting on the decision to start with this new supplier.</li> <li>- The company has a procedure to (temporarily) terminate relationships with suppliers (see explanation I-function).</li> </ul> | 2            |

### 1.3. Do you participate in any other initiatives apart from this agreement?

Key question: -/ Maximum score: 4/ Effort: 1/ Result: 0

#### I-Function

Please note for this main question one can receive a maximum of 2 points if one is affiliated with at least two initiatives mentioned below, at least one with a focus on social and environmental issues. Unlike other questions, no points are awarded for the sub-questions. You may also be active in other sector or multi-stakeholder initiatives in addition to this covenant. By sharing experiences and knowledge with others, you will achieve results faster

| <b>Assessment criteria:</b> |  | <b>Score</b> |
|-----------------------------|--|--------------|
| <b>No:</b>                  | The Company does not participate in any initiative other than the agreement.                       | 0            |
| <b>Partially:</b>           | The company participates in one other initiative.  | 2            |
| <b>Yes:</b>                 | The company participates in at least two initiatives, which are a mix of social and environmental. | 4            |

### 1.3.1. Are you affiliated with the Bangladesh Accord 1?

Key question: -/ Maximum score: 0/ Effort: 1/ Result: 0

#### I-Function

See: [Bangladesh Accord](#)

| Assessment criteria: |  | Score |
|----------------------|--|-------|
| <b>No:</b>           | The company does not participate in the initiative or cannot prove that this is the case.  | N/A   |
| <b>Partially:</b>    | -  | N/A   |
| <b>Yes:</b>          | The company has participated in the Accord and can prove this via the website of the Bangladesh Agreement and/or through invoices. | N/A   |

### 1.3.2. Are you affiliated with the Bangladesh Accord 2?

Key question: -/ Maximum score: 0/ Effort: 1/ Result: 0

#### I-Function

See: [Bangladesh Accord](#)

| Assessment criteria: |   | Score |
|----------------------|---|-------|
| <b>No:</b>           | The company does not participate in the Bangladesh Accord 2 or cannot prove that this is the case.                                  | N/A   |
| <b>Partially:</b>    | -   | N/A   |
| <b>Yes:</b>          | The company takes part in the Bangladesh Accord 2 and/or can be found as participant on the <a href="#">website of the Accord</a> . | N/A   |

### 1.3.3. Are you affiliated with amfori BEPI?

Key question: -/ Maximum score: 0/ Effort: 1/ Result: 0

#### I-Function

See: [amfori BSCI](#)

| Assessment criteria: |   | Score |
|----------------------|---|-------|
| <b>No:</b>           | The company does not participate in the initiative or cannot prove that this is the case.   | N/A   |
| <b>Partially:</b>    | -   | N/A   |
| <b>Yes:</b>          | The company can prove through the BEPI website and/or through invoices that it has joined this initiative. BEPI does not have to be rolled out in the entire supply chain. It can be used for one or two production locations only. Whether that is sufficient depends on the scale of the company and the way in which it uses BEPI. | N/A   |

### 1.3.4. Are you affiliated with the Better Cotton Initiative (BCI)?

Key question: -/ Maximum score: 0/ Effort: 1/ Result: 0

#### I-Function

See: [Better Cotton](#)

| <b>Assessment criteria:</b> |  | <b>Score</b> |
|-----------------------------|--|--------------|
| <b>No:</b>                  | The company does not participate in the initiative or cannot demonstrate this with evidence.                       | N/A          |
| <b>Partially:</b>           | -  | N/A          |
| <b>Yes:</b>                 | The company can demonstrate via the <a href="#">website of BCI</a> and/or through invoices that it has joined BCI. | N/A          |

### 1.3.5. Are you affiliated with Blue Sign?

Key question: -/ Maximum score: 0/ Effort: 1/ Result: 0

#### I-Function

See: [Blue Sign](#)

| <b>Assessment criteria:</b> |  | <b>Score</b> |
|-----------------------------|--|--------------|
| <b>No:</b>                  | The company does not participate in the initiative or cannot demonstrate this with evidence.   | N/A          |
| <b>Partially:</b>           | The company itself is not affiliated with Blue Sign, but buys Blue Sign certified fabrics. It has a process to check whether the substances they receive are actually Blue Sign certified. | N/A          |
| <b>Yes:</b>                 | The company can demonstrate through invoices that it has joined Blue Sign.   | N/A          |

### 1.3.6. Are you affiliated with Fur Free Retailer?

Key question: -/ Maximum score: 0/ Effort: 1/ Result: 0

#### I-Function

See: [Fur Free Retailer](#)

| <b>Assessment criteria:</b> |  | <b>Score</b> |
|-----------------------------|--|--------------|
| <b>No:</b>                  | The company does not participate in the initiative or cannot prove that this is the case.                      | N/A          |
| <b>Partially:</b>           | -  | N/A          |
| <b>Yes:</b>                 | The company can prove it has signed the fur free declaration, because it is mentioned on the fur free website. | N/A          |

### 1.3.7. Are you affiliated with amfori BSCI?

Key question: -/ Maximum score: 0/ Effort: 1/ Result: 0

#### I-Function

See: [amfori](#)

| <b>Assessment criteria:</b> |   | <b>Score</b> |
|-----------------------------|---|--------------|
| <b>No:</b>                  | The company does not participate in the initiative or cannot prove that this is the case. | N/A          |

|                   |   |     |
|-------------------|---|-----|
| <b>Partially:</b> | The company is not affiliated with amfori-BSCI, but does purchase from factories that have been audited. In addition, the company has a system with which it monitors the CAPs resulting from these audits. | N/A |
| <b>Yes:</b>       | The company is member of amfori-BSCI and can prove by means of an invoice that it is affiliated with amfori-BSCI and/or can be found on the <a href="#">website</a> .                                       | N/A |

### 1.3.8. Are you affiliated with European Clothing Action Plan (ECAP)?

Key question: -/ Maximum score: 0/ Effort: 1/ Result: 0

#### I-Function

See: [ECAP](#)

| <b>Assessment criteria:</b> |  | <b>Score</b> |
|-----------------------------|--|--------------|
| <b>No:</b>                  | The company does not participate in the initiative or cannot prove that this is the case.  | N/A          |
| <b>Partially:</b>           | -  | N/A          |
| <b>Yes:</b>                 | The company can prove by means of an invoice that it participates in ECAP or can demonstrate this by being mentioned on their website. | N/A          |

### 1.3.9. Are you affiliated with the Ethical Trading Initiative (ETI)?

Key question: -/ Maximum score: 0/ Effort: 1/ Result: 0

#### I-Function

See: [Ethical Trading Initiative](#)

| <b>Assessment criteria:</b> |  | <b>Score</b> |
|-----------------------------|--|--------------|
| <b>No:</b>                  | The company does not participate in the initiative or cannot demonstrate with evidence that this is the case.                                  | N/A          |
| <b>Partially:</b>           | -  | N/A          |
| <b>Yes:</b>                 | The company can demonstrate by means of an invoice that it is affiliated with ETI or can demonstrate this by being mentioned on their website. | N/A          |

### 1.3.10. Are you affiliated with the Fair Labor Association (FLA)?

Key question: -/ Maximum score: 0/ Effort: 1/ Result: 0

#### I-Function

See: [Fair Labor Association](#)

| <b>Assessment criteria:</b> |   | <b>Score</b> |
|-----------------------------|---|--------------|
| <b>No:</b>                  | The company does not participate in the initiative or cannot prove that this is the case. | N/A          |
| <b>Partially:</b>           | -   | N/A          |

|             |   |     |
|-------------|---|-----|
| <b>Yes:</b> | The company can prove by means of an invoice that it is affiliated with FLA or can demonstrate this by being stated on their website. | N/A |
|-------------|---|-----|

### 1.3.11. Are you affiliated with Fairtrade?

Key question: -/ Maximum score: 0/ Effort: 1/ Result: 0

#### I-Function

See: [Fairtrade](#)

| <b>Assessment criteria:</b> |   | <b>Score</b> |
|-----------------------------|---|--------------|
| <b>No:</b>                  | The company does not participate in the initiative or cannot prove that this is the case.   | N/A          |
| <b>Partially:</b>           | -   | N/A          |
| <b>Yes:</b>                 | The company can prove by means of an invoice that it is affiliated with Fairtrade or can demonstrate this by being stated on their website. | N/A          |

### 1.3.12. Are you affiliated with Fair Wear Foundation (FWF)?

Key question: -/ Maximum score: 0/ Effort: 1/ Result: 0

#### I-Function

See: [Fair Wear Foundation](#)

| <b>Assessment criteria:</b> |  | <b>Score</b> |
|-----------------------------|--|--------------|
| <b>No:</b>                  | The company does not participate in the initiative or cannot prove that this is the case.  | N/A          |
| <b>Partially:</b>           | The company itself is not affiliated with Fair Wear Foundation, but purchases from factories that have been audited by Fair Wear Foundation. Moreover, the company has a system through which the CAPs that are derived from the audits are followed up. | N/A          |
| <b>Yes:</b>                 | The company can prove by means of an invoice that it is affiliated with Fair Wear Foundation or can demonstrate this by being stated on their website.   | N/A          |

### 1.3.13. Are you affiliated with GOTS?

Key question: -/ Maximum score: 0/ Effort: 1/ Result: 0

#### I-Function

See: [GOTS](#)

| <b>Assessment criteria:</b> |  | <b>Score</b> |
|-----------------------------|--|--------------|
| <b>No:</b>                  | The company does not participate in the initiative or cannot demonstrate with evidence that it does.   | N/A          |
| <b>Partially:</b>           | The company itself is not certified, but its supplier is. In addition, it has a process to monitor that the products the company receives from this supplier are GOTS certified. | N/A          |
| <b>Yes:</b>                 | The basic rule is that every company that conducts B2B business is self-certified. This requirement does not apply to B2C.   | N/A          |

**1.3.14. During the past year, have you participated in Better Buying?**

Key question: -/ Maximum score: 0/ Effort: 1/ Result: 0

**I-Function**See: [Better Buying](#)

| <b>Assessment criteria:</b> |   | <b>Score</b> |
|-----------------------------|---|--------------|
| <b>No:</b>                  | The company does not participate in the initiative or cannot prove that this is the case.   | N/A          |
| <b>Partially:</b>           | The company has participated in Better Buying, but this was over a year ago, and can demonstrate with evidence that this is the case. | N/A          |
| <b>Yes:</b>                 | The company has participated in Better Buying during the past year and can demonstrate with evidence that this is the case.           | N/A          |
| <b>Verification:</b>        | The company can prove that it participates in Better Buying either with invoices or in the form of being referenced on the website.   |              |

**1.3.15. Are you affiliated with Oeko-Tex (100/1000/Step)?**

Key question: -/ Maximum score: 0/ Effort: 1/ Result: 0

**I-Function**See: [Oeko-Tex](#)

| <b>Assessment criteria:</b> |  | <b>Score</b> |
|-----------------------------|--|--------------|
| <b>No:</b>                  | The company does not participate in the initiative or cannot demonstrate with evidence that this is the case.  | N/A          |
| <b>Partially:</b>           | The company has an Oeko-Tex certification for part of its range /production.   | N/A          |
| <b>Yes:</b>                 | The company itself is certified by Oeko-Tex for all its activities, and this can be demonstrated by certificates, invoices and/or via the <a href="#">Oeko-Tex website</a> . | N/A          |

**1.3.16. Are you affiliated with SAC?**

Key question: -/ Maximum score: 0/ Effort: 1/ Result: 0

**I-Function**See: [SAC](#)

| <b>Assessment criteria:</b> |   | <b>Score</b> |
|-----------------------------|---|--------------|
| <b>No:</b>                  | The company does not participate in the initiative or cannot prove that this is the case.   | N/A          |
| <b>Partially:</b>           | -   | N/A          |
| <b>Yes:</b>                 | The company can prove by means of an invoice that it is affiliated with SAC or can demonstrate this by being stated on their website. | N/A          |

**1.3.17. Are you affiliated with the Transparency Pledge?**

Key question: -/ Maximum score: 0 / Effort: 1 / Result: 0

### I-Function

See: [Transparency Pledge](#)

| Assessment criteria: |   | Score |
|----------------------|---|-------|
| <b>No:</b>           | The company does not participate in the initiative or cannot demonstrate with evidence that this is the case.                               | N/A   |
| <b>Partially:</b>    | -   | N/A   |
| <b>Yes:</b>          | The company can demonstrate that it has signed the transparency pledge by being listed on <a href="#">the transparency pledge website</a> . | N/A   |

### 1.3.18. Are you affiliated with ZDHC?

Key question: -/ Maximum score: 0 / Effort: 1 / Result: 0

### I-Function

See: [Road Map to Zero](#)

| Assessment criteria: |   | Score |
|----------------------|---|-------|
| <b>No:</b>           | The company does not participate in the initiative or cannot demonstrate with evidence that this is the case.       | N/A   |
| <b>Partially:</b>    | -   | N/A   |
| <b>Yes:</b>          | The company can show by invoice that it participates in ZDHC or by being listed on the ZDHC website as contributor. | N/A   |

### 1.3.19. Or another initiative, or other tools from external parties, please specify:

Key question: -/ Maximum score: 0/ Effort: 1/ Result: 0

### I-Function

Describe in the explanatory note which other initiative or tool applies:

- [ACT](#) on living wages
- [B Corp](#)
- [Ethical Trading Initiative](#) (ETI)
- [ILO Better Work](#)
- [SLCP](#)
- International RBC modules/tools from industry associations or NGO's, etc.

| Assessment criteria: |   | Score |
|----------------------|---|-------|
| <b>No:</b>           | The company does not participate in another initiative or cannot prove that this is the case.   | N/A   |
| <b>Partially:</b>    | -   | N/A   |
| <b>Yes:</b>          | The company can show by invoice that it is participating in another initiative or by being listed as participant on the the initiative's website. | N/A   |

#### 1.4. Is the whole supply chain monitored for possible risks and impacts?

Key question: -/ Maximum score: 0/ Effort: 1/ Result: 0

##### I-Function

This is a main question; scores can only be granted on sub-questions.

Monitoring can take different forms, e.g., self-assessments by manufacturers, risk assessments, audits, or a grievance mechanism and consultation with stakeholders, including employees, local unions, civil-society organizations and NGOs. Monitoring means continuously tracking the situation within your chain.

Your risk analysis is a snapshot of the supply chain at a given moment, whereas monitoring concerns **processes** within your company that provide an understanding of risks and impacts. Combining a number of these approaches often provides the best indication of the potential risks and impacts within the supply chain. But understanding those risks and impacts is not an end goal in itself.

The aim is to remedy, reduce, and prevent the risks. It is therefore important that there is a process in place via which follow-up is given to what emerges from the monitoring, that CAPs are followed, that a possible relationship with the company's own purchasing practices is investigated, and root causes are discussed with the supplier.

An initial step in implementing monitoring is to participate in an initiative with monitoring tools, such as amfori BSCI, Fair Wear Foundation, SAC, etc. How do you monitor the production chain for risks and impacts if you are not a member of an initiative? Explain your considerations and approach.

Numerous companies use audits as a way of monitoring, but the quality of audits can vary greatly. In high-risk countries, it is important to invest in improving audit quality. There are various ways to do this:

- Take training in reading and following up on audit reports;
- Mark which audit reports are written clearly and correctly and indicate a preference for the auditor and/or audit company in question for new audits;
- Contact the audit companies (listed in the audit report as the certifying body) to ask for an explanation of the approach and the difference between the audit report and general risks expressed in reports by, for example, NGOs;
- Furthermore, it can generally be stated that audits carried out under "the umbrella of" a multi-stakeholder initiative (such as Fair Wear Foundation, SA8000, amfori BSCI, FLA etc.) are more credible and qualitative than audits where this is not the case.

The [Fair Wear Foundation](#) has drawn up a [checklist](#) that you can use to check the quality of your audits.

| Assessment criteria: |  | Score |
|----------------------|--|-------|
| <b>No:</b>           | The company has answered all sub-questions below with "No".  | N/A   |
| <b>Partially:</b>    | The company has not answered all sub-questions below with "Yes", but has also answered sub-questions with "Partially" and/or "No". | N/A   |
| <b>Yes:</b>          | The company has all answered the sub-questions below with "Yes".   | N/A   |

##### 1.4.1. Do you monitor the working conditions of >75% of your CMT production sites?

Key question: -/ Maximum score: 12/ Effort: 1/ Result: 0

##### I-Function

It is important to monitor the working conditions in sewing factories or CMT units. Many companies do this through their membership of, among others, amfori BSCI or Fair Wear

Foundation. Others request audit reports (SA8000 or WRAP or SMETA) from their CMT units in order to get an impression of the state of affairs and to monitor progress. Some companies train or accredit their own audit teams or auditing bodies to perform audits/pre-audits or verifications.

Describe the monitoring processes that you have set up. Do you monitor circumstances in >75% of your CMT production locations?

**COVID-19**

Monitoring of suppliers via audits (if possible) or via other measurements remains of great importance. Monitoring ensures all norms are respected, including the implementation of all necessary safety and health precautions to protect employees. Here too there is an example of a [COVID-19 health and safety checklist of Fair Wear Foundation](#).

Brands must remain in clear and constant communication with suppliers and factories about the compliance of pandemic decisions of the government that have an impact on the production process, to make sure factories treat affected employees in accordance with local legislation and guidelines.

Brands must cooperate with their suppliers to identify existing financial support of local authorities and to make that information available for employees.

- See for example:
- [HAVEP](#) page 6
  - [Heigo](#) page 9

| <b>Assessment criteria:</b> |  | <b>Score</b> |
|-----------------------------|--|--------------|
| <b>No:</b>                  | The company has no monitoring system.  | 0            |
| <b>Partially:</b>           | The company does not comply with all aspects listed under "Yes".   | 6            |
| <b>Yes:</b>                 | The company monitors > 75% of its CMT production locations.<br>The company does this through 3rd-party audits, verifications or assessments initiated by the company or by others. The company has the progress, responsibility and procedures to follow-up on audits, verifications or assessments that are, for example, recorded in CAPs. | 12           |

**1.4.2. Do you monitor the environmental and/or animal welfare and/or working conditions of > 50% of the subcontractors and other links deeper down the supply chain that you have mapped?**

Key question: -/ Maximum score: 12/ Effort: 1/ Result: 0

**I-Function**

It often happens in the sector that parts of the production processes are subcontracted. For example, a manufacturer arranges that part of the production will be completed elsewhere due to lack of capacity, or subcontracts the embroidery or printing of a product to another production unit. The problem is that subcontractors are often "out of sight", although they are often the parties that suffer some of the adverse impacts. The subcontractors themselves do not export, are audited less frequently, and have less capital, knowledge and critical awareness.

It is therefore important to reach agreements with manufacturers on subcontractors. For example, agree that you intend to visit/audit these subcontractors and, together with the manufacturer, compile a list of approved subcontractors. Agree that you will be informed in advance when subcontractors are used. These can only be approved subcontractors.

Abuses also occur at second and third-tier suppliers such as spinners, fabric manufacturers, weavers, laundries, tanneries and printers. There are known examples of abuses, such as

forced labour in Indian spinning mills and child labour in cotton fields. Other examples include a lack of wastewater treatment and a lack of animal welfare deep down the chain. It is therefore important to get an overview of your second and third-tier suppliers and to monitor these just like your first-tier suppliers. You can do this monitoring of second-tier suppliers yourself, but this can also be performed by a first-tier supplier. BSCI describes this process as a "cascading process". The brand/retailer monitors its first-tier suppliers, the first-tier supplier oversees its own first-tier suppliers (your second-tier suppliers), etc. Another way of monitoring your second and third-tier suppliers is through certification (for example, organic certification of cotton farmers or GOTS certification of spinning mills).

An example is:

– [Star Sock](#) page 27 – description of how it deals with subcontracting

| <b>Assessment criteria:</b> |   | <b>Score</b> |
|-----------------------------|---|--------------|
| <b>No:</b>                  | The company has not set up a system to monitor subcontractors and links deeper down the chain.  | 0            |
| <b>Partially:</b>           | The company does not comply with all aspects listed under "Yes".  | 6            |
| <b>Yes:</b>                 | The company frees up sufficient capacity and resources to identify subcontractors and second and third-tier suppliers. The company demonstrates this by regularly adding/updating second and third-tier suppliers in the production location list.<br>The company monitors >50% of the identified subcontractors, second and third-tier suppliers.<br>This is done by third-party audits, verifications or assessments initiated by the company itself or others, by requesting certificates or by audits performed by first or second-tier suppliers (cascading effect).<br>The audits, verifications or assessments can relate to social and/or environmental and/or animal welfare aspects.<br>The audits are actively followed up by the company or by the relevant first or second-tier suppliers. | 12           |

#### **1.4.3. In case you purchase any third-party brands: Do you monitor third-party brands? By self-assessment, publicly available information or information requested by you, or via audits/inspections?**

Key question: -/ Maximum score: 2/ Effort: 1/ Result: 0

##### **I-Function**

It is important to monitor the third-party brands that you are selling. What processes and requirements do they set for their suppliers and to what extent do they meet your policy? How do you translate this into conditions and/or requirements that you place on your third-party brands? Examples of companies in this area can be found in [Zalando](#), [ASOS](#), [de Bijenkorf](#) (in Dutch only) and [Heigo](#) (page 7-8). Many of the (online) retailers make use of the [Higg Brand and Retail Module \(BRM\)](#) to monitor their third-party brands.

| <b>Assessment criteria:</b> |   | <b>Score</b> |
|-----------------------------|---|--------------|
| <b>No:</b>                  | The company does not monitor third-party brands.  | 0            |
| <b>Partially:</b>           | The company does not comply with all aspects listed under "Yes".  | 1            |
| <b>Yes:</b>                 | The company applies conditions and/or requirements to the international RBC policy of third-party brands.<br>The company attaches conclusions to whether or not these conditions and/or requirements are met. | 2            |
| <b>N/A:</b>                 | The company does not sell any third-party brands.   |              |

### 1.5. Is international RBC part of the conversation with your suppliers?

Key question: -/ Maximum score: 0/ Effort: 1/ Result: 0

#### I-Function

This is a main question; points can only be obtained on sub-questions.

Before you can start talking with your supplier about potential problems, you need to have already built up a good relationship based on confidence and trust. As part of this, visiting production sites can help you understand the reality on the production floor and provide an opportunity to discuss problems and solutions with the manufacturer. It may be possible to check whether production actually takes place there or whether subcontractors (possibly undeclared and/or not approved ) are used. Can you find your labels, materials and products at the production site? You should also pay a visit to subcontractors, a local NGO or trade union.

See [here](#) the developed guideline for how to start a conversation with factory management about supply chain transparency. Although this is focused on transparency it contains general guidance for conversations with your suppliers.

Please see the examples in below sub questions for inspiration.

#### COVID-19

Keep a frequent and transparent dialogue with all supply chain partners about sourcing decisions and look for solutions regarding cooperation. There must be no unilateral decisions. See for example:

- [Fristads](#) page 22-23

| Assessment criteria: |  | Score |
|----------------------|--|-------|
| <b>No:</b>           | The company has answered all sub-questions below with "No".  | N/A   |
| <b>Partially:</b>    | The company has not answered all sub-questions below with "Yes", but has also answered sub-questions with "Partially" and/or "No". | N/A   |
| <b>Yes:</b>          | The company has answered all the sub-questions below with "Yes".   | N/A   |

#### 1.5.1. Do your purchasing managers or international RBC staff discuss international RBC during their (virtual) visits at production sites?

Key question: -/ Maximum score: 2/ Effort: 1/ Result: 0

#### I-Function

Monitoring your production sites by visiting production sites is important. What does the reality look like, where is there resistance and why, where are opportunities, where are problem points and what are the causes, what needs to change?

In the explanation, indicate how often production sites are visited and by whom. If they are not visited, provide reasons why not.

In order to be able to discuss potential problems with your suppliers, it is important that you build up a good relationship with them and you trust each other. Visiting the production sites can help to understand the reality on the production floor and provides an opportunity to discuss problems and solutions with the producer. It may be possible to check whether production actually takes place there or whether subcontractors (possibly undeclared and/or not approved) are being used. Can you find your labels, materials, and products at the production site? You should also pay a visit to subcontractors, a local NGO, or a trade union.

You make your visits to your suppliers more effective if you structure and record visits or by giving those who visit the sites an active role. Fixed structures and formats (for example, for following up CAPs or asking questions) can help.

See for example the [amfori/BSCI buyers checklist](#).

But you can also give buyers and/or international RBC employees a role in doing health and safety checks; see:

- [Fair Wear Foundation Basic Health & Safety Check](#)
- [Fair Wear Foundation Common Health and Safety Problems](#)
- [Fair Wear Foundation Checklist for COVID-19-related health and safety measures](#)

You can also discuss the importance of freedom of association and social dialogue with your supplier. See [this example](#) on which questions you can ask from CNV International and FNV. Or check out [this example](#) with tips on how companies can work together with their supply chain partners on transparency.

| <b>Assessment criteria:</b> |   | <b>Score</b> |
|-----------------------------|---|--------------|
| <b>No:</b>                  | Purchasing locations in high-risk countries are not or only rarely visited (<than 10% of production locations). International RBC is not discussed on location.   | 0            |
| <b>Partially:</b>           | The company does not comply with all aspects listed under "Yes".  | 1            |
| <b>Yes:</b>                 | International RBC employees, buyers or purchasing offices visit at least 90% of the production locations that are classified as high-risk every year. During these visits, international RBC is discussed structurally. Fixed formats and/or structures are used to record observations and measure progress. | 2            |

### 1.5.2. Are you actively working to create long-term instead of short-term relationships?

Key question: 0/ Maximum score: 2/ Effort: 1/ Result: 0

#### I-Function

If your company often switches suppliers, it may be more difficult to do your due diligence and monitor your suppliers effectively and credibly. Often changing suppliers can reduce visibility and control over your supply chain. A long-term or short-term commitment to a supplier can also influence your company's ability to make improvements. The same applies to long-term relationships with agents or importers. Long-term relationships do not, per se, directly provide better working conditions for workers or better purchasing practices (this emerged from research by Better Buying, 2018). A longer relationship can be an "enabler" when it comes to working on risks and (possible) negative impacts.

| <b>Assessment criteria:</b> |  | <b>Score</b> |
|-----------------------------|--|--------------|
| <b>No:</b>                  | The company does not have a purchasing strategy to manage long-term relationships instead of short-term relationships. This is evident from the percentages of short, medium and long-term relationships. Less than 10% of the relationship with CMT production locations and nominated suppliers deeper in the chain has existed for 5 years or more. | 0            |
| <b>Partially:</b>           | The company does not comply with all aspects listed under "Yes".   | 1            |

|             |  |   |
|-------------|--|---|
| <b>Yes:</b> | The company has a demonstrable purchasing strategy from top management that shows that long-term relationships are used instead of short-term relationships. This must result in having long-term relationships (5 years or more) for at least 50% of the CMT production locations and nominated suppliers deeper down the chain. Check the analysis page in the E-tool; the pie chart shows percentages of short, medium and long-term relationships. Also check the 20/80 rule; does this correspond to the purchasing strategy? | 2 |
|-------------|--|---|

**1.6. The previous question was the final question of the "Policy and Organization" due diligence step. Would you like to set one or more goals and actions for this section?**

Key question: -/ Maximum score: 4/ Effort: 1/ Result: 0

**I-Function**

Describe the goals and/or actions in the explanation to this question. To which year does this goal and/or action point apply? Your explanation will be automatically included in your draft action plan that you can download from the E-tool.

| <b>Assessment criteria:</b> |  | <b>Score</b> |
|-----------------------------|--|--------------|
| <b>No:</b>                  | No <b>relevant</b> goals or actions have been formulated on any of the elements below as part of the "Policy and Organization" due diligence step. <ul style="list-style-type: none"> <li>- Content of policy;</li> <li>- Integration in the organization;</li> <li>- Improving purchasing practices;</li> <li>- Improving the monitoring process.</li> </ul> Note: if the above points are actually in place for the company, no goals or actions need to be formulated here; in practice this will rarely occur.   | 0            |
| <b>Partially:</b>           | <b>Relevant</b> goals or actions have been formulated on elements that are part of the "Policy and Organization" due diligence step, but certain points for scoring a "Yes" are still missing.   | 2            |
| <b>Yes:</b>                 | <b>Relevant</b> goals or actions have been formulated for the "Policy and Organization" due diligence step. These goals and actions enable the company to comply with obligations that are part of the assessment framework which relate to the policy and organization due diligence step for the coming year. In practice, this will mean that every company has formulated goals and actions regarding the following (or it should be perfectly clear that this is not necessary for the company): <ul style="list-style-type: none"> <li>- Content of Policy</li> <li>- Integration in the organization</li> <li>- Improving purchasing practices</li> <li>- Improving the monitoring process</li> </ul> | 4            |

## Step 2 Insight into the supply chain, risk analysis and prioritization of risks & impacts

### 2.1. Insight on chain, materials and processes

#### I-Function

The second step in the due diligence process is to obtain information on the supply chain and the materials and processes used to make your products. This information is important as otherwise it is impossible to create a complete overview of the various risks and impacts associated with your products. This step in the due diligence process consists of three elements:

1. gaining total insight
2. based on that insight, determining the risks and impacts
3. prioritizing risks if required

In the evaluation of this step, the secretariat will look at whether the company has taken the right steps to arrive at a well-considered risk analysis and whether this risk analysis has become embedded in the business operations. It is important that a process has been/is set up that provides continuous insight into where production is taking place. See the explanation of question 2.1.1.2.

#### 2.1.1. Do you have an overview of the production chain?

Key question: -/ Maximum score: 0/ Effort: 1/ Result: 0

#### I-Function

This is a main question; points can only be obtained on sub-questions. In order to be able to identify, prevent, mitigate and account for actual and potential adverse impacts in your supply chain, you need to have a clear overview of your production chain. This is something you can only have if you know who is doing what, and where. This means that you need to make every link in the value chain transparent, step by step. This is why more and more companies have mapped out their entire value chains. Others are halfway there or are just getting started. An example could be:

- [Prénatal](#) - format example which allows you to keep an overview of the production chain and processes and which can help you in your due diligence process.
- [Okimono](#) – example of how a company communicates on the overview of its production chain and specific elements of individual production locations.
- [Kings of Indigo](#) - this is an example of how a company per product displays which suppliers are involved via [Retraced](#).

See [this FLA tool](#) with practical tips on how to get this overview of the production chain. See also some tools that FLA has developed to give substance to gaining good insight into the production chain:

- [FLA format](#) to collect information from direct and indirect chain partners.
- [FLA Supply Chain planning Template](#) to plan how to realize this.
- [FLA form for supplier data collection](#)
- [FLA recommendations for dialogue with factory management about supply chain mapping](#)
- [FLA Supply Chain Mapping Steps and Recommendations for garment production units](#)

You can also use [this AGT Excel format](#) to collect information on your production chain.

| Assessment criteria: |  | Score |
|----------------------|--|-------|
| No:                  | The company has answered the sub-questions below with "No" everywhere. | N/A   |

|                   |  |  |     |
|-------------------|--|--|-----|
| <b>Partially:</b> | The company has not all answered the sub-questions below with "Yes", but has also answered sub-questions with "Partially" and/or "No".   |  | N/A |
| <b>Yes:</b>       | The company has answered all sub-questions 2.1.1.1 to 2.1.1.4 below with "Yes". The company has an overview of the entire production chain, from raw material to end product. This is exceptional, because as far as we know, no company really has this complete. |  | N/A |

**2.1.1.1. Do you have an up-to-date overview of suppliers, including name and address details?**

Key question: -/ Maximum score: 2/ Effort: 1/ Result: 0

**I-Function**

Suppliers are the companies with which you have a purchasing contract. This might be a manufacturer, but could also be an intermediary (agent, wholesaler or importer) or a brand. Registering a list of your suppliers is the first step in making your value chain transparent. Tip: consolidating your supplier portfolio makes it a lot easier to create transparency in your value chain. Check the analysis and progress page in the E-tool. How many producers account for 80% of your revenue or cost of sales? Do you really need all the other ones? An example could be:

- [Prénatal](#) - Format example which allows you to keep an overview of the production chain and processes and which can help you in your due diligence process.

| <b>Assessment criteria:</b> |  | <b>Score</b> |
|-----------------------------|--|--------------|
| <b>No:</b>                  | The company has no insight into its suppliers with which it has a contractual relationship.  | 0            |
| <b>Partially:</b>           | The company does not have a full overview of the suppliers with which it has a contractual relationship and/or name and address details are incomplete.  | 1            |
| <b>Yes:</b>                 | The company has full insight into its suppliers with which it has a contractual relationship. Name and address details are known. This can be added as an attachment to the DD questionnaire. If not, please check how it was submitted. | 2            |

**2.1.1.2. Do you have an up-to-date overview of your CMT production sites and subcontractors, including name and address details?**

Key question year 1,2,3,4 & 5/ Maximum score: 12/ Effort: 1/ Result: 0

**I-Function**

These are production locations where the final steps of the production process take place, such as CUT/ MAKE/ TRIM (CMT) or locations where the entire product is made (RMG) including these final steps. These can also be vertically integrated units. These can be production locations where you purchase directly or indirectly, which means that they can also be subcontractors.

If you work directly with producers, this is a relatively simple task. Gaining insight into subcontractors can be more difficult. If you work a lot with agents and importers, it can be more difficult to gain insight into these CMT production locations. They may not always want to share these CMT production locations because they are afraid of losing business, unless they offer added value in other areas. You can make agreements with parties that are not inclined to share addresses. A possible solution is to agree on contractual conditions, for example that in year x the producer may not be worked with directly under penalty of a fine.

The importer/agent may also want to join the AGT. It can also be useful for these locations to find out what other brands may be sourcing them.

It is important that your company does not just draw up an annual overview of production sites, but that there is continuous insight, at the order or product level, regarding where your garments and textiles are made. Record these processes and put in place the necessary checks to determine whether production does actually take place at the agreed site. The following can help:

- Ensure that you have a clear policy and agreements with suppliers and producers regarding the process. Make this part of your purchasing conditions, purchasing contracts, or Code of Conduct;
- Confirmation (by the contractual supplier) of the production site or approved subcontractor when the order is placed or before production starts;
- Record the production site in a document or system such as a purchase order, order form or product specification, or in your IT system;

In the garment and textile sector, it is almost inevitable that your orders will actually be manufactured by subcontractors (at least sometimes). It is important that your company realizes that subcontractors often take more risks because they are often not audited or visited by the international RBC manager or buyers. Subcontractors are also often engaged so as to produce an order more cheaply, or when the garment brand changes an order at the last minute. The use of subcontractors is often linked to the company's own purchasing practices, which is why it is important to address and train not only the internal organization (purchasing director, buyers) in this regard but also external parties (agents, suppliers, producers). The price and production site and the price and international RBC are always interlinked.

