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Guidance for Disclosure on Human Rights Due Diligence in Mining Sector Procurement



An Engineers Without Borders Canada Venture



On behalf of



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and Development

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About Mining Shared Value and Engineers Without Borders Canada

MSV is a programme of Engineers Without Borders Canada that encourages and supports the global mining sector to increase local procurement in host communities and countries to help ensure that more of the benefits of mining go to those most affected. Working as a resource, convenor, and champion in the global mining system, MSV works with all types of stakeholders to increase local procurement in a systemic fashion. Learn more at <https://www.miningsharedvalue.org/>.



Engineers Without Borders Canada's mission is to create systemic change through community-driven collaboration. We mobilise the engineering community and leverage technological innovation to address global challenges, including the cause and effects of climate change and climate adaptation in Canada and beyond. Our vision is to engineer an equitable, sustainable future for marginalised communities and our planet. We are working towards this vision by optimising impact by addressing urgent global issues, leveraging evolving engineering knowledge, localising partnerships, and amplifying voices for change. Learn more at <https://www.ewb.ca/>.

About GIZ

The GIZ sector programme "Extractives and Development III" is commissioned by the German Federal Ministry for Economic Cooperation and Development (BMZ) and is implemented together with the Federal Institute for Geosciences and Natural Resources (BGR). The core task of the programme is to provide policy advice on extractive and mineral supply chains to the BMZ. This mandate includes the analysis of trends in the international debate on resource governance and resource efficiency and the processing and provision of information on the activities of German development cooperation. Beyond this, activities include the development of knowledge products and fostering of innovations in the sector. For more information, visit the project website: <https://rue.bmz.de/en/>.

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List of Acronyms

- **AGM** - Annual General Meeting
- **BGR** - Federal Institute for Geosciences and Natural Resources
- **BMZ** - German Federal Ministry for Economic Cooperation and Development
- **BSR** - Business for Social Responsibility
- **CIM** - Canadian Institute of Mining, Metallurgy and Petroleum
- **CSDDD** - Corporate Sustainability Due Diligence Directive
- **DDTrO** - Due Diligence and Transparency Ordinance (Switzerland)
- **EITI** - Extractives Industries Transparency Initiative
- **EPC** - Engineering, Procurement and Construction
- **EPCM** - Engineering, Procurement and Construction Management
- **ESG** - Environmental, Social and Governance
- **EU** - European Union
- **EWB** - Engineers Without Borders
- **GIZ** - Deutsche Gesellschaft für Internationale Zusammenarbeit
- **GRI** - Global Reporting Initiative
- **HRDD** - Human Rights Due Diligence
- **ICMM** - International Council on Mining and Metals
- **IGF** - Intergovernmental Forum on Mining, Minerals, Metals and Sustainable Development
- **ILO** - International Labour Organization
- **IRMA** - Initiative for Responsible Mining Assurance
- **ISO** - International Organization for Standardization
- **KPI** - Key Performance Indicator
- **LkSG** - Lieferkettensorgfaltspflichtengesetz (German Supply Chain Due Diligence Act)
- **LPRM** - Local Procurement Reporting Mechanism
- **MAC** - Mining Association of Canada
- **MSV** - Mining Shared Value
- **NGO** - Non-Governmental Organisation
- **ODiTr** - Ordonnance sur les devoirs de diligence et de transparence (Swiss Ordinance on Due Diligence and Transparency)

- **OECD** - Organisation for Economic Co-operation and Development
- **PDAC** - Prospectors and Developers Association of Canada Convention
- **PDF** - Portable Document Format
- **PWYP** - Publish What You Pay
- **RGMPs** - Responsible Gold Mining Principles
- **RMI** - Responsible Minerals Initiative
- **RRA** - Risk Readiness Assessment
- **SASB/ISSB** - Sustainability Accounting Standards Board
- **SBTi** - Science Based Targets initiative
- **SEDEX** - Supplier Ethical Data Exchange
- **SHIRA** - Social and Human Rights Impact and Risk Analysis
- **SME** - Small and Medium-sized Enterprises
- **TSM** - Towards Sustainable Mining
- **UFLPA** - Uyghur Forced Labor Prevention Act
- **UNGP** - United Nations Guiding Principles
- **USA** - United States of America
- **WGC** - World Gold Council

1 - Introduction

This *Guidance for Disclosure on Human Rights Due Diligence in Mining Sector Procurement* has been written by the Mining Shared Value (MSV) programme of Engineers Without Borders Canada, with funding from GIZ Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ). The objective of this guidance is to support mining sector companies in sharing information on how they conduct human rights due diligence (HRDD) during the procurement of goods and services.

By following this guidance mining companies will provide all the information required to satisfy the needs of due diligence legislation, sustainability and reporting standards in use by the mining sector, and criteria from Environmental, Social and Governance (ESG) rating agencies. In working to provide this information, mining companies will identify gaps in their current approach to due diligence during procurement, charting a path towards improvements in their policies and procedures. This guidance is therefore focused on meeting the requirements of various laws, standards, and rating agencies, which sometimes mandate that companies report on existing policies and processes (or their absence) and, in other cases, require companies to both report on and implement due diligence policies and processes. Given this distinction, the ultimate aim of this guidance is to drive improved due diligence performance in the mining sector and go beyond mere reporting to implementing meaningful change within company supply chains. The image below shows the theory of change that has informed this guidance:



Figure 1: Theory of change for using this guidance

This guidance is a spinoff from the Mining Local Procurement Reporting Mechanism (LPRM), launched by MSV in 2017, also with the support of GIZ and BMZ. The Mining LPRM guides companies to increase and standardise their information-sharing on how they approach local procurement of goods and services, and the results of those efforts. Like this guidance on HRDD during procurement, the aim of the LPRM is to help mining companies improve their performance – in this case to create more economic benefits for the host communities and countries where they operate. It also aims to improve their social licence to operate and relationships with governments. Use of the LPRM also guides companies to provide practical information for host country suppliers and the institutions that support them, so they can better seize supplying opportunities. Now in use by multiple global mining companies and featured as a suggested resource in multiple industry standard and guidance documents, the Mining LPRM can be used by companies at any stage of the mining life cycle – exploration, development, operations, and closure.

The LPRM in Mining Sector Standards, Guidance, and Other Frameworks

- **Canadian Institute of Mining, Metallurgy and Petroleum (CIM)** - CIM Environmental, Social and Governance Guidelines for Mineral Resource and Mineral Reserve Estimation (2023), p. 55
- **Extractives Industries Transparency Initiative (EITI)** - Gender-Responsive EITI Implementation Guidance (2022), p. 32
- **Global Reporting Initiative (GRI)** - GRI 14: Mining Sector (2024), p. 90
- **Initiative for Responsible Mining Assurance (IRMA)** - IRMA Standard for Responsible Mining Guidance Document (2022), p. 182
- **Intergovernmental Forum on Mining, Minerals, Metals and Sustainable Development (IGF)** - IGF Mining Policy Framework Guidance Document (2023), p. 29
- **International Council on Mining and Metals (ICMM)** - Social and Economic Reporting Framework and Guidance (2022), p. 27
- **Ipieca** - Good practices in supply chain management and carbon footprint of wind and solar energy technologies (2023), pp. 15, 39, 40, 65
- **Publish What You Pay (PWYP)** - Feminist Natural Resource Governance for a Just Transition: 18 - Policy Imperatives (2022) p. 3

ESG criteria, as well as consultations with mining companies, industry organisations, civil society organisations, suppliers, and other stakeholders. Suppliers based in countries with documented human rights risks were interviewed to ensure their perspective was incorporated. In-person side meetings and roundtable consultation sessions were also carried out during several of the world’s key mining events. This project started in September 2023, and research and consultation carried on until June 2024.

The MSV team attended the Intergovernmental Forum on Mining, Minerals, Metals and Sustainable Development (IGF) Annual General Meeting (AGM) in Geneva in November 2023, where initial consultations were held with human rights experts and consultants working on this topic. This was followed by an in-person roundtable in November with consultants working in HRDD, ESG practice, and sustainability reporting, during the Resourcing Tomorrow event in London. In February 2024, initial progress was presented during the Mining Indaba convention in Cape Town, engaging with different stakeholders to discuss the structure of the guidance and to gather their input. Two industry group

consultation sessions focused on mining companies took place during the Prospectors and Developers Association of Canada (PDAC) Convention in Toronto in March. Lastly, at the Organisation for Economic Co-operation and Development (OECD) Forum on Responsible Mineral Supply Chains in Paris in May, further in-person interviews with stakeholders took place to gather final thoughts.

Supplier Due Diligence in the Existing Mining LPRM

In the Mining LPRM, how mining companies conduct due diligence on suppliers to avoid purchasing from businesses engaging in problematic practices is covered in a broad way by the 400 category disclosures, seen below. In order to report *in accordance* with these disclosures,¹ mining companies have to share information on how they avoid purchasing from suppliers with unethical practices, how they prevent corrupt practices in procurement and within their supply chain, and what training they provide suppliers regarding ethical conduct expectations. However, these disclosures are brief and ask the questions in a broad manner. A mining company can therefore share information that is technically in accordance with the LPRM 400 category disclosures but miss the level of detail that is now required by regulations, standards, and stakeholders.

Thus, in order to guide mining companies to share all the information now required by society and drive internal process improvements to enable more effective due diligence, MSV has created this guidance to support companies to provide information sufficiently detailed to meet the needs of all relevant requirements and stakeholders.

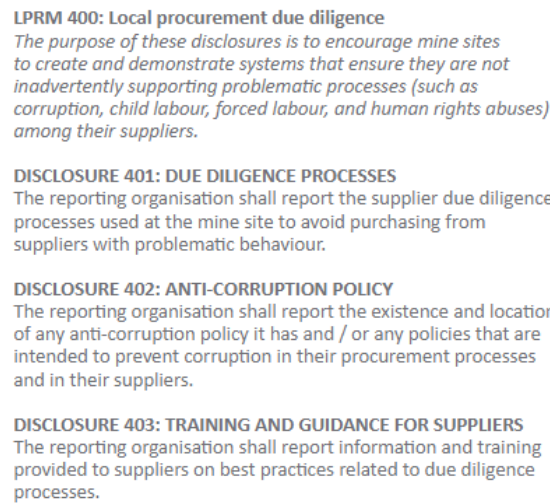


Figure 2: Disclosure 400: Local procurement due diligence, extract from the Local Procurement Reporting Mechanism, p. 21²

¹ The Mining LPRM uses similar language to the GRI, in the meaning of “in accordance.” According to the GRI requirements are mandatory instructions. In the text, requirements are ... indicated with the word ‘shall’. Requirements are to be read in the context of recommendations and guidance; however, an organisation is not required to comply with recommendations or guidance to claim that a report has been prepared in accordance with the Standards” (Global Reporting Initiative, GRI 204: Procurement Practices, p. 5, 2016 (<https://www.globalreporting.org/standards/gri-standardsdownload-center/gri-204-procurement-practices/?g=575e0041-59e8-4bd2-bb36-c8c5f5b5a903>). Thus, to be fully in accordance with the LPRM for a given mine site, all *required* disclosures must be reported by the reporting organisation (up to the 400 level) and not necessarily the suggested disclosures (500-600 level).