You should also record these processes and build in the necessary checks when it comes to subcontracting. The following can help:

- Include information about subcontracting in the introduction program for new buyers;
- Make subcontracting a component of purchasing documents for suppliers;
- Visit the production site during production to check whether production is actually taking place at the agreed site;
- Have a Quality Control operative (possibly external) confirm where production in fact takes place;
- Pay particular attention to the packing department. Is this much larger (proportionally) than the number of production lines? Or are not all the products packed here?
- Draw up a list of approved subcontractors in consultation with your supplier/producer;
- Visit subcontractors and request audit reports, inspection reports and certificates;
- Ask for updates from the factory (ideally, daily) with photos of production to see where production takes place;
- Cross-check export documents with production addresses;
- Conduct a capacity calculation for the producer, and check whether the producer actually has the production processes needed for your order in-house;
  - o Discuss production planning with the supplier in the longest possible terms (forecasting, reservation, production capacity);
  - o Prevent last-minute changes in design and order volume to minimize suppliers feeling the urge to dodge to subcontractors; take deadlines as the basis of order planning, volume and design adaptation into your critical time path and internally train employees that are affiliated with this.

An example could be:

- [Prénatal](#) - Format example which allows you to keep an overview of the production chain and processes and which can help you in your due diligence process.
- [Just brands](#) - Overview of production locations via API of [OAR](#).

| <b>Assessment criteria:</b> |  | <b>Score</b> |
|-----------------------------|--|--------------|
| <b>No:</b>                  | The company does not have an overview of CMT production sites and subcontractors, including name and address details.  | 0            |
| <b>Partially:</b>           | The company does not comply with all aspects listed under "Yes".   | 6            |
| <b>Yes:</b>                 | The company has full insight into the CMT production locations and subcontractors, including name and address details (the production location list is complete and the mandatory fields have been completed; see explanation of how to check in manual).<br>The company has a process for approving subcontractors and/or to prevent subcontracting.<br>The company has a process in place to keep continuous oversight and to monitor whether it is correct. | 12           |

### 2.1.1.3. Do you have an overview of your production sites deeper down the chain, including name and address details?

Key question year 3, 4 & 5/ Maximum score: 2/ Effort: 1/ Result: 0

#### I-Function

Locations deeper down the chain are, for instance, the spinners, fabric manufacturers, weavers, laundries, tanneries, printers, etc. Achieving transparency of these production sites will often be very difficult and time-consuming. But it is still very important to do so, because many severe risks and impacts are hidden lower in the value chain.

If you have identified some or all of your secondary production sites, you can indicate this here. If you do not have this insight yet, in your action plan you will need to explain why, which actions you have taken and will take to increase this insight, and how you have prioritized gaining further insight. Some examples are:

- [Prénatal](#) - Format example which allows you to keep an overview of the production chain and processes and which can help you in your due diligence process.
- [Kings of Indigo](#) - overview of their chain, including production locations deeper down the chain.

| <b>Assessment criteria:</b> |   | <b>Score</b> |
|-----------------------------|---|--------------|
| <b>No:</b>                  | The company does not have an overview of production locations further down the chain, including name and address details.   | 0            |
| <b>Partially:</b>           | The company does not comply with all aspects listed under "Yes".  | 1            |
| <b>Yes:</b>                 | The company has a growing insight into production locations (incl. name and address details further down in the chain). This is apparent from, among other things, the number of suppliers that are included in the production location list. The company has goals with regard to getting further insight into production locations further down the chain based on a risk analysis (suppliers with high-risk processes in high-risk countries are prioritized).<br>The company has a process to maintain the obtained insight and to monitor whether it is correct. | 2            |

### 2.1.2. Do you have an overview of the raw materials and/or production processes used for your products?

Key question: -/ Maximum score: 0/ Effort: 1/ Result: 0

#### I-Function

This is a main question; scores can only be granted on sub-questions.

An overview of raw materials and processes is the starting point for identifying risks in these areas. An example could be:

- [Prénatal](#) - format example which allows you to keep an overview of the production chain and processes and which can help you in your due diligence process.

| <b>Assessment criteria:</b> |  | <b>Score</b> |
|-----------------------------|--|--------------|
| <b>No:</b>                  | The company has answered all sub-questions below with "No".  | N/A          |
| <b>Partially:</b>           | The company did not answer all the sub-questions below with "Yes". It also responded to some sub-questions with "Partially" and/or "No". | N/A          |
| <b>Yes:</b>                 | The company has selected "Yes" for all of the sub-questions 2.1.2.1 up and including to 2.1.2.3.   | N/A          |

### **2.1.2.1. Do you have an overview of your own products and the raw materials used to produce them?**

Key question year 2,3,4 & 5/ Maximum score: 2/ Effort: 1/ Result: 0

#### **I-Function**

This would be a list of things like materials, fabrics, buttons and zips. Ideally, you should categorize this list by number, level and order/style/SKU. Use the format of the [AGT method advanced](#) or [AGT method basic](#).

Tip: Whether you can act on the basis of this data depends on whether it can be extracted from an ERP system or whether the overview has to be compiled manually. The secretariat considers it good practice for this information to be easily available and for the totals to be clear to the internal organization. This allows progress regarding more sustainable raw materials to be quantified and made part of an internal report. The secretariat also considers it good practice for KPIs (performance indicators) to be assigned to designers, buyers, and merchandisers for more sustainable materials.

An example is:

- [Kuyichi](#) – clear overview including graphics of material use in their products.

| <b>Assessment criteria:</b> |   | <b>Score</b> |
|-----------------------------|---|--------------|
| <b>No:</b>                  | The company does not have an overview of the products and the raw materials used for them, or this overview is very limited.  | 0            |
| <b>Partially:</b>           | The company does not comply with all aspects listed under "Yes".  | 1            |
| <b>Yes:</b>                 | The company has a process or system that provides a continuous overview of all products and the raw materials that were used during the reporting period. The company has a complete Bill of Material (BOM) or other overview of each product that includes all elements of the product.<br>This applies to both CMT production and RMG. In the E-tool under the tab materials, the company has explained whether their overview was made by using the AGT's format or their own format.<br>Please note: it is more difficult to obtain this overview from companies that buy a lot of RMG, because they often do not draw up the specifications of the product themselves. | 2            |

### **2.1.2.2. Do you use more sustainable raw materials for > 50% of the total volume (Mton) per year (as defined by the AGT)?**

Key question: -/ Maximum score: 12/ Effort: 1/ Result: 0

### I-Function

By more sustainable raw materials we mean sustainable alternatives to the conventional or mainstream raw material. These more sustainable alternatives have less impact on people, the environment or animals. Organic cotton is therefore a sustainable alternative to conventional cotton and recycled polyester is a sustainable alternative to conventional polyester. It is also important to realize that we are looking here at the use of more sustainable raw materials, and thus look at the process up to and including raw fibre, extruded yarn or untanned skin. Spinning, painting, finishing, washing, tanning, etc. is therefore not included here (but other questions are raised). You can find an overview of what stakeholders in the sector are regarded as sustainable alternative raw materials in the Excel files that we use for specifying sustainable materials, namely: [AGT method basic](#) or [AGT method advanced](#), Background Materials & Risks tab, in the sustainable alternatives column (column H).

| Assessment criteria: |   | Score |
|----------------------|---|-------|
| <b>No:</b>           | The company has no insight into how many pieces and what % of the total number of pieces per year are produced with more sustainable raw materials or do not yet use more sustainable raw materials.  | 0     |
| <b>Partially:</b>    | The company does not comply with all aspects listed under "Yes".  | 6     |
| <b>Yes:</b>          | The company has a list of raw materials that it considers more sustainable (in line with AGT principles).<br>The company has a process or system through which it has continuous insight into the use of more sustainable raw materials that it has used in products during the reporting period.<br>The company has a process or system that guarantees/controls the origin of more sustainable raw materials. This may involve requesting and obtaining scope and transaction certificates per product/order and/or an overview of claimed BBCUs in the Better Cotton Platform or other system.<br>The company uses more sustainable raw materials for > 50% of the total volume per year (Mton). | 12    |

#### 2.1.2.3. Do you have an overview of the processes used for manufacturing the products?

Key question: -/ Maximum score: 2/ Effort: 1/ Result: 0

### I-Function

This would be an overview of the various production processes such as the cut, make and trim steps, as well as the dyeing, printing and finishing processes. The processes for coats will be different than for denim, for example. Describe the processes based on the article groups purchased. Choose a layout that works for you.

For more information on possible processes see: [Chemsec Textile Guide](#).

| Assessment criteria: |  | Score |
|----------------------|--|-------|
| <b>No:</b>           | The company has no insight into the production processes required to produce the product (only mentioning CMT as a process is scored as "No"). | 0     |
| <b>Partially:</b>    | The company does not comply with all aspects listed under "Yes".   | 1     |

|             |  |   |
|-------------|--|---|
| <b>Yes:</b> | The company has a complete overview of all processes applied to its product groups.<br>The company paid particular attention to defining and describing high-impact processes (bleaching, coating, printing, dyeing, tanning, etc.).<br>The company has an overview/description of which processes are applied per product/order.<br>Please note: this assesses whether there is insight into which processes are applied to which products. The insight into where these (at which suppliers) are applied has previously been assessed. | 2 |
|-------------|--|---|

## 2.2. Risk analysis: overview and prioritization of risks and impacts relating to human rights, environment and animal welfare

### I-Function

Now that you have gained insight into the supply chain and the materials and processes used in it, you can establish the risks and impacts relating to human rights, the environment and animal welfare. You can divide them into general risks and the most probable risks, the latter being the risks you consider the most likely to occur. Thereafter, you prioritize these risks and impacts according to likelihood and severity. The following questions are about this area.

#### 2.2.1. Have you identified the risks in all (or part) of the supply chain?

Key question: -/ Maximum score: 0/ Effort: 1/ Result: 0

### I-Function

This is a main question; points can only be granted on sub-questions.

Based on the insights you have gained into the supply chain (see previous questions), you now take a step further by identifying your risks and impacts in your supply chain. You can divide them into general risks and the most probable risks, the latter being the risks you consider most likely to occur. To this end you can, for example, refer to the [Fair Wear Foundation's country studies](#), the [RBC Risk Checker](#) and audit reports specifically concerning your production or supply chain. There is more about this in the I-Function of the questions below.

| <b>Assessment criteria:</b> |  | <b>Score</b> |
|-----------------------------|--|--------------|
| <b>No:</b>                  | The company has answered all sub-questions below with "No".  | N/A          |
| <b>Partially:</b>           | The company did not answer all the sub-questions below with "Yes". It also responded to some sub-questions with "Partially" and/or "No". | N/A          |
| <b>Yes:</b>                 | The company has selected "Yes" for all of the sub-questions below.   | N/A          |

In assessing this question, the year of participation of the company needs to be taken into account. Year 1 companies, for example, need to understand the risks at their CMT production sites and subcontractors. It will be difficult for companies in year 4 to score a "Yes" on this component if they do not have complete insight into their supply chain and the associated risks.

#### 2.2.1.1. Have you identified risks in your production or supply chain for each individual country and/or region?

Key question: -/ Maximum score: 2/ Effort: 1/ Result: 0

### I-Function

It is important to have insight into the general risks per country and sourcing region. This is especially true for high-risk countries. It is therefore important to have insight into your share

of suppliers and production volume in high and low-risk countries. To help you with this, the secretariat has compiled a list of low-risk countries. These are the countries with a "very high development" from the *Human Development Index* (HDI) of the *United Nations Development Programme* (UNDP).

When determining the risks per country/region, consider the nine themes of the agreement, but also aspects such as corruption. In case a theme is not relevant for a specific region, you can mention it briefly so that the secretariat sees that you have looked at the topic. You can do this risk analysis based on your own experiences and tools and country reports from institutes such as:

- [ARISA](#).
- [BSCI country risk classification](#);
- [Fair Wear Foundation country reports](#);
- Freedom House: [Freedom House report](#) and [Freedom House](#);
- [International RBC Risk Checker](#);
- [ITUC](#);
- [Modint Country risk reports](#);
- [Modint/Unicef Due Diligence Tool](#);
- [SOMO](#);
- STITCH country information and practical advice on freedom of association and collective bargaining [Vietnam](#) and [Bangladesh](#);
- [The Danish Institute for Human Rights' Country Guide](#);
- [The World Bank](#);

In addition to reading reports, it is important to engage with local authorities, civil society organizations and trade unions about risks in the regions where you source to get a good overview of the risks in the local context.

**COVID-19**

In recent years you have become familiar with doing due diligence. Doing due diligence means knowing your supply chains and their risks and addressing the most serious risks in your supply chain. The COVID-19 outbreak has affected this in most cases, so it's very likely that the most serious risks in your supply chain have changed.

That is why it is important to familiarize yourself with national and regional developments through:

- [Fair Labor Association](#)
- [Fair Wear Foundation](#)

| <b>Assessment criteria:</b> |  | <b>Score</b> |
|-----------------------------|--|--------------|
| <b>No:</b>                  | The participating company has not provided any information indicating that it understands the risks in production countries and regions that are important to it.  | 0            |
| <b>Partially:</b>           | The company does not comply with all aspects listed under "Yes".   | 1            |
| <b>Yes:</b>                 | The company has insight into the production volume in high and low-risk countries.<br>The company has made a general risk analysis for all nine themes and any additional themes for all high-risk countries where it purchases.<br>High-risk countries which are likely part of the supply chain because links further down the chain are located there are also included in this analysis. | 2            |

**2.2.1.2. Have you identified the risks in relation to raw materials?**

Key question: -/ Maximum score: 2/ Effort: 1/ Result: 0

### I-Function

This is about the potential risks of raw materials used in your products. An initial brief overview of risks associated with certain raw materials and potential sustainable alternatives can be downloaded from the materials page in the E-tool. You can also consult other sources, such as:

- [Fact sheets Animal Welfare in the Garments & Textile sector](#);
- [Report on Animal Welfare in the Garments & Textile sector \(Dutch only\)](#);
- [Modint Fact Sheets](#);
- [Modint Fiber Matrix](#);
- [Modint Sustainable Material Guide](#);
- [SAC Higg Material Sustainability Index \(MSI\)](#);

| <b>Assessment criteria:</b> |  | <b>Score</b> |
|-----------------------------|--|--------------|
| <b>No:</b>                  | The company has no insight into the risks associated with raw materials.   | 0            |
| <b>Partially:</b>           | The company does not comply with all aspects listed under "Yes".   | 1            |
| <b>Yes:</b>                 | The company describes per material in its risk analysis what the risks are for humans, the environment and animals for the materials used in its collections. At a minimum, the most important materials (fabric, lining and filling) are included. The company refers to the risk overview provided through the AGT materials overview or any other risk overview that identifies potential risks from raw materials such as the Made-by Environmental Benchmark for Fibers, the Higg MSI, the Modint Sustainable Material guide or comparable. | 2            |
| <b>Good practice:</b>       | The company also pays attention to materials other than those described above, such as trims, packaging and labelling/hang tags.   |              |

#### 2.2.1.3. Have you identified risks in your supply chain per production process?

Key question: -/ Maximum score: 2/ Effort: 1/ Result: 0

### I-Function

This concerns the potential risks of the processes used for your products, such as finishing, dyeing, washing, printing, embroidery, weaving and knitting. These are partly processes that take place at sewing workshops, but especially at links further back in the chain. It is primarily of importance to map the risks of processes with a potential high risk regarding social, environmental or animal welfare aspects. Potential high-risk processes are, for example, denim finishing (sand-blasting, pp-spray, and many water-intensive processes), special coatings (e.g., water, dirt, odour or fire resistance), printing and dyeing of cloth/clothing and tanning of leather. Also consider processes such as manual work (e.g., embroidery), which may be done by homeworkers.

Sources that may help you include:

- [Modint Factsheets](#);
- [Modint Sustainable Material Guide](#);
- [ZDHC](#);
- [SAC Higg Facility Environmental Module \(FEM\)](#).

Or see this example:

- [Kings of Indigo](#) - retraced transparency clothing passport

| <b>Assessment criteria:</b> |  | <b>Score</b> |
|-----------------------------|--|--------------|
| <b>No:</b>                  | The company has no insight into the risks of processes that are applied to its products. | 0            |
| <b>Partially:</b>           | The company does not comply with all aspects listed under "Yes".                         | 1            |

|             |   |   |
|-------------|---|---|
| <b>Yes:</b> | The company describes in its risk analysis per process what the risks are for humans, the environment and animals. In any case, the regularly applied and high-risk processes are included.<br><u>Please note:</u> this is a generic insight into the most important applied processes and which involve generic risks. The point here is not whether you know exactly where, with whom and under exactly which circumstances a process is applied. | 2 |
|-------------|---|---|

#### 2.2.1.4. Have you also mapped the risks per production location?

Key question: -/ Maximum score: 2/ Effort: 1/ Result: 0

##### I-Function

This is an overview of the potential or existing risks at the production locations where your products are made. Audits are an important means of mapping risks per producer. Depending on the substantive and cultural knowledge of an auditor and the degree of trust between the auditor and employees at a manufacturer, there will be some risks that an audit will, however, have difficulty finding. This includes, for example, risks related to discrimination or freedom of association. Many employees will not talk about discriminatory or union-unfriendly practices out of ignorance of their rights or fear of negative consequences (dismissal, demotion, and blacklisting). It is important to be aware of this. As such, employees are often more open in group interviews than in individual interviews. Nevertheless, individual interviews are most common during audits. It is also often advisable to not only rely on audits, but also to obtain information from trade unions and NGOs. This gives you a more complete picture of the risks.

If you have some or all of your production locations under your own management (co-owner), it is extra important to pay attention to any risks and impacts. After all, in such cases you can be directly responsible for any wrongdoing.

It is also important to realize that your analysis of risks per production location does not stop at your first-tier locations, but extends to your second and third-tier suppliers. For example, you can also add information to your overview about fabric suppliers where purchases are made directly. But you should also include laundries, spinners, etc.

A good risk analysis at the producer level will contain at least:

- A schematic overview with results from audit reports per producer;
- A comparison between risks per country/region and the risks per producer.

There may be a "gap" between general risks and specific risks in, for example, an audit report. Investigate why, by:

- First making a "gap analysis"; a comparison between the overall risk and the audit findings;
- Continuing to work on the matters that emerge from the audit report, as these are concrete findings;
- Being critical of the audit quality (see explanation of the I-Function at question 1.4) and discussing the general risks that you miss with the supplier and audit organization;
- Asking for information and advice from an external stakeholder (for example a local NGO) about whether it is plausible that a certain risk will occur at this producer and whether the information from the audit report is reliable.

Please note: audits are not the only way to obtain information per production location. Do apply other measures, such as your own visits to suppliers or consultation with external stakeholders.

Example:

- [Nudie Jeans](#) production guide – audit results per production location
- [Schijvens](#) page 52-64
- [Kings of Indigo](#) 62-63 – this example shows the importance of consulting local stakeholders in addition to regular audits to understand risks.

## COVID-19

Based on dialogue (and audits) with suppliers, specific COVID-19 risks at the level of individual suppliers can be mapped out. This can be done, for example, by determining/discussing the extent to which national and regional risks also affect individual suppliers. Note: Due to lockdowns, this can be more difficult in practice than it initially seems.

| Assessment criteria: |  | Score |
|----------------------|--|-------|
| <b>No:</b>           | The company has no schematic overview of the risks per producer.   | 0     |
| <b>Partially:</b>    | The company does not comply with all aspects listed under "Yes".   | 1     |
| <b>Yes:</b>          | The company uses: <ul style="list-style-type: none"> <li>- A schematic overview with outcomes of audit reports per producer;</li> <li>- A comparison between risks per country/region and the risks per producer;</li> <li>- It is sufficient to describe risks per first-tier supplier, but an overview of risks of second and third-tier suppliers is certainly desirable and will be the norm in the future;</li> <li>- The company pays specific and detailed attention to the inventory of risks of production locations that it owns.</li> </ul> | 2     |

### 2.2.1.4.1. Have you identified the wage gap between paid wages and the living wage per first tier production site?

Key question year 4,5/ Maximum score: 6/ Effort: 1/ Result: 0

#### I-Function

Identifying or mapping the wage gap between wages paid and the living wage is an important first step towards closing the wage gap. In practice, this can be easily fulfilled by providing an Excel sheet containing the lowest paid wage or average wage and the applicable living wage benchmark. Companies can use information from their audit reports to determine the lowest paid or average wage. Companies which do not or do not yet audit their production sites can complete their overview with the use of the applicable minimum wage and living wage benchmarks. In such cases they do need to be able to demonstrate or argue that minimum wages are actually being paid.

Living wage benchmarks and the legal minimum wages of almost all countries and/or regions where production for companies takes place are accessible via [this link of WageIndicator.org](https://www.wageindicator.org). Useful tools that companies can use in for example finding an recognized living wage benchmark, to calculate the true price of product (including direct and indirect labour costs) and to calculate the wage gap between wages paid and the living wage:

- IDH [Salary Matrix](#)
- IDH [Living Wage Identifier Tool](#)
- Fair Wear Foundation [Wage Ladder](#)
- Fair Wear Foundation [Labour Minute Calculators and tools](#)
- AGT Living Wage Gap – [Practical guide to collect wage data](#)
- [Schijvens' Corporate Fashion method to calculate living wage gap](#)

Finally, an example of an Excel overview with the required data is given below:

| Country  | City  | Province/Region | Name production location | No of workers | Last audit date | Audit type | Currency used | Minimum wage | Lowest wage paid or average wage paid | Name of Living Wage Benchmark used | Living Wage Benchmark | Absolute difference between living wage and minimum or lowest/average wage paid | % difference between living wage and minimum or lowest/average wage paid |
|----------|-------|-----------------|--------------------------|---------------|-----------------|------------|---------------|--------------|---------------------------------------|------------------------------------|-----------------------|---|--|
| Bulgaria | Sofia | Sofia-grad      | Pandev                   | 123           | 20-1-2021       | BSCI       | BGN           | 610          | 610                                   | Indicator                          | 1665                  | 1055  | 63,36%   |

See also this example:

- [L ten Cate](#) page 26 (Dutch only)
- [Kings of Indigo](#) page 66
- [Schijvens](#) page 37

| <b>Assessment criteria:</b> |  | <b>Score</b> |
|-----------------------------|--|--------------|
| <b>No:</b>                  | The company does not provide an overview of the wage gap per production site.  | 0            |
| <b>Partially:</b>           | The company does not comply with all aspects listed under "Yes".   | 3            |
| <b>Yes:</b>                 | <p>The company provides an overview of the wage gap per production site. This overview contains at least:</p> <ul style="list-style-type: none"> <li>- The wage gap calculation per production site based on the gap between the lowest paid wage, the average wage and/or minimum wage and the chosen living wage benchmark.</li> <li>- If the minimum wage is used to calculate the wage gap, the company is able to demonstrate or argue that the minimum wage is actually being paid.</li> <li>- The production sites included in the overview are the most important first-tier production sites but preferably also contain second and third-tier production sites.</li> <li>- The most important first-tier production sites are those sites that together achieve 80% or more of the total buying value of the company.</li> </ul> | 6            |

#### **2.2.1.5. Have you identified the risks of your purchasing practices?**

Key question: -/ Maximum score: 6/ Effort: 1/ Result: 0

##### **I-Function**

As discussed earlier in question 1.1.1.10, purchasing decisions made by your company affect the working conditions of others. This applies to various purchasing aspects. Is it reasonable to require the producer to pay employees a living wage if you always want to lower the purchase price? Can you request an environmental or social certification from producers if you don't want to make a long-term commitment yourself?

The purchasing practices (purchase price, delivery time and last-minute orders) can therefore positively or negatively influence the circumstances at the production location. Another well-known example is "last minute changes". These changes are necessary from a commercial point of view. Pink does not sell at all, while yellow sells like crazy, so the colour must be changed. However, that decision can lead to extreme overtime or unwanted subcontracting because the producer cannot handle it.

The examples above show that it is important to identify the risks of purchasing practices. This can best be done in a structured way, for example by using tools or initiatives that are specifically intended for this purpose. Examples include the [ACT](#) PPA (for suppliers) and PPSA tool or the [Better Buying initiative](#). The systematic screening of procurement practices via the Fair Wear Foundation's brand performance check is another example. Such tools and initiatives offer the opportunity to analyse purchasing practice based on concrete indicators or areas of interest. The results or risks that you determine in this way can be translated into changes in purchasing practice at a later stage (questions 3.1.2 and beyond).

##### **COVID-19**

Businesses must carefully consider all possible future impacts in the supply chain when making purchasing decisions. This includes seemingly small purchasing decisions, which can have a domino effect down the value chain. Effective communication with producers and intermediaries, as well as with trade unions and civil society organizations will be crucial to understand any negative impacts, and a collaborative dialogue will provide mutually acceptable solutions.

In these times of crisis, as well as in the future, companies will be held accountable for their purchasing practices and will be criticised when, for example, they trigger force majeure clauses to stop payments to business partners. Ultimately, unresponsive business practices will damage companies' reputations, putting them at risk of losing their "social license to operate."

Consider potential consequences for employees when making purchasing decisions. This could be illegal layoffs, non-payment of wages or unsafe working conditions.

Consider possible implications for logistics. Companies must also communicate with their logistics partners and enable them to adopt responsible business practices. For example, truck drivers are under pressure to deliver goods, but are frequently delayed at borders, resulting in non-compliance with applicable rest periods.

In addition, consider supporting supply chain partners who are struggling in any way, possibly in partnership with other brands/retailers or local partners and local government and possibly in consultation with unions and other local stakeholders. Possible options include:

- Brands should consider early payment and not withhold payments to suppliers, as employees need money for medication, food or to survive periods of isolation. Brands may also consider paying for some of the orders that have not yet been cut and future orders affected by volume changes, delayed shipping times, or holding of orders.
- Consider prioritizing orders based on real demand. Accept longer lead times and delay/move sales schedules for later delivery. Investigate whether spreading orders over a longer period is an option or whether some orders could be split or prioritized over others.
- Set aside the money your business needs to cover contractual obligations, including paying bills to suppliers. Since your company's own cash flow is likely to suffer as well, you can use financial reserves/buffers. Also investigate government support, liquidate assets, issue corporate bonds, take out credit and/or secure loans to cover your operating costs and creditors.
- Logistic challenges in shipping, delays in receiving raw materials and other backlogs can result in delays in shipping goods through factories or arriving at your stores/distribution centres. Don't penalize suppliers for delays and accept alternative shipping methods and associated costs.
- You should work closely with suppliers to plan and secure necessary capacity and make updated forecasts. Prepare for business recovery by taking inventory of all available inventory and getting the necessary materials in stock. Place orders early in anticipation that global supply chains may soon become overloaded. Plan resources ahead and book transport on time.
- Get the money you need to pay up front for delivery of new orders. Long payment terms are likely to be impossible during the recovery phase and should not be part of a sustainable business plan. Expect to pay in advance, pay on delivery, or on a Letters of Credit basis.

An example is:

- *Buying risks matrix Steps* – a matrix that has identified all relevant steps in the buying process and related risks and how they can be avoided internally.

| <b>Assessment criteria:</b> |  | <b>Score</b> |
|-----------------------------|--|--------------|
| <b>No:</b>                  | The company has no insight/overview of the risks linked to its purchasing practices. | 0            |
| <b>Partially:</b>           | The company does not meet all aspects mentioned under "Yes".                         | 3            |

|             |  |   |
|-------------|--|---|
| <b>Yes:</b> | The company: <ul style="list-style-type: none"> <li>– Analyses the potential risks associated with purchasing practice in a systematic manner (for example by using a PPSA tool, Better Buying or the FAIR WEAR FOUNDATION brand performance check);</li> <li>– Discusses/evaluates the analysis and asks for feedback of suppliers;</li> <li>– Documents the analysis and evaluation in fixed formats.</li> </ul> | 6 |
|-------------|--|---|

**2.2.1.6. In case you purchase any third-party brands: have you identified the most likely risks for those third-party brands?**

Key question: -/ Maximum score: 2/ Effort: 1/ Result: 0

**I-Function**

The way in which you do your due diligence for your own production or for third-party brands differs. With third-party brands you mainly want to determine whether the third-party brands perform their due diligence and manage risks.

If you work with any such third-party brands, you can identify the risks associated with that brand by discussing them with the international RBC department or other responsible party at the brand. Ask questions like: what are the production sites? Is there a policy on international Responsible Business Conduct? Do you take any steps related to international Responsible Business Conduct? What is the relationship between production sites, how often are they visited, and how is international Responsible Business Conduct part of the relationship? What do NGOs think and write about the brand?

When working with many third-party brands, you can prioritize. For example, you can start with a risk analysis for third-party brands that deliver products that involve specific risks or for the third-party brands that make up the largest share of your turnover. Also consider whether you can set up a system that maps the risks before you add new third-party brands to your assortment. You can do this by sending a questionnaire or charting whether a third-party brand uses a due diligence management system in the form of membership in amfori BSCI, ETI, Fair Wear Foundation (FWF), SAC or another initiative.

| <b>Assessment criteria:</b> |  | <b>Score</b> |
|-----------------------------|--|--------------|
| <b>No:</b>                  | Third-party brands are not included in the risk analysis   | 0            |
| <b>Partially:</b>           | The company does not comply with all aspects listed under "Yes".   | 1            |
| <b>Yes:</b>                 | The company has included third-party brands in its risk analysis. For each third-party brand, the company maps out the extent to which these brands do their due diligence. In doing so, the company may have prioritized based on the volume sold by the third-party brand and/or the risk profile of the third-party brand products concerned. | 2            |
| <b>N/A</b>                  | The company does not purchase third-party brands.  |              |

**2.2.2. When making new purchasing decisions, do you first investigate the potential risks?**

Key question: -/ Maximum score: 2/ Effort: 1/ Result: 0

**I-Function**

New purchasing decisions include decisions about new production countries, agents/importers, third-party brands, manufacturers and subcontractors, and products, materials and/or processes.

Prior to making a decision on, for example, starting with a new producer or new product, it is important to investigate the possible risks. Is there enough budget and capacity available for the company to conduct due diligence in this new situation to work together in a responsible way with the new supplier? Questions like this must be part of the decision-making process. The secretariat also considers it good practice when the international RBC manager has a veto right to block new suppliers and pricing in case the price is too low for conducting due diligence.

Ways to understand the situation at the new producer include:  
 Check whether the new partner has an international RBC policy and can show you any audit reports. If not, then do a pre-audit. Check whether another signatory works with this supplier (is the producer on the production site list?) and what its experience is regarding international RBC. Is the partner forward-thinking about international RBC? Does the producer have experience with/access to more sustainable materials? This can have a major impact on implementing improvements and on the capacity that may be required.

Also check whether the producer has room for new orders and whether the producer has the right production processes. If not, it is very likely that your order will be outsourced to a subcontractor. With any new purchasing region or purchasing country, investigate the country or region first (for example, know about Myanmar before sourcing from there). You can start by consulting reports of international institutions, NGOs, trade unions, etc. You may not be able to guarantee that everything is perfect, but you need to exercise a zero-tolerance policy for severe abuses like serious forms of child labour. Visit the production site and/or ask for photos.

Ask yourself whether you have the leverage and capacity to change the situation, whether alone or working with others. Is there enough capacity to follow up on CAPs? If the answer is no, you are probably better off looking for another (low-risk) production partner, region or country. You can do a similar analysis with regard to the origin and nature of materials and the impact of processes. What is the impact of any proposed new printing or dyeing process? Is the new "environmentally friendly" or "animal-friendly" material really progress? Do you know enough about the new material (e.g., ostrich leather, bamboo viscose or alpaca wool) to be able to make a good risk assessment?

| <b>Assessment criteria:</b> |   | <b>Score</b> |
|-----------------------------|---|--------------|
| <b>No:</b>                  | The company does not look into risks when it selects new suppliers, products, raw materials, processes and/or production countries.   | 0            |
| <b>Partially:</b>           | The company does not comply with all aspects listed under "Yes".  | 1            |
| <b>Yes:</b>                 | The company conducts a risk analysis when selecting new suppliers, products, raw materials, processes and/or production countries. The following procedures are used for this purpose:<br>New suppliers are checked by means of a pre-audit, requesting existing audit reports, international RBC policy and/or checking the aggregated production location list of the covenant.<br>When selecting new products, processes, raw materials and/or countries, an analysis of the risks is made in advance (via existing sources and consultation of experts and stakeholders).<br>The company examines whether there is sufficient capacity (time and money), leverage and/or motivation to address any risks internally and at the producer concerned.<br>The person responsible for international RBC has a leading (or important) vote when making the decision on the previous point.<br>The company opts for an alternative solution (for example, a supplier in a low-risk production country) if it is established that the risks cannot be adequately managed. | 2            |

**2.2.3 During the past year, have you received any signals from international RBC monitoring/audit system and grievances or cases that indicate any negative impact?**

Key question year 3, 4 & 5/ Maximum score: 4/ Effort: 1/ Result: 0

**I-Function**

The previous questions concern risks (the likelihood of harm or impact for people, the environment or animals). You will try, where possible, to prevent the likelihood of harm/impact. However, you will not always succeed. You will regularly encounter both minor and serious violations in the areas of human rights, the environment and animal welfare. They may be uncovered by you (during visits to manufacturers) or by others (researchers, NGOs or trade unions). It is also possible that the secretariat contacted you in the past year because a problem was reported about a factory with which you have a relationship according to the production location list. You can also identify actual impacts on the basis of audit reports or on the basis of bona fide grievances. Please note: the fact that you detect negative impacts is not a sign of weak international RBC policy; on the contrary. Reporting negative impacts shows that you are alert and open. It also enables you to complete your overview of risks and impacts.

| <b>Assessment criteria:</b> |  | <b>Score</b> |
|-----------------------------|--|--------------|
| <b>No:</b>                  | The company does not include negative impacts in the chain when completing its risk and impact overview.   | 0            |
| <b>Partially:</b>           | The company does not comply with all aspects listed under "Yes".   | 2            |
| <b>Yes:</b>                 | The company integrates identified negative impacts in the supply chain in its overview of risks and impacts.<br>This concerns negative impacts at first tier suppliers, subcontractors, second or third tier suppliers, and/or third-party brands. | 4            |

**2.2.4. Have you prioritized all the risks and damage/impacts identified by severity and likelihood? Explain.**

Key question year 2,3,4 & 5/ Maximum score: 12/ Effort: 1/ Result: 0

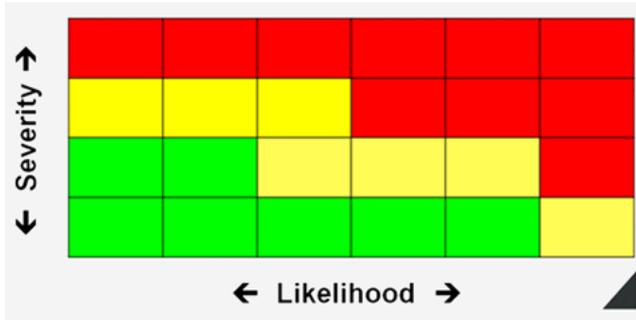
**I-Function**

Small companies or companies with a relatively simple supply chain will in practice encounter a limited number of risks, and these may be addressed at the same time. However, if your chain is large and complex, it is important to prioritize risks and impacts. In this case, it will not be practical nor feasible to address all these risks and impacts simultaneously. Therefore, you should prioritize based on the severity and likelihood of risks and impacts.