² Mining Shared Value, Engineers Without Borders Canada with funding from German Federal Ministry for Economic Cooperation and Development (BMZ) through GIZ’s global Extractives for Development Project. *Mining Local Procurement Reporting Mechanism*, Disclosure 400:

A mining company *does not need to be a user of the Mining LPRM to use this guidance*. The guidance is meant to be a public good for all mining companies and those who work with them. Companies who already report in accordance with the LPRM who fully use this guidance will however necessarily increase the information they are providing in accordance with the 300 Category disclosures, and in turn identify opportunities to improve their own due diligence practices.

Why the Need for More Information from the Mining Sector on HRDD during Procurement?

Since the launch of the Mining LPRM in 2017, the world has undergone a paradigm shift in how it views HRDD in supply chains. High-profile incidents such as the Rana Plaza disaster in 2013, which tragically claimed over 1,100 lives, had already begun to bring attention to the dire consequences of inadequate oversight and due diligence in global supply chains. This disaster and other events across other sectors, stirred up a movement demanding more stringent and meaningful due diligence practices to protect human rights.

As outlined below, this pressure has translated into the steady development of comprehensive regulations aimed at ensuring companies take proactive steps to identify, prevent, and mitigate human rights abuses in their supply chains. In addition, the mining sector, like many others, has begun to strengthen their own voluntary standards and company membership requirements for industry associations, when it comes to HRDD in procurement of goods and services. Finally, ESG rating agencies have increased in their influence and impact, and inclusion of HRDD in their scoring criteria has also increased demands on mining companies.

▸ Increasing Regulation, Increasing Detail, but Shortfalls to Driving Performance

When the LPRM was released in June 2017, the only HRDD legislation in place among the key countries where mining companies are headquartered were the United Kingdom's (UK) Modern Slavery Act, and France's "LOI n° 2017-399 du 27 mars 2017 relative au devoir de vigilance des sociétés mères et des entreprises donneuses d'ordre" (Duty of Vigilance Law). In the case of the French law, companies covered by the regulations must explain what they do for HRDD through establishing and implementing an effective vigilance plan, and through providing a "slavery and human trafficking statement" describing policies and processes in place to combat slavery and human trafficking in parts of its supply chain for the UK law. However, the level of detail required by the French law regarding the measures that must be included in the vigilance plan is relatively minimal, similar to the detail required for statements under UK law. Both are not substantially more detailed than what Mining LPRM disclosure 401 asks for.

Local procurement due diligence, extract from the Local Procurement Reporting Mechanism, p.21, 2017, <https://miningsharedvalue.org/mininglprm>

French Duty of Vigilance Law³ :

“Art. L. 225-102-4. – I. – Any company that at the end of two consecutive financial years, employs at least five thousand employees within the company and its direct and indirect subsidiaries, whose head office is located on French territory, or that has at least ten thousand employees in its service and in its direct or indirect subsidiaries, whose head office is located on French territory or abroad, must establish and implement an effective vigilance plan.

The plan shall include the reasonable vigilance measures to allow for risk identification and for the prevention of severe violations of human rights and fundamental freedoms, serious bodily injury or environmental damage or health risks resulting directly or indirectly from the operations of the company and of the companies it controls within the meaning of Article L.233-16, II, as well as from the operations of the subcontractors or suppliers with whom it maintains an established commercial relationship, when such operations derive from this relationship.

The plan shall be drafted in association with the company stakeholders involved, and where appropriate, within multiparty initiatives that exist in the subsidiaries or at territorial level. It shall include the following measures:

- 1° A mapping that identifies, analyses and ranks risks;
- 2° Procedures to regularly assess, in accordance with the risk mapping, the situation of subsidiaries, subcontractors or suppliers with whom the company maintains an established commercial relationship;
- 3° Appropriate action to mitigate risks or prevent serious violations;
- 4° An alert mechanism that collects reporting of existing or actual risks, developed in working partnership with the trade union organizations representatives of the company concerned;
- 5°(new) A monitoring scheme to follow up on the measures implemented and assess their efficiency.

The vigilance plan and its effective implementation report shall be publicly disclosed and included in the report mentioned in Article L. 225-102.”

United Kingdom’s Modern Slavery Act⁴ :

- 4. A slavery and human trafficking statement for a financial year is—
 - (a) a statement of the steps the organisation has taken during the financial year to ensure that slavery and human trafficking is not taking place—
 - (i) in any of its supply chains, and
 - (ii) in any part of its own business, or
 - (b) a statement that the organisation has taken no such steps.

- 5. An organisation’s slavery and human trafficking statement may include information about—
 - (a) the organisation’s structure, its business and its supply chains;
 - (b) its policies in relation to slavery and human trafficking;
 - (c) its due diligence processes in relation to slavery and human trafficking in its business and supply chains;
 - (d) the parts of its business and supply chains where there is a risk of slavery and human trafficking taking place, and the steps it has taken to assess and manage that risk;
 - (e) its effectiveness in ensuring that slavery and human trafficking is not taking place in its business or supply chains, measured against such performance indicators as it considers appropriate;
 - (f) the training about slavery and human trafficking available to its staff.

³ France, French Corporate Duty of Vigilance Law, article 1, section 1-5, p.1, 2017, <https://respect.international/french-corporate-duty-of-vigilance-law-english-translation/>

⁴ United Kingdom, Modern Slavery Act 2015, part 6: Transparency in supply chains etc, article 54, section 4 (a) (b), section 5 (a-f) p.52, 2015, <https://www.legislation.gov.uk/ukpga/2015/30/part/6>

However, since 2017 the number of supply chain laws across countries has increased and have become increasingly more detailed. In 2023, Germany’s *Gesetzes über die unternehmerischen Sorgfaltspflichten in Lieferketten* (Act on Corporate Due Diligence Obligations for the Prevention of Human Rights Violations in Supply Chains) came into effect providing requirements on how companies must fulfil and report on its due diligence obligations, such as detailed requirements for implementing risk management systems. Canada’s *Fighting Against Forced Labour and Child Labour in Supply Chains Act* came into effect the following year. It is a reporting-based law similar to the UK and Australian laws, but requires entities to provide much more detail through completing an online questionnaire that includes open and closed-ended questions addressing each requirement under the Act.⁵ Most recently, in May 2024 the Council of the European Union (EU) approved the *Corporate Sustainability Due Diligence Directive* (CSDDD) which requires that companies take appropriate steps to set up and perform due diligence measures, with respect to their own operations, those of their subsidiaries, and their direct and indirect business partners throughout their chains of activities.⁶

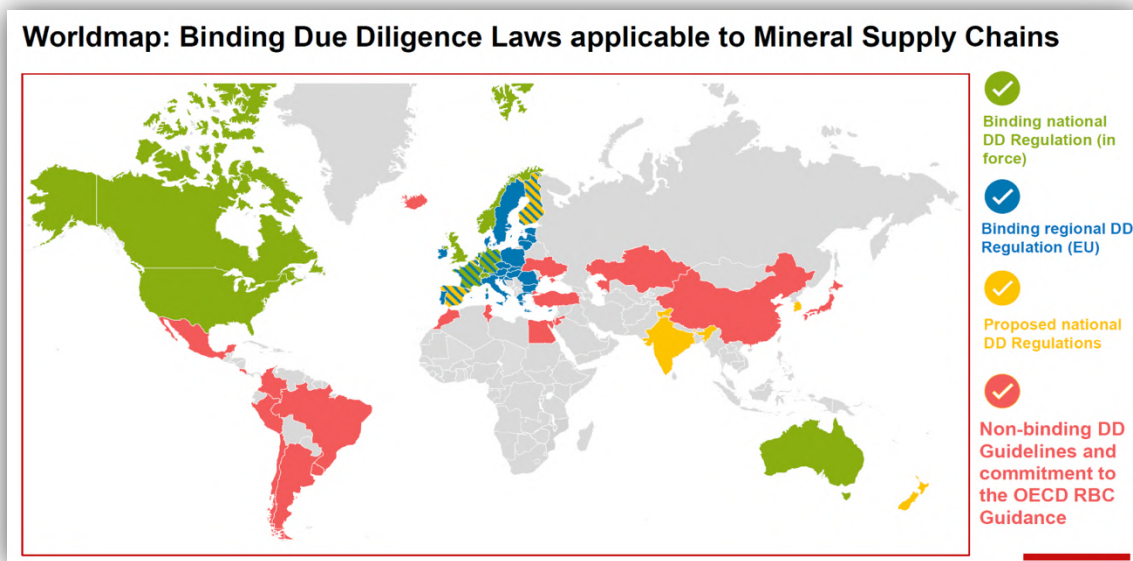


Figure 3: Map of HRDD Regulations as of June 2024

It is important to remember that mining companies may also be exposed to legislative requirements beyond their home country, in other jurisdictions via their investors, or downstream buyers who are required to report and perform due diligence on their own supply chains. Therefore, companies should not only be aware of the minimal legal requirements applicable to their country base of operations but also proactively integrate due diligence to meet the needs of more comprehensive laws. This approach ensures compliance with current regulations and prepares them for future legislative requirements.

The primary challenge with most current HRDD regulations is the overly broad nature of the due diligence processes described in law. For example, companies based in the countries like the UK, Australia, and Canada have to create annual statements detailing their HRDD efforts but what must be included in those statements still remains relatively open-ended.

⁵ Government of Canada, Online Questionnaire, 2024, <https://www.publicsafety.gc.ca/cnt/cntrng-crm/frcd-lbr-cndn-sply-chns/sbmt-rprt-en.aspx#a1>

⁶ European Parliament, *Corporate Sustainability Due Diligence*. First part of text, paragraph.19, April 2024, https://www.europarl.europa.eu/doceo/document/TA-9-2024-0329_EN.html#ref_2_2.