The likelihood of risks is determined by the probability or frequency of risks. Probable risks include, for example, the use of harmful pesticides in cotton farming and excessive overtime in CMT units in China. These risks are more the rule than the exception. The severity of risks is determined by the scale (the number of people involved), scope and their irremediable character (for example: death, serious damage to health, child labour or serious forms of forced labour).

You can prioritize at various levels. Consider general risks at country, process or material level or specific risks at supplier level. An example of a general risk at country level is the wage gap between the minimum and living wages in Bangladesh or the lack of law enforcement in certain countries. An example of a general risk at process level is the use of PFAS and PFOAs in the water-repellent finishing of clothing and textiles or the intensive use of water and chemicals in denim laundries. An example of a general risk at material level is child labour in cotton farming or the lack of animal welfare when plucking down. Specific risks at supplier level are, for example, findings from audits, but can also be determined or "excluded" based on the absence or presence of certification or audits. In practice, you will often start prioritizing at a general level (for example, country level) and then focus on specific risks (for example, at supplier level).

To decide which risks you prioritize (and which you do not), the risk matrix below can be helpful.



Determining which risk is the most urgent is done by assigning a likelihood and severity factor. These two dimensions can be set against each other in a matrix or "heat map". The impacts that score high on both of these factors (the red fields) have the highest priority. Completing this matrix can be quite difficult in practice. To get a good impression as a company of whether you have made the right considerations, it can be important to involve knowledgeable external stakeholders, such as NGOs or trade unions, in these considerations.

You can also use the various tools and publications that are available to you in the area of risks and impacts. You will find a useful overview in the [Due Diligence tool](#) prepared by Modint in collaboration with all parties involved in the AGT. You can now get to work with the risks and impacts from the red fields of the matrix. If you have to choose between various likely and severe risks and impacts, choose the risks and impacts where you (together with others) can make the difference (where you have leverage/influence). Your leverage will be determined by, among other things, your share in the turnover of your supplier, the long-term character of your cooperation and the size of the supplier's share in your own collection. If your leverage is small, you can try to increase it by collaborating with others, for example through collaboration with other AGT companies or through participating in collective projects, etc.

Note: Some companies (especially larger ones) are used to prioritizing risks on the basis of materiality by using a "materiality matrix". Although this approach can provide valuable insights, it is not the analysis that we want to see here since this way of prioritizing often ignores the severity and likelihood of risks and impacts, and focuses on the interests and preferences of the company's stakeholders (shareholders, customers, NGOs, etc.). Another "problem" is that such analyses are often performed at a higher level of abstraction and that no attention is paid to specific risks and impacts.

And now... get started! Choose a number of issues that enable you to make a difference and explain which risks you do not address based on the above. We expect more goals and actions from large companies than from small companies, for obvious reasons. For a small company, for example, it is fine to prioritize two or three specific risks on which you can really make a difference. This number is probably insufficient for a large company.

### COVID-19

The impact of COVID-19 has increased the existing inequalities, systemic vulnerabilities and challenges in global chains. The health and livelihoods of millions of workers and their families - who often cannot rely on savings, loans or public services - are at risk. Most workers are women, often low-paid and under-represented in trade unions with additional unpaid obligations relating to child-rearing, elderly care and illness. COVID-19 poses a particular risk to them, not only to their immediate health but also to their current and long-term financial situation.

Furthermore, many employees are affected by their wages. In many garment-producing countries, factories are being forced to shut down production, either temporarily or permanently: because they are forced to do so by their governments, because workers are

quarantined, or because they are losing orders due to problems further down the supply chain (e.g., closure of stores, limits on transport). During such breaks, many employees have no income. Even if local governments require employers to pay their employees regular wages during work stoppages, employees may not be getting what they are legally owed. For example, most garment workers in China and Eastern Europe are paid by piece rate. It may be the case that they do not get paid because there was no work. Temporary workers without proper contracts, who are mainly women, are particularly at risk. They will be the first to stop working. In cases where employees are not fired, they may be forced to take unpaid or annual leave. Many employees do not receive social security or health insurance.

If workers get COVID-19, they don't have enough money to pay for medical treatment. Many manufacturing countries do not have the healthcare infrastructure needed to deal with a pandemic of this magnitude and workers do not have access to basic medical care. If sick leave is not paid during quarantine, there may be an increased risk. If an infected employee goes to work, he/she will infect others; if he/she doesn't go to work, he/she will suffer financially.

Some employees have access to healthcare through their employer, and losing their job or leaving work can end that access. This is especially dangerous for those workers who rely on factory nurses to provide their healthcare. During a pandemic, workers may lose access to services considered "non-essential" such as sexual and reproductive health and maternity care.

### **Health and safety at work**

In addition to the risk of loss of income, employees also have a higher risk of unsafe working conditions and a huge risk of infection because they work in labour-intensive factories. Many factories do not have a good ventilation system. Workspaces are usually very close to each other. Many lack facilities for employees to wash their hands regularly. Even if the factory has proper washing facilities, there is no guarantee that they will give workers time to wash their hands. When workers are paid at piece rates, they may not want to take the necessary breaks to wash their hands. Many clothing factories offer dust face masks. These will not always block COVID-19, but can provide a false sense of security that increases the risk of infection.

Often employees use overcrowded means of transportation to travel to and from work.

Factories that remain open must take this into account. If the government doesn't pay for the testing and most employees don't have health insurance or paid sick leave, an employee with mild flu-like symptoms will end up going to work. This worsens the employee's condition and also increases the risk of spreading an infection.

Many schools and nurseries are closed and families do not have childcare facilities. This puts employees in a position in which they are faced with the choice of who stays at home to watch the children. This mainly affects women, which has financial consequences for them, but is also a risk factor for the other partner who may now have to work extra hours or work in a precarious job in order to continue to support the family. This situation is especially difficult for single parents, mostly women, who do not have childcare support and yet have to work to earn a living. Without resources, they may be forced to put themselves or their families in dangerous situations.

It is foreseeable that we will be in a global recession for some time because of COVID-19. As a result, women may find it difficult to find a job again. Previous crises have shown that men recover financially much faster than women. COVID-19 will not only increase the burden of care for women, but will also affect their economic empowerment in the long run. The power imbalances between the predominantly male managerial and supervisory staff and the female garment workers are exacerbated by a situation where workers fear losing their jobs; this can create the potential for quid pro quo sexual exploitation. These vulnerable workers may feel unable to refuse unwanted sexual advances to protect their jobs or to ensure that they are paid for the hours they have worked (or paid at all).

Migrants traveling home or mass layoffs of factory workers can create an environment where workers travel long distances (in some cases on foot). In other crises, migrant women in

particular have experienced an increase in sexual violence while on the move. Employees who lose their jobs suddenly and without severance pay are at risk of extreme forms of exploitation, including human trafficking, fraud and sexual exploitation.

Some examples:

- [ETP](#) – page 17,18
- [L ten Cate](#) – page 11,12 (Dutch only)
- [America Today](#) – page 14,15
- [Babyface](#) – page 30-35 (Dutch only)
- [Wibra](#)

These examples don't all apply the prioritization to the production location level (yet), which is recommended. However it gives an example of how to apply the initial prioritization, which might be helpful as a first step.

| <b>Assessment criteria:</b> |   | <b>Score</b> |
|-----------------------------|---|--------------|
| <b>No:</b>                  | The company has not demonstrated that it has prioritized identified risks and impacts based on severity and probability.  | 0            |
| <b>Partially:</b>           | The company does not comply with all aspects listed under "Yes".  | 6            |
| <b>Yes:</b>                 | The company prioritizes identified risks and impacts. The company takes general risks (at country, material and/or process level) as well as specific risks (at production location) and impacts into account. The company has clearly explained why and which risks and impacts have been prioritized based on severity and probability. The company has clearly explained why and which risks and impacts have not been prioritized based on severity and probability. A company is advised to consult stakeholders (experts, NGOs, unions, etc.) in order to check whether it has correctly prioritized risks and impacts. However, this is not assessed here but with question 4.1.3. | 12           |

### 2.2.5. The previous question was the final question of the "Analysis, risks and impacts" due diligence step. Would you like to set one or more goals and actions for this section?

Key question: -/ Maximum score: 4/ Effort: 1/ Result: 0

#### I-Function

Describe the goals and/or actions in the explanation of this question! Your explanation will automatically be included in your draft action plan, which you can download via the E-tool. For which year does this goal and/or action apply?

| <b>Assessment criteria:</b> |  | <b>Score</b> |
|-----------------------------|--|--------------|
| <b>No:</b>                  | No relevant goals or actions have been formulated on any of the elements below part of the "Analysis, risks and impacts" due diligence step: <ul style="list-style-type: none"> <li>– Overview of the supply chain;</li> <li>– Insight into the risks and impacts in the supply chain;</li> <li>– Prioritizing risks and impacts in the supply chain.</li> </ul> <u>Note:</u> if the above elements are really all in place for the company, no goals or actions need to be formulated here; in practice this will not normally be the case. | 0            |
| <b>Partially:</b>           | Relevant goals or actions have been formulated on elements that are part of the due diligence step "Analysis, risks and impacts", but certain points for scoring a "Yes" are still missing.  | 2            |

|             |  |   |
|-------------|--|---|
| <b>Yes:</b> | <p>Relevant goals or actions have been formulated for the due diligence step "Analysis, risks and impacts". These goals and actions enable the company to comply with the obligations part of the assessment framework which relate to the Analysis, risks and impacts due diligence step for the coming year. In practice, this will mean that every company has formulated goals and actions regarding (or it should be perfectly clear that this is not necessary for the company):</p> <ul style="list-style-type: none"> <li>- Overview of the supply chain;</li> <li>- Insight into the risks and impacts in the supply chain;</li> <li>- Prioritizing risks and impacts in the supply chain.</li> </ul> <p>At minimum, the company will have to indicate that the risk analysis and prioritization is seen as a recurring annual activity of the company because both the supply chain and the associated risks might change.</p> | 4 |
|-------------|--|---|

## Step 3 Goals and actions

The aim of this step in the due diligence process is to define goals and/or actions on the basis of the risks and impacts prioritized in the previous step.

Important: when answering the questions below, the company should describe the goals and actions for the theme concerned or explain the reason for not doing so. This explanation will then automatically appear in the draft action plan which can be downloaded from the E-tool. If a theme is not prioritized, you can indicate "not applicable".

### 3.1. Have you formulated or adjusted goals and/or actions based on the prioritized risks and impacts?

Key question year 3, 4 & 5/ Maximum score: 0/ Effort: 1/ Result: 1

#### I-Function

This is a main question; scores can only be earned on sub-questions.

- You do not need to formulate goals and actions for all international RBC themes at the same time, as long as you can demonstrate why you prioritized the themes the way you have. By setting priorities, you define the ambitions and the direction of the company. It also gives you the opportunity to call yourself and others to account or adapt actions if you fail to achieve your goals. And it offers opportunities for "continuous improvement" by continually refining the goals and actions. You will achieve continuous improvement by setting goals and taking appropriate actions.

Please note the following important principles when formulating goals and actions:

- You must in any case formulate goals and actions specifically related to the risks and impacts that you have previously prioritized. Therefore, there must be a direct relationship between the chosen goals and actions and the prioritized risks and impacts.
- Non-prioritized themes need not be addressed at this time and can therefore be considered as "not applicable", provided you have explained this correctly in question 2.2.4.
- Goals and actions that you formulate in this phase of the due diligence process must be specific and not general. General is: we do not tolerate child labour. Specific is: In 2022, we reduced child labour in the Turkish cotton fields, in collaboration with other stakeholders. In other words, your goals and actions are the result of your risk analysis and are not a repetition of general policy.
- Goals and actions are formulated in a SMART way.
- Goals and actions relate to the chain (your suppliers) or your purchasing practice. They cannot be about formulating additional policy or doing extra risk analysis. These activities may be useful or even necessary, but they are part of other steps in the due diligence process.
- Goals are often a mix of short, medium and long-term goals, i.e., for 1, 5 or 10 years. This is so you don't have to do everything at once.

There are various funds available for companies taking active steps to increase international RBC within their own organisations and production chain. This support is often for projects that are carried out together with civil society organisations. Take a look at the following websites to see if they are of interest to your company:

- [Fund for Responsible Business \(FVO\)](#)
- [Fund against Child Labour \(FBK\)](#)

See also this example:

- [Zeeman](#) page 16 - Connectivity matrix that indicates what the KPIs are on different themes.

| <b>Assessment criteria:</b> |  | <b>Score</b> |
|-----------------------------|--|--------------|
| <b>No:</b>                  | The company has answered all sub-questions below with "No".  | N/A          |
| <b>Partially:</b>           | The company did not answer all the sub-questions below with "Yes". It also responded to some sub-questions with "Partially" and/or "No". | N/A          |
| <b>Yes:</b>                 | The company has selected "Yes" for all of the sub-questions below.   | N/A          |

### 3.1.1. Have SMART goals been formulated with regard to discrimination and gender?

Key question year 3, 4 & 5/ Maximum score: 4/ Effort: 1/ Result: 1

#### I-Function

If you have prioritized risks and impacts relating to the theme of discrimination and gender, it is important to formulate goals for this subject.

Describe the goal or give the reason for the absence of a goal in your explanation for this question! Your explanation will be automatically included in your draft action plan that you can download from the E-tool.

Remember that discrimination can also concern ethnicity, religion, origin, sexual orientation, temporary/indirect workers (who earn less and/or are not covered by a collective labour agreement and/or are not permitted to join the trade union), or, for example, employees who are members of a trade union (and are more easily dismissed or not hired in the first place).

An example of a goal regarding this theme is:

- In 2021 factories x and y will have at least 20% women in top and middle management positions (compared to 0% now).
- XX% of employees and management at XX% of suppliers in Turkey will be trained in 2020 to address and prevent sexual harassment and discrimination in the workplace.

See these tools for inspiration:

- Plan – [A Gender-Responsive Human Rights Due Diligence tool](#)
- Plan – [Applying Gender Responsive Human Rights Due Diligence in Practice](#)
- Plan – [Workbook Put Your Own Gender-Responsive Human Rights Due Diligence in Practice](#)

| <b>Assessment criteria:</b> |  | <b>Score</b> |
|-----------------------------|--|--------------|
| <b>No:</b>                  | The company has not formulated goals while the company did prioritize risks and impacts for this theme.  | 0            |
| <b>Partially:</b>           | The company does not comply with all aspects listed under "Yes".   | 2            |
| <b>Yes:</b>                 | <p>The goal is specific and addresses the (prioritized) risks and impacts found in the risk analysis.</p> <p>The goal is NOT related to policy formulation or risk analysis (see explanation of question 3.1) The goal is related to the chain (suppliers) and/or purchasing practices.</p> <p>The goal is SMART:</p> <ul style="list-style-type: none"> <li>- Specific – The goal is specific and unambiguous. The company specified exactly what it wants to achieve and has formulated this as specifically as possible.</li> <li>- Measurable – The company has thought about the conditions under which or form in which the goal will have been achieved (measurable /observable).</li> <li>- Acceptable/Agreed upon – The goal has been approved by top management and has been propagated through the organization.</li> </ul> | 4            |

|             |   |  |
|-------------|---|--|
|             | <ul style="list-style-type: none"> <li>- Realistic/Relevant – Capacity and/or budget has been made available to carry out the actions.</li> <li>- Time-bound – When (in time) must the goal be reached? Realistic timing, deadlines.</li> </ul> |  |
| <b>N/A:</b> | The company can answer this question as n/a if you have not included prioritized risks and impacts on this theme. Reasons for not doing so should be clearly explained with this question or earlier with question 2.2.4.                       |  |

### 3.1.2. Have SMART actions been formulated regarding discrimination and gender in relation to suppliers?

Key question year 3, 4 & 5/ Maximum score: 2/ Effort: 1/ Result: 1

#### I-Function

If you have prioritized risks and impacts relating to the subject of discrimination and gender, it is important to formulate actions on this subject. This may involve actions relating to your suppliers and actions that lead to changes in your own purchasing practices. You can choose actions on both components (suppliers and purchasing practice) or on one of the two components. If one of the components is missing, you must provide reasons for this. This question is about actions involving your suppliers.

Describe the actions, being sure to address the following questions:

- How do the actions formulated contribute to the achievement of the goal and the solving of the problem?
- How will you measure the progress towards your goal(s) and actions?
- Otherwise, give the reason for the absence of actions in your explanation to this question!

Your explanation will automatically be included in your draft action plan that you can download from the E-tool.

Examples of actions with regard to your suppliers on this theme are:

- In 2021, the employment contracts of our key suppliers in India will be screened for matters such as maternity leave, pregnancy tests and salary differences between men and women.
- Between 2020 and 2022 we will be working to install confidential advisors, peer groups or a "worker committee" in the workplace at all our CMT suppliers in China, to help enable women to discuss and reduce discrimination or harassment.

See this example:

- [Sting](#) – Female Empowerment Training in South India (in Dutch)

| <b>Assessment criteria:</b> |   | <b>Score</b> |
|-----------------------------|---|--------------|
| <b>No:</b>                  | The company has not formulated actions while the company did prioritize risks and impacts for this theme and does not explain why actions are missing for this theme.   | 0            |
| <b>Partially:</b>           | The company does not comply with all aspects listed under "Yes".  | 1            |
| <b>Yes:</b>                 | <p>The action relates to the suppliers with which the company works. The action is specific and contributes to achieving the goal and solving the problem. The progress of the action is measured. The absence of action is explained and action has been formulated related to purchasing practices.</p> <p>The goal is SMART:</p> <ul style="list-style-type: none"> <li>- Specific – The goal is specific and unambiguous. The company specified exactly what it wants to achieve and has formulated this as specifically as possible.</li> <li>- Measurable – The company has thought about the conditions</li> </ul> | 2            |

|             |  |  |
|-------------|--|--|
|             | <p>under which or form in which the goal will have been achieved (measurable/observable).</p> <ul style="list-style-type: none"> <li>– Acceptable/Agreed upon – The goal has been approved by top management and has been propagated through the organization.</li> <li>– Realistic/Relevant – Capacity and/or budget has been made available to carry out the actions.</li> <li>– Time-bound – When (in time) must the goal be reached? Realistic timing, deadlines.</li> </ul> |  |
| <b>N/A:</b> | The company can answer this question as n/a if you have not included prioritized risks and impacts for this theme. The absence of this should be clearly explained with this question or earlier with question 2.2.4.  |  |

### 3.1.3. Have SMART actions been formulated with regard to discrimination and gender in relation to your own purchasing practices?

Key question year 3, 4 & 5/ Maximum score: 2/ Effort: 1/ Result: 1

#### I-Function

If you have prioritized risks and impacts on the subject of discrimination and gender, it is important to formulate actions on this subject. This may involve actions relating to your suppliers and actions that lead to changes in your own purchasing practices. You can choose actions on both components (suppliers and purchasing practices) or on one of the two components. If one of the components is missing, you must provide reasons for this. This question is about actions related to your purchasing practices.

Describe the actions and answer the following questions:

- How do the formulated actions contribute to achieving the goal and solving the problem?
- How will you measure progress on your goal(s) and actions?
- Otherwise, give the reasons for the absence of actions in the explanation of this question!

Your explanation is automatically included in your draft action plan that you can download via the E-tool.

Examples of actions related to your purchasing practice on this theme are:

- Training of the buyers on the social aspects of international RBC with specific attention to forms of discrimination that are common in the chain;
- The buyers are obliged/encouraged during visits to suppliers in high-risk countries, to consult at least one local stakeholder (trade union, NGO, government) on the subject of discrimination and gender.

#### COVID-19

Suppliers must provide a mechanism intended to answer employee questions and involve them in decision-making. Employees must have access to a union or employee representation to collectively respond to measures or raise concerns. Employers have a responsibility to inform employees about relevant information regarding COVID-19. In the event of temporary shutdowns or major changes in company policy, measures and working methods must be negotiated with employee representatives. Social dialogue is an important tool to be used during this period to ensure that both the interests of employees and companies are heard.

| <b>Assessment criteria:</b> |   | <b>Score</b> |
|-----------------------------|---|--------------|
| <b>No:</b>                  | The company has not formulated actions while the company did prioritize risks and impacts for this theme and does not explain why actions are missing for this theme. | 0            |
| <b>Partially:</b>           | The company does not comply with all aspects listed under "Yes".  | 1            |

|             |   |   |
|-------------|---|---|
| <b>Yes:</b> | <p>The action relates to your own purchasing practices. The action is specific and contributes to achieving the goal and to solving the problem. The progress of the action is measured. The absence of action is explained and action has been formulated related to suppliers.</p> <p>The goal is SMART:</p> <ul style="list-style-type: none"> <li>- Specific – The goal is specific and unambiguous. The company specified exactly what it wants to achieve and has formulated this as specifically as possible.</li> <li>- Measurable – The company has thought about the conditions under which or form in which the goal will have been achieved (measurable/observable).</li> <li>- Acceptable/Agreed upon – The goal has been approved by top management and has been propagated through the organization.</li> <li>- Realistic/Relevant – Capacity and/or budget has been made available to carry out the actions.</li> <li>- Time-bound – When (in time) must the goal be reached? Realistic timing, deadlines.</li> </ul> | 2 |
| <b>N/A:</b> | <p>The company can answer this question as n/a if you have not included prioritized risks and impacts for this theme. The absence of this should be clearly explained with this question or earlier with question 2.2.4.</p>  |   |

**3.1.4. Has a result been achieved with regard to discrimination and gender at one or more production locations in your supply chain as a result of the actions described during your participation in the AGT?**

Key question: -/ Maximum score: 4/ Effort: 0/ Result: 1

**I-Function**

With this question we ask you for the results of your formulated goals and actions. For support purposes:

- Your goal was, for example, to eliminate discrimination against women in dye houses A and B in Turkey, Izmir before 2022.
- Your action was to let the dye houses participate in a local project organised by NGO XYZ or to organize training courses for the management and workers of the dye houses in question.

Your result may be one or more dye houses without discrimination.

It may also be the case that there is no result yet, that you cannot measure the result yet, or that the result is negative. Here, we aim to encourage you to measure and report results so that you can learn from the results or lack thereof. When we talk about results, we mean the results for those directly involved (in most cases the employee or worker).

You must, however, substantiate any results achieved. This can be done in various ways.

Examples are:

- Submitting audit reports that demonstrate the absence of major failures in compliance in the field of gender and discrimination;
- Reports from external stakeholders describing how major failures in compliance found on gender and discrimination at the production sites in question have been effectively addressed (remediation). These remediated compliance failures are, for example, that women now have access to management positions, men and women receive the same wages for the same work or that women can have maternity leave and nursing provisions.

If you answered “Yes” or “Partially” to this question, you must describe the following aspects in your explanation to this question: the action, the results, a substantiation of the results, the production locations involved and the number of employees involved.

| <b>Assessment criteria:</b> |   | <b>Score</b> |
|-----------------------------|---|--------------|
| <b>No:</b>                  | The company is not or not yet able to demonstrate results at the production locations involved.   | 0            |
| <b>Partially:</b>           | The company does not comply with all aspects listed under “Yes”.  | 2            |
| <b>Yes:</b>                 | The company is able to substantiate results at one or more of the production locations involved, through consultation with (local) stakeholders and/or participation in local projects or research and/or audit reports.<br>The described result directly benefits those directly involved (in most cases the employee).<br>The company has identified the production sites and how many employees were involved.<br>The described result has NOT been achieved at output level (examples of output are: adjusted or additional policy, participation in training, implementation of systems or tools, attending seminars)<br>Preferably results are positive but can also be negative or neutral.<br>The most important thing is that one has insight into the results of actions and learns and adjusts accordingly.<br>The described result was achieved during the term of the AGT. | 4            |
| <b>N/A:</b>                 | This question does not apply if you have not prioritized this theme and therefore have not described goals and actions for this theme.<br>Or: this question also does not apply if it concerns previously reported actions and results from previous years and that you have now completed or closed.   |              |

### 3.1.5. Have SMART goals been formulated with regard to child labour?

Key question year 3, 4 & 5/ Maximum score: 4/ Effort: 1/ Result: 1

#### I-Function

If you have prioritized risks and impacts relating to the theme of child labour, it is important to formulate goals for this subject. Describe the goal or give the reason for the absence of a goal in your explanation for this question. Your explanation will be automatically included in your draft action plan that you can download from the E-tool.

Examples of goals on this theme are:

- In 2021 we will only work with spinners in country X with policies on child labour and membership in a local multi-stakeholder initiative active on this topic.
- In 2025, 50% of our second and third-tier suppliers in China carried out a social audit including a focus on child labour.

As a company, you can receive support from [the fund against Child Labour](#) (FBK) to support the achievement of your goals.

| <b>Assessment criteria:</b> |   | <b>Score</b> |
|-----------------------------|---|--------------|
| <b>No:</b>                  | The company has not formulated goals while the company did prioritize risks and impacts for this theme. | 0            |
| <b>Partially:</b>           | The company does not comply with all aspects listed under “Yes”.  | 2            |

|             |   |   |
|-------------|---|---|
| <b>Yes:</b> | The goal is specific and addresses the (prioritized) risks and impacts found in the risk analysis. The goal is NOT related to policy formulation or risk analysis (see explanation of question 3.1). The goal is related to the chain (suppliers) and/or purchasing practices. The goal is SMART:<br><ul style="list-style-type: none"> <li>– Specific – The goal is specific and unambiguous. The company specified exactly what it wants to achieve and has formulated this as specifically as possible.</li> <li>– Measurable – The company has thought about the conditions under which or form in which the goal will have been achieved (measurable/observable).</li> <li>– Acceptable/Agreed upon – The goal has been approved by top management and has been propagated through the organization.</li> <li>– Realistic/Relevant – Capacity and/or budget has been made available to carry out the actions.</li> <li>– Time-bound – When (in time) must the goal be reached? Realistic timing, deadlines.</li> </ul> | 4 |
| <b>N/A:</b> | The company can answer this question as n/a if you have not included prioritized risks and impacts on this theme. The absence of this should be clearly explained with this question or earlier with question 2.2.4.  |   |

### 3.1.6. Have SMART actions been formulated regarding child labour in relation to suppliers?

Key question year 3, 4 & 5/ Maximum score: 2/ Effort: 1/ Result: 1

#### I-Function

If you have prioritized risks and impacts relating to the subject of child labour, it is important to formulate actions on this subject. This may involve actions relating to your suppliers and actions that lead to changes in your own purchasing practices. You can choose actions on both components (suppliers and purchasing practice) or on one of the two components. If one of the components is missing, you must provide reasons for this. This question is about actions involving your suppliers.

Describe the actions, being sure to address the following questions:

- How do the actions formulated contribute to the achievement of the goal and the solving of the problem?
- How will you measure the progress towards your goal(s) and actions?

Otherwise, give the reason for the absence of actions in your explanation for this question. Your explanation will be automatically included in your draft action plan that you can download from the E-tool.

Examples of actions with regard to your suppliers on this theme are:

- Before December 2021 we, together with local NGOs and unions, conducted off-site worker interviews at X% of our suppliers in country X to gain more insight into the frequency and nature of child labour.
- All our suppliers in region X in country Y, of which we know that child labour is common, must periodically (at least once a year) inform/train their employees about child labour (international legislation, local law, rights and obligations, position of “young workers”).

| <b>Assessment criteria:</b> |   | <b>Score</b> |
|-----------------------------|---|--------------|
| <b>No:</b>                  | The company has not formulated actions while the company did prioritize risks and impacts for this theme and does not explain why actions are missing for this theme. | 0            |

|                   |   |   |
|-------------------|---|---|
| <b>Partially:</b> | The company does not comply with all aspects listed under "Yes".  | 1 |
| <b>Yes:</b>       | <p>The action relates to the suppliers with which the company works. The action is specific and contributes to achieving the goal and to solving the problem. The progress of the action is measured. The absence of action is explained and action has been formulated related to purchasing practices.</p> <p>The goal is SMART:</p> <ul style="list-style-type: none"> <li>– Specific – The goal is specific and unambiguous. The company specified exactly what it wants to achieve and has formulated this as specifically as possible.</li> <li>– Measurable – The company has thought about the conditions under which or form in which the goal will have been achieved (measurable/observable).</li> <li>– Acceptable/Agreed upon – The goal has been approved by top management and has been propagated through the organization.</li> <li>– Realistic/Relevant – Capacity and/or budget has been made available to carry out the actions.</li> <li>– Time-bound – When (in time) must the goal be reached? Realistic timing, deadlines.</li> </ul> | 2 |
| <b>N/A:</b>       | The company can answer this question as n/a if you have not included prioritized risks and impacts for this theme. The absence of this should be clearly explained with this question or earlier with question 2.2.4.   |   |

### **3.1.7. Have SMART actions been formulated regarding child labour in relation to your own purchasing practices?**

Key question year 3, 4 & 5/ Maximum score: 2/ Effort: 1/ Result: 1

#### **I-Function**

If you have prioritized risks and impacts on the subject of child labour, it is important to formulate actions on this subject. This may involve actions relating to your suppliers and actions that lead to changes in your own purchasing practice. You can choose actions on both components (suppliers and purchasing practice) or on one of the two components. If one of the components is missing, you must provide reasons for this. This question is about actions related to your purchasing practice.

Describe the actions and answer the following questions:

- How do the formulated actions contribute to achieving the goal and solving the problem?
- How will you measure progress on your goal(s) and actions?

Otherwise, describe the reason for the absence of actions in the explanation of this question. Your explanation is automatically included in your draft action plan that you can download via the E-tool.

Examples of actions related to your purchasing practice on this theme are:

- Strategic preference for suppliers with a living wage and/or collective labour agreement in regions where child labour is related to the low wages of parents.
- The purchasing staff is obliged/encouraged during visits to high-risk countries to visit second and third-tier suppliers with a high risk of child labour and to make agreements about doing social audits with a focus on child labour and the position of young workers.

| <b>Assessment criteria:</b> |  | <b>Score</b> |
|-----------------------------|--|--------------|
| <b>No:</b>                  | The company has not formulated actions while the company did prioritize risks and impacts for this theme and does not explain why actions are missing for this theme.  | 0            |
| <b>Partially:</b>           | The company does not comply with all aspects listed under "Yes".   | 2            |
| <b>Yes:</b>                 | <p>The action relates to your own purchasing practices.<br/> The action is specific and contributes to achieving the goal and to solving the problem.<br/> The progress of the action is measured.<br/> The absence of action is explained and action has been formulated related to suppliers.<br/> The goal is SMART:</p> <ul style="list-style-type: none"> <li>– Specific – The goal is specific and unambiguous. The company specified exactly what it wants to achieve and has formulated this as specifically as possible.</li> <li>– Measurable – The company has thought about the conditions under which or form in which the goal will have been achieved (measurable/observable).</li> <li>– Acceptable/Agreed upon – The goal has been approved by top management and has been propagated through the organization.</li> <li>– Realistic/Relevant – Capacity and/or budget has been made available to carry out the actions.</li> <li>– Time-bound – When (in time) must the goal be reached? Realistic timing, deadlines.</li> </ul> | 4            |
| <b>N/A:</b>                 | The company can answer this question as n/a if you have not included prioritized risks and impacts for this theme. The absence of this should be clearly explained with this question or earlier with question 2.2.4.  |              |

**3.1.8. Has a result been achieved regarding child labour at one or more production locations in your supply chain, as a result of the actions described during your participation in the AGT?**

Key question: -/ Maximum score: 4/ Effort: 0/ Result: 1

**I-Function**

With this question we ask you for the results in regard to your formulated goals and actions. For support purposes:

- Your goal was, for example, the elimination of child labour at spinners A, B and C in India, Tamil Nadu before 2022.
- Your action was to let the spinners participate in a local project organised by NGO XYZ or to certify the spinners in accordance with standard ABC.

Your result may be one or more spinners without child labour.

It may also be that there is no result yet, that you cannot yet measure the result or that the result is negative. Here, we aim to encourage you to measure and report results so that you can learn from the results or lack thereof. When we talk about results, we mean the results for those directly involved (in most cases the employee or worker).

You must, however, substantiate any results achieved. This can be done in various ways. Examples are:

- Descriptions of successful participation of the production sites in a community-based initiative or local project (e.g., a "child labour free zone");

- Submitting audit reports that demonstrate the absence of major failures in compliance in the field of child labour and young workers;
- Reports from external stakeholders describing how major failures in compliance found on child labour have been addressed effectively at the relevant production locations (remediation).

If you answered "Yes" or "Partially" to this question, you must describe the following aspects in the explanation of this question: the action, the results, a substantiation of the results, the production locations involved and the number of employees involved.

| <b>Assessment criteria:</b> |   | <b>Score</b> |
|-----------------------------|---|--------------|
| <b>No:</b>                  | The company is not (yet) able to demonstrate results at the production locations involved.  | 0            |
| <b>Partially:</b>           | The company does not comply with all aspects listed under "Yes".  | 2            |
| <b>Yes:</b>                 | <p>The company is able to substantiate results at one or more of the production locations involved, through consultation with local stakeholders and/or participation in local projects or research and/or audit reports.</p> <p>The described result directly benefits those directly involved (in most cases the employee).<br/>The company has identified the production sites and how many employees were involved.</p> <p>The described result has NOT been realized at output level (examples of output are: adjusted or additional policy, participation in training, the implementation of systems or tools, attending seminars)</p> <p>Preferably results are positive but can also be negative or neutral. The most important thing is that one has insight into the results of actions and learns and adjusts accordingly.<br/>The described result was achieved during the term of the AGT.</p> | 4            |
| <b>N/A:</b>                 | This question does not apply if you have not prioritized this theme and therefore have not described goals and actions for this theme. This question also does not apply if it concerns previously reported actions and results from previous years that you have now completed or closed.  |              |

### **3.1.9. Have SMART goals been formulated with regard to forced labour?**

Key question year 3, 4 & 5/ Maximum score: 4/ Effort: 1/ Result: 1

#### **I-Function**

If you have prioritized risks and impacts relating to the theme of forced labour, it is important to formulate goals for this subject.