As previously mentioned, Canada’s legislation goes further by requiring companies to answer a questionnaire in addition to providing a statement. However, even here, the questions are relatively broad and for example, prompt companies to give information on “What steps the entity has taken to prevent and reduce the risk that forced labour or child labour” with a lists of potential options, rather than asking what the company has done specifically for each of the listed steps. There is another question that asks companies to describe additional information on the company’s policies and due diligence process, but this is open ended.⁷

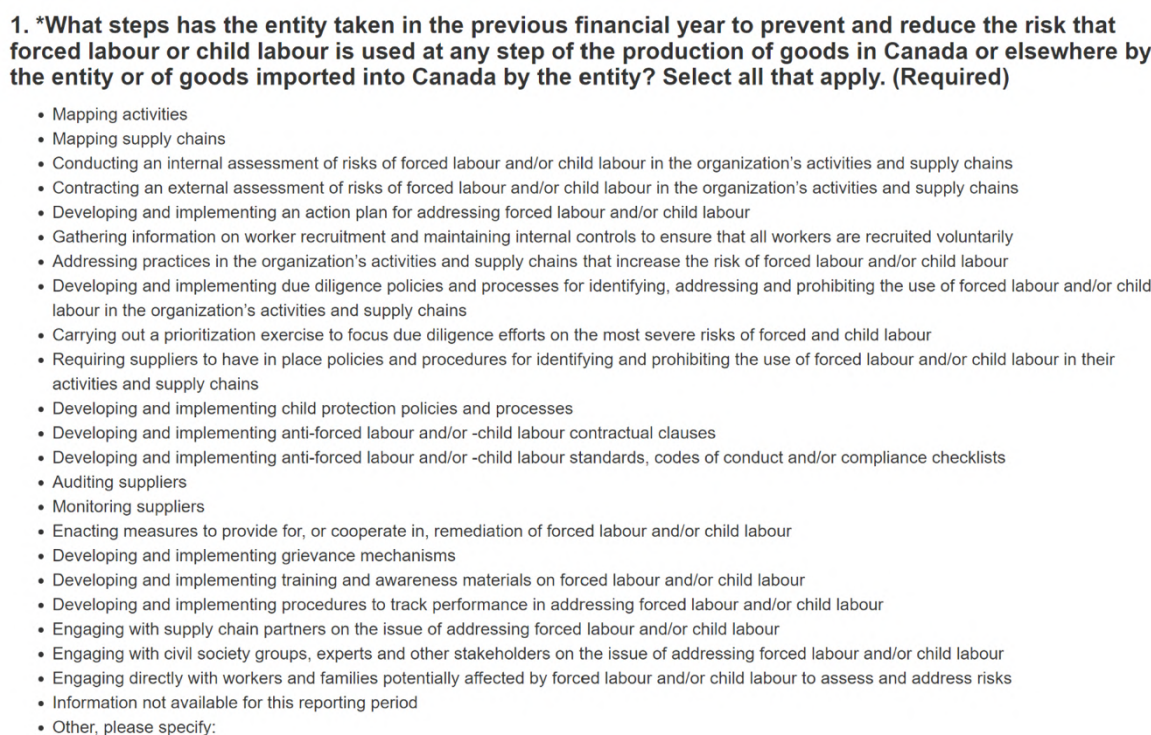


Figure 4: Excerpt from Canadian Questionnaire for the Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff⁸

As such, in Canada and elsewhere mining companies may be in full compliance with HRDD reporting requirements, without providing in-depth, standardised information on how their HRDD processes work in practice. The lack of required depth means that many companies may overlook crucial elements of HRDD best practices, and the lack of standardisation means companies may face difficulty in comparing their practices to peer companies. This makes benchmarking performance – a crucial step in formulating new strategies and policies – a cumbersome and time-consuming process.

To support companies further to fulfil reporting obligations some countries, such as the UK, have published guidance containing examples of the types of information companies could include in their

⁷ Government of Canada, Online Questionnaire, 2024, <https://www.publicsafety.gc.ca/cnt/cntrng-crm/frcd-lbr-cndn-sply-chns/sbmt-rprt-en.aspx#a1>

⁸ Government of Canada, Online Questionnaire, 2024, <https://www.publicsafety.gc.ca/cnt/cntrng-crm/frcd-lbr-cndn-sply-chns/sbmt-rprt-en.aspx#a1>

report.⁹ Providing additional guidance alone, however, may not drive performance, given that a company can still choose how much detail to provide, and the country-specific guidance will not likely have been made based on the HRDD regulations of other countries.

A good example of this lack of consistency that results from existing laws can be seen in the difference between publicly available company statements. For example, Anglo American's 2022 Modern Slavery Statement, in line with both the Australia and UK legislation, provides a good example of a very comprehensive statement that is twenty-six pages long and covers targets against progress, relevant policies and actions for implementation, its "Responsible Sourcing Standard for Suppliers," and outlines procurement risks.¹⁰ In contrast, there are several other UK-based mining companies whose statements are considerably shorter and provide far less detail regarding their HRDD practices, suggesting they have not implemented as many back-end processes as Anglo American.

▸ Increasing Attention to HRDD in Standards

In the absence of, and in addition to the passing of new legislation, several standards have been created or updated since 2017, to guide companies toward assessing their HRDD risks. To an extent, these standards have been effective in creating industry-wide expectations for how HRDD should be integrated into company supply chain policy and processes and generally provide more detailed guidance compared to much of the legislation. Commonly used standards, such as the International Council on Mining and Metals (ICMM), Copper Mark, and Initiative for Responsible Mining Assurance (IRMA), apply exclusively to the mining sector. Widely adopted reporting standards, such as the Global Reporting Initiative (GRI), provide further guidance to all industries and remain useful due to their detailed supply chain guidance and wide adoption.

Voluntary sustainability standards do play an important role in guiding company behaviour, and in many cases aspects of such standards become codified in hard law. Sustainability standards tend to have more impact when member bodies require standards to be used among their company membership, and when external assurance is required. However, critics of such standards argue that ultimately full adherence to these standards is not legally enforceable, and the multitude of standards – with different requirements ranging in granularity – means that there is not necessarily a common set of practices within the mining sector.

⁹ Government of the United Kingdom, *Transparency in Supply Chains etc. A practical guide*, 2017
https://assets.publishing.service.gov.uk/media/61b7401d8fa8f5037778c389/Transparency_in_Supply_Chains_A_Practical_Guide_2017_final.pdf

¹⁰ Anglo American, *Modern Slavery Statement*, 2023
<https://www.angloamerican.com/~media/Files/A/Anglo-American-Group-v5/PLC/documents/modern-slavery-statement-2023.pdf>

HRDD in Procurement and the Consolidated Mine Standard Initiative¹¹

At the time of this guidance being published in June 2024, efforts are currently in place by the ICMM, MAC, World Gold Council and the Copper Mark, to consolidate their standards into one global standard. This initiative aims to streamline and harmonise various standards into a single, cohesive framework that can be universally adopted by the mining industry.

Should this effort to create a single standard be successful, the overall impact will almost certainly be to increase HRDD practice requirements for procurement across the companies using the current four frameworks. The effect of consolidating standards into one global standard will likely be to adopt more detailed processes for given topic, drawn from the various existing standards, rather than to default to the least comprehensive approach.

As such, because this guidance has been designed to meet the needs of all four of these standards, it is likely it will already be aligned with the Consolidated Mine Standard, if and when it is released. Affected companies will in most cases need to strengthen their HRDD processes, and improve their documentation and reporting practices, and the modules of this guidance will help them to do so.

▸ The Influence of ESG Rating Agencies

Another development since 2017 is the surge in influence of ESG rating agencies, including their ability to influence investor behaviour and access to capital. To some extent this has helped push mining companies to refine their HRDD practices and related disclosure to become more comprehensive as the questionnaires and evaluation criteria used by the rating agencies use questions much more detailed than the broad questions in HRDD legislation and most standards in use by the mining sector. In this regard ESG rating agency questionnaires have to some extent disaggregated components of HRDD practice during procurement in a similar manner to this guidance.

ESG rating agencies and their criteria also face significant limitations, however. One major drawback is that these criteria represent an underdeveloped form of soft law. They are not backed by stringent regulatory enforcement and often lack the specificity and adaptation needed for different industry sectors. The development of these criteria has frequently lacked comprehensive stakeholder consultation, leading to a one-size-fits-all approach that may not be applicable or effective across diverse sectors and contexts.

Moreover, there is a notable lack of transparency and accountability in how ESG ratings are determined and regulated. Although there has been some initial exploration into how to better regulate ESG rating agencies, these efforts have yet to culminate in robust mechanisms that ensure reliability and fairness in ESG assessments. The absence of stringent oversight and clear standards in the formulation and application of ESG criteria undermines their credibility and utility as tools for genuine improvement in corporate responsibility and ethical compliance.

¹¹ Consolidated Mining Initiative, 2024, <https://miningstandardinitiative.org/>

Crucially, the rating criteria and questionnaires from ESG ratings are generally not in the public domain. This means the specific components of HRDD practices in procurement are generally only available for mining companies who pay the ESG rating agency for their services. This results in mining companies, as well as other stakeholders, not seeing the specific components of HRDD processes contained in rating agency criteria.



2 - How the Guidance Works to Systematically Improve HRDD during Procurement

This guidance is designed to help mining companies create content on HRDD during the procurement of goods and services that accomplishes three objectives:

1. Satisfies all reporting-based HRDD legislation, and sets out all due diligence obligations for procurement in laws, standards and ESG rating criteria
2. Identifies HRDD practices for procurement that can be enhanced by introducing new processes or improving existing ones
3. Provides practical information to suppliers to support their efforts in supplying to mining companies

Each of these three objectives will now be explained in detail to help companies create the most business value using this guidance:

→ 1. Satisfies all reporting-based HRDD legislation, and sets out all due diligence obligations for procurement in laws, standards and ESG rating criteria

The content that results from mining companies using this guidance will satisfy the requirements of reporting-based HRDD legislation and standards and will outline the requirements of HRDD legislation, relevant sustainability standards, and ESG rating criteria that require companies to not only report but also fulfil due diligence obligations. In both cases, the focus of the guidance is *for the issue of HRDD during procurement of services*. The guidance has been created by drawing from the full breadth of HRDD legislation currently in place as of June 2024, as well as the main sustainability and reporting standards in use by the global mining sector. From these regulations and standards, all of the included components of HRDD in the procurement of goods and services have been compiled, and through a modular approach, information is requested for each component as part of this guidance. In the Annex for this guidance, all relevant language for each component of HRDD during procurement is provided so that the user can confirm the exact requirements for each practice across the legislation and standards.

Because this guidance draws from *all* of the most relevant regulations and standards that affect the mining sector, companies following this guidance will then necessarily be directed to go beyond their immediate requirements – the legislation they are subject to and use of particular standards – and drive best practice beyond the basic compliance.