Describe the goal or give the reason for the absence of a goal in your explanation for this question. Your explanation will be automatically included in your draft action plan that you can download from the E-tool.

Examples of goals on this theme are:

- In 2022, together with local stakeholders and suppliers in India, we created support and a process for removing/limiting the effects of Sumangali.
- All our suppliers in Thailand with an identified high-risk profile on "human trafficking" will be trained in 2021 on the manifestations and their occurrence.

| <b>Assessment criteria:</b> |   | <b>Score</b> |
|-----------------------------|---|--------------|
| <b>No:</b>                  | The company has not formulated goals while the company did prioritize risks and impacts for this theme.   | 0            |
| <b>Partially:</b>           | The company does not comply with all aspects listed under "Yes".  | 2            |
| <b>Yes:</b>                 | <p>The goal is specific and addresses the (prioritized) risks and impacts found in the risk analysis.</p> <p>The goal is NOT related to policy formulation or risk analysis (see explanation of question 3.1)</p> <p>The goal is related to the chain (suppliers) and/or purchasing practices.</p> <p>The goal is SMART:</p> <ul style="list-style-type: none"> <li>- Specific – The goal is specific and unambiguous. The company specified exactly what it wants to achieve and has formulated this as specifically as possible.</li> <li>- Measurable – The company has thought about the conditions under which or form in which the goal will have been achieved (measurable/observable).</li> <li>- Acceptable/Agreed upon – The goal has been approved by top management and has been propagated through the organization.</li> <li>- Realistic/Relevant – Capacity and/or budget has been made available to carry out the actions.</li> <li>- Time-bound – When (in time) must the goal be reached? Realistic timing, deadlines.</li> </ul> | 4            |
| <b>N/A:</b>                 | The company can answer this question as n/a if you have not included prioritized risks and impacts on this theme. The absence of this should be clearly explained with this question or earlier with question 2.2.4.  |              |

### **3.1.10. Have SMART actions been formulated regarding forced labour in relation to suppliers?**

Key question year 3, 4 & 5/ Maximum score: 2/ Effort: 1/ Result: 1

#### **I-Function**

If you have prioritized risks and impacts relating to the subject of forced labour, it is important to formulate actions on this subject. This may involve actions relating to your suppliers and actions that lead to changes in your own purchasing practices. You can choose actions on both components (suppliers and purchasing practice) or on one of the two components. If one of the components is missing, you must provide reasons for this. This question is about actions involving your suppliers.

Describe the actions, being sure to address the following questions:

- How do the actions formulated contribute to the achievement of the goal and the solving of the problem?
- How will you measure the progress towards your goal(s) and actions?

Otherwise, describe the reason for the absence of actions in your explanation for this question.

Your explanation will be automatically included in your draft action plan that you can download from the E-tool.

Examples of actions with regard to your suppliers on this theme are:

- All our key suppliers in India are invited and encouraged to participate in a meeting in place X on date Y about Sumangali.
- The scope of all our third-party audits in India and China will be expanded in 2021 and will include accommodation (hostels and dormitories) offered by suppliers.

| <b>Assessment criteria:</b> |  | <b>Score</b> |
|-----------------------------|--|--------------|
| <b>No:</b>                  | The company has not formulated actions while the company did prioritize risks and impacts for this theme and does not explain why actions are missing for this theme.  | 0            |
| <b>Partially:</b>           | The company does not comply with all aspects listed under "Yes".   | 1            |
| <b>Yes:</b>                 | The action relates to the suppliers with which the company works. The action is specific and contributes to achieving the goal and to solving the problem. The progress of the action is measured. The absence of action is explained and action has been formulated related to purchasing practices.<br>The goal is SMART: <ul style="list-style-type: none"> <li>– Specific – The goal is specific and unambiguous. The company specified exactly what it wants to achieve and has formulated this as specifically as possible.</li> <li>– Measurable – The company has thought about the conditions under which or form in which the goal will have been achieved (measurable/observable).</li> <li>– Acceptable/Agreed upon – The goal has been approved by top management and has been propagated through the organization.</li> <li>– Realistic/Relevant – Capacity and/or budget has been made available to carry out the actions.</li> <li>– Time-bound – When (in time) must the goal be reached? Realistic timing, deadlines.</li> </ul> | 2            |
| <b>N/A:</b>                 | The company can answer this question as n/a if you have not included prioritized risks and impacts for this theme. The absence of this should be clearly explained with this question or earlier with question 2.2.4.  |              |

### **3.1.11. Have SMART actions been formulated regarding forced labour in relation to your own purchasing practices?**

Key question year 3, 4 & 5/ Maximum score: 2/ Effort: 1/ Result: 1

#### **I-Function**

If you have prioritized risks and impacts on the subject of forced labour, it is important to formulate actions on this subject. This may involve actions relating to your suppliers and actions that lead to changes in your own purchasing practice. You can choose actions on both components (suppliers and purchasing practice) or on one of the two components. If one of the components is missing, you must provide reasons for this. This question is about actions related to your purchasing practice.

Describe the actions and answer the following questions:

- How do the formulated actions contribute to achieving the goal and solving the problem?
- How will you measure progress on your goal(s) and actions?

Otherwise, describe the reason for the absence of actions in the explanation of this question. Your explanation is automatically included in your draft action plan that you can download via the E-tool.

Examples of actions related to your purchasing practices on this theme are:

- Strategic preference for suppliers that are active or play a leading role in eliminating the effects of Sumangali or human trafficking.

- The purchasing staff is obliged/encouraged to visit key suppliers, NGOs or trade unions during visits to high-risk countries in order to obtain practical tips /actions for preventing forced labour.

| <b>Assessment criteria:</b> |   | <b>Score</b> |
|-----------------------------|---|--------------|
| <b>No:</b>                  | The company has not formulated actions while the company did prioritize risks and impacts for this theme and does not explain why actions are missing for this theme.   | 0            |
| <b>Partially:</b>           | The company does not comply with all aspects listed under "Yes".  | 1            |
| <b>Yes:</b>                 | The action relates to your own purchasing practices.<br>The action is specific and contributes to achieving the goal and to solving the problem. The progress of the action is measured. The absence of action is explained and action has been formulated related to suppliers.<br>The goal is SMART: <ul style="list-style-type: none"> <li>- Specific – The goal is specific and unambiguous. The company specified exactly what it wants to achieve and has formulated this as specifically as possible.</li> <li>- Measurable – The company has thought about the conditions under which or form in which the goal will have been achieved (measurable/observable).</li> <li>- Acceptable/Agreed upon – The goal has been approved by top management and has been propagated through the organization.</li> <li>- Realistic/Relevant – Capacity and/or budget has been made available to carry out the actions.</li> <li>- Time-bound – When (in time) must the goal be reached? Realistic timing, deadlines.</li> </ul> | 2            |
| <b>N/A:</b>                 | The company can answer this question as n/a if you have not included prioritized risks and impacts for this theme. The absence of this should be clearly explained with this question or earlier with question 2.2.4.   |              |

**3.1.12. Has a result been achieved regarding forced labour at one or more production locations in your supply chain, as a result of the actions described during your participation in the AGT?**

Key question: -/ Maximum score: 4/ Effort: 0/ Result: 1

**I-Function**

With this question we ask you for the results in relation to your formulated goals and actions. For support purposes:

- Your goal was, for example, to ban a specific form of forced labour at CMT units A, B and C in Pakistan by 2022.
- Your action was to let the CMT units participate in a local project organised by NGO XYZ or to certify the CMT units in accordance with standard ABC.

Your result may be one or more CMT units without forced labour.

It may also be that there is no result yet, that you cannot yet measure the result or that the result is negative. Here, we aim to encourage you to measure and report results so that you can learn from the results or lack thereof. When we talk about results, we mean the results for those directly involved (in most cases the employee or worker).

You must, however, substantiate any results achieved. This can be done in various ways. Examples are:

- Descriptions of successful participation of the production sites in a community-based initiative or local project;
- Submitting audit reports that demonstrate the absence of major failures in compliance in the field of forced labour;
- Reports from external stakeholders describing how major failures in compliance found on forced labour at the production sites involved have been effectively addressed (remediation).

If you answered “Yes” or “Partially” to this question, you must describe the following aspects in the explanation of this question: the action, the results, a substantiation of the results, the production locations involved and the number of employees involved.

| <b>Assessment criteria:</b> |  | <b>Score</b> |
|-----------------------------|--|--------------|
| <b>No:</b>                  | The company is not yet able to demonstrate results at the production locations involved.   | 0            |
| <b>Partially:</b>           | The company does not comply with all aspects listed under “Yes”.   | 2            |
| <b>Yes:</b>                 | The company is able to substantiate results at one or more of the production locations involved, through consultation with (local) stakeholders and/or participation in local projects or research and/or audit reports. The described result directly benefits those directly involved (in most cases the employee).<br>The company has identified the production sites and how many employees were involved. The described result has NOT been achieved at output level (examples of output are: adjusted or additional policy, participation in training, the implementation of systems or tools, attending seminars)<br>Preferably results are positive but can also be negative or neutral. The most important thing is that one has insight into the results of actions and learns and adjusts accordingly.<br>The described result was achieved during the term of the AGT. | 4            |
| <b>N/A:</b>                 | This question does not apply if you have not prioritized this theme and therefore have not described goals and actions for this theme. This question also does not apply if it concerns previously reported actions and results from previous years and that you have now completed or closed.   |              |

### **3.1.13. Have SMART goals been formulated with regard to freedom of association?**

Key question year 3, 4 & 5/ Maximum score: 4/ Effort: 1/ Result: 1

#### **I-Function**

If you have prioritized risks and impacts relating to the theme of freedom of association, it is important to formulate goals for this subject.

Describe the goal or give the reason for the absence of a goal in your explanation for this question. Your explanation will be automatically included in your draft action plan that you can download from the E-tool.

Examples of goals on this theme are:

- In year X we aim to increase the number of suppliers with a collective bargaining agreement and/or employee representation from X to Y.
- In 2021, we will only work with factories in Cambodia that are signatory companies to a multi-factory collective labour agreement.

[Here](#), you can find inspiration for goals and actions regarding this theme in the *ETI*'s short but forceful guidance document about developing an action plan for worker representation.

## COVID-19

Suppliers must provide a mechanism that aims to answer employee questions and involve them in decision-making. Employees must have access to a union or employee representation to collectively respond to measures or raise concerns. Employers have a responsibility to inform employees about relevant information regarding COVID-19. In the event of temporary or permanent shutdowns or major changes in company policy, measures and working methods must be negotiated with employee representatives. Social dialogue is an important tool to be used during this period to ensure that both the interests of employees and companies are heard.

| <b>Assessment criteria:</b> |   | <b>Score</b> |
|-----------------------------|---|--------------|
| <b>No:</b>                  | The company has not formulated goals while the company did prioritize risks and impacts for this theme.   | 0            |
| <b>Partially:</b>           | The company does not comply with all aspects listed under "Yes".  | 2            |
| <b>Yes:</b>                 | The goal is specific and addresses the (prioritized) risks and impacts found in the risk analysis.<br>The goal is NOT related to policy formulation or risk analysis (see explanation of question 3.1) The goal is related to the chain (suppliers) and/or purchasing practices.<br>The goal is SMART: <ul style="list-style-type: none"><li>– Specific – The goal is specific and unambiguous. The company specified exactly what it wants to achieve and has formulated this as specifically as possible.</li><li>– Measurable – The company has thought about the conditions under which or form in which the goal will have been achieved (measurable/observable).</li><li>– Acceptable/Agreed upon – The goal has been approved by top management and has been propagated through the organization.</li><li>– Realistic/Relevant – Capacity and/or budget has been made available to carry out the actions.</li><li>– Time-bound – When (in time) must the goal be reached? Realistic timing, deadlines.</li></ul> | 4            |
| <b>N/A:</b>                 | The company can answer this question as n/a if you have not included prioritized risks and impacts on this theme. The absence of this should be clearly explained with this question or earlier with question 2.2.4.  |              |

### 3.1.14. Have SMART actions been formulated regarding freedom of association in relation to suppliers?

Key question year 3, 4 & 5/ Maximum score: 2/ Effort: 1/ Result: 1

#### I-Function

If you have prioritized risks and impacts relating to the subject of freedom of association, it is important to formulate actions on this subject. This may involve actions relating to your suppliers and actions that lead to changes in your own purchasing practices. You can choose actions on both components (suppliers and purchasing practice) or on one of the two components. If one of the components is missing, you must provide reasons for this. This question is about actions involving your suppliers.

Describe the actions, being sure to address the following questions:

- How do the actions formulated contribute to the achievement of the goal and the solving of the problem?
- How will you measure the progress towards your goal(s) and actions?

Otherwise, describe the reason for the absence of actions in your explanation for this question.

Your explanation will be automatically included in your draft action plan that you can download from the E-tool.

Examples of actions with regard to your suppliers on this theme are:

- In 2021-2022, X number of factories (top management and workers) in X countries will participate in training courses on collective bargaining.
- In 2021 we will enter into a dialogue with X number of strategic suppliers/production locations in country X about freedom of association and the importance/usefulness of concluding a collective bargaining agreement with a trade union.
- This year at X number of strategic suppliers in countries where freedom of association is prohibited by law or difficult to implement, employees will participate in training on alternatives such as worker-management structures.

| <b>Assessment criteria:</b> |  | <b>Score</b> |
|-----------------------------|--|--------------|
| <b>No:</b>                  | The company has not formulated actions while the company did prioritize risks and impacts for this theme and does not explain why actions are missing for this theme.  | 0            |
| <b>Partially:</b>           | The company does not comply with all aspects listed under "Yes".   | 1            |
| <b>Yes:</b>                 | The action relates to the suppliers with which the company works. The action is specific and contributes to achieving the goal and to solving the problem. The progress of the action is measured. The absence of action is explained and action has been formulated related to purchasing practices.<br>The goal is SMART: <ul style="list-style-type: none"> <li>- Specific - The goal is specific and unambiguous. The company specified exactly what it wants to achieve and has formulated this as specifically as possible.</li> <li>- Measurable - The company has thought about the conditions under which or form in which the goal will have been achieved (measurable/observable).</li> <li>- Acceptable/Agreed upon - The goal has been approved by top management and has been propagated through the organization.</li> <li>- Realistic/Relevant - Capacity and/or budget has been made available to carry out the actions.</li> <li>- Time-bound - When (in time) must the goal be reached? Realistic timing, deadlines.</li> </ul> | 2            |
| <b>N/A:</b>                 | The company can answer this question as n/a if you have not included prioritized risks and impacts for this theme. The absence of this should be clearly explained with this question or earlier with question 2.2.4.  |              |

### **3.1.15. Have SMART actions been formulated regarding freedom of association in relation to your own purchasing practice?**

Key question year 3, 4 & 5/ Maximum score: 2/ Effort: 1/ Result: 1

#### **I-Function**

If you have prioritized risks and impacts on the subject of freedom of association, it is important to formulate actions on this subject. This may involve actions relating to your suppliers and actions that lead to changes in your own purchasing practice. You can choose actions on both components (suppliers and purchasing practice) or on one of the two components. If one of the components is missing, you must provide reasons for this. This question is about actions related to your purchasing practice.

Describe the actions and answer the following questions:

- How do the formulated actions contribute to achieving the goal and solving the problem?
- How will you measure progress on your goal(s) and actions?

Otherwise, describe the reason for the absence of actions in the explanation of this question. Your explanation is automatically included in your draft action plan that you can download via the E-tool.

Examples of actions related to your purchasing practice on this theme are:

- This year, the purchasing and international RBC manager take part in the AGT training on living wages (where trade union freedom is also central).
- This year, we are drafting guidelines that include requirements for buyers to give preference to countries/regions and/or producers who work on freedom of association.
- Negative action may also be necessary. For example, you should strongly consider withdrawing from suppliers (or temporarily suspending suppliers) that use violence against trade union representatives, unlawfully dismiss them, or systematically refuse to give space to trade unions or alternatives. By identifying issues in time, discussing them with suppliers, and sketching positive consequences (in the case of progress) and negative consequences (in the absence of follow-up), you create a concrete action perspective for yourself and your producers.

| <b>Assessment criteria:</b> |   | <b>Score</b> |
|-----------------------------|---|--------------|
| <b>No:</b>                  | The company has not formulated actions while the company did prioritize risks and impacts for this theme and does not explain why actions are missing for this theme.   | 0            |
| <b>Partially:</b>           | The company does not comply with all aspects listed under "Yes".  | 1            |
| <b>Yes:</b>                 | <p>The action relates to your own purchasing practices.<br/>           The action is specific and contributes to achieving the goal and to solving the problem. The progress of the action is measured.<br/>           The absence of action is explained and action has been formulated related to suppliers.<br/>           The goal is SMART:</p> <ul style="list-style-type: none"> <li>- Specific – The goal is specific and unambiguous. The company specified exactly what it wants to achieve and has formulated this as specifically as possible.</li> <li>- Measurable – The company has thought about the conditions under which or form in which the goal will have been achieved (measurable/observable).</li> <li>- Acceptable/Agreed upon – The goal has been approved by top management and has been propagated through the organization.</li> <li>- Realistic/Relevant – Capacity and/or budget has been made available to carry out the actions.</li> <li>- Time-bound – When (in time) must the goal be reached?<br/>Realistic timing, deadlines.</li> </ul> | 2            |
| <b>N/A:</b>                 | The company can answer this question as n/a if you have not included prioritized risks and impacts for this theme. The absence of this should be clearly explained with this question or earlier with question 2.2.4.   |              |

**3.1.16. Has a result been achieved with regard to freedom of association at one or more production locations in your supply chain, as a result of the actions described during your participation in the AGT?**

Key question: -/ Maximum score: 4/ Effort: 0/ Result: 1

## I-Function

With this question we ask you for the results in relation to your formulated goals and actions. For support purposes:

- Your goal was, for example, to promote trade union freedom with your suppliers in India.
- Your action was to adjust your own purchasing practices by giving suppliers with an active trade union or a collective labour agreement preference over other suppliers and by entering into discussions with a number of key suppliers about the achievement of this goal.

Your result may be one or more suppliers with an active trade union or collective bargaining agreement.

It may also be that there is no result, that you cannot yet measure the result or that the result is negative. Here, we aim to encourage you to measure and report results so that you can learn from the results or lack thereof. When we talk about results, we mean the results for those directly involved (in most cases the employee or worker).

You must, however, substantiate any results achieved. This can be done in various ways. Examples are:

- reports from local trade unions that describe that the suppliers involved now have an active trade union or that a collective labour agreement is in place;
- submitting audit reports that demonstrate the installation of a voluntarily and democratically elected worker committee.

If you answered “Yes” or “Partially” to this question, you must describe the following aspects in the explanation of this question: the action, the results, a substantiation of the results, the production locations involved and the number of employees involved.

| <b>Assessment criteria:</b> |  | <b>Score</b> |
|-----------------------------|--|--------------|
| <b>No:</b>                  | The company is not (yet) able to demonstrate results at the production locations involved.   | 0            |
| <b>Partially:</b>           | The company does not comply with all aspects listed under “Yes”.   | 2            |
| <b>Yes:</b>                 | <p>The company is able to substantiate results at one or more of the production locations involved, through consultation with (local) stakeholders and/or participation in local projects or research and/or audit reports.</p> <p>The described result directly benefits those directly involved (in most cases the employee).</p> <p>The company has identified the production sites and how many employees were involved.</p> <p>The described result has NOT been achieved at output level (examples of output are for example: adjusted or additional policy, participation in training, the implementation of systems or tools, or attending seminars)</p> <p>Preferably results are positive but can also be negative or neutral. The most important thing is that one has insight into the results of actions and learns and adjusts accordingly.</p> <p>The described result was achieved during the term of the AGT.</p> | 4            |
| <b>N/A:</b>                 | This question does not apply if you have not prioritized this theme and therefore have not described goals and actions for this theme. This question also does not apply if it concerns previously reported actions and results from previous years and that you have now completed or closed.   |              |

### 3.1.17. Have SMART goals been formulated with regard to a living wage?

Key question year 3, 4 & 5/ Maximum score: 4/ Effort: 1/ Result: 1

#### I-Function

If you have prioritized risks and impacts relating to the theme of a living wage, it is important to formulate goals for this subject.

Describe the goal or give the reason for the absence of a goal in your explanation for this question. Your explanation will be automatically included in your draft action plan that you can download from the E-tool.

Examples of goals on this theme are:

- At our CMT manufacturers under our own management in Poland and Turkey, we will pay a living wage next year as determined in accordance with the living wage benchmark of the Wage Indicator Foundation.
- Between 2020 and 2023, our key suppliers in Turkey will be gradually bridging the wage gap between the current wage (prevailing wage) and the living wage.
- In year X, the number of first-line suppliers with a negotiated wage/increased wage and/or living wage has been increased from X to Y.

| <b>Assessment criteria:</b> |   | <b>Score</b> |
|-----------------------------|---|--------------|
| <b>No:</b>                  | The company has not formulated goals while the company did prioritize risks and impacts for this theme.   | 0            |
| <b>Partially:</b>           | The company does not comply with all aspects listed under "Yes".  | 2            |
| <b>Yes:</b>                 | <p>The goal is specific and addresses the (prioritized) risks and impacts found in the risk analysis.<br/>                     The goal is NOT related to policy formulation or risk analysis (see explanation of question 3.1)<br/>                     The goal is related to the chain (suppliers) and/or purchasing practices.<br/>                     The goal is SMART:</p> <ul style="list-style-type: none"> <li>- Specific - The goal is specific and unambiguous. The company specified exactly what it wants to achieve and has formulated this as specifically as possible.</li> <li>- Measurable - The company has thought about the conditions under which or form in which the goal will have been achieved (measurable/observable).</li> <li>- Acceptable/Agreed upon - The goal has been approved by top management and has been propagated through the organization.</li> <li>- Realistic/Relevant - Capacity and/or budget has been made available to carry out the actions.</li> <li>- Time-bound - When (in time) must the goal be reached? Realistic timing, deadlines.</li> </ul> | 4            |
| <b>N/A:</b>                 | The company can answer this question as n/a if you have not included prioritized risks and impacts on this theme. The absence of this should be clearly explained with this question or earlier with question 2.2.4.  | 0            |

### 3.1.18. Have SMART actions been formulated regarding a living wage in relation to suppliers?

Key question year 3, 4 & 5/ Maximum score: 2/ Effort: 1/ Result: 1

#### I-Function

If you have prioritized risks and impacts relating to the subject of living wage, it is important to formulate actions on this subject. This may involve actions relating to your suppliers and

actions that lead to changes in your own purchasing practices. You can choose actions on both components (suppliers and purchasing practice) or on one of the two components. If one of the components is missing, you must provide reasons for this. This question is about actions involving your suppliers.

Describe the actions, being sure to address the following questions:

- How do the actions formulated contribute to the achievement of the goal and the solving of the problem?
- How will you measure the progress towards your goal(s) and actions?

Otherwise, describe the reason for the absence of actions in your explanation for this question.

Your explanation will be automatically included in your draft action plan that you can download from the E-tool.

Examples of actions with regard to your suppliers on this theme are:

- Our suppliers are offered training with regard to optimization of the wage management system. Attention is paid, among other things, to legal obligations (minimum wages, payment of overtime premiums and social security charges), conducting a full-fledged payroll administration with a better overview and planning of production, working time and costs and pricing of articles in accordance with legal requirements and living wage estimates.
- In 2021 we will start a project together with our most important supplier in Romania in which we focus on increasing productivity and efficiency in the factory. The savings achieved are to be used to increase the wages of employees.

For more examples see the [ETI Base Code Guidance: Living wages](#) (page 12), the [Fair Wear Foundation Living Wage Explorer’s Notebook](#) and [Roadmap to Living Wages](#) (including company examples).

| <b>Assessment criteria:</b> |   | <b>Score</b> |
|-----------------------------|---|--------------|
| <b>No:</b>                  | The company has not formulated actions while the company did prioritize risks and impacts for this theme and does not explain why actions are missing for this theme.   | 0            |
| <b>Partially:</b>           | The company does not comply with all aspects listed under “Yes”.  | 1            |
| <b>Yes:</b>                 | <p>The action is specific and contributes to achieving the goal and to solving the problem. The progress of the action is measured. The absence of action is explained and action has been formulated related to purchasing practices.</p> <p>The goal is SMART:</p> <ul style="list-style-type: none"> <li>- Specific - The goal is specific and unambiguous. The company specified exactly what it wants to achieve and has formulated this as specifically as possible.</li> <li>- Measurable - The company has thought about the conditions under which or form in which the goal will have been achieved (measurable/observable).</li> <li>- Acceptable/Agreed upon - The goal has been approved by top management and has been propagated through the organization.</li> <li>- Realistic/Relevant - Capacity and/or budget has been made available to carry out the actions.</li> <li>- Time-bound - When (in time) must the goal be reached? Realistic timing, deadlines.</li> </ul> | 2            |

|             |   |  |
|-------------|---|--|
| <b>N/A:</b> | The company can answer this question as n/a if you have not included prioritized risks and impacts for this theme. The absence of this should be clearly explained with this question or earlier with question 2.2.4. |  |
|-------------|---|--|

### 3.1.19. Have SMART actions been formulated regarding a living wage in relation to your own purchasing practices?

Key question year 3, 4 & 5/ Maximum score: 2/ Effort: 1/ Result: 1

#### I-Function

If you have prioritized risks and impacts on the living wage topic, it is important to formulate actions on this topic. This may involve actions relating to your suppliers and actions that lead to changes in your own purchasing practices. You can choose actions on both components (suppliers and purchasing practices) or on one of the two components. If one of the components is missing, you must provide reasons for this. This question is about actions related to your purchasing practice.

Describe the actions and answer the following questions:

- How do the formulated actions contribute to achieving the goal and solving the problem?
- How will you measure progress on your goal(s) and actions?

Otherwise, describe the reason for the absence of actions in the explanation of this question. Your explanation is automatically included in your draft action plan that you can download via the E-tool.

Examples of actions related to your purchasing practice on this theme are:

- This year, the purchasing and international RBC head with responsibility will participate in the AGT training on living wages.
- We give preference to countries/regions and/or producers who actually implement the payment of negotiated wages or the step-by-step increase of minimum wages to a living wage level strategically and in principle over countries/regions and producers that do not.
- We pay a fixed bonus per item (for example, 0.10 euros per item) to our first-tier suppliers in Sri Lanka as of 2021 in order to partially close the wage gap.
- In 2021 we will proceed to calculate the extra costs per item from our key suppliers if you start paying the living wage per standard minute of working time per item instead of the minimum wage. From now on we will pay these extra costs to the suppliers.
- Together with our key suppliers we calculate the cost price with help of the Fair Wear Foundation [Labour Minute Calculators](#) to make sure all direct and indirect labour costs are reflected in the price.

| <b>Assessment criteria:</b> |   | <b>Score</b> |
|-----------------------------|---|--------------|
| <b>No:</b>                  | The company has not formulated actions while the company did prioritize risks and impacts for this theme and does not explain why actions are missing for this theme.   | 0            |
| <b>Partially:</b>           | The company does not comply with all aspects listed under "Yes".  | 6            |
| <b>Yes:</b>                 | The action relates to your own purchasing practices.<br>The action is specific and contributes to achieving the goal and to solving the problem. The progress of the action is measured. The absence of action is explained and action has been formulated related to suppliers.<br>The goal is SMART: <ul style="list-style-type: none"> <li>- Specific – The goal is specific and unambiguous. The company specified exactly what it wants to achieve and has formulated this as specifically as possible.</li> </ul> | 12           |

|             |  |  |
|-------------|--|--|
|             | <ul style="list-style-type: none"> <li>- Measurable – The company has thought about the conditions under which or form in which the goal will have been achieved (measurable/observable).</li> <li>- Acceptable/Agreed upon – The goal has been approved by top management and has been propagated through the organization.</li> <li>- Realistic/Relevant – Capacity and/or budget has been made available to carry out the actions.</li> <li>- Time-bound – When (in time) must the goal be reached? Realistic timing, deadlines.</li> </ul> |  |
| <b>N/A:</b> | The company can answer this question as n/a if you have not included prioritized risks and impacts for this theme. The absence of this should be clearly explained with this question or earlier with question 2.2.4.  |  |

**3.1.20. Has a result been achieved with regard to living wages at one or more production locations in your supply chain, as a result of the actions described during your participation in the AGT?**

Key question: -/ Maximum score: 12/ Effort: 0/ Result: 1

**I-Function**

With this question we ask you for the results of your formulated goals and actions. For support purposes:

- Your goal was, for example, to achieve a living wage at your most important denim laundry X in Tunisia before 2022.
- Your action was to adjust your own purchasing practice in the area of costing and to help the laundry to set up an improved wage management system.

Your result may be that the workers get paid a higher than minimum wage (on the road to a living wage).

It may also be that there is no result yet, that you cannot yet measure the result or that the result is negative. Here, we aim to encourage you to measure and report results so that you can learn from the results or lack thereof. When we talk about results, we mean the results for those directly involved (in most cases the employee or worker).

You must, however, substantiate any results achieved. This can be done in various ways. Examples are:

- Submitting audit reports that show that employees are paid higher than the minimum wage, a collective negotiated wage or a living wage;
- Reports from external stakeholders (including trade unions) describing how social dialogue or a collective agreement led to higher wages and which and how many workers benefited from it.

If you answered "Yes" or "Partially" to this question, you must describe the following aspects in the explanation of this question: the action, the results, a substantiation of the results, the production locations involved and the number of employees involved.

| <b>Assessment criteria:</b> |  | <b>Score</b> |
|-----------------------------|--|--------------|
| <b>No:</b>                  | The company is not yet able to demonstrate results at the production locations involved. | 0            |
| <b>Partially:</b>           | The company does not comply with all aspects listed under "Yes".                         | 6            |

|             |  |    |
|-------------|--|----|
| <b>Yes:</b> | <p>The company is able to substantiate results at one or more of the production locations involved, through consultation with local stakeholders and/or participation in local projects or research and/or audit reports.</p> <p>The described result directly benefits those directly involved (in most cases the employee).</p> <p>The company has identified the production sites and how many employees were involved.</p> <p>The described result has NOT been achieved at output level (examples of output are for example: adjusted or additional policy, participation in training, the implementation of systems or tools, attending seminars).</p> <p>Preferably results are positive but can also be negative or neutral. The most important thing is that one has insight into the results of actions and learns and adjusts accordingly.</p> <p>The described result was achieved during the term of the agreement.</p> | 12 |
| <b>N/A:</b> | <p>This question does not apply if you have not prioritized this theme and therefore have not described goals and actions for this theme. This question also does not apply if it concerns previously reported actions and results from previous years and that you have now completed or closed.</p>  |    |

**3.1.21. Have SMART goals been formulated with regard to health and safety in the workplace?**

Key question year 3, 4 & 5/ Maximum score: 4/ Effort: 1/ Result: 1

**I-Function**

If you have prioritized risks and impacts relating to the theme of health and safety in the workplace, it is important to formulate goals for this subject.

Describe the goal or give the reason for the absence of a goal in your explanation for this question. Your explanation will be automatically included in your draft action plan that you can download from the E-tool.

Examples of goals on this theme are:

- Health and safety committees are set up at all our CMT manufacturers under our own management. These committees are trained and responsible for factory safety.
- All our first-tier suppliers do not have major failures in compliance in 2022 in their audit reports on health and safety.

**COVID-19**

Make sure that safety precautions are in place at the workplace in order to reduce the risk of infection. Employees should be informed of their rights and be given correct information about preventive safety measures. Factories should take additional measures to ensure safe forms of travel to and from work, ventilation, adequate distance between workstations, hygienic working conditions and toilets, appropriate hand-washing facilities, breaks and face masks. Information should be provided on the prevention of infection, and employee representatives and trade unions should work together to ensure that all employees receive and understand this important information.

Employees must have access to safe transportation to the factory.

Suggestion: factories provide workers with contact information for local community organizations that can help them with additional problems they may face at the moment. Examples are: support for victims of domestic violence and sexual assault, sexual and reproductive health care, food packages or medical supplies.

Several affiliated companies have successfully switched to the production of personal protective equipment (PPE). We urge purchasers to assist facilities with such transitions, bearing in mind the need for improved health and safety measures during production.

| <b>Assessment criteria:</b> |   | <b>Score</b> |
|-----------------------------|---|--------------|
| <b>No:</b>                  | The company has not formulated goals while the company did prioritize risks and impacts for this theme.   | 0            |
| <b>Partially:</b>           | The company does not comply with all aspects listed under "Yes".  | 2            |
| <b>Yes:</b>                 | <p>The goal is specific and addresses the (prioritized) risks and impacts found in the risk analysis.<br/>           The goal is NOT related to policy formulation or risk analysis (see explanation of question 3.1)<br/>           The goal is related to the chain (suppliers) and/or purchasing practices.<br/>           The goal is SMART:</p> <ul style="list-style-type: none"> <li>– Specific – The goal is specific and unambiguous. The company specified exactly what it wants to achieve and has formulated this as specifically as possible.</li> <li>– Measurable – The company has thought about the conditions under which or form in which the goal will have been achieved (measurable/observable).</li> <li>– Acceptable/Agreed upon – The goal has been approved by top management and has been propagated through the organization.</li> <li>– Realistic/Relevant – Capacity and/or budget has been made available to carry out the actions.</li> <li>– Time-bound – When (in time) must the goal be reached? Realistic timing, deadlines.</li> </ul> | 4            |
| <b>N/A:</b>                 | The company can answer this question as n/a if you have not included prioritized risks and impacts on this theme. The absence of this should be clearly explained with this question or earlier with question 2.2.4.  |              |

**3.1.22. Have SMART actions been formulated regarding health and safety in the workplace in relation to suppliers?**

Key question year 3, 4 & 5/ Maximum score: 2/ Effort: 1/ Result: 1

**I-Function**

If you have prioritized risks and impacts relating to the subject of health and safety in the workplace, it is important to formulate actions on this subject.