For ESG rating agencies, the scoring criteria they use is generally not in the public domain. Through consultation with mining companies and consultants, however, questions and scoring criteria used by the most prominent ESG rating agencies were compiled in a similar manner to that for regulations and standards. Any components of HRDD in procurement have been incorporated into the reporting modules in this guidance, but the specific wording from the ESG rating agencies is not included in the Annex due to its proprietary nature.

Content created using this guidance does not satisfy disclosure requirements of HRDD laws and standards *outside procurement*, such as the use of forced labour in direct employment by a mining company. For this reason, this guidance uses the term “content” to refer to the material the user creates using it, and not “report,” “statement,” or other terms which imply a stand-alone document. Instead, the guidance provides content that can be drawn from and integrated into any required information-sharing format a mining company uses.

As an example, using this guidance will not create a full *modern slavery and human trafficking statement* to satisfy the needs of the UK’s *Modern Slavery Act*, but it will create a comprehensive section of *content* specifically on HRDD during procurement of goods and services that can be inserted into the full statement. Likewise, the human rights section of the World Gold Council’s Responsible Mining Principles (RGMPs) covers more than human rights during procurement of goods and services. Using the guidance will therefore create content that explains how the company manages HRDD during procurement to satisfy the requirements of the RGMPs – and in turn identifies areas for improvement – but the non-procurement relevant aspects of human rights will not be covered by the content.



Figure 5: Sharing methods for HRDD in procurement

The image above provides examples of how and where a company can share content regarding HRDD in procurement. Content can be used to satisfy legal reporting requirements; to enhance annual or periodic sustainability and ESG reports; to provide thorough responses to rating agency queries; to

address inquiries from investors, consumers, and other stakeholders effectively; to include information in supplier website sections and portals; and to enhance training material for suppliers.

▸ **Legislation and Standards Used to Create this Guidance**

The guidance includes laws and acts from different countries that mandate reporting and due diligence, aiming to improve transparency and human rights conditions in supply chains. Here are key laws used:

Country	Original Name	Translated Name, if Applicable	Year Passed	Effective Date
Australia	Australia Modern Slavery Act		2018	01/01/2019
Canada	An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff		2023	11/05/2023
EU	Corporate Sustainability Due Diligence and amending Directive (EU) 2019/1937 (COM(2022)0071 – C9-0050/2022– 2022/0051(COD))		2024	25/07/2024
France	LOI no 2017-399 du 27 mars 2017 relative au devoir de vigilance des sociétés mères et des entreprises donneuses d’ordre (1)	French Corporate Duty of Vigilance Law	2017	27/03/2017
Germany	Gesetz über die unternehmerischen Sorgfaltspflichten zur Vermeidung von Menschenrechtsverletzungen in Lieferketten (Lieferkettensorgfaltspflichtengesetz – LkSG)	Act on Corporate Due Diligence Obligations for the Prevention of Human Rights Violations in Supply Chains	2021	16/07/2021

Norway	Forbrukertilsynet	Act relating to enterprises' transparency and work on fundamental human rights and decent working conditions (Transparency Act)	2021	01/07/2022
Switzerland	Ordonnance sur les devoirs de diligence et de transparence en matière de minerais et de métaux provenant de zones de conflit et en matière de travail des enfants (ODiTr)	Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour (DDTrO)	2021	03/12/2021
UK	UK Modern Day Slavery Act		2015	29/10/2015
United States (USA)	The Uyghur Forced Labor Prevention Act ¹²		2021	21/06/2022

Table 1: HRDD regulations used to create this guidance

For the creation of this guidance, documents like the United Nations Guiding Principles on Business and Human Rights (UNGPs) and International Labour Organization (ILO) conventions are addressed indirectly through various laws and standards. Many regulations draw directly from the language and principles established in these foundational documents, such as the ILO's Declaration on Fundamental Principles and Rights at Work and conventions on Freedom of Association (No. 87), Collective Bargaining (No. 98), Forced Labour (Nos. 29 and 105), Child Labour (Nos. 138 and 182), Fair Wages (No. 100), and Discrimination (No. 111). These conventions shape the wording and enforcement of laws, ensuring that fundamental labour rights and human rights are integrated into national regulations of the signing countries.

It is important to note that while the ILO conventions do not directly address companies, the UNGPs do set out requirements for companies. However, both sets of documents have been covered by

¹² "The Uyghur Forced Labor Prevention Act specifically addresses the importation of goods into the United States manufactured wholly or in part with forced labor in the People's Republic of China, especially from the Xinjiang Uyghur Autonomous Region, or Xinjiang. However, US company affected by the law have to provide information on their due diligence systems, and the components of these systems described in both the "U.S. Customs and Border Protection Operational Guidance For Importers, June 13, 2022", mirror those of HRDD legislation in other countries, and set a precedent for future US laws on HRDD that extend beyond products from China.

regulations indirectly, as they influence and inform the creation of binding legal obligations that signing governments must follow.