Describe the actions and answer the following questions:

- How do the formulated actions contribute to achieving the goal and solving the problem?
- How will you measure progress on your goal(s) and actions?

Otherwise, explain the reason for the absence of actions in the explanation of this question. Your explanation is automatically included in your draft action plan, which you can download via the E-tool.

Examples of actions with regard to your suppliers on this theme are:

- Suppliers in Bulgaria and Romania will be trained in 2021 on the responsible storage, use and disposal of chemicals.
- Suppliers in India receive an invitation for a training in April 2021 in Tirupur on the optimization of electrical safety in textiles and clothing factories.

| <b>Assessment criteria:</b> |   | <b>Score</b> |
|-----------------------------|---|--------------|
| <b>No:</b>                  | The company has not formulated actions while the company did prioritize risks and impacts for this theme and does not explain why actions are missing for this theme.   | 0            |
| <b>Partially:</b>           | The company does not comply with all aspects listed under “Yes”.  | 1            |
| <b>Yes:</b>                 | <p>The action relates to the suppliers with which the company works. The action is specific and contributes to achieving the goal and to solving the problem. The progress of the action is measured. The absence of action is explained and action has been formulated related to purchasing practices.</p> <p>The goal is SMART:</p> <ul style="list-style-type: none"> <li>– Specific – The goal is specific and unambiguous. The company specified exactly what it wants to achieve and has formulated this as specifically as possible.</li> <li>– Measurable – The company has thought about the conditions under which or form in which the goal will have been achieved (measurable/observable).</li> <li>– Acceptable/Agreed upon – The goal has been approved by top management and has been propagated through the organization.</li> <li>– Realistic/Relevant – Capacity and/or budget has been made available to carry out the actions.</li> <li>– Time-bound – When (in time) must the goal be reached? Realistic timing, deadlines.</li> </ul> | 2            |
| <b>N/A:</b>                 | The company can answer this question as n/a if you have not included prioritized risks and impacts for this theme. The absence of this should be clearly explained with this question or earlier with question 2.2.4.   |              |

### **3.1.23. Have SMART actions been formulated with regard to safety and health at the workplace with regard to your own purchasing practices?**

Key question year 3, 4 & 5/ Maximum score: 2/ Effort: 1/ Result: 1

#### **I-Function**

If you have prioritized risks and impacts on the topic of safety and health in the workplace, it is important to formulate actions on this topic. This may involve actions relating to your suppliers and actions that lead to changes in your own purchasing practices. You can choose actions on both components (suppliers and purchasing practice) or on one of the two components. If one of the components is missing, you must provide reasons for this. This question is about actions related to your purchasing practices.

Describe the actions and answer the following questions:

- How do the formulated actions contribute to achieving the goal and solving the problem?
- How will you measure progress on your goal(s) and actions?

Otherwise, describe the reason for the absence of actions in the explanation of this question!

Your explanation is automatically included in your draft action plan that you can download via the E-tool.

Examples of actions related to your purchasing practice on this theme are:

- The buying department will be trained in 2021 on the most important problems and causes of safety and health problems in clothing factories.
- A health & safety checklist will be developed in 2021 in cooperation with an expert organization. Buyers go through these during their visits to the supplier and report their findings to the international RBC manager.

| <b>Assessment criteria:</b> |  | <b>Score</b> |
|-----------------------------|--|--------------|
| <b>No:</b>                  | The company has not formulated actions while the company did prioritize risks and impacts for this theme and does not explain why actions are missing for this theme.  | 0            |
| <b>Partially:</b>           | The company does not comply with all aspects listed under "Yes".   | 1            |
| <b>Yes:</b>                 | <p>The action relates to your own purchasing practices.<br/>           The action is specific and contributes to achieving the goal and to solving the problem. The progress of the action is measured. The absence of action is explained and action has been formulated related to suppliers.<br/>           The goal is SMART:</p> <ul style="list-style-type: none"> <li>- Specific - The goal is specific and unambiguous. The company specified exactly what it wants to achieve and has formulated this as specifically as possible.</li> <li>- Measurable - The company has thought about the conditions under which or form in which the goal will have been achieved (measurable/observable).</li> <li>- Acceptable/Agreed upon - The goal has been approved by top management and has been propagated through the organization.</li> <li>- Realistic/Relevant - Capacity and/or budget has been made available to carry out the actions.</li> <li>- Time-bound - When (in time) must the goal be reached? Realistic timing, deadlines.</li> </ul> | 2            |
| <b>N/A:</b>                 | The company can answer this question as n/a if you have not included prioritized risks and impacts for this theme. The absence of this should be clearly explained with this question or earlier with question 2.2.4.  |              |

**3.1.24. Is result achieved with regard to safety and health at the workplace at one or more production locations in your supply chain, as a result of the actions described during your participation in the AGT?**

Key question: -/ Maximum score: 4/ Effort: 0/ Result: 1

**I-Function**

With this question we ask you for the results of your formulated goals and actions. For support purposes:

- Your goal was, for example, to address serious safety risks at CMT units A, B and C in Bulgaria.

- Your action was to train the units and get advice from expert XYZ or to certify the units in accordance with standard ABC.

Your result is perhaps one or more CMT units that achieved a safe workplace.

It may also be that there is no result yet, that you cannot yet measure the result or that the result is negative. Here, we aim to encourage you to measure and report results so that you can learn from the results or lack thereof. When we talk about results, we mean the results for those directly involved (in most cases the employee or worker).

You must, however, substantiate any results achieved. This can be done in various ways.

Examples are:

- Submitting audit reports and demonstrating the closing of major failures in compliance in the field of occupational health and safety;
- Reports from external stakeholders describing how major failures in compliance found on occupational health and safety have been addressed effectively at the relevant production locations (remediation).
- A description of the installation of occupational health and safety committees consisting of employees and management who are capable and competent to address health and safety issues in the factories.

If you answered "Yes" or "Partially" to this question, you must describe the following aspects in the explanation of this question: the action, the results, a substantiation of the results, the production locations involved and the number of employees involved.

| <b>Assessment criteria:</b> |   | <b>Score</b> |
|-----------------------------|---|--------------|
| <b>No:</b>                  | The company is not yet able to demonstrate results at the production locations involved.  | 0            |
| <b>Partially:</b>           | The company does not comply with all aspects listed under "Yes".  | 2            |
| <b>Yes:</b>                 | The company is able to substantiate results at one or more of the production locations involved, through consultation with (local) stakeholders and/or participation in local projects or research and/or audit reports.<br>The described result directly benefits those directly involved (in most cases the employee).<br>The company has identified the production sites and how many employees were involved.<br>The described result has NOT been achieved at output level (examples of output are for example: adjusted or additional policy, participation in training, the implementation of systems or tools, attending seminars).<br>Preferably results are positive but can also be negative or neutral. The most important thing is that one has insight into the results of actions and learns and adjusts accordingly.<br>The described result was achieved during the term of the agreement. | 4            |
| <b>N/A:</b>                 | This question does not apply if you have not prioritized this theme and therefore have not described goals and actions for this theme. Or this question also does not apply if it concerns previously reported actions and results from previous years and that you have now completed or closed.   |              |

### **3.1.25. Have SMART goals been formulated with regard to raw materials?**

Key question year 3, 4 & 5/Maximum score: 4/Effort: 1/Result: 1

### I-Function

If you have prioritized risks and impacts relating to the theme of raw materials, it is important to formulate goals for this subject.

Describe the goal or give the reason for the absence of a goal in your explanation for this question. Your explanation will be automatically included in your draft action plan that you can download from the E-tool.

Examples of goals on this theme are:

- Because 60% of our products are made of cotton and because of the risks we have identified on cotton farms, all our cotton products will be made from more sustainable cotton by 31 December 2022. We define more sustainable cotton as Better Cotton, certified organic cotton and/or certified recycled cotton.
- By 2025, we will re-collect at least 50% of our products sold and will offer them for post-consumer recycling purposes.

Check this example:

- [O'Neill](#)

| <b>Assessment criteria:</b> |   | <b>Score</b> |
|-----------------------------|---|--------------|
| <b>No:</b>                  | The company has not formulated goals while the company did prioritize risks and impacts for this theme.   | 0            |
| <b>Partially:</b>           | The company does not comply with all aspects listed under "Yes".  | 2            |
| <b>Yes:</b>                 | The goal is specific and addresses the (prioritized) risks and impacts found in the risk analysis.<br>The goal is NOT related to policy formulation or risk analysis (see explanation of question 3.1).<br>The goal is related to the chain (suppliers) and/or purchasing practices.<br>The goal is SMART: <ul style="list-style-type: none"><li>– Specific – The goal is specific and unambiguous. The company specified exactly what it wants to achieve and has formulated this as specifically as possible.</li><li>– Measurable – The company has thought about the conditions under which or form in which the goal will have been achieved (measurable/observable).</li><li>– Acceptable/Agreed upon – The goal has been approved by top management and has been propagated through the organization.</li><li>– Realistic/Relevant – Capacity and/or budget has been made available to carry out the actions.</li><li>– Time-bound – When (in time) must the goal be reached?<br/>Realistic timing, deadlines.</li></ul> | 4            |
| <b>N/A:</b>                 | The company can answer this question as n/a if you have not included prioritized risks and impacts on this theme. The absence of this should be clearly explained with this question or earlier with question 2.2.4.  |              |

### 3.1.26. Have SMART actions been formulated regarding raw materials in relation to suppliers?

Key question year 3, 4 & 5/ Maximum score: 2/ Effort: 1/ Result: 1

### I-Function

If you have prioritized risks and impacts relating to the subject of raw materials, it is important to formulate actions on this subject. This may involve actions relating to your suppliers and actions that lead to changes in your own purchasing practices. You can choose actions on both components (suppliers and purchasing practice) or on one of the two

components. If one of the components is missing, you must provide reasons for this. This question is about actions involving your suppliers.

Describe the actions, being sure to address the following questions:

- How do the actions formulated contribute to the achievement of the goal and the solving of the problem?
- How will you measure the progress towards your goal(s) and actions?

Otherwise, describe the reason for the absence of actions in your explanation for this question.

Your explanation will be automatically included in your draft action plan that you can download from the E-tool.

Examples of actions with regard to your suppliers on this theme are:

- In April 2022 we are organizing a meeting in China for our top 3 spinners. During this meeting people will be informed about our goals with regard to sustainable raw materials, we will share information about *GOTS* and *GRS*, and subsequently try to make agreements about certification in accordance with these standards.
- In collaboration with *the Better Cotton Initiative (BCI)* and the implementation partner in Turkey, we are trying to connect five large cotton cooperatives in the Izmir region of Turkey to the Better Cotton program (BCI) in 2022.
- In 2022 we will participate in a program of *Organic Cotton Accelerator (OCA)*. The goals of the project are to facilitate transparency and access to organic cotton and cotton in-conversion at the farm-level, to deliver tangible benefits to organic cotton farmers and those converting to organic farming to strengthen their business case, address worker rights and create the right conditions for organic cotton supply to grow and to create positive environmental impact by increasing the hectares and supply of organic cotton.

| <b>Assessment criteria:</b> |   | <b>Score</b> |
|-----------------------------|---|--------------|
| <b>No:</b>                  | The company has not formulated actions while the company did prioritize risks and impacts for this theme and does not explain why actions are missing for this theme.   | 0            |
| <b>Partially:</b>           | The company does not comply with all aspects listed under "Yes".  | 1            |
| <b>Yes:</b>                 | <p>The action relates to the suppliers with which the company works. The action is specific and contributes to achieving the goal and to solving the problem. The progress of the action is measured. The absence of action is explained and action has been formulated related to purchasing practices.</p> <p>The goal is SMART:</p> <ul style="list-style-type: none"> <li>- Specific – The goal is specific and unambiguous. The company specified exactly what it wants to achieve and has formulated this as specifically as possible.</li> <li>- Measurable – The company has thought about the conditions under which or form in which the goal will have been achieved (measurable/observable).</li> <li>- Acceptable/Agreed upon – The goal has been approved by top management and has been propagated through the organization.</li> <li>- Realistic/Relevant – Capacity and/or budget has been made available to carry out the actions.</li> <li>- Time-bound – When (in time) must the goal be reached? Realistic timing, deadlines.</li> </ul> | 2            |
| <b>N/A:</b>                 | The company can answer this question as n/a if you have not included prioritized risks and impacts on this theme. The absence of this should be clearly explained with this question or earlier with question 2.2.4.  |              |

**3.1.27. Have SMART actions been formulated regarding raw materials in relation to your own purchasing practices?**

Key question year 3, 4 & 5/ Maximum score: 2/ Effort: 1/ Result: 1

**I-Function**

If you have prioritized risks and impacts on the topic of raw materials, it is important to formulate actions on this topic. This may involve actions relating to your suppliers and actions that lead to changes in your own purchasing practices. You can choose actions on both components (suppliers and purchasing practices) or on one of the two components. If one of the components is missing, you must provide reasons for this. This question is about actions related to your purchasing practices.

Describe the actions and answer the following questions:

- How do the formulated actions contribute to achieving the goal and solving the problem?
- How will you measure progress on your goal(s) and actions?

Otherwise, describe the reason for the absence of actions in the explanation of this question. Your explanation is automatically included in your draft action plan that you can download via the E-tool.

Examples of actions related to your purchasing practice on this theme are:

- Training the purchasing and design team in the field of sustainable materials. During this training the impact of conventional materials is discussed and sustainable alternatives are introduced.
- Defining internal tasks and responsibilities with regard to requesting and renewing the scope and transaction certificates of sustainable materials in a timely manner.
- Training the design department in the field of the circular economy and circular design.

| <b>Assessment criteria:</b> |   | <b>Score</b> |
|-----------------------------|---|--------------|
| <b>No:</b>                  | The company has not formulated actions while the company did prioritize risks and impacts for this theme and does not explain why actions are missing for this theme. | 0            |
| <b>Partially:</b>           | The company does not comply with all aspects listed under "Yes".  | 1            |

|             |   |   |
|-------------|---|---|
| <b>Yes:</b> | <p>The action relates to your own purchasing practices. The action is specific and contributes to achieving the goal and to solving the problem. The progress of the action is measured. The absence of action is explained and action has been formulated related to suppliers.</p> <p>The goal is SMART:</p> <ul style="list-style-type: none"> <li>- Specific – The goal is specific and unambiguous. The company specified exactly what it wants to achieve and has formulated this as specifically as possible.</li> <li>- Measurable – The company has thought about the conditions under which or form in which the goal will have been achieved (measurable/observable).</li> <li>- Acceptable/Agreed upon – The goal has been approved by top management and has been propagated through the organization.</li> <li>- Realistic/Relevant – Capacity and/or budget has been made available to carry out the actions.</li> <li>- Time-bound – When (in time) must the goal be reached? Realistic timing, deadlines.</li> </ul> | 2 |
| <b>N/A:</b> | <p>The company can answer this question as n/a if you have not included prioritized risks and impacts for this theme. The absence of this should be clearly explained with this question or earlier with question 2.2.4.</p>  |   |

**3.1.28. Has a result been achieved with regard to the use of materials as a result of the actions described during your participation in the AGT?**

Key question: -/ Maximum score: 4/ Effort: 0/ Result: 1

**I-function**

With this question we ask you for the results of your formulated goals and actions. For support purposes:

- Your goal was, for example, to increase the share of more sustainable cotton in your collection from 20% to 100% in 2025.
- Your action was membership of the Better Cotton Initiative and training of purchasing staff and suppliers in sourcing and administering Better Cotton.

Your result may be an increase in the use of Better Cotton from 20% to 40% in 2021 (an interim result on the way to 100% in 2025).

It may also be that there is no result yet, that you cannot yet measure the result or that the result is negative. Here, we aim to encourage you to measure and report results so that you can learn from the results or lack thereof.

You must, however, substantiate any results achieved. This can be done in various ways. Examples are:

- Via the materials overview (*basic* or *advanced*);
- Additional documentation such as scope and transaction certificates or overviews of the number of claimed Better Cotton Claim Units (BCCUs).

Describe the action, the materials involved, the results and the substantiation thereof in the explanation of this question if you answered "Yes" or "Partially" to this question.

| <b>Assessment criteria:</b> |   | <b>Score</b> |
|-----------------------------|---|--------------|
| <b>No:</b>                  | The company is not yet able to demonstrate results regarding one or more materials.   | 0            |
| <b>Partially:</b>           | The company does not comply with all aspects listed under "Yes".  | 2            |
| <b>Yes:</b>                 | The company is able to substantiate results regarding one or more materials.<br>The described result is substantiated (via reports, overviews and/or certificates).<br>Results can be achieved through an increase in certain materials (for example, more organic cotton or recycled polyester) and through a decrease (less or no PVC).<br>The described result was achieved during the term of the AGT.<br>The materials that the AGT, parties and stakeholders consider to be more sustainable and less sustainable based on independent judgments from third parties. An overview can be found <a href="#">here</a> (click on tab "Background Raw Materials & Risks"). | 4            |
| <b>N/A:</b>                 | This question does not apply if you have not prioritized this theme and therefore have not described goals and actions for this theme.<br>Or this question also does not apply if it concerns previously reported actions and results from previous years and that you have now completed or closed.  |              |

### 3.1.29. Have SMART goals been formulated with regard to water pollution and use of chemicals, water and energy?

Key question year 3, 4 & 5/ Maximum score: 4/ Effort: 1/ Result: 1

#### I-function

If you have prioritized risks and impacts relating to the theme of chemicals, water and energy, it is important to formulate goals for this subject.

Describe the goal or give the reason for the absence of a goal in your explanation for this question. Your explanation will be automatically included in your draft action plan that you can download from the E-tool.

Examples of goals on this theme are:

- In 2021 our suppliers in Bangladesh will meet the foundational level of the ZDHC waste water standard. In 2022 they will meet the progressive level of the same standard.
- In 2021 our denim suppliers in Bangladesh, Turkey and Tunisia will use 50% less water thanks to implemented innovations in the washing process.

| <b>Assessment criteria:</b> |   | <b>Score</b> |
|-----------------------------|---|--------------|
| <b>No:</b>                  | The company has not formulated goals while the company did prioritize risks and impacts for this theme. | 0            |
| <b>Partially:</b>           | The company does not comply with all aspects listed under "Yes".  | 2            |

|                       |  |   |
|-----------------------|--|---|
| <b>Yes:</b>           | <p>The goal is specific and addresses the (prioritized) risks and impacts found in the risk analysis.<br/> The goal is NOT related to policy formulation or risk analysis (see explanation of question 3.1)<br/> The goal is related to the chain (suppliers) and/or purchasing practices.<br/> The goal is SMART:</p> <ul style="list-style-type: none"> <li>- Specific – The goal is specific and unambiguous. The company specified exactly what it wants to achieve and has formulated this as specifically as possible.</li> <li>- Measurable – The company has thought about the conditions under which or form in which the goal will have been achieved (measurable/observable).</li> <li>- Acceptable/Agreed upon – The goal has been approved by top management and has been propagated through the organization.</li> <li>- Realistic/Relevant – Capacity and/or budget has been made available to carry out the actions.</li> <li>- Time-bound – When (in time) must the goal be reached? <ul style="list-style-type: none"> <li>o Realistic timing, deadlines.</li> </ul> </li> </ul> | 4 |
| <b>Good practice:</b> | The company can answer this question as n/a if you have not included prioritized risks and impacts on this theme. The absence of this should be clearly explained with this question or earlier with question 2.2.4.   |   |

### 3.1.30. Have SMART actions been formulated regarding water pollution and use of chemicals, water and energy in relation to suppliers?

Key question year 3, 4 & 5/ Maximum score: 2/ Effort: 1/ Result: 1

#### I-function

If you have prioritized risks and impacts relating to the subject of water, energy and chemicals, it is important to formulate actions on this subject.

Describe the actions, being sure to address the following questions:

- How do the actions formulated contribute to the achievement of the goal and the solving of the problem?
- How will you measure the progress towards your goal(s) and actions?

Otherwise, describe the reason for the absence of actions in your explanation for this question.

Your explanation will be automatically included in your draft action plan that you can download from the E-tool.

Examples of actions with regard to your suppliers on this theme are:

- As of September 2021, our tanneries in India are certified in accordance with the LWG standard (gold, silver or bronze).
- In cooperation with local experts, a chemical management system has been implemented at our top 10 suppliers.

For inspiration, see the "[wet processing guidebook](#)" developed by Solidaridad.

| <b>Assessment criteria:</b> |   | <b>Score</b> |
|-----------------------------|---|--------------|
| <b>No:</b>                  | The company has not formulated actions while the company did prioritize risks and impacts for this theme and does not explain why actions are missing for this theme. | 0            |

|                   |  |   |
|-------------------|--|---|
| <b>Partially:</b> | The company does not comply with all aspects listed under "Yes".   | 1 |
| <b>Yes:</b>       | <p>The action relates to the suppliers with which the company works. The action is specific and contributes to achieving the goal and to solving the problem. The progress of the action is measured. The absence of action is explained and action has been formulated related to purchasing practices.</p> <p>The goal is SMART:</p> <ul style="list-style-type: none"> <li>- Specific – The goal is specific and unambiguous. The company specified exactly what it wants to achieve and has formulated this as specifically as possible.</li> <li>- Measurable – The company has thought about the conditions under which or form in which the goal will have been achieved (measurable/observable).</li> <li>- Acceptable/Agreed upon – The goal has been approved by top management and has been propagated through the organization.</li> <li>- Realistic/Relevant – Capacity and/or budget has been made available to carry out the actions.</li> <li>- Time-bound – When (in time) must the goal be reached? <ul style="list-style-type: none"> <li>o Realistic timing, deadlines.</li> </ul> </li> </ul> | 2 |
| <b>N/A:</b>       | The company can answer this question as n/a if you have not included prioritized risks and impacts for this theme. The absence of this should be clearly explained with this question or earlier with question 2.2.4.  |   |

**3.1.31. Have SMART actions been formulated with regard to water pollution and the use of chemicals, water and energy with regard to their own purchasing practices?**

Key question year 3,4 & 5/ Maximum score: 2/ Effort: 1/ Result: 1

**I-function**

If you have prioritized risks and impacts on the topic of water pollution and use, chemicals, water and energy, it is important to formulate actions on this topic. This may involve actions relating to your suppliers and actions that lead to changes in your own purchasing practice. You can choose actions on both components (suppliers and purchasing practices) or on one of the two components. If one of the components is missing, you must provide reasons for this. This question is about actions related to your purchasing practices.

Describe the actions and answer the following questions:

- How do the formulated actions contribute to achieving the goal and solving the problem?
- How will you measure progress on your goal(s) and actions?

Otherwise, describe the reason for the absence of actions in the explanation of this question. Your explanation is automatically included in your draft action plan that you can download via the E-tool.

Examples of actions related to your purchasing practices on this theme are:

- Training the purchasing and design team in the field of harmful chemicals and sustainable alternatives.
- Purchasing and design department develop and test two basic, high volume articles using sustainable alternatives.

| <b>Assessment criteria:</b> |   | <b>Score</b> |
|-----------------------------|---|--------------|
| <b>No:</b>                  | The company has not formulated actions while the company did prioritize risks and impacts for this theme and does not explain why actions are missing for this theme.   | 0            |
| <b>Partially:</b>           | The company does not comply with all aspects listed under "Yes".  | 1            |
| <b>Yes:</b>                 | <p>The action relates to your own purchasing practices.<br/> The action is specific and contributes to achieving the goal and to solving the problem. The progress of the action is measured. The absence of action is explained and action has been formulated related to suppliers.<br/> The goal is SMART:</p> <ul style="list-style-type: none"> <li>- Specific – The goal is specific and unambiguous. The company specified exactly what it wants to achieve and has formulated this as specifically as possible.</li> <li>- Measurable – The company has thought about the conditions under which or form in which the goal will have been achieved (measurable/observable).</li> <li>- Acceptable/Agreed upon – The goal has been approved by top management and has been propagated through the organization.</li> <li>- Realistic/Relevant – Capacity and/or budget has been made available to carry out the actions.</li> <li>- Time-bound – When (in time) must the goal be reached? <ul style="list-style-type: none"> <li>o Realistic timing, deadlines.</li> </ul> </li> </ul> | 2            |
| <b>N/A:</b>                 | The company can answer this question as n/a if you have not included prioritized risks and impacts for this theme. The absence of this should be clearly explained with this question or earlier with question 2.2.4.   |              |

**3.1.32. Has any result been achieved in the area of WeeCH (water, energy and chemicals) as a result of the actions described during your participation in the AGT?**

Key question: -/ Maximum score: 4/ Effort: 0/ Result: 1

**I-function**

With this question we ask you for the results as a result of your formulated goals and actions.

For support purposes:

Your goal was, for example, to reduce water and energy consumption by at least 25% at three laundries in Pakistan in 2021.

Your action was to train your purchasing team with regard to low-impact finishing techniques of denim and to certify the laundries concerned in accordance with the ISO14001 standard.

Your result may be that one of the laundries involved has reduced its impact by 30% and the other two laundries have reduced no water and energy.

It may also be that there is no result yet, that you cannot yet measure the result or that the result is negative. Here, we aim to encourage you to measure and report results so that you can learn from the results or lack thereof.

You must, however, substantiate any results achieved. This can be done in various ways.

Examples are:

- Via analysis or reports from third parties (for example Life Cycle Analysis – LCAs).
- Based on certifications/audits that can validate certain reductions or bans (think of Bluesign, GOTS, ISO14001, LWG, Oekotex Step, Oekotex Made in Green or Oekotex Detox to Zero;

- Based on reports or participation in certain local projects or initiatives (e.g. *amfori BEPI*, *Higg FEM*, *Clean by Design*, *Partnership for Cleaner Textile* (PaCT), *Better Mill Initiative* and/or implementation of an MRSL).

Describe the action, the processes involved, the results and the substantiation thereof in the explanation of this question if you answered "Yes" or "Partially" to this question.

| <b>Assessment criteria:</b> |  | <b>Score</b> |
|-----------------------------|--|--------------|
| <b>No:</b>                  | The company is not yet able to demonstrate results regarding WeeCH.  | 0            |
| <b>Partially:</b>           | The company does not comply with all aspects listed under "Yes".   | 2            |
| <b>Yes:</b>                 | The company is able to substantiate results regarding one or more processes. The described result is substantiated (via reports, overviews and/or certificates).<br>Results can be achieved on the various components under the name WeeCH, namely: <ul style="list-style-type: none"> <li>- Water reduction;</li> <li>- Waste water management;</li> <li>- Energy and CO2 reduction;</li> <li>- Reduction and/or exclusion of harmful chemicals.</li> </ul> The described result was achieved during the term of the AGT. | 4            |
| <b>N/A:</b>                 | This question does not apply if you have not prioritized this theme and therefore have not described goals and actions for this theme.<br>This question also does not apply if it concerns previously reported actions and results from previous years and that you have now completed or closed.  |              |

### 3.1.33. Have SMART goals been formulated with regard to animal welfare?

Key question year 3, 4 & 5/ Maximum score: 4/ Effort: 1/ Result: 1

#### I-function

If you have prioritized risks and impacts relating to the theme of animal welfare, it is important to formulate goals for this subject.

Describe the goal or give the reason for the absence of a goal in your explanation for this question. Your explanation will be automatically included in your draft action plan that you can download from the E-tool.

Examples of goals on this theme are:

- Between 2020 and 2022 we will phase out all suppliers and/or materials of animal origin for which we cannot guarantee the five freedoms for animal welfare.
- In 2021 we will replace 10% of our woolen articles with certified recycled wool.

| <b>Assessment criteria:</b> |   | <b>Score</b> |
|-----------------------------|---|--------------|
| <b>No:</b>                  | The company has not formulated goals while the company did prioritize risks and impacts for this theme. | 0            |
| <b>Partially:</b>           | The company does not comply with all aspects listed under "Yes".  | 2            |

|             |  |   |
|-------------|--|---|
| <b>Yes:</b> | <p>The goal is specific and addresses the (prioritized) risks and impacts found in the risk analysis.<br/> The goal is NOT related to policy formulation or risk analysis (see explanation of question 3.1)<br/> The goal is related to the chain (suppliers) and/or purchasing practices.<br/> The goal is SMART:</p> <ul style="list-style-type: none"> <li>- Specific – The goal is specific and unambiguous. The company specified exactly what it wants to achieve and has formulated this as specifically as possible.</li> <li>- Measurable – The company has thought about the conditions under which or form in which the goal will have been achieved (measurable/observable).</li> <li>- Acceptable/Agreed upon – The goal has been approved by top management and has been propagated through the organization.</li> <li>- Realistic/Relevant – Capacity and/or budget has been made available to carry out the actions.</li> <li>- Time-bound – When (in time) must the goal be reached? <ul style="list-style-type: none"> <li>o Realistic timing, deadlines.</li> </ul> </li> </ul> | 4 |
| <b>N/A:</b> | <p>The company can answer this question as n/a if you have not included prioritized risks and impacts on this theme. The absence of this should be clearly explained with this question or earlier with question 2.2.4.</p>  |   |

### 3.1.34 Have SMART actions been formulated regarding animal welfare in relation to suppliers?

Key question year 3, 4 & 5/ Maximum score: 2/ Effort: 1/ Result: 1

#### I-function

If you have prioritized risks and impacts relating to the subject of animal welfare, it is important to formulate actions on this subject.

This may involve actions relating to your suppliers and actions that lead to changes in your own purchasing practices. You can choose actions on both components (suppliers and purchasing practice) or on one of the two components. If one of the components is missing, you must provide reasons for this. This question is about actions involving your suppliers.

Describe the actions, being sure to address the following questions:

- How do the actions formulated contribute to the achievement of the goal and the solving of the problem?
- How will you measure the progress towards your goal(s) and actions?

Otherwise, describe the reason for the absence of actions in your explanation for this question. Your explanation will be automatically included in your draft action plan that you can download from the E-tool.

Examples of actions with regard to your suppliers on this theme are:

- As of 2021, our key suppliers of items made with materials of animal origin have joined independent traceability and assurance systems that guarantee that materials of animal origin are produced with the highest possible care for the animal.
- As of 2021, we have tested two alternative materials with our key suppliers that can replace materials of animal origin (e.g.: recycled leather or fruit leather).

| <b>Assessment criteria:</b> |  | <b>Score</b> |
|-----------------------------|--|--------------|
| <b>No:</b>                  | <p>The company has not formulated actions while the company did prioritize risks and impacts for this theme and does not explain why actions are missing for this theme.</p> | 0            |

|                   |   |   |
|-------------------|---|---|
| <b>Partially:</b> | The company does not comply with all aspects listed under "Yes".  | 1 |
| <b>Yes:</b>       | <p>The action relates to the suppliers with which the company works. The action is specific and contributes to achieving the goal and to solving the problem. The progress of the action is measured. The absence of action is explained and action has been formulated related to purchasing practices.</p> <p>The goal is SMART:</p> <ul style="list-style-type: none"> <li>– Specific - The goal is specific and unambiguous. The company specified exactly what it wants to achieve and has formulated this as specifically as possible.</li> <li>– Measurable - The company has thought about the conditions under which or form in which the goal will have been achieved (measurable/observable).</li> <li>– Acceptable/Agreed upon - The goal has been approved by top management and has been propagated through the organization.</li> <li>– Realistic/Relevant - Capacity and/or budget has been made available to carry out the actions.</li> <li>– Time-bound - When (in time) must the goal be reached? Realistic timing, deadlines.</li> </ul> | 2 |
| <b>N/A:</b>       | The company can answer this question as n/a if you have not included prioritized risks and impacts for this theme. The absence of this should be clearly explained with this question or earlier with question 2.2.4.   |   |

### 3.1.35. Have SMART actions been formulated regarding animal welfare in relation to your own purchasing practices?

Key question year 3, 4 & 5/ Maximum score: 2/ Effort: 1/ Result: 1

#### I-function

If you have prioritized risks and impacts on the subject of animal welfare, it is important to formulate actions on this subject. This may involve actions relating to your suppliers and actions that lead to changes in your own purchasing practices. You can choose actions on both components (suppliers and purchasing practice) or on one of the two components. If one of the components is missing, you must provide reasons for this. This question is about actions related to your purchasing practices.

Describe the actions and answer the following questions:

- How do the formulated actions contribute to achieving the goal and solving the problem?
- How will you measure progress on your goal(s) and actions?

Otherwise, describe the reason for the absence of actions in the explanation of this question. Your explanation is automatically included in your draft action plan that you can download via the E-tool.

Examples of actions related to your purchasing practice on this theme are:

- Training the purchasing and design team in the field of sustainable alternatives and available certifications aimed at guaranteeing animal welfare (e.g. *Responsible Down Standard* (RDS), *Responsible Wool Standard* (RWS), *Responsible Mohair Standard* (RMS), *Responsible Alpaca Standard* (RAS)).
- All purchasing agreements of products made out of animal material will include and record the country of origin by 2022 at the latest (country/region/supplier).

| <b>Assessment criteria:</b> |   | <b>Score</b> |
|-----------------------------|---|--------------|
| <b>No:</b>                  | The company has not formulated actions while the company did prioritize risks and impacts for this theme and does not explain why actions are missing for this theme.   | 0            |
| <b>Partially:</b>           | The company does not comply with all aspects listed under "Yes".  | 1            |
| <b>Yes:</b>                 | The action relates to your own purchasing practices. The action is specific and contributes to achieving the goal and to solving the problem. The progress of the action is measured. The absence of action is explained and action has been formulated related to suppliers. The goal is SMART: <ul style="list-style-type: none"> <li>- Specific - The goal is specific and unambiguous. The company specified exactly what it wants to achieve and has formulated this as specifically as possible.</li> <li>- Measurable - The company has thought about the conditions under which or form in which the goal will have been achieved (measurable/observable).</li> <li>- Acceptable/Agreed upon - The goal has been approved by top management and has been propagated through the organization.</li> <li>- Realistic/Relevant - Capacity and/or budget has been made available to carry out the actions.</li> <li>- Time-bound - When (in time) must the goal be reached? Realistic timing, deadlines.</li> </ul> | 2            |
| <b>N/A:</b>                 | The company can answer this question as n/a if you have not included prioritized risks and impacts for this theme. The absence of this should be clearly explained with this question or earlier with question 2.2.4.   |              |

### **3.1.36. Is there been results in the area of animal welfare, as a result of the actions described during your participation in the AGT?**

Key question: - / Maximum score: 4/ Effort: 0/ Result: 1

#### **I-function**

With this question we ask you for the results of your formulated goals and actions. For support purposes:

- Your goal, for example, was to exclude fur, angora and exotic skins from your collection by 2021 and to increase the proportion of recycled wool.
- Your action was to inform your purchasing team and your supplier base through meetings.

Your result might be a collection without fur, angora and exotic skins by 2021. The use of recycled wool has gotten off the ground and so far has translated into two small trial orders. It may also be the case that there is no result yet, that you cannot yet measure the result or that the result is negative. Here, we aim to encourage you to measure and report results so that you can learn from the results or lack thereof.

You must, however, substantiate any results achieved. This can be done in various ways. Examples are:

- Via the materials overview (*advanced* or *basic*).

- Additional documentation such as scope and transaction certificates.

Describe the action, the materials involved, the results and the substantiation thereof in the explanation of this question If you answered "Yes" or "Partially" to this question.

| <b>Assessment criteria:</b> |   | <b>Score</b> |
|-----------------------------|---|--------------|
| <b>No:</b>                  | The company is not yet able to demonstrate results regarding animal welfare.  | 0            |
| <b>Partially:</b>           | The company does not comply with all aspects listed under "Yes".  | 2            |
| <b>Yes:</b>                 | The company is able to substantiate results regarding one or more materials.<br>The described result is substantiated (via reports, overviews and/or certificates).<br>Results can be achieved through an increase in certain materials (for example, more recycled wool) and through a decrease (less or no fur, exotic skins, angora and wool from mulesed sheep)<br>The described result was achieved during the term of the AGT.<br>The materials that the AGT, parties and stakeholders consider to be more sustainable and less sustainable based on independent judgements from third parties are included in an Excel tool, tab " <a href="#">Background Materials &amp; Risks</a> ". | 4            |
| <b>N/A:</b>                 | This question does not apply if you have not prioritized this theme and therefore have not described goals and actions for this theme.<br>Or this question also does not apply if it concerns previously reported actions and results from previous years and that you have now completed or closed.  |              |

### **3.2. Have you undertaken actions in response to complaints or reports of third parties or in response to audit reports on damage or negative impacts?**

Key question: -/ Maximum score: 0/ Effort: 1/ Result: 1

This is a main question; scores can only be earned on sub-questions.

Audit reports or reports of stakeholders can serve to report potential damage and impacts in the areas of human rights, animal welfare and the environment. Have any such reports prompted you to take action? You will have to act in a specific manner, depending on your relationship with these impacts.

| <b>Assessment criteria:</b> |  | <b>Score</b> |
|-----------------------------|--|--------------|
| <b>No:</b>                  | The company has answered all sub-questions below with "No".  | N/A          |
| <b>Partially:</b>           | The company did not all answer the sub-questions below with "Yes", but also answered sub-questions with "Partially" and/or "No". | N/A          |
| <b>Yes:</b>                 | The company has all of the questions below answered "Yes".   | N/A          |

#### **3.2.1 Were the actions you took appropriate to your responsibility for the damage/impact?**

Key question: -/ Maximum score: 4/ Effort: 1/ Result: 1

##### **I-function**

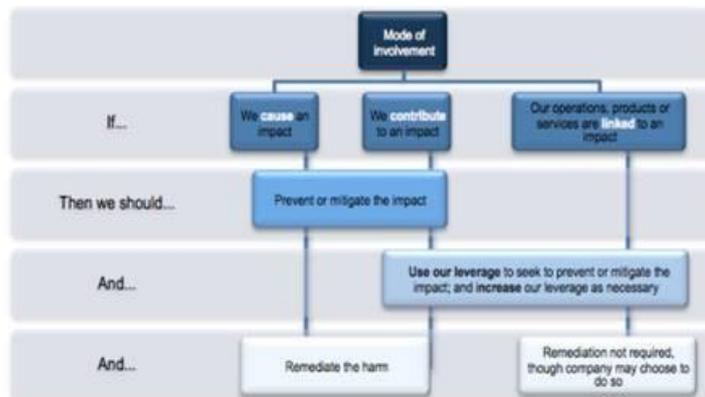
Your responsibility for damage/impact and the actions that are expected from you as a company depend on your involvement in the adverse impact. You might have caused the impact, or contributed to it, or you may be linked to it. It is important to make this distinction, because this affects the actions to be taken and, consequently, your action plan.

- Cause of the adverse impact: there is a causal relationship between your actions and the adverse impact. An example is a company that discriminates against its employees or customers. The measures expected of the company are to stop the actions that are causing the impact, and to compensate the injured party or to cooperate in the compensation of the injured party. Please note: if you notice negative impacts at production locations you own or co-own, this will be seen as the causing of a negative impact as you are the primarily responsible party for the circumstances in your company.
- Contribution to the adverse impact: a company together with one or more other parties is the cause of an adverse impact. An example is a company that pressures its manufacturers to lower the wholesale prices, which can lead to the outsourcing of some or all of the production to a workshop that pays less than the minimum wage. In this case, both the company and the manufacturer are jointly responsible. The measures expected of the company are to stop the actions that are causing the impact, and to compensate the injured party or to cooperate in the compensation of the injured party. In addition, the company is expected to use or increase its leverage to eradicate the adverse impact as far as possible.
- Linked to adverse impact: a company is linked to the adverse impact through the origin of products. An example is a company that, via its due diligence efforts, has done everything to eliminate child labour from the embroidery of its products, but despite all arrangements and outside the company's knowledge, the manufacturer sends the embroidery work out to a workshop where children work. The company is not responsible, and in this case there is no action the company needs to stop and no compensation the company needs to pay (although it may choose to do so). However, the company is expected to use or increase its leverage to eradicate the impact as far as possible.

Tip: It is important to carry out the aforementioned analysis because the mode of involvement affects the measures expected from you and, with them, your action plan. Also, present the analysis of the involvement of your company in terms of an adverse impact to others. You yourselves might come to the conclusion that the company is linked to (meaning not responsible for) a negative impact, but others may find that the company actually is contributing to the adverse impact (and is therefore jointly responsible). This is something you are better off hearing sooner rather than later.

By way of illustration: two useful Shift diagrams that illustrate the above.

## Differentiated Responses



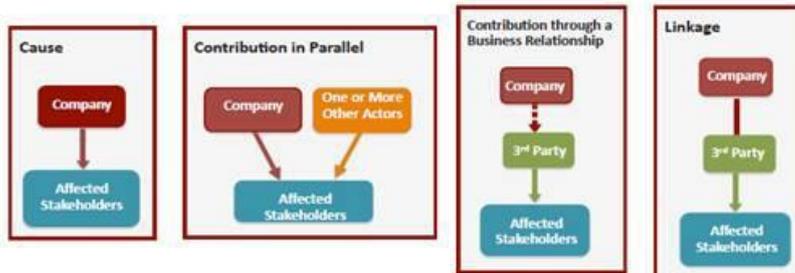
14

**Sh ft**

Putting Principles into Practice

## Types of Involvement

Cause, Contribution and Linkage



12

**Sh ft**

Putting Principles into Practice

| Assessment criteria: |  | Score |
|----------------------|--|-------|
| <b>No:</b>           | The company has no insight into the type of involvement in negative impacts in the supply chain (cause, contribute, linked) and does not act accordingly.  | 0     |
| <b>Partially:</b>    | The company does not comply with all aspects listed under "Yes".   | 2     |
| <b>Yes:</b>          | The company has insight into the type of involvement in negative impacts in the supply chain (cause, contribute, linked)<br>The company has presented its own insight with regard to its type of involvement to external stakeholders and adapted it to the insights of these stakeholders.<br>The company takes actions appropriate to the type of involvement. | 4     |

**3.3 Did you address all actions in your action plan and assessment report, and did you close them? (20 points)**

Key question year 2,3,4 & 5/ Maximum score: 20/ Effort: 1/ Result: 1

**I-function**

Describe the progress and results of the activities from the previous action plan and the recommendations. Please also explain if certain goals, actions or recommendations were not picked up. Specify also whether and how these actions have contributed to the stated goals. Identify experiences and learning points that you will take in the new action plan.

| <b>Assessment criteria:</b> |   | <b>Score</b> |
|-----------------------------|---|--------------|
| <b>No:</b>                  | The company has not indicated which actions from the action plan and from the assessment report of last year have been addressed and closed.  | 0            |
| <b>Partially:</b>           | The company does not comply with all aspects listed under "Yes".  | 10           |
| <b>Yes:</b>                 | The company states that all actions from the action plan and last year's assessment report have been picked up and handled. The company describes the extent to which the actions have contributed to the set goals and what lessons have been learned from this. | 20           |

## Step 4 Stakeholder consultation, evaluation and communication

### I-function

Communication with external stakeholders plays a major part in the final step of the due diligence process. Stakeholders are also referred to as interested parties, i.e., persons or groups who have interests that are (or could be) affected by your enterprise's activities, or who are associated with these groups. External stakeholders are NGOs, trade unions, governmental agencies, brands, other AGT signatory companies, agents, manufacturers and employees in the supply chain. Stakeholder engagement is characterized by two-way communication. It involves sharing relevant information with stakeholders in a format that they can understand and access. The input and feedback that stakeholders provide is important for adjusting or tightening up policy and purchasing practice. The second aspect is accountability for how you work as a company and how you assume responsibility within the supply chain. Signatory companies to the Agreement on Sustainable Garments and Textile are required to communicate a number of aspects from year three onwards. You can find the criteria for this [here](#).

The OECD distinguishes between stakeholders and rights-holders. Stakeholders can be all kinds of organizations, but the rights-holders are people whose rights may be violated. Rights-holders are therefore the people at the sewing machine, the employees in the dye house, the cotton farmers. They are the most important stakeholders to involve in your stakeholder consultations.

#### 4.1. Are stakeholders consulted on international RBC themes?

Key question: -/ Maximum score: 0/ Effort: 1/ Result: 0

### I-function

This is a main question; scores can only be earned on sub-questions.

The AGT is consistent with international guidelines, such as the [OECD Guidelines for Multinational Enterprises](#) and the [UN Guiding Principles for Business and Human Rights](#). These guidelines and guiding principles stress the importance of actually hearing stakeholders, including the employees at the production sites. Their voice can be heard, for example, during site visits, in employee interviews during audit and monitoring processes, and in the reports of organizations representing these employees, such as trade unions, women's groups and NGOs. This information will often produce a different or enhanced picture of the reality, and can lead to additional measures in the form of adjustment of policy and purchasing processes.

Describe how you have involved stakeholders: Which ones? When? Have you taken on their advice? If so, what? If not, why not?

See [this hands-on document](#) on how to engage with stakeholders effectively for inspiration.

### COVID-19

Company advocacy on behalf of worker protections is critical at the national and multilateral levels. Companies should make it clear that they support the inclusion of worker protections in relief and stimulus efforts and expect multilateral organizations to require stronger social protection schemes in countries that receive assistance as a result of the pandemic. Their efforts will be needed during the pandemic and should be continued after.

Check this example:

[Zeeman](#) page 20 – stakeholder overview including agenda items, manner of dialogue and frequency of contact.

| <b>Assessment criteria:</b> |  | <b>Score</b> |
|-----------------------------|--|--------------|
| <b>No:</b>                  | The company has answered all sub-questions below with "No".  | N/A          |
| <b>Partially:</b>           | The company did not all answer the sub-questions below with "Yes", but also answered sub-questions with "Partially" and/or "No". | N/A          |
| <b>Yes:</b>                 | The company has answered all of the questions below with "Yes".  | N/A          |

#### **4.1.1. Do you ask for stakeholder contributions in drafting and adjusting the international RBC policy?**

Key question year 4,5/ Maximum score: 6/ Effort: 1/ Result: 0

##### **I-function**

Stakeholders like NGOs, trade unions, governmental agencies, brands, manufacturers and employees often have information that can be useful in the drafting or adjustment of policy. They are often better or sooner informed of developments that you will want to incorporate into your policy promptly. Try bouncing your policy off an NGO or a trade union. You will probably get some very useful input.

##### **COVID-19**

Especially in these times when many people question the sustainability of the procurement practice and business models used in the sector, input from third parties can lead to important changes and additions to the policy (e.g., two-way code of conduct).

Check out [this example of Patagonia](#) where they explain how they are giving workers more of a voice.

| <b>Assessment criteria:</b> |  | <b>Score</b> |
|-----------------------------|--|--------------|
| <b>No:</b>                  | The company has not asked for input/advice from stakeholders and/or did not use it to draw up and/or adjust its international RBC policy.  | 0            |
| <b>Partially:</b>           | The company does not comply with all aspects listed under "Yes".   | 6            |
| <b>Yes:</b>                 | The company has requested and/or used input/advice from stakeholders to draw up and/or adjust its international RBC policy. The company does this regularly (for example, annually or every two years)<br>The company consults various stakeholders with various areas of expertise. | 3            |

#### **4.1.2. Is consulting workers part of your audit and monitoring process?**

Key question: -/ Maximum score: 6/ Effort: 1/ Result: 0

##### **I-function**

Some matters are easy to gloss over or difficult to detect via audit and monitoring processes. The payment of a living wage, overtime premiums and/or social benefits may be correct on paper but not in practice. Discrimination against women or minorities is often difficult to prove via audits. This type of information could be discovered by conducting worker interviews (preferably off-site).

Other methods of hearing the voice of direct stakeholders (the worker!) are allowing NGOs or trade unions to participate in audit teams, involving worker committees or worker representatives in audits, and consulting NGOs and trade unions to gather additional information. Buyers can also enter into discussions with workers or their representatives during their visits to suppliers (e.g., the representative of the local trade union active with the supplier or members of the worker committee). The key here is to complete the audit by including the voice of the employee (workers' voice).

## COVID-19

Listen to the voices of workers through their trade unions, social dialogue mechanisms or elected worker representatives.

Check this example:

- [Kings of Indigo](#) p. 63 - this example shows the importance of consulting local stakeholders in addition to regular audits to gain insight into risks.

| <b>Assessment criteria:</b> |   | <b>Score</b> |
|-----------------------------|---|--------------|
| <b>No:</b>                  | The company does not structurally complement its insights per supplier based on auditing with insights obtained via directly consulting stakeholders.   | 0            |
| <b>Partially:</b>           | The company does not comply with all aspects listed under "Yes".  | 3            |
| <b>Yes:</b>                 | The company and/or its representatives requires input/advice from "the worker" and uses this to complement the insights per supplier that emerged from the audit process.<br>The company does this regularly and documents the results in a structured way. | 6            |

### 4.1.3. Was information from stakeholders incorporated into the identification and prioritization of risks and damage/impacts?

Key question: -/ Maximum score: 6/ Effort: 1/ Result: 0

#### I-function

As with the previous question, here you also consult stakeholders. However, the purpose of the consultation is different. The previous question was about including the "worker's voice" and thus completing your audit results per factory. It is now a question of requesting input from stakeholders if, at the end of your risk analysis, you prioritize all the risks and impacts you have found based on severity and likelihood (see also question 2.2.4). Do stakeholders agree with your choices and is your overview complete?

In this phase of your due diligence activities, it is advisable to consult stakeholders (NGOs, trade unions, governmental authorities, brands, producers, employees, etc.)? These can be local and international stakeholders. This ensures that you do not overlook certain risks and/or underestimate their severity or probability. Overlooking or underestimating risks may have far-reaching consequences for the parties involved, but also for you. An example: being (or not being) aware of wrongdoing by one of your manufacturers in time may (or may not) ensure that you are included in a report on this wrongdoing.

For inspiration, see [the AGT recommendations for stakeholder and civil society organisation engagement](#).

## COVID-19

Make the effort to understand the local context including the current situation and local measures taken. Communicate with local producers to understand if they are operational or not and discuss specific challenges they are facing. Also engage with trade unions and local stakeholders to get their perspective.

| <b>Assessment criteria:</b> |   | <b>Score</b> |
|-----------------------------|---|--------------|
| <b>No:</b>                  | The company did not include stakeholder information when identifying and prioritizing the risks and damage/impacts. | 0            |
| <b>Partially:</b>           | The company does not comply with all aspects listed under "Yes".  | 3            |

|             |   |   |
|-------------|---|---|
| <b>Yes:</b> | The company has included stakeholder information when creating insights and prioritizing the risks and damage/impacts.<br>The company does this regularly (for example, annually or every two years).<br>The company consults various stakeholders with various areas of expertise. | 6 |
|-------------|---|---|

**4.2. Have you set up (a) grievance mechanism(s), where individuals, groups and organizations who experience adverse impacts through the actions of your company can file any complaints?**

Key question: -/ Maximum score: 0/ Effort: 1/ Result: 0

This is a main question; points can only be earned on sub-questions.

Companies should have a grievance mechanism in accordance with the OECD Guidelines and the UN Guiding Principles on Business and Human Rights. These guidelines and guiding principles describe "access to remedy". In practice, access to remedy can mean various things such as apologies for the damage suffered, financial compensation, or preventing the damage or negative impact from repeating itself. An important precondition for receiving compensation is being able to bring your complaint or alleged damages forward.

Depending on the damages, going to local courts may be an option, but this is also about complaint mechanisms or grievance mechanisms. In practice, there will often be several grievance mechanisms operating in parallel. The complaints mechanism linked to the AGT is mainly used by Dutch and international civil society organizations and not so much by workers in factories in your chain.

For this, other (simpler) mechanisms are conceivable at factory level or at the level of a country or sector (e.g., [the Fair Wear Foundation](#) helpline or SAVE hotline). In general, you can state that complaint mechanisms must meet a number of [rules or effectiveness criteria](#). For example, a worker in a factory will only submit a complaint if the mechanism is trusted and if it is accessible (in one's own language and not too complex). In the explanation of this question, describe which complaint mechanisms, in your view, are used in your chain and by your stakeholders.

An example:

- [Kings of Indigo](#) page 106

| <b>Assessment criteria:</b> |  | <b>Score</b> |
|-----------------------------|--|--------------|
| <b>No:</b>                  | The company has answered all sub-questions below with "No".  | N/A          |
| <b>Partially:</b>           | The company did not all answer the sub-questions below with "Yes", but also answered sub-questions with "Partially" and/or "No". | N/A          |
| <b>Yes:</b>                 | The company has all of the questions below answered "Yes".   | N/A          |

**4.2.1. Do you encourage /require complaints mechanisms at your suppliers? Are these directly experienced and legitimized by those directly involved?**

Key question: -/ Maximum score: 12/ Effort: 1/ Result: 0

**I-function**

It is important that employees can go to a trusted (legitimate) and accessible channel in the event of problems/complaints or damage suffered. This channel can be a formal complaints system, but can also be a hotline, a worker management committee or a person of trust. Indications for a trusted and accessible system are the number of complaints (the more, the better may sound irrational, but if people do not trust the system, they will not complain and vice versa), the number of complaints resolved satisfactorily and the extent to which workers are aware of the system at all. An auditor or yourself can pay attention to this during your

visit to the supplier. Has the procedure for complaints or the number of the hotline been made available on the notice board? In which language or languages? Do people keep track of complaints and how they are resolved? How do the workers speak about the system, do they know the system?

It is important to encourage or oblige such suppliers' complaint systems. Make it part of your Code of Conduct and see if it works. If you are affiliated with an initiative such as amfori BSCI or Fair Wear Foundation, then a complaint mechanism at the level of the supplier is already a mandatory component. If workers do not find satisfaction at the level of the supplier, it is important that one can turn to another (ideally independent) party. In the case of BSCI, they can address the auditing body (e.g., SGS or Bureau Veritas). In the case of Fair Wear Foundation they can use a [hotline](#). Many workers experience an independent hotline as more accessible and trusted than a complex procedure with an auditing body (which is often paid for by the management of the factory against whom the complaint is often directed).

### COVID-19

Factories should have a mechanism in place to address questions from workers and involve them in decision making. Workers must have access to a trade union or other worker representation to collectively respond to measures or to raise issues. Workers should have access to a channel to support remedy of problems related to their rights. Grievance channels should be accessible to workers even if factories have closed, or the workers have been retrenched.

Employers have a responsibility to inform workers of relevant information concerning COVID-19. In case of temporary or permanent shutdown or significant changes to company policies, measures and working practices must be negotiated with worker representatives. Social dialogue is a key tool to be used during this time to ensure that both the interests of workers and companies are heard and addressed.

| <b>Assessment criteria:</b> |   | <b>Score</b> |
|-----------------------------|---|--------------|
| <b>No:</b>                  | The company does not encourage/oblige complaint mechanisms with its suppliers.  | 0            |
| <b>Partially:</b>           | The company does not comply with all aspects listed under "Yes".  | 6            |
| <b>Yes:</b>                 | The company encourages/obliges complaint mechanisms with its suppliers. The company checks through audits or its own visits to suppliers that the system is used and trusted by employees. The company additionally uses a complaints mechanism of a multi-stakeholder initiative that is considered sufficiently legitimate and accessible by stakeholders (Fair Wear Foundation). | 12           |

### 4.3. Do you communicate your international RBC policy to the outside world?

Key question year 3, 4 & 5/ Maximum score: 0/ Effort: 1/ Result: 0

#### I-function

This is a main question; points can only be earned on sub-questions.

It is very important to inform manufacturers, brands, customers, NGOs and trade unions of your international RBC activities. When doing so, take account of the differing interests of these stakeholders. Investors will require different information than a consumer or an NGO. You should therefore tailor the communication to the different target groups ("Form should fit the audience") This "form" can mean an international RBC report or annual report, but also a website, blog, newsletter, presentation or one-to-one meeting.

A starting point for external communication about international RBC is to make your international RBC policy publicly accessible, for example by uploading your Code of Conduct to the internet.

Signatory companies are required to communicate a number of aspects from year 3 onwards. That applies, among other things, to your company’s international RBC policy. When answering this question, please include the URL (internet link) where we can find your policy. The link is made accessible for each company on the AGT website (if you don’t have a website, you can also add a PDF instead of an URL).

The communication criteria that signatory companies need to comply with from year 3 can be found [here](#).

If this is a new step for you, you can take a look at the examples below provided by competitors in the sector:

- [WE Fashion](#)
- [G-Star](#)
- [Tchibo](#)
- [Stella McCartney](#)
- [Adidas](#)
- [Kings of Indigo](#)

You will find inspiration for your policy in questions 1.1, 1.1.1, 1.1.1.1 to 1.1.1.10, 1.1.2 and 1.1.3 of this due diligence questionnaire.

Here is also a [link](#) to the sustainability pages of all AGT companies.

| <b>Assessment criteria:</b> |  | <b>Score</b> |
|-----------------------------|--|--------------|
| <b>No:</b>                  | The company has answered all sub-questions below with "No".  | N/A          |
| <b>Partially:</b>           | The company did not all answer the sub-questions below with "Yes", but also answered sub-questions with "Partially" and/or "No".   | N/A          |
| <b>Yes:</b>                 | The company has all of the questions below answered "Yes".   | N/A          |
| <b>Remark:</b>              | <p>Signatory companies to the AGT commit to communicating a number of aspects externally (at the latest) in year 3 of participation. These aspects were determined by the Steering Committee in June 2018. The identified aspects are derived from the communication criteria that are part of the "OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector".</p> <p>Companies are obliged to submit the URL link(s) with which they make information accessible to the secretariat. Based on these URLs, the following main question and sub-questions can be assessed. When assessing the communication questions, pay attention primarily to whether one communicates externally and not to the content of what is communicated.</p> <p>As an example: the quality and completeness of the international RBC policy and the risk analysis have already been assessed in terms of content; it is now about whether this is shared with third parties. Examples of how the various aspects could be communicated are included in the explanation per question and also in the communication webinar of April 2019. These examples are not always "perfect" but do provide direction and inspiration.</p> <p>Main question:<br/>The starting point is the external communication of the international RBC policy document(s) that have already been assessed in terms of content.</p> |              |

#### 4.3.1. Do you inform external stakeholders about how you identify risks, which ones you have prioritized, and why?

Key question year 3, 4 & 5/ Maximum score: 4/ Effort: 1/ Result: 0

##### I-function

According to the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, companies are responsible for their own international RBC. Through communication or reporting, you report on it to society. Providing information on policy alone is not enough, society also requires transparency with regard to risks and impacts. You can do this by describing your risk mapping process, by stating the risks and impacts that you have identified, and by indicating which ones you have prioritized.

Signatory companies are required to communicate a number of aspects from year 3 onwards. That applies, among other things, to your company's risks within its supply chain. When answering this question, please include the ULR (internet link) where we can find your risk analysis. The link is made accessible for each company on the AGT website. (If you don't have a website, you can also add a PDF instead of an URL)

If this is a new step for you, you can take a look at the examples below provided by competitors in the sector:

- [Kings of Indigo](#) (page 62)
- [Wibra](#) (in Dutch only)

| Assessment criteria: |  | Score |
|----------------------|--|-------|
| <b>No:</b>           | The company does not inform external stakeholders about how it identifies risks and which ones have been identified and prioritized.   | 0     |
| <b>Partially:</b>    | The company does not comply with all aspects listed under "Yes".   | 2     |
| <b>Yes:</b>          | The company regularly informs external stakeholders about how it identifies risks and which ones have been identified and prioritized. | 4     |

#### 4.3.2. Do you inform external stakeholders of your goals and the extent to which these goals have been achieved?

Key question year 3, 4 & 5/ Maximum score: 4/ Effort: 1/ Result:0

##### I-function

According to the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, companies are responsible for their own international RBC. Through communication or reporting, you report on it to society. Providing information on policy and risks alone is not enough; society also requires transparency with regard to how you have addressed the identified and prioritized risks. You can do this by communicating your goals externally (as well as the extent to which you have achieved them) and the actions in your action plan.

Signatory companies are required to communicate a number of aspects from year 3 onwards. That applies, for example, to the goals and actions in your action plan. When answering this question, please include the URL (internet link) where we can find your goals and actions. The link is made accessible for each company on the AGT website (If you don't have a website, you can also add a PDF instead of an URL).

If this is a new step for you, you can take a look at the examples below provided by competitors in the sector:

- [Zeeman](#) page 16
- [Kings of Indigo](#) page 23
- [H&M](#) page 28

- [HEMA](#) page 15-17
- [ETP](#) page 19
- [Profuomo](#)
- [O'neill](#)
- [G-star](#)
- [Esprit](#)
- [America Today](#)

| <b>Assessment criteria:</b> |   | <b>Score</b> |
|-----------------------------|---|--------------|
| <b>No:</b>                  | The company does not inform external stakeholders about the goals and actions, or about how effective those measures are.   | 0            |
| <b>Partially:</b>           | The company does not comply with all aspects listed under "Yes".  | 2            |
| <b>Yes:</b>                 | The company structurally informs external stakeholders about: <ul style="list-style-type: none"> <li>- Which goals have been set to address the prioritized risks and impacts;</li> <li>- What actions have been taken to achieve these goals;</li> <li>- To what extent the goals have been achieved.</li> </ul> | 4            |

**4.3.3. Do you inform external stakeholders about the grievance mechanisms that you utilize to address complaints from within the supply chain and the number of grievances received, the nature of these grievances and the way in which you have addressed them?**

Key question: -/ Maximum score: 4/ Effort: 1/ Result: 0

**I-function**

According to the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, companies are responsible for their own international RBC. Through communication or reporting, you report on it to society. Providing information on policy, risks, goals and actions alone is not enough; society also requires transparency with regard to the complaint mechanism that you are using and preferably to the grievances you have received and your response to them.

When answering this question, please include the URL (internet link) where we can find your complaints system. The link is made accessible for each company on the AGT website. (If you don't have a website, you can also add a PDF instead of an URL)

If this is a new step for you, you can take a look at the examples below provided by competitors in the sector:

- [Schijvens](#) page 27 -30 - grievance mechanism
- [Schijvens](#) page 4 - description of a specific grievance on child labour
- [WE Fashion](#) page 42
- [Patagonia](#)

| <b>Assessment criteria:</b> |  | <b>Score</b> |
|-----------------------------|--|--------------|
| <b>No:</b>                  | Company does not communicate externally about the complaints mechanism, the complaints received and how they have been dealt with. | 0            |
| <b>Partially:</b>           | The company does not comply with all aspects listed under "Yes".   | 2            |

|              |   |   |
|--------------|---|---|
| <b>Yes:</b>  | The company communicates externally about: <ul style="list-style-type: none"> <li>– Which complaint mechanism(s) are used to receive and address complaints from third parties;</li> <li>– From whom complaints have been received;</li> <li>– What complaints have been received;</li> <li>– How and with what outcome these complaints were handled.</li> </ul> Note: reporting to stakeholders that you are a member of BSCI, Fair Wear Foundation or the covenant is not sufficient. After all, this is not a description of the complaints mechanism, nor is it sufficient to comply with the other aspects under “Yes”. | 4 |
| <b>Note:</b> | Please note: This is not a “key question” since it is not a requirement but a recommendation of the OECD.   |   |

#### 4.3.4. Do you make the production sites transparent for external stakeholders?

Key question: -/ Maximum score: 4/ Effort: 1/ Result: 0

##### I-function

An increasing number of brands and retailers publish a list of (first-tier) manufacturers that they work with. Those that have been publishing individually for a long time already are also extending this to links deeper in the chain. An increasing number of companies are also expected to do so. You can do this on your own website, but even better through an open source platform like [Open Apparel Registry](#), so that you be found more easily. Companies are also encouraged to join the [Transparency Pledge](#).

Examples provided by competitors in the sector include:

- [Kings of Indigo](#) (including links deeper in de chain and production processes)
- [Esprit](#)
- [C&A](#)
- [G-Star](#)
- [Just Brands](#) - via API of [OAR](#) on own website
- [Essenza Home](#) page 15-23 (Dutch only)

| <b>Assessment criteria:</b> |  | <b>Score</b> |
|-----------------------------|--|--------------|
| <b>No:</b>                  | The company does not communicate externally about where and with whom production happens.  | 0            |
| <b>Partially:</b>           | The company does not comply with all aspects listed under “Yes”.<br>Note: the aggregated publication of production locations in accordance with the covenant guidelines is not sufficient for “Yes” or “Partially”. This has already been addressed and rewarded elsewhere in the questionnaire.   | 2            |
| <b>Yes:</b>                 | The company communicates externally which (primary) suppliers (name and location) are involved in the production for the signatory. This list is visible on the company's website and/or on <a href="#">OAR</a> .<br>Note: this is not a “key question”. This part is mentioned by the OECD, but it is a recommendation and not a requirement. | 4            |

#### 4.3.5. Do you inform external stakeholders about how you integrate international RBC and due diligence in your organization?

Key question year 3, 4 & 5/ Maximum score: 0/ Effort: 1/ Result: 0

### **I-function**

In the framework of social accountability, it is important to describe the internal processes and responsibilities and to communicate them externally. By doing so, you indicate how and to what extent international RBC is integrated within your company.

Signatory companies are required to communicate a number of aspects from year 3 onwards. This applies, for example, to how you have integrated international RBC and due diligence within your company. When answering this question, please include the URL (internet link) where we can find your description. The link is made accessible for each company on the AGT website (if you don't have a website, you can also add a PDF instead of an URL).

If this is a new step for you, you can take a look at the examples below provided by competitors in the sector:

- [Esprit](#)
- [Kings of Indigo](#)
- Schijvens:
  - o [Vision Due Diligence](#)
  - o [Performance check](#) page 8-17

### **COVID-19**

We call on companies to communicate transparently about the measures they are taking throughout this crisis in order to guarantee accountability and "peer learning".

| <b>Assessment criteria:</b> |  | <b>Score</b> |
|-----------------------------|--|--------------|
| <b>No:</b>                  | The company does not communicate externally about how due diligence is integrated into business operations.  | N/A          |
| <b>Partially:</b>           | The company does not comply with all aspects listed under "Yes".   | N/A          |
| <b>Yes:</b>                 | The company communicates externally about how due diligence is integrated into business operations. The company describes, for example, responsibilities, procedures, systems, budget and/or purchasing practices. | N/A          |
| <b>Remark:</b>              | Please note: the assessment is of whether external communication takes place. It is not about the quality or completeness of the measures. This has been done before.  |              |

#### **4.3.6. Do you inform external stakeholders about which stakeholders (such as trade unions, NGOs, and public authorities) you involve in your due diligence activities, and how you do so?**

Key question year 3, 4 & 5/ Maximum score: 0/ Effort: 1/ Result: 0

### **I-function**

In the framework of social accountability, it is important to describe which stakeholders you involve in your due diligence activities, and how you do so. By doing so, you give third parties an indication of the extent to which your approach is complete and balanced.

Signatory companies are required to communicate a number of aspects from year 3 onwards. That also applies, among other things, to the way in which you involve external stakeholders. When answering this question, please include the URL (internet link) where we can find your description. The link is made accessible for each company on the AGT website (if you don't have a website, you can also add a PDF instead of an URL).

If this is a new step for you, you can take a look at the examples below provided by competitors in the sector:

- [HEMA](#) page 10-14
- [C&A](#)
- [Zeeman](#) page 20
- [H&M](#)
- [Hunkemöller](#)

| <b>Assessment criteria:</b> |  | <b>Score</b> |
|-----------------------------|--|--------------|
| <b>No:</b>                  | The company does not inform external stakeholders about which stakeholders are involved in the performance of due diligence, nor about how this is done.   | N/A          |
| <b>Partially:</b>           | The company does not comply with all aspects listed under "Yes".   | N/A          |
| <b>Yes:</b>                 | The company communicates externally: <ul style="list-style-type: none"> <li>- Which stakeholders have been involved/consulted;</li> <li>- Which method was used for this (e.g., round table, one-on-one conversation);</li> <li>- Which topics have been discussed with which stakeholder (e.g.: animal welfare with Four Paws and child labour in India with Save the Children)?</li> </ul> | N/A          |

#### **4.3.7. Do you inform external stakeholders about participation in multi-stakeholder initiatives?**

Key question year 3, 4 & 5/ Maximum score: 0/ Effort: 1/ Result: 0

##### **I-function**

In the framework of social accountability, it is important to describe your involvement (if any) in multi-stakeholder initiatives and to communicate it externally. Doing so gives third parties an indication of what you have accentuated and how you pursue it.

Signatory companies are required to communicate a number of aspects from year 3 onwards. This applies, for example, to participation in multi-stakeholder initiatives. When answering this question, please include the URL (internet link) where we can find your description. The link is made accessible for each company on the AGT website (if you don't have a website, you can also add a PDF instead of an URL).