Then, the table below covers the primary sustainability and reporting standards that include HRDD, that were used for this guidance:

Name of the Institution that Created the Standard	Standard Name	Year Introduced or Last Updated
Global Sustainability Standards Board (GSSB)	GRI Standards <ul style="list-style-type: none"> • GRI 414_ Supplier Social Assessment 2016 • GRI 407_ Freedom of Association and Collective Bargaining 2016 • GRI 408_ Child Labor 2016 • GRI 409_ Forced or Compulsory Labor 2016 • GRI 14_ Mining Sector 2024 	2016 and 2024
IRMA	IRMA Standard for Responsible Mining Version 1.2	2018
International Council on Mining and Metals (ICMM)	ICMM Mining Principles	2023
Mining Association of Canada (MAC)	Towards Sustainable Mining (TSM) Prevention of Child and Forced Labour Protocol	2019
Responsible Minerals Initiative (RMI) and the Copper Mark	Risk Readiness Assessment (RRA) Criteria	2023
International Sustainability Standards Board (ISSB) /Sustainability Accounting Standards Board (SASB)	Metals and Mining Sustainability Accounting Standard	2023
World Gold Council	Responsible Gold Mining Principles (RGMPs)	2019

Table 2: Mining sector sustainability and reporting standards used to create this guidance

▸ Getting Ahead of Future Requirements and Stakeholder Demands

As explained above, this guidance is designed to create content that proactively addresses due diligence requirements and information requests beyond those the company is currently directly subject to, so that the company will be ready when new requirements are established. Information created will meet the need of, for example:

- Demands of investors that are based in countries with different legislation than the laws that the mining company is directly subject to. For example, if a UK-based mining company is seeking investment from a German-based investor that expects its investees to meet the needs of the German Due Diligence Act.
- Requirements of industry standards that the company may become subject to through their joining an industry association, or if requirements for the company’s membership in an industry association change as that association decides to harmonise its standards with others.¹³ For example, the World Gold Council’s current standard, the RGMPs, and the Responsible Mineral Initiative’s RRA both explicitly require its member companies to have a public supply chain policy, but the other industry organisation standards do not. Using this guidance creates reporting content compliant with all industry standards and sets out the actions required to implement all of them. In this case, an ICMM member company who fully follows the guidance would make its policy public and be ready should the ICMM fully align its standard with the other industry organisations who have this requirement.

In the future legislation, standards and ESG rating questions may become stricter, but this guidance has been designed to drive performance to cover all the bases so that a mining company can identify all potential areas of improvement, to chart a path to do one comprehensive improvement process now, rather than multiple smaller ones in the future.

→ 2. Identifies HRDD practices for procurement that can be enhanced by introducing new processes or improving existing ones

This guidance requests information from mining companies based on ideas from each relevant HRDD legislation and mining sector standard commonly used, and so between all these documents, virtually every accepted aspect of HRDD during procurement is covered. While being implicated by one piece of legislation, and using one sector standard will influence companies to take stock of, evaluate, and improve a handful of the practices that make up HRDD during procurement, by compiling all of the components of all the standards to make this guidance, users will necessarily find more areas of practice they can improve on.

Each reporting module in the guidance is broken into several components of HRDD practice, and for each component the user is guided to provide information on that aspect. In providing responses for each subcomponent, it will become clear to the user if they have gaps in their existing policies and procedures. A column for “Action Items Identified” is provided in the reporting modules, and their corresponding spreadsheet versions that accompany this guidance – allowing the user to compile a list of process improvements to make as a result of using the guidance.

¹³ At the time of publication of this guidance, the consolidated standard is in the process of consultation to stakeholders and experts. Nearly 30 MAC member facilities are participating, with verification results expected later in 2024. See here for further information: <https://www.globalminingreview.com/mining/27032024/the-mining-association-of-canada-and-the-copper-mark-collaborate/>.

As an example, for the subtopic: *Requirements and Incentives for Suppliers* in the module of *Risk assessment and mitigation*, a mining company subject to the UK Modern Slavery Act and that is a member company of the ICMM, would likely already have processes in place that outline expectations for suppliers regarding forced labour and child labour if they fully comply with both sets of legislation and guidance. However, other legislation and standards, as well as ESG rating criteria, demand more detailed information and robust processes than those two documents alone. Therefore, in the module, all the required components of “Requirements and Incentives for Suppliers” across all laws, standards and ESG criteria, are listed in the “Subtopic” column, inspiring the user to consider different aspects of the subtopic than they are currently may be.

Subtopic:	Company Statement:	Action Items:
<p><i>Requirements and Incentives for Suppliers:</i></p> <ul style="list-style-type: none"> • Explain any human rights policies that suppliers must put in place as a contractual condition, and if and how they vary across different types of suppliers. 	<p>Company A Response: Currently, our company does not have a formal requirement for suppliers to implement policies and procedures specifically targeting the identification and prohibition of forced labour and child labour within their operations and supply chains.</p>	<p>Develop Supplier Requirements: Establish and enforce a policy that mandates all suppliers to implement robust policies and procedures to identify and prevent forced labour and child labour.</p>

Table 3: Example of how reporting module inspires action items for improvements

In this case, the company would likely already have a practice in place for outlining expectations for suppliers but not necessarily require that suppliers implement specific anti-forced labour and anti-child labour policies. The resulting action item, therefore, would be to update the supplier requirements so that they include specific policies and procedures for identifying and prohibiting the use of forced labour and child labour. This demonstrates how using this guidance allows mining companies to get ahead of future requirements that will be placed on them from exposure to new legislation and standards.

→ 3. Provides practical information to suppliers to support their efforts in supplying to mining companies

Having access to practical information on HRDD during the procurement of goods and services is essential for current and potential suppliers to mining companies, as well as for institutions that support these businesses, such as chambers of commerce and government agencies. This guidance supports companies creating