If this is a new step for you, you can take a look at the examples below provided by competitors in the sector:

- [Just Brands](#)
- [Esprit](#)
- [C&A](#)
- [ETP](#) page 12-13

| <b>Assessment criteria:</b> |  | <b>Score</b> |
|-----------------------------|--|--------------|
| <b>No:</b>                  | The company does not externally communicate about which multi-stakeholder initiatives it has joined.   | N/A          |
| <b>Partially:</b>           | The company does not comply with all aspects listed under "Yes".   | N/A          |
| <b>Yes:</b>                 | The company does externally communicate about which multi-stakeholder initiatives it has joined.<br>Note: in principle any company can comply with this question as all companies are signatory companies to the AGT, which is a multi-stakeholder initiative. | N/A          |

**4.4. The previous question was the final question of the “Stakeholder consultation and Communication” due diligence step. Would you like to set one or more goals and action points for this section?**

Key question: -/Maximum score: 4/Effort: 1/Result: 0

**I-function**

Describe the goals and/or actions in the explanation to this question. To which year do these goal(s) and/or action point(s) apply? Your explanation will be automatically included in your draft action plan that you can download from the E-tool.

| <b>Assessment criteria:</b> |   | <b>Score</b> |
|-----------------------------|---|--------------|
| <b>No:</b>                  | No relevant goals or actions have been formulated on any of the following elements from the due diligence step "Stakeholder consultation and Communication": <ul style="list-style-type: none"> <li>- Stakeholder consultation.</li> <li>- Evaluation and complaints mechanisms.</li> <li>- External communication.</li> </ul>  | 0            |
| <b>Partially:</b>           | Relevant goals or actions have been formulated on elements from the due diligence step "Stakeholder consultation, Evaluation and Communication", but certain points for scoring a "Yes" are still missing.  | 2            |
| <b>Yes:</b>                 | Relevant goals or actions have been formulated in the due diligence step "Stakeholder consultation and Communication". These goals and actions enable the company to comply with the obligations set by the assessment framework with regard to the due diligence step "Stakeholder consultation and Communication" in the coming year. In practice this will mean that every company has formulated goals and actions with regard to: <ul style="list-style-type: none"> <li>- Stakeholder consultation;</li> <li>- Evaluation and complaints mechanisms;</li> <li>- External communication.</li> </ul> (or it should be perfectly clear that this is not necessary for the company) | 4            |
| <b>N/A:</b>                 | Note: if the above points are really all in place for the company, no goals or actions need to be formulated here; in practice this will rarely be the case.  |              |

### 3. Explanation of reasonableness and fairness

The Secretariat assesses the quality of the (amended) action plans every year. When conducting the assessment, the Secretariat applies the criterion of reasonableness and fairness by considering the specific circumstances in which each company operates, pursuant to the Dutch contract law (Section 6:248 of the Dutch Civil Code). This means that the Secretariat asks the following question when assessing companies:

*Are there circumstances that have a limiting effect on a company's obligations under the AGT?*

Circumstances that have a *limiting effect* are those that prevent a company from meeting its obligations. These are situations of *force majeure*, beyond the company's control or fault, which could not be foreseen or avoided, and which prevent a company from meeting its obligations. Financial problems are one example.

The following reasons are *not* excusable:

- Too little time and inadequate resources;
- Acquisition of a company;
- Pregnancy leave;
- Commercial reasons.

## 4. Minimum requirements per year – final assessment

The Dutch Agreement on Sustainable Garments and Textile sets minimum requirements every year that companies must meet. These minimum requirements are derived from the due diligence questionnaire and are tagged in the E-tool as “key questions”. They are the basis on which the Secretariat issues a positive or negative final decision:

- **Complies with the AGT:** the company has shown that it satisfies the obligations arising from the AGT. At the time of the assessment, the company satisfied the requirements set for that year or was able to demonstrate that it did so within two months of receipt of the assessment report.
- **Does not comply with the AGT:** at the time of the assessment, the company did not meet its obligations under the AGT and was unable to demonstrate that it did so within two months of the assessment.

The minimum progress requirements for the five years of the AGT are listed below. The requirements are cumulative.

### Year 1:

The requirements for year 1 are based on the “key questions” from the assessment framework<sup>1</sup>:

- The company has submitted all necessary documents for that year on time and in full.
  - List of production sites;
  - Due Diligence questionnaire;
  - Action plan.
- The company scores a **minimum of 20 per cent** of the maximum number of points possible for all effort and result questions and has obtained a “Yes” or “Partial” assessment score for its answer to “key questions” in the E-tool. These “key questions” concern the following efforts:
  - The company has insight into where it produces (at minimum its CMT production sites) and possible subcontractors associated with it.
- The company has drawn up an action plan describing its actions for Year 2, which include:
  - Setting up a process that provides continuous insight into CMT production sites, including possible subcontractors.

### Year 2:

The requirements for year 2 are based on the “key questions” from the assessment framework<sup>2</sup>:

- The company has submitted all necessary documents for that year on time and in full.
  - List of production sites;
  - List of materials;
  - Due Diligence questionnaire;
  - Action Plan.
- The company scores a **minimum of 40 per cent** of the maximum number of points possible for all effort and result questions and has obtained a “Yes” or “Partial” assessment score for its answer to “key questions” in the E-tool. These “key questions” concern the following efforts:
  - The company has insight into where it produces (at minimum its CMT production sites) and possible subcontractors connected to it;
  - The company has drawn up an RBC policy that complies with the due diligence process, including purchasing practices, the 9 themes and the international guidelines mentioned in the AGT;

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<sup>1</sup> Corresponds with question 2.1.1.2

<sup>2</sup> Corresponds with question 1.1, 1.1.1, 1.1.1.1, 1.1.1.2, 1.1.1.3, 1.1.1.4, 1.1.1.5, 1.1.1.6, 1.1.1.6, 1.1.1.7, 1.1.1.8, 1.1.1.9, 1.1.1.10, 1.1.2, 1.2, 2.1.1.2, 2.1.2.1, 2.2.4, 3.3

- The company can show that international RBC is integrated into its operational management;
- The company has insight into the risks associated with CMT production sites and possible subcontractors;
- The company has set up a process that provides continuous insight into CMT production sites and possible subcontractors connected to it;
- The company has insight in its products and raw materials used for this purpose;
- The company has insight into the risks tied to its purchasing practices;
- The company has prioritized the risks (known at that time) based on severity and likelihood.
- The company has drawn up an action plan describing its actions for Year 3;
- The company has undertaken and completed all actions listed in its action plan for Year 2 and in the assessment report for Year 1;
  - The company has addressed and resolved any practical cases in cooperation with stakeholders.

### Year 3:

The requirements for year 3 are based on the “key questions” from the assessment framework<sup>3</sup>:

- The company has submitted all necessary documents for that year on time and in full.
  - List of production sites;
  - List of materials;
  - Due Diligence questionnaire;
  - Action Plan;
  - Its external public communication.
- The company scores a **minimum of 60 per cent** of the maximum number of points possible for all effort and result questions and has obtained a “Yes” or “Partial” assessment score for its answer to “key questions” in the E-tool. These “key questions” concern the following efforts:
- The company has insight into where it produces (beyond its CMT production sites) and possible subcontractors connected to it;
- The company has drawn up an RBC policy that complies with the due diligence process, including purchasing practices, the 9 themes and the international guidelines mentioned in the AGT;
- The company can show that international RBC is integrated into its operational management;
- The company has insight into the risks associated with CMT production sites and possible subcontractors as well as production sites deeper down the supply chain;
- The company has set up a process that provides continuous insight into CMT production sites and possible subcontractors connected to it;
- The company has insight into its products and raw materials used for this purpose;The company has a process that provides continuous insight into the materials and raw materials used;
- The company has insight into the risks tied to its purchasing practices;
- The company has prioritized the risks (known at that time) based on severity and likelihood.
- The company communicates externally about the AGT in a manner that complies with the guidelines. This means that the company at least communicated about:
  - How risks are identified and why and which are prioritized;
  - The goals and actions and the extent to which the goals are realised;
  - How IRBC and due diligence is integrated throughout the company;
  - Which stakeholders (such as trade unions, NGOs and government) are involved in due diligence activities, and in what way;
  - Participation in multi-stakeholder initiatives.

<sup>3</sup> Corresponds with question: 1.1, 1.1.1., 1.1.1.1, 1.1.1.2, 1.1.1.2, 1.1.1.4, 1.1.1.5, 1.1.1.6, 1.1.1.7, 1.1.1.8, 1.1.1.9, 1.1.1.10, 1.1.2, 1.2, 2.1.1.2, 2.1.1.3, 2.1.2.1, 2.2.3, 2.2.4, 3.1, 3.1.1, 3.1.2, 3.1.3, 3.1.5, 3.1.6, 3.1.7, 3.1.9, 3.1.10, 3.1.11, 3.1.13, 3.1.14, 3.1.15, 3.1.17, 3.1.18, 3.1.19, 3.1.21, 3.1.22, 3.1.23, 3.1.25, 3.1.26, 3.1.27, 3.1.29, 3.1.30, 3.1.31, 3.1.33, 3.1.34, 3.1.35, 3.3, 4.3, 4.3.1, 4.3.2, 4.3.5, 4.3.6, 4.3.7.

- The company has formulated SMART goals and actions based on the nine themes of the AGT and addressed: (1) the way in which the actions that it has defined help achieve the goal and solve the problem; (2) the way in which progress towards goals and actions is measured; (3) the way in which it reports on progress towards these goals and actions. Here it is important that:
  - o The SMART goals and actions relate to suppliers and/or the company's own purchasing practice;
  - o The SMART goals and actions are based on the prioritized risks.
- The company has drawn up an action plan describing its actions for Year 4;
- The company has undertaken and completed all actions listed in its action plan for Year 3 and in the assessment report for Year 2;
- The company has addressed and resolved any practical cases in cooperation with stakeholders.

#### Year 4:

The requirements for year 4 are based on the "key questions" from the assessment framework <sup>4</sup>:

- The company has submitted all necessary documents for that year on time and in full.
  - o List of production sites;
  - o List of materials;
  - o Due Diligence questionnaire;
  - o Action Plan;
  - o Its external public communication.
- The company scores a **minimum of 70 per cent** of the maximum number of points possible for all effort and result questions and has obtained a "Yes" or "Partial" assessment score for its answer to "key questions" in the E-tool. These "key questions" concern the following efforts:
  - o The company has insight into where it produces (beyond its CMT production sites and increased insight compared to the previous year) and possible subcontractors connected to it;
  - o The company has drawn up an RBC policy that complies with the due diligence process, including purchasing practices, the 9 themes and the international guidelines mentioned in the AGT;
  - o The company can show that international RBC is integrated into its operational management;
  - o The company has insight into the risks associated with CMT production sites and possible subcontractors as well as production sites deeper down the supply chain;
  - o The company has set up a process that provides continuous insight into CMT production sites and possible subcontractors connected to it;
  - o The company has insight in its products and raw materials used for this purpose;
  - o The company has a process that provides continuous insight into the materials and raw materials used;
  - o The company has insight into the risks tied to its purchasing practices;
  - o The company has prioritized the risks (known at that time) based on severity and likelihood.
  - o The company communicates externally about the AGT in a manner that complies with the guidelines. This means that the company at least communicated about:
    - How risks are identified and why and which are prioritized;
    - The goals and actions and the extent to which the goals are realised;
    - How IRBC and due diligence is integrated throughout the company;
    - Which stakeholders (such as trade unions, NGOs and government) are involved in due diligence activities, and in what way;
    - Participation in multi-stakeholder initiatives.
  - o The company has formulated SMART goals and actions based on the nine themes of the AGT and addressed: (1) the way in which the actions that it has defined

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<sup>4</sup> Corresponds to questions: 1.1, 1.1.1., 1.1.1.1, 1.1.1.2, 1.1.1.2, 1.1.1.4, 1.1.1.5, 1.1.1.6, 1.1.1.7, 1.1.1.8, 1.1.1.9, 1.1.1.10, 1.1.2, 1.2, 2.1.1.2, 2.1.1.3, 2.1.2.1, 2.2.3, 2.2.4, 3.1, 3.1.1, 3.1.2, 3.1.3, 3.1.5, 3.1.6, 3.1.7, 3.1.9, 3.1.10, 3.1.11, 3.1.13, 3.1.14, 3.1.15, 3.1.17, 3.1.18, 3.1.19, 3.1.21, 3.1.22, 3.1.23, 3.1.25, 3.1.26, 3.1.27, 3.1.29, 3.1.30, 3.1.31, 3.1.33, 3.1.34, 3.1.35, 3.3, 4.1.1, 4.3, 4.3.1, 4.3.2, 4.3.5, 4.3.6, 4.3.7.

help achieve the goal and solve the problem; (2) the way in which progress towards goals and actions is measured; (3) the way in which it reports on progress towards these goals and actions. Here it is important that:

- The SMART goals and actions relate to suppliers and/or the company's own purchasing practice;
- The SMART goals and actions are based on the prioritized risks.
- The company can demonstrate that external stakeholders have been included in the due diligence process;
- The company has undertaken and completed all actions listed in its action plan for Year 4 and in the assessment report for Year 3;
- The company has drawn up an action plan describing its actions for Year 5, identifying and prioritizing of the (known at that time) risks and the explanation of how this prioritization has come about as well as determining the approach;
- The company has addressed and resolved any practical cases in cooperation with stakeholders;
- The company has mapped out the pay gap between paid wages and living wages of first tier production sites.

### Year 5:

The requirements for year 5 are based on the "key questions" from the assessment framework<sup>5</sup>:

- The company has submitted all necessary documents for that year on time and in full.
  - List of production sites;
  - List of materials;
  - Due Diligence questionnaire;
  - Action Plan;
  - Its external public communication.
- The company scores a **minimum of 80 per cent** of the maximum number of points possible for all effort and result questions and has obtained a "Yes" or "Partial" assessment score for its answer to "key questions" in the E-tool. These "key questions" concern the following efforts:
  - The company has insight into where it produces (beyond its CMT production sites and increased insight compared to the previous year) and possible subcontractors connected to it;
  - The company has drawn up an RBC policy that complies with the due diligence process, including purchasing practices, the 9 themes and the international guidelines mentioned in the AGT;
  - The company can show that international RBC is integrated into its operational management;
  - The company has insight into the risks associated with CMT production sites and possible subcontractors as well as production sites deeper down the supply chain;
  - The company has set up a process that provides continuous insight into CMT production sites and possible subcontractors connected to it;
  - The company has insight into its products and raw materials used for this purpose;
  - The company has a process that provides continuous insight into the materials and raw materials used;
  - The company has insight into the risks tied to its purchasing practices;
  - The company has prioritized the risks (known at that time) based on severity and likelihood.
  - The company communicates externally about the AGT in a manner that complies with the guidelines. This means that the company at least communicated about:
    - How risks are identified and why and which are prioritized;

<sup>5</sup> Corresponds to questions: 1.1, 1.1.1., 1.1.1.1, 1.1.1.2, 1.1.1.2, 1.1.1.4, 1.1.1.5, 1.1.1.6, 1.1.1.7, 1.1.1.8, 1.1.1.9, 1.1.1.10, 1.1.2, 1.2, 2.1.1.2, 2.1.1.3, 2.1.2.1, 2.2.3, 2.2.4, 3.1, 3.1.1, 3.1.2, 3.1.3, 3.1.5, 3.1.6, 3.1.7, 3.1.9, 3.1.10, 3.1.11, 3.1.13, 3.1.14, 3.1.15, 3.1.17, 3.1.18, 3.1.19, 3.1.21, 3.1.22, 3.1.23, 3.1.25, 3.1.26, 3.1.27, 3.1.29, 3.1.30, 3.1.31, 3.1.33, 3.1.34, 3.1.35, 3.3, 4.1.1, 4.3, 4.3.1, 4.3.2, 4.3.5, 4.3.6, 4.3.7.

- The goals and actions and the extent to which the goals are realised;
  - How IRBC and due diligence is integrated throughout the company;
  - Which stakeholders (such as trade unions, NGOs and government) are involved in due diligence activities, and in what way;
  - Participation in multi-stakeholder initiatives.
- The company has formulated SMART goals and actions based on the nine themes of the AGT and addressed: (1) the way in which the actions that it has defined help achieve the goal and solve the problem; (2) the way in which progress towards goals and actions is measured; (3) the way in which it reports on progress towards these goals and actions. Here it is important that:
  - The SMART goals and actions relate to suppliers and/or the company's own purchasing practice;
  - The SMART goals and actions are based on the prioritized risks.
- The company can demonstrate that external stakeholders have been included in the due diligence process;
- The company has undertaken and completed all actions listed in its action plan for Year 5 and in the assessment report for Year 4;
- The company has drawn up an action plan describing its actions for Year 6, Identifying and prioritizing of the (known at that time) risks and the explanation of how this prioritization has come about as well as determining the approach;
- The company has addressed and resolved any practical cases in cooperation with stakeholders;
- The company has mapped out the pay gap between paid wages and living wages of first tier production sites.

## **5. Procedure in the event of non-compliance with the AGT**

If a company does not satisfy the minimum requirements for the relevant year, the following procedure applies:

- The company has two months to demonstrate that it has met its obligations under the AGT and to amend its action plan.
- If the company cannot demonstrate within two months that it has met its obligations, the Secretariat escalates the case to the Steering Committee. The Steering Committee discusses the case and recommends an appropriate solution. The Steering Committee can decide to:
  1. Require additional conditions from the company. If the company does not comply with the conditions within the period designated by the Steering Committee, the case will be referred to the Complaints and Disputes Committee.
  2. Give the company one year extra to comply with the minimum requirements for the relevant year.
  3. Refer the company to the Complaints and Disputes Committee. The Complaints and Disputes Committee will issue a binding ruling.
  4. Terminate the company's membership in the AGT.

APPENDIX 1 - DUE DILIGENCE QUESTIONNAIRE INCLUDING SCORING AND TAGS

| DD step                 | #        | Due Diligence questionnaire question  | Maximum score: | Score: "Yes" | Score: "Partially" | Tag: Effort | Tag: Result | Tag: Key question year 1 | Tag: Key question year 2 | Tag: Key question year 3 | Tag: Key question year 4 and 5 |
|-------------------------|----------|---|----------------|--------------|--------------------|-------------|-------------|--------------------------|--------------------------|--------------------------|--------------------------------|
| Policy and organization | 1.1      | Does your company have an International Responsible Business Conduct (IRBC) policy?   | 0              | 0            | 0                  | 1           | 0           | 0                        | 1                        | 1                        | 1                              |
| Policy and organization | 1.1.1    | Does your company have an IRBC policy that endorses due diligence including buying practices, the 9 key themes and the international guidelines specified in the Agreement?   | 4              | 4            | 2                  | 1           | 0           | 0                        | 1                        | 1                        | 1                              |
| Policy and organization | 1.1.1.1  | Do you have an IRBC policy that includes discrimination and gender?   | 2              | 2            | 1                  | 1           | 0           | 0                        | 1                        | 1                        | 1                              |
| Policy and organization | 1.1.1.2  | Do you have an IRBC policy that includes child labour?  | 2              | 2            | 1                  | 1           | 0           | 0                        | 1                        | 1                        | 1                              |
| Policy and organization | 1.1.1.3  | Do you have an IRBC policy that includes forced labour?   | 2              | 2            | 1                  | 1           | 0           | 0                        | 1                        | 1                        | 1                              |
| Policy and organization | 1.1.1.4  | Do you have an IRBC policy that includes freedom of association?  | 2              | 2            | 1                  | 1           | 0           | 0                        | 1                        | 1                        | 1                              |
| Policy and organization | 1.1.1.5  | Do you have an IRBC policy that includes a living wage?   | 2              | 2            | 1                  | 1           | 0           | 0                        | 1                        | 1                        | 1                              |
| Policy and organization | 1.1.1.6  | Do you have an IRBC policy that includes a safe and healthy workplace?  | 2              | 2            | 1                  | 1           | 0           | 0                        | 1                        | 1                        | 1                              |
| Policy and organization | 1.1.1.7  | Do you have an IRBC policy that includes raw materials?   | 2              | 2            | 1                  | 1           | 0           | 0                        | 1                        | 1                        | 1                              |
| Policy and organization | 1.1.1.8  | Do you have an IRBC policy that includes water pollution and the use of chemicals, water and energy?  | 2              | 2            | 1                  | 1           | 0           | 0                        | 1                        | 1                        | 1                              |
| Policy and organization | 1.1.1.9  | Do you have an IRBC policy that includes animal welfare?  | 2              | 2            | 1                  | 1           | 0           | 0                        | 1                        | 1                        | 1                              |
| Policy and organization | 1.1.1.10 | Do you pay attention to purchasing practices in the IRBC policy?  | 6              | 6            | 3                  | 1           | 0           | 0                        | 1                        | 1                        | 1                              |
| Policy and organization | 1.1.2    | Are other themes relevant to your IRBC policy?  | 2              | 2            | 1                  | 1           | 0           | 0                        | 1                        | 1                        | 1                              |
| Policy and organization | 1.1.3    | Are exclusion criteria part of your IRBC policy?  | 2              | 2            | 1                  | 1           | 0           | 0                        | 0                        | 0                        | 0                              |
| Policy and organization | 1.2      | Is IRBC integrated into your operational management?  | 0              | 0            | 0                  | 1           | 0           | 0                        | 1                        | 1                        | 1                              |
| Policy and organization | 1.2.1    | Is the IRBC policy communicated internally?   | 2              | 2            | 1                  | 1           | 0           | 0                        | 0                        | 0                        | 0                              |
| Policy and organization | 1.2.2    | Is the IRBC policy supported and communicated by senior management?   | 2              | 2            | 1                  | 1           | 0           | 0                        | 0                        | 0                        | 0                              |
| Policy and organization | 1.2.3    | Does the company have qualified staff with the necessary competence, knowledge, experience and position within the organization and who are responsible for the day-to-day implementation of the international RBC policy?                | 2              | 2            | 1                  | 1           | 0           | 0                        | 0                        | 0                        | 0                              |
| Policy and organization | 1.2.3.1  | During the past year, did staff with daily responsibilities for implementing the international RBC policy make active use of tools and training to increase knowledge and experience and demonstrably apply them within the organization? | 4              | 4            | 2                  | 1           | 0           | 0                        | 0                        | 0                        | 0                              |
| Policy and organization | 1.2.4    | Are other departments involved with specific tasks, responsibilities and/or KPIs in the implementation of the IRBC policy?  | 2              | 2            | 1                  | 1           | 0           | 0                        | 0                        | 0                        | 0                              |
| Policy and organization | 1.2.4.1  | During the past year, did staff who play a role in the implementation of the IRBC policy make active use of tools and training to increase knowledge and experience and demonstrably applied them within the organization?                | 4              | 4            | 2                  | 1           | 0           | 0                        | 0                        | 0                        | 0                              |
| Policy and organization | 1.2.5    | Are sufficient budget and staff available to achieve the aims of the IRBC policy?   | 4              | 4            | 2                  | 1           | 0           | 0                        | 0                        | 0                        | 0                              |
| Policy and organization | 1.2.6    | Are all IRBC issues in the Agreement integrated into the contractual relationship with suppliers?   | 4              | 4            | 2                  | 1           | 0           | 0                        | 0                        | 0                        | 0                              |
| Policy and organization | 1.2.7    | Is IRBC part of your selection and evaluation of supplier and manufacturer performance?   | 2              | 2            | 1                  | 1           | 0           | 0                        | 0                        | 0                        | 0                              |
| Policy and organization | 1.3      | Do you participate in any other initiatives apart from this Agreement?  | 4              | 4            | 2                  | 1           | 0           | 0                        | 0                        | 0                        | 0                              |
| Policy and organization | 1.3.1    | Are you affiliated with the Bangladesh Accord 1?  | 0              | 0            | 0                  | 1           | 0           | 0                        | 0                        | 0                        | 0                              |

| DD step                                       | #       | Due Diligence questionnaire question  | Maximum score: | Score: "Yes" | Score: "Partially" | Tag: Effort | Tag: Result | Tag: Key question year 1 | Tag: Key question year 2 | Tag: Key question year 3 | Tag: Key question year 4 and 5 |
|---|---------|---|----------------|--------------|--------------------|-------------|-------------|--------------------------|--------------------------|--------------------------|--------------------------------|
| Policy and organization                       | 1.3.2   | Are you affiliated with the Bangladesh Accord 2?  | 0              | 0            | 0                  | 1           | 0           | 0                        | 0                        | 0                        | 0                              |
| Policy and organization                       | 1.3.3   | Are you affiliated with amfori BEPI?  | 0              | 0            | 0                  | 1           | 0           | 0                        | 0                        | 0                        | 0                              |
| Policy and organization                       | 1.3.4   | Are you affiliated with the Better Cotton Initiative (BCI)?   | 0              | 0            | 0                  | 1           | 0           | 0                        | 0                        | 0                        | 0                              |
| Policy and organization                       | 1.3.5   | Are you affiliated with Blue Sign?  | 0              | 0            | 0                  | 1           | 0           | 0                        | 0                        | 0                        | 0                              |
| Policy and organization                       | 1.3.6   | Are you affiliated with Fur Free Retailer?  | 0              | 0            | 0                  | 1           | 0           | 0                        | 0                        | 0                        | 0                              |
| Policy and organization                       | 1.3.7   | Are you affiliated with amfori BSCI?  | 0              | 0            | 0                  | 1           | 0           | 0                        | 0                        | 0                        | 0                              |
| Policy and organization                       | 1.3.8   | Are you affiliated with European Clothing Action Plan ECAP?   | 0              | 0            | 0                  | 1           | 0           | 0                        | 0                        | 0                        | 0                              |
| Policy and organization                       | 1.3.9   | Are you affiliated with the Ethical Trading Initiative (ETI)?   | 0              | 0            | 0                  | 1           | 0           | 0                        | 0                        | 0                        | 0                              |
| Policy and organization                       | 1.3.10  | Are you affiliated with the Fair Labor Association (FLA)?   | 0              | 0            | 0                  | 1           | 0           | 0                        | 0                        | 0                        | 0                              |
| Policy and organization                       | 1.3.11  | Are you affiliated with Fairtrade?  | 0              | 0            | 0                  | 1           | 0           | 0                        | 0                        | 0                        | 0                              |
| Policy and organization                       | 1.3.12  | Are you affiliated with Fair Wear Foundation?   | 0              | 0            | 0                  | 1           | 0           | 0                        | 0                        | 0                        | 0                              |
| Policy and organization                       | 1.3.13  | Are you affiliated with GOTS?   | 0              | 0            | 0                  | 1           | 0           | 0                        | 0                        | 0                        | 0                              |
| Policy and organization                       | 1.3.14  | Have you participated in Better Buying in the last year?  | 0              | 0            | 0                  | 1           | 0           | 0                        | 0                        | 0                        | 0                              |
| Policy and organization                       | 1.3.15  | Are you affiliated with Oekotex (100/1000/Step)?  | 0              | 0            | 0                  | 1           | 0           | 0                        | 0                        | 0                        | 0                              |
| Policy and organization                       | 1.3.16  | Are you affiliated with the SAC?  | 0              | 0            | 0                  | 1           | 0           | 0                        | 0                        | 0                        | 0                              |
| Policy and organization                       | 1.3.17  | Have you signed the Transparency Pledge?  | 0              | 0            | 0                  | 1           | 0           | 0                        | 0                        | 0                        | 0                              |
| Policy and organization                       | 1.3.18  | Are you affiliated with ZDHC?   | 0              | 0            | 0                  | 1           | 0           | 0                        | 0                        | 0                        | 0                              |
| Policy and organization                       | 1.3.19  | Or another initiative, or other tools from external parties, please specify:  | 0              | 0            | 0                  | 1           | 0           | 0                        | 0                        | 0                        | 0                              |
| Policy and organization                       | 1.4     | Is the whole value and supply chain monitored for possible risks and impacts?   | 0              | 0            | 0                  | 1           | 0           | 0                        | 0                        | 0                        | 0                              |
| Policy and organization                       | 1.4.1   | Do you monitor the working conditions of > 75% of your CMT production sites?  | 12             | 12           | 6                  | 1           | 0           | 0                        | 0                        | 0                        | 0                              |
| Policy and organization                       | 1.4.2   | Do you monitor the environment and/or animal welfare and / or working conditions of > 50% of the subcontractors and other links deeper down the supply chain that you have mapped?        | 12             | 12           | 6                  | 1           | 0           | 0                        | 0                        | 0                        | 0                              |
| Policy and organization                       | 1.4.3   | If you purchase any third-party brands: Do you monitor third-party brands? By self-assessment, publicly available information or information requested by you, or via audits/inspections? | 2              | 2            | 1                  | 1           | 0           | 0                        | 0                        | 0                        | 0                              |
| Policy and organization                       | 1.5     | Is IRBC part of the conversation with your suppliers?   | 0              | 0            | 0                  | 1           | 0           | 0                        | 0                        | 0                        | 0                              |
| Policy and organization                       | 1.5.1   | Do your purchasing managers or IRBC staff discuss IRBC during their visits at production sites?   | 2              | 2            | 1                  | 1           | 0           | 0                        | 0                        | 0                        | 0                              |
| Policy and organization                       | 1.5.2   | Are you actively working to create long-term instead of short-term relationships?   | 2              | 2            | 1                  | 1           | 0           | 0                        | 0                        | 0                        | 0                              |
| Policy and organization                       | 1.6     | The previous question was the final question of the "Policy and Organization" due diligence step. Would you like to set one or more goals and actions for this section?                   | 4              | 4            | 2                  | 1           | 0           | 0                        | 0                        | 0                        | 0                              |
| Information on chain, materials and processes | 2.1.1   | Do you have an overview of the production chain?  | 0              | 0            | 0                  | 1           | 0           | 0                        | 0                        | 0                        | 0                              |
| Information on chain, materials and processes | 2.1.1.1 | Do you have an up-to-date overview of suppliers, including name and address details?  | 2              | 2            | 1                  | 1           | 0           | 0                        | 0                        | 0                        | 0                              |
| Information on chain, materials and processes | 2.1.1.2 | Do you have an up-to-date overview of your CMT production sites and subcontractors, including name and address details?   | 12             | 12           | 6                  | 1           | 0           | 1                        | 1                        | 1                        | 1                              |

| DD step  | #         | Due Diligence questionnaire question   | Maximum score: | Score: "Yes" | Score: "Partially" | Tag: Effort | Tag: Result | Tag: Key question year 1 | Tag: Key question year 2 | Tag: Key question year 3 | Tag: Key question year 4 and 5 |
|--|-----------|--|----------------|--------------|--------------------|-------------|-------------|--------------------------|--------------------------|--------------------------|--------------------------------|
| Information on chain, materials and processes  | 2.1.1.3   | Do you have an overview of your production sites deeper down the chain, including name and address details?  | 2              | 2            | 1                  | 1           | 0           | 0                        | 0                        | 1                        | 1                              |
| Information on chain, materials and processes  | 2.1.2     | Do you have an overview of the raw materials and/or production processes used for your products?   | 0              | 0            | 0                  | 1           | 0           | 0                        | 0                        | 0                        | 0                              |
| Information on chain, materials and processes  | 2.1.2.1   | Do you have an overview of your own products and the raw materials used to produce them?   | 2              | 2            | 1                  | 1           | 0           | 0                        | 1                        | 1                        | 1                              |
| Information on chain, materials and processes  | 2.1.2.2   | Do you use more sustainable raw materials for > 50% of the total volume (Mton) per year? (as defined by the AGT)?                                    | 12             | 12           | 6                  | 1           | 0           | 0                        | 0                        | 0                        | 0                              |
| Information on chain, materials and processes  | 2.1.2.3   | Do you have an overview of the processes used for manufacturing the products?  | 2              | 2            | 1                  | 1           | 0           | 0                        | 0                        | 0                        | 0                              |
| Risk analysis: overview and prioritization of risks and impacts relating to human rights, environment and animal welfare | 2.2.1     | Have you identified the risks in all (or part) of the supply chain?  | 0              | 0            | 0                  | 1           | 0           | 0                        | 0                        | 0                        | 0                              |
| Risk analysis: overview and prioritization of risks and impacts relating to human rights, environment and animal welfare | 2.2.1.1   | Have you identified risks in your production or supply chain for each individual country and/or region?  | 2              | 2            | 1                  | 1           | 0           | 0                        | 0                        | 0                        | 0                              |
| Risk analysis: overview and prioritization of risks and impacts relating to human rights, environment and animal welfare | 2.2.1.2   | Have you identified the risks in relation to raw materials?  | 2              | 2            | 1                  | 1           | 0           | 0                        | 0                        | 0                        | 0                              |
| Risk analysis: overview and prioritization of risks and impacts relating to human rights, environment and animal welfare | 2.2.1.3   | Have you identified risks in your supply chain per production process?   | 2              | 2            | 1                  | 1           | 0           | 0                        | 0                        | 0                        | 0                              |
| Risk analysis: overview and prioritization of risks and impacts relating to human rights, environment and animal welfare | 2.2.1.4   | Have you also identified the risks for each specific production site?  | 2              | 2            | 1                  | 1           | 0           | 0                        | 0                        | 0                        | 0                              |
| Risk analysis: overview and prioritization of risks and impacts relating to human rights, environment and animal welfare | 2.2.1.4.1 | Have you identified the wage gap between paid wages and the living wage per first tier production site?  | 6              | 6            | 3                  | 1           | 0           | 0                        | 0                        | 0                        | 1                              |
| Risk analysis: overview and prioritization of risks and impacts relating to human rights, environment and animal welfare | 2.2.1.5   | Have you identified the risks of your purchasing practices?  | 6              | 6            | 3                  | 1           | 0           | 0                        | 0                        | 0                        | 0                              |
| Risk analysis: overview and prioritization of risks and impacts relating to human rights, environment and animal welfare | 2.2.1.6   | If you purchase any third-party brands: have you identified the most likely risks for those third-party brands?                                      | 2              | 2            | 1                  | 1           | 0           | 0                        | 0                        | 0                        | 0                              |
| Risk analysis: overview and prioritization of risks and impacts relating to human rights, environment and animal welfare | 2.2.2     | When making new purchasing decisions, do you first investigate the potential risks?  | 2              | 2            | 1                  | 1           | 0           | 0                        | 0                        | 0                        | 0                              |
| Risk analysis: overview and prioritization of risks and impacts relating to human rights, environment and animal welfare | 2.2.3     | In the past year, have you received any signals from IRBC monitoring (audit) system and grievances or cases that would indicate any negative impact? | 4              | 4            | 2                  | 1           | 0           | 0                        | 0                        | 1                        | 1                              |
| Risk analysis: overview and prioritization of risks and impacts relating to human rights, environment and animal welfare | 2.2.4     | Have you prioritised all the risks and damage/impacts identified by severity and likelihood? ! Explain!  | 12             | 12           | 6                  | 1           | 0           | 0                        | 1                        | 1                        | 1                              |

| DD step  | #      | Due Diligence questionnaire question   | Maximum score: | Score: "Yes" | Score: "Partially" | Tag: Effort | Tag: Result | Tag: Key question year 1 | Tag: Key question year 2 | Tag: Key question year 3 | Tag: Key question year 4 and 5 |
|--|--------|--|----------------|--------------|--------------------|-------------|-------------|--------------------------|--------------------------|--------------------------|--------------------------------|
| Risk analysis: overview and prioritization of risks and impacts relating to human rights, environment and animal welfare | 2.2.5  | The previous question was the final question of the 'Analysis, risks and impacts' due diligence step. Would you like to set one or more goals and actions for this section?                                    | 4              | 4            | 2                  | 1           | 0           | 0                        | 0                        | 0                        | 0                              |
| Goals and actions  | 3.1    | Have you formulated or updated SMART goals and/or actions?   | 0              | 0            | 0                  | 1           | 1           | 0                        | 0                        | 1                        | 1                              |
| Goals and actions  | 3.1.1  | Have SMART goals been formulated with regard to discrimination and gender?   | 4              | 4            | 2                  | 1           | 1           | 0                        | 0                        | 1                        | 1                              |
| Goals and actions  | 3.1.2  | Have SMART actions been formulated regarding discrimination and gender in relation to suppliers?   | 2              | 2            | 1                  | 1           | 1           | 0                        | 0                        | 1                        | 1                              |
| Goals and actions  | 3.1.3  | Have SMART actions been formulated with regard to discrimination and gender in relation to your own purchasing practices?  | 2              | 2            | 1                  | 1           | 1           | 0                        | 0                        | 1                        | 1                              |
| Goals and actions  | 3.1.4  | Has a result been achieved with regard to discrimination and gender at one or more production locations in your supply chain, as a result of the actions described during your participation in the agreement? | 4              | 4            | 2                  | 0           | 1           | 0                        | 0                        | 0                        | 0                              |
| Goals and actions  | 3.1.5  | Have SMART goals been formulated with regard to child labour?  | 4              | 4            | 2                  | 1           | 1           | 0                        | 0                        | 1                        | 1                              |
| Goals and actions  | 3.1.6  | Have SMART actions been formulated regarding child labour in relation to suppliers?  | 2              | 2            | 1                  | 1           | 1           | 0                        | 0                        | 1                        | 1                              |
| Goals and actions  | 3.1.7  | Have SMART actions been formulated regarding child labor in relation to your own purchasing practices?   | 2              | 2            | 1                  | 1           | 1           | 0                        | 0                        | 1                        | 1                              |
| Goals and actions  | 3.1.8  | Has a result been achieved regarding child labor at one or more production locations in your supply chain, as a result of the actions described during your participation in the agreement?                    | 4              | 4            | 2                  | 0           | 1           | 0                        | 0                        | 0                        | 0                              |
| Goals and actions  | 3.1.9  | Have SMART goals been formulated with regard to forced labour?   | 4              | 4            | 2                  | 1           | 1           | 0                        | 0                        | 1                        | 1                              |
| Goals and actions  | 3.1.10 | Have SMART actions been formulated regarding forced labour in relation to suppliers?   | 2              | 2            | 1                  | 1           | 1           | 0                        | 0                        | 1                        | 1                              |
| Goals and actions  | 3.1.11 | Have SMART actions been formulated regarding forced labor in relation to your own purchasing practices?  | 2              | 2            | 1                  | 1           | 1           | 0                        | 0                        | 1                        | 1                              |
| Goals and actions  | 3.1.12 | Has a result been achieved regarding forced labor at one or more production locations in your supply chain, as a result of the actions described during your participation in the agreement?                   | 4              | 4            | 2                  | 0           | 1           | 0                        | 0                        | 0                        | 0                              |
| Goals and actions  | 3.1.13 | Have SMART goals been formulated with regard to freedom of association?  | 4              | 4            | 2                  | 1           | 1           | 0                        | 0                        | 1                        | 1                              |
| Goals and actions  | 3.1.14 | Have SMART actions been formulated regarding freedom of association in relation to suppliers?  | 2              | 2            | 1                  | 1           | 1           | 0                        | 0                        | 1                        | 1                              |
| Goals and actions  | 3.1.15 | Have SMART actions been formulated with regarding to freedom of association in relation to your own purchasing practice?   | 2              | 2            | 1                  | 1           | 1           | 0                        | 0                        | 1                        | 1                              |
| Goals and actions  | 3.1.16 | Has a result been achieved with regard to freedom of association at one or more production locations in your supply chain, as a result of the actions described during your participation in the agreement?    | 4              | 4            | 2                  | 0           | 1           | 0                        | 0                        | 0                        | 0                              |
| Goals and actions  | 3.1.17 | Have SMART goals been formulated with regard to a living wage?   | 4              | 4            | 2                  | 1           | 1           | 0                        | 0                        | 1                        | 1                              |
| Goals and actions  | 3.1.18 | Have SMART actions been formulated regarding a living wage in relation to suppliers?   | 2              | 2            | 1                  | 1           | 1           | 0                        | 0                        | 1                        | 1                              |
| Goals and actions  | 3.1.19 | Have SMART actions been formulated regarding a living wage in relation to your own purchasing practices?   | 2              | 2            | 1                  | 1           | 1           | 0                        | 0                        | 1                        | 1                              |

| DD step                                    | #      | Due Diligence questionnaire question  | Maximum score: | Score: "Yes" | Score: "Partially" | Tag: Effort | Tag: Result | Tag: Key question year 1 | Tag: Key question year 2 | Tag: Key question year 3 | Tag: Key question year 4 and 5 |
|--|--------|---|----------------|--------------|--------------------|-------------|-------------|--------------------------|--------------------------|--------------------------|--------------------------------|
| Goals and actions                          | 3.1.20 | Has a result been achieved with regard to living wages at one or more production locations in your supply chain, as a result of the actions described during your participation in the agreement?               | 12             | 12           | 6                  | 0           | 1           | 0                        | 0                        | 0                        | 0                              |
| Goals and actions                          | 3.1.21 | Have SMART goals been formulated with regard to health and safety in the workplace?   | 4              | 4            | 2                  | 1           | 1           | 0                        | 0                        | 1                        | 1                              |
| Goals and actions                          | 3.1.22 | Have SMART actions been formulated regarding health and safety in the workplace in relation to suppliers?   | 2              | 2            | 1                  | 1           | 1           | 0                        | 0                        | 1                        | 1                              |
| Goals and actions                          | 3.1.23 | Have SMART actions been formulated with regard to safety and health at the workplace with regard to your own purchasing practices?  | 2              | 2            | 1                  | 1           | 1           | 0                        | 0                        | 1                        | 1                              |
| Goals and actions                          | 3.1.24 | Is result achieved with regard to safety and health at the workplace at one or more production locations in your supply chain, as a result of the actions described during your participation in the agreement? | 4              | 4            | 2                  | 0           | 1           | 0                        | 0                        | 0                        | 0                              |
| Goals and actions                          | 3.1.25 | Have SMART goals been formulated with regard to raw materials?  | 4              | 4            | 2                  | 1           | 1           | 0                        | 0                        | 1                        | 1                              |
| Goals and actions                          | 3.1.26 | Have SMART actions been formulated regarding raw materials in relation to suppliers ?   | 2              | 2            | 1                  | 1           | 1           | 0                        | 0                        | 1                        | 1                              |
| Goals and actions                          | 3.1.27 | Have SMART actions been formulated regarding raw materials in relation to your own purchasing practices?  | 2              | 2            | 1                  | 1           | 1           | 0                        | 0                        | 1                        | 1                              |
| Goals and actions                          | 3.1.28 | Has a result been achieved with regard to the use of materials as a result of the actions described during your participation in the agreement?   | 4              | 4            | 2                  | 0           | 1           | 0                        | 0                        | 0                        | 0                              |
| Goals and actions                          | 3.1.29 | Have SMART goals been formulated with regard to water pollution and use of chemicals, water and energy?   | 4              | 4            | 2                  | 1           | 1           | 0                        | 0                        | 1                        | 1                              |
| Goals and actions                          | 3.1.30 | Have SMART actions been formulated regarding water pollution and use of chemicals, water and energy in relation to suppliers?   | 2              | 2            | 1                  | 1           | 1           | 0                        | 0                        | 1                        | 1                              |
| Goals and actions                          | 3.1.31 | Have SMART actions been formulated with regard to water pollution and the use of chemicals, water and energy with regard to their own purchasing practices?   | 2              | 2            | 1                  | 1           | 1           | 0                        | 0                        | 1                        | 1                              |
| Goals and actions                          | 3.1.32 | Has any result been achieved in the area of WeCH (water, energy and chemicals) as a result of the actions described during your participation in the agreement?   | 4              | 4            | 2                  | 0           | 1           | 0                        | 0                        | 0                        | 0                              |
| Goals and actions                          | 3.1.33 | Have SMART goals been formulated with regard to animal welfare?   | 4              | 4            | 2                  | 1           | 1           | 0                        | 0                        | 1                        | 1                              |
| Goals and actions                          | 3.1.34 | Have SMART actions been formulated regarding animal welfare in relation to suppliers?   | 2              | 2            | 1                  | 1           | 1           | 0                        | 0                        | 1                        | 1                              |
| Goals and actions                          | 3.1.35 | Have SMART actions been formulated regarding animal welfare in relation to your own purchasing practices?   | 2              | 2            | 1                  | 1           | 1           | 0                        | 0                        | 1                        | 1                              |
| Goals and actions                          | 3.1.36 | Is there been results in the area of animal welfare, as a result of the actions described during your participation in the agreement?   | 4              | 4            | 2                  | 0           | 1           | 0                        | 0                        | 0                        | 0                              |
| Goals and actions                          | 3.2    | Have you undertaken actions in response to complaints or reports of third parties or in response to audit reports on damage or negative impacts?  | 0              | 0            | 0                  | 1           | 1           | 0                        | 0                        | 0                        | 0                              |
| Goals and actions                          | 3.2.1  | Were the actions you took appropriate to your responsibility for the damage/impact?   | 4              | 4            | 2                  | 1           | 1           | 0                        | 0                        | 0                        | 0                              |
| Goals and actions                          | 3.3    | Did you address all actions in your action plan and assessment report, and did you and close them?  | 20             | 20           | 10                 | 1           | 1           | 0                        | 1                        | 1                        | 1                              |
| Stakeholder consultation and communication | 4.1    | Are stakeholders consulted on IRBC themes?  | 0              | 0            | 0                  | 1           | 0           | 0                        | 0                        | 0                        | 0                              |
| Stakeholder consultation and communication | 4.1.1  | Do you ask for stakeholder contributions in drafting and adjusting the IRBC policy?   | 6              | 6            | 3                  | 1           | 0           | 0                        | 0                        | 0                        | 1                              |

| DD step                                    | #     | Due Diligence questionnaire question   | Maximum score: | Score: "Yes" | Score: "Partially" | Tag: Effort | Tag: Result | Tag: Key question year 1 | Tag: Key question year 2 | Tag: Key question year 3 | Tag: Key question year 4 and 5 |
|--|-------|--|----------------|--------------|--------------------|-------------|-------------|--------------------------|--------------------------|--------------------------|--------------------------------|
| Stakeholder consultation and communication | 4.1.2 | Is consulting workers part of your audit and monitoring process?   | 6              | 6            | 3                  | 1           | 0           | 0                        | 0                        | 0                        | 0                              |
| Stakeholder consultation and communication | 4.1.3 | Was information from stakeholders incorporated into the identification and prioritisation of risks and damage/impacts?   | 6              | 6            | 3                  | 1           | 0           | 0                        | 0                        | 0                        | 0                              |
| Stakeholder consultation and communication | 4.2   | Have you set up (an) grievance mechanism(s), where individuals, groups and organisations who experience adverse impacts through the actions of your company can file any complaints?   | 0              | 0            | 0                  | 1           | 0           | 0                        | 0                        | 0                        | 0                              |
| Stakeholder consultation and communication | 4.2.1 | Do you encourage / require complaints mechanisms at your suppliers? Are these directly experienced and legitimate by those directly involved?  | 12             | 12           | 6                  | 1           | 0           | 0                        | 0                        | 0                        | 0                              |
| Stakeholder consultation and communication | 4.3   | Do you communicate your IRBC policy to the outside world?  | 0              | 0            | 0                  | 1           | 0           | 0                        | 0                        | 1                        | 1                              |
| Stakeholder consultation and communication | 4.3.1 | Do you inform external stakeholders about how you identify risks, which ones you have prioritised, and why?  | 4              | 4            | 2                  | 1           | 0           | 0                        | 0                        | 1                        | 1                              |
| Stakeholder consultation and communication | 4.3.2 | Do you inform external stakeholders of your goals and the extent to which the goals have been achieved?  | 4              | 4            | 2                  | 1           | 0           | 0                        | 0                        | 1                        | 1                              |
| Stakeholder consultation and communication | 4.3.3 | Do you inform external stakeholders about the grievance mechanisms that you utilise to address complaints from within the supply chain and the number of grievances received, the nature of these grievances and the way in which you have addressed them? | 4              | 4            | 2                  | 1           | 0           | 0                        | 0                        | 0                        | 0                              |
| Stakeholder consultation and communication | 4.3.4 | Do you make the production sites transparent for external stakeholders?  | 4              | 4            | 2                  | 1           | 0           | 0                        | 0                        | 0                        | 0                              |
| Stakeholder consultation and communication | 4.3.5 | Do you inform external stakeholders about how you integrate IRBC and due diligence in your organization?   | 0              | 0            | 0                  | 1           | 0           | 0                        | 0                        | 1                        | 1                              |
| Stakeholder consultation and communication | 4.3.6 | Do you inform external stakeholders about which stakeholders (such as trade unions, NGOs, and public authorities) you involve in your due diligence activities, and how you do so?   | 0              | 0            | 0                  | 1           | 0           | 0                        | 0                        | 1                        | 1                              |
| Stakeholder consultation and communication | 4.3.7 | Do you inform external stakeholders about participation in multi-stakeholder initiatives?  | 0              | 0            | 0                  | 1           | 0           | 0                        | 0                        | 1                        | 1                              |
| Stakeholder consultation and communication | 4.4   | The previous question was the final question of the "Stakeholder consultation, Evaluation and Communication" due diligence step. Would you like to set one or more goals and action points for this section?   | 4              | 4            | 2                  | 1           | 0           | 0                        | 0                        | 0                        | 0                              |
| <b>Own score (0-362)</b>                   |       |  | <b>362</b>     | <b>362</b>   | <b>181</b>         |             |             |                          |                          |                          |                                |
| <b>Total score in %</b>                    |       |  | <b>100%</b>    | <b>100%</b>  | <b>50%</b>         |             |             |                          |                          |                          |                                |

## Appendix 2 Overview of frequently used due diligence tools

Below you will find an overview of the due diligence tools in the textile and clothing industry that were developed during the term of the AGT and/or recommended to companies by parties, supporting organisations and the secretariat. The overview is divided into a general and a theme part. The tools cover all steps of the due diligence cycle and are presented in the original language. These tools are intended to support companies in doing due diligence according to the [OECD-guidelines](#), and are specifically in line with the guideline: OECD (2017), [OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector](#).

### General

#### General risk analysis

- Country risk reports, Modint - [link](#)
- Due diligence tool: an overview of the most important due diligence documents and tools, risks per country and country reports and projects in producing countries, Modint and Unicef - [link](#)
- Fair Wear Foundation country reports - [link](#)
- Fair Wear Foundation audit quality assessment tool - [link](#)
- MVO-risico checker - [link](#)

#### Mapping the supply chain

- A Collaborative Approach to Supply Chain mapping: tool for companies on how to best work with and support supply chain partners when mapping their supply chain - [link](#)
- AGT Production location template: format to register production location information with an explanation of how this information can be used when doing due diligence - [link](#)
- Collecting information from direct and indirect suppliers and their workforce - [link](#)
- Form for Supplier data collection - [link](#)
- FLA Planning Template Supply Chain mapping - [link](#)
- Policy and Procedures on Supply Chain Transparency, Disclosure and Due Diligence: example policy - [link](#)
- Recommendations for dialogue with factory management on supply chain mapping - [link](#)
- Steps and Recommendation for Garment Production Units: tool for suppliers (CMT units) to improve understanding of what supply chain mapping is and how to work together with customers to conduct supply chain mapping - [link](#)
- Supply-Chain Mapping, Transparency, Traceability 1.0: a practical guide for companies and suppliers - [link](#)

#### Responsible Purchasing Practices

- Buyer-Supplier Mutual Code of Conduct of ETI (p.30) - [link](#)
- Buyer-Supplier Mutual Code of Conduct and SAI - [link](#)
- Fair Wear Foundation Responsible exit-strategy - [link](#)
- The Common Framework for Responsible Purchasing Practices - [link](#)
- The Joint Ethical Trading Initiatives' *Guide* to Buying Responsibly; the business case, guidance for senior managers and guidance for buyers - [link](#)
- Joint COVID-19 statement: responding responsibly to the COVID-19 crisis - [link](#)
- ILO call for action: COVID-19: action in the global garment industry - [link](#)

#### Stakeholder engagement

- Recommendations for stakeholder and civil society organisation engagement, FLA and AGT - [link](#)

## Per theme

### Animal welfare

- AGT report on animal welfare in the clothing and textile industry: animal derived materials leather, wool, down and feather, fur, and silk & due diligence (in Dutch) - [link](#)
- AGT factsheets animal welfare in the clothing and textile sector: animal welfare risk factsheets for different animal derived materials including animal welfare roadmap - [link](#)

### Bribery and corruption

- OECD (2010), OECD Good Practice Guidance on Internal Controls, Ethics and Compliance - [link](#)
- Preventing Corruption in the Supply Chain: How companies can address challenges, Alliance for integrity, Partnership for sustainable Textiles, Global Compact Network Germany, Partnership for Responsible Textiles (PST), Alliance for integrity - [link](#)

### Child labour and forced labour

- Guidelines for improving policies and practices on child labour and forced labour - [link](#)
- Information to collect from suppliers for child labour risk mapping - [link](#)
- Recommendations for age verification - [link](#)
- Legal framework and indicators on child labour - [link](#)
- Legal framework and indicators on forced labour - [link](#)
- Self-assessment tool on child labour and forced labour - [link](#)

### Discrimination and gender

- Plan – A Gender-Responsive Human Rights Due Diligence tool - [link](#)
- Plan – Applying Gender Responsive Human Rights Due Diligence in Practice - [link](#)
- Plan – Workbook Put Your Own Gender-Responsive Human Rights Due Diligence in practice - [link](#)

### Freedom of association

- Questions to ask your supplier on freedom of association and social dialogue, CNV International and FNV - [link](#)
- Country Information Bangladesh & Practical Advice on Freedom of Association (FoA) & Collective Bargaining (CB), STITCH - [link](#)
- Country Information Vietnam & Practical Advice on Freedom of Association (FoA) & Collective Bargaining (CB), STITCH - [link](#)
- Report on the Importance of Freedom of Association and Collective Bargaining for Brands, STITCH - [link](#)

### Health and safety

- Fair Wear Foundation - Checklist for COVID-19-related health and safety measures - [link](#)
- Fair Wear Foundation - Common Health and Safety Problems: a guide for designers, buyers and other factory visitors - [link](#)
- Fair Wear Foundation Basic Health & Safety Check: a guide to help spot health & safety problems between formal factory audits - [link](#)

### **Living wage**

- AGT Living Wage Gap – Practical guide to collect wage data - [link](#)
- ETI base code guidance living wages - [link](#)
- IDH Living Wage identifier tool - [link](#)
- IDH Salary Matrix – Compare total remuneration to the relevant living wage benchmarks - [link](#)
- Fair Wear Foundation Living Wage: An Explorer’s notebook - [link](#)
- Fair Wear Foundation Labour Minute Costing Calculators - [link](#)
- Fair Wear Foundation Wage Ladder - [link](#)
- Rainbow Collection roadmap to Living Wages - [link](#)
- Schijvens’ Corporate Fashion method to calculate living wage gap - [link](#)
- WageIndicator wage gap for 35 AGT production countries February 2021 - [link](#)

### **Raw materials and the environment**

- AFIRM Restricted Substances List - [link](#)
- AGT overview of most common materials used for garments and textiles, risks and more sustainable alternatives - [link](#)
- AGT tools to calculate material quantities used
  - o Basic method - [link](#)
  - o Advanced method - [link](#)
- American Apparel Footwear Association RSL - [link](#)
- Chemsec Textile guide with production steps and chemicals used - [link](#)
- Made-by Environmental benchmark for fibres - [link](#)
- Modint Fiber Matrix - [link](#)
- SAC Higg Material Sustainability Index (MSI) - [link](#)
- Solidaridad Wet Processing Guidebook - [link](#)
- ZDHC Wastewater Guidelines - [link](#)
- ZDHC MRSL - [link](#)

## Appendix 3 Overview practical examples from companies

Below you will find an overview of publicly available good examples in the different steps of the due diligence process of companies and linked to the questions of the AGT assessment framework. AGT companies have largely come from small and medium-sized enterprises (SMEs). This also means that many of the examples are from this group. The examples must be assessed in the overall context of the company concerned and the phase the company is in. They are therefore mainly intended as inspiration and to give companies starting points to get started with due diligence. The examples also show how a sector initiative could possibly give substance to HRDD legislation.

### Policy and organisation

| Practical example of                       | Link and company   | Reason for example   | Question |
|--|--|--|----------|
| RBC policy general                         | <a href="#">O'Neill</a><br><a href="#">Schijvens</a>                                       | Extensive RBC strategy including reporting & due diligence.  | 1.1.1    |
| RBC policy general                         | <a href="#">Yongo</a>  | Integration of due diligence, fair purchasing practices commitments, COVID-19 impact & stakeholder consultation. | 1.1.1    |
| RBC policy general                         | <a href="#">Esprit</a>   | Visual representation of how RBC is integrated in the business from design to recycle phase.                     | 1.1.1    |
| Policies and standards general             | <a href="#">Adidas</a>   | Complete overview of sustainability policies and standards.  | 1.1.1    |
| RBC policy code of conduct                 | <a href="#">Prénatal</a>   | Completeness of the code and reference to purchasing practices and OAR.  | 1.1.1    |
| RBC policy on child labour & young workers | <a href="#">Prénatal</a>   | Extensive and practical guidance for remediation.  | 1.1.1.2  |
| RBC policy on raw materials                | <a href="#">de Bijenkorf (Dutch)</a><br><a href="#">G-star</a><br><a href="#">Prénatal</a> | Clear explanation of preferred sustainable materials.  | 1.1.1.7  |
| RBC policy on animal welfare               | <a href="#">Ducky Dons</a><br><a href="#">Prénatal</a>                                     | Clear policy with allowed and not allowed animal derived materials.  | 1.1.9    |
| RBC policy code of conduct                 | <a href="#">Emma Safety Footwear - Hultafors Group Footwear p3</a>                         | Explicit reference to purchasing practices and the buyers commitment and responsible exit strategy.              | 1.1.1.10 |
| RBC policy code of conduct                 | <a href="#">Marlies Dekkers p4</a>   | Purchasing practices & buyer commitment.   | 1.1.1.10 |
| RBC action plan on purchasing practices    | <a href="#">Marlies Dekkers p12</a>  | Purchasing commitment linked to critical path included in a five year action plan.                               | 1.1.1.10 |
| RBC purchasing practices commitment        | <a href="#">Yongo</a><br><a href="#">America Today p16</a>                                 | Responsible purchasing practices commitments in general.   | 1.1.1.10 |
| Supply chain overview                      | <a href="#">ETP (Dutch) p7</a>   | Overview of where possible negative impact can occur in their value chain.                                       | 1.1.1.10 |
| COVID-19 commitments                       | <a href="#">Fristads p22-23</a>  | Commitments & goals to protect workers & suppliers during COVID-19.  | 1.1.1.10 |

## Policy and organisation

| Practical example of  | Link and company   | Reason for example   | Question |
|---|--|--|----------|
| COVID-19 purchasing practices                                       | <a href="#">Hunkemöller p9 (Dutch)</a>   | Explanation of effect of COVID-19 on supply chain and their own responsible purchasing practices.                                  | 1.1.1.10 |
| CSR/RBC internal communication                                      | <a href="#">Heigo p13</a>  | Explanation of wide range of methods used for internal communication of RBC.   | 1.2.1    |
| CSR top management commitment                                       | <a href="#">Ducky Dons p2</a><br><a href="#">Zeeman p3 &amp; p9</a>                        | Explicit commitment for CSR from CEO and Chairman of the Supervisory Board.  | 1.2.2    |
| Contractual requirements for suppliers including own responsibility | <a href="#">Ducky Dons</a><br><a href="#">Vanilia</a>                                      | Explanation of partnership principles which are based on equal partnership and which should be signed by supplier.                 | 1.2.6    |
| Practical guideline for suppliers on Code of Conduct.               | <a href="#">G-star</a>   | Practical explanation of the Social and Labour Standards of the Code of Conduct for suppliers and reference to relevant documents. | 1.2.6    |
| Purchasing policy   | <a href="#">Groenendijk p15-16 (Dutch)</a>   | Purchasing policy with evaluation criteria for suppliers and on boarding process for new suppliers.                                | 1.2.7    |
| COVID-19 approach   | <a href="#">HAVEP p6</a>   | How this company has monitored and supported suppliers during COVID-19 pandemic.   | 1.4.1    |
| Policy on monitoring and remediation of production locations        | <a href="#">Heigo p9</a>   | Explanation of coherent system for monitoring and remediation & insights at supplier.  | 1.4.1    |
| Subcontracting policy   | <a href="#">Star Sock p27</a>  | Description of how it deals with subcontracting.   | 1.4.2    |
| Third brands policy   | <a href="#">ASOS p8</a><br><a href="#">De Bijenkorf (Dutch)</a><br><a href="#">Zalando</a> | Higg BRM as part of monitoring, material policy and emission targets for third brands.   | 1.4.3    |
| Sourcing strategy suppliers and third brands                        | <a href="#">Heigo p7-8</a>   | Explanation of sourcing strategy including selection and monitoring of new suppliers and third party brands.                       | 1.4.3    |
| COVID-19 policy   | <a href="#">Fristads p22-23</a>  | Ongoing conversation with suppliers about RBC topics during COVID-19 pandemic.   | 1.5      |

## Information on chain, materials and processes

| Practical example of   | Link and company   | Reason for example   | Question         |
|--|--|--|------------------|
| Excel format to register due diligence information of production locations including information on chain, materials and processes | <a href="#">☐ Prénatal</a>   | Extensive Excel overview including breakdown of production processes and related chemicals via dropdown.                           | 2.1.1. & 2.1.2   |
| Supplier transparency of SME   | <a href="#">☐ Kings of Indigo</a><br><a href="#">☐ Okimono (Dutch)</a>   | Clear overview of limited number of supply chain partners, worker numbers and the way of working with them.                        | 2.1.1            |
| Interactive production location map and commitment to transparency pledge  | <a href="#">☐ Just Brands</a><br><a href="#">☐ Studio Anneloes</a>   | Interactive production location map via <a href="#">OAR</a> API.   | 2.1.1.1          |
| Overview of where, how and with what impacts products are made in the web shop   | <a href="#">☐ Kings Of Indigo</a><br><i>(re-directs to explanation - see garment items for product specific passport.)</i> | Transparency passport per clothing item including production locations until tier 1, production process, linked risks and impacts. | 2.1.1. & 2.2.1.3 |
| Material overview  | <a href="#">☐ Kuyichi</a>  | Material overview focussed on more sustainable fabrics and processes.  | 2.1.2.1          |
| Where products are made and how production is monitored.   | <a href="#">☐ Nudie Jeans</a>  | Production guide including production locations and audit results, subcontractors and suppliers deeper down the chain.             | 2.2.1.4          |
| Overview of working conditions per production location   | <a href="#">☐ Schijvens p52-64</a>   | Working conditions per production location & linked to country risks.  | 2.2.1.4          |

## Risk analysis: overview and prioritization of risks and impacts

| Practical example of  | Link and company   | Reason for example   | Question  |
|---|--|--|-----------|
| Wage gap analysis   | <a href="#">☐ L. Ten Cate p26</a><br><a href="#">☐ Kings of Indigo p66</a><br><a href="#">☐ Schijvens p37</a>  | Excel overviews with calculated living wage gap for CMT suppliers. Comparison min. legal, paid & living wage.        | 2.2.1.4.1 |
| Risks linked to companies purchasing practices                                  | <a href="#">☐ FNG</a>  | Buying risks matrix that describes the buying, merchandise and design process and linked buying practices risks.     | 2.2.1.5   |
| Overview of prioritized risks and impacts identified by severity and likelihood | <a href="#">☐ America Today p14-15</a><br><a href="#">☐ Babyface p30-35 (Dutch)</a><br><a href="#">☐ ETP p17-18 (Dutch)</a><br><a href="#">☐ L. ten Cate p11-12</a><br><a href="#">☐ Wibra (Dutch)</a> | Explanation and overview of how severity and likelihood is applied, although not yet on a production location level. | 2.2.4     |

## Goals and actions

| Practical example of  | Link and company           | Reason for example  | Question |
|---|----------------------------|---|----------|
| Connectivity matrix with goals, material themes and KPI's in CSR-report | <a href="#">Zeeman p16</a> | Clear overview of goals, KPI's and how far Zeeman is in realizing these and links to SDG's.                   | 3.1      |
| Action and impact on discrimination and gender                          | <a href="#">Sting</a>      | Clear example of positive impact on discrimination and gender via female empowerment training in South India. | 3.1.2    |

## Stakeholder consultation and communication

| Practical example of                                  | Link and company                     | Reason for example  | Question                |
|---|--------------------------------------|---|-------------------------|
| How workers are included in their policies            | <a href="#">Patagonia</a>            | Background story on how the company includes the workers' voice.  | 4.1.1 & 4.3.3           |
| How local stakeholders are included in their policies | <a href="#">Kings of Indigo p62</a>  | It gives an example of the importance of structural engagement with local stakeholders next to regular auditing in times of COVID-19. | 2.2.1.4 & 4.1.2 & 4.3.1 |
| Working of a complaints procedure                     | <a href="#">Kings of Indigo p106</a> | Explanation of FWF complaints mechanism & workers' helpline (hotline).  | 4.2                     |

## Public Communication

| Practical example of  | Link and company   | Reason for example  | Question        |
|---|--|---|-----------------|
| Reports and overviews on full sustainability policy and practices           | <a href="#">WE fashion</a><br><a href="#">G-star</a><br><a href="#">Stella McCartney</a><br><a href="#">Adidas</a> | Extensive overview of policies & practices of all steps of the due diligence process.                   | 4.3             |
| Explanation of the five pillars of sustainability                           | <a href="#">Kings of Indigo</a>  | Accessible way of presenting the full scope of their sustainability strategy and impacts.               | 4.3             |
| Explanation of risk analysis, prioritization and actions                    | <a href="#">Wibra</a>  | Short and concise overview of risk analysis, prioritization and impacts.                                | 4.3.1           |
| GRI Social Responsibility Report  | <a href="#">Zeeman p16</a>   | Accessible and easy to read report according to GRI.  | 4.3.2           |
| Overview of goals and achievements.   | <a href="#">ETP p19 (Dutch)</a><br><a href="#">Hunkemöller p14</a><br><a href="#">Kings of Indigo p23</a>          | Example of goals and actions per RBC topic. Includes also the status of completion and follow up goals. | 4.3.2           |
| KPI overview  | <a href="#">Esprit</a><br><a href="#">H&amp;M p28</a>  | Extensive overview of general, circular & climate positive and transparency KPIs.                       | 4.3.2 & 4.3.4   |
| Excel road map to sustainability  | <a href="#">Profuomo</a>   | Roadmap 2018-2025 with goals & achievements.  | 4.3.2           |
| Explanation of goals and actions on more sustainable materials and products | <a href="#">America Today</a><br><a href="#">HEMA p15-17</a><br><a href="#">O'Neill</a>                            | Reporting about achieved results and targets and explanation of more sustainable materials.             | 4.3.2           |
| Sustainable material chart  | <a href="#">G-star</a>   | Sustainability reporting about achieved results and targets 2011-2020.                                  | 4.3.2           |
| Explanation of complaints handling  | <a href="#">Schijvens p27-30</a>   | Complaints handling by company, method, number of received complaints & resolved.                       | 4.3.3           |
| Explanation of complaints handling  | <a href="#">Schijvens</a>  | Very specific example of due diligence steps taken in case of child labour.                             | 4.3.3           |
| Overview of goals and performance on grievance mechanisms                   | <a href="#">WE Fashion p42</a>   | Overview of grievance mechanisms in companies' supply chain, goal & results.                            | 4.3.3           |
| Explanation on workers approach   | <a href="#">Patagonia</a>  | Background story on how the company includes the workers' voice.  | 4.1.1.1 & 4.3.3 |
| Transparency goals and commitments to suppliers                             | <a href="#">Essenza Home p15-23 (Dutch)</a>  | Clear transparency goals and long term commitments towards suppliers.                                   | 4.3.4           |

## Public Communication

| Practical example of                           | Link and company  | Reason for example   | Question |
|--|---|--|----------|
| Manufacturing map                              | <a href="#">C&amp;A</a><br><a href="#">G-star</a>   | Interactive manufacturing map with detailed information per supplier, also deeper down the chain.  | 4.3.4    |
| Due Diligence integration in a company         | <a href="#">Esprit</a><br><a href="#">Schijvens</a>   | Extensive explanation of how due diligence is integrated into the organization.<br>Practical explanation of how the company has started working on due diligence | 4.3.5    |
| Explanation of purchasing practices strategy   | <a href="#">Schijvens p8-17</a>   | Status and goals of purchasing practices.  | 4.3.5    |
| Stakeholder consultation process               | <a href="#">C&amp;A</a><br><a href="#">HEMA p10-14</a><br><a href="#">H&amp;M</a><br><a href="#">Zeeman p20</a> | Extensive explanation of how the stakeholder consultations process works and on what topics stakeholders are consulted on.                                       | 4.3.6    |
| Local stakeholder engagement                   | <a href="#">Hunkemöller</a>   | Example of local stakeholder engagement in supply chain project in Bangladesh and Turkey.  | 4.3.6    |
| Participation in multi-stakeholder initiatives | <a href="#">C&amp;A</a><br><a href="#">Esprit</a><br><a href="#">ETP p12-13</a><br><a href="#">Just Brands</a>  | Various ways of details in explaining participation in multi-stakeholder initiatives.  | 4.3.7    |

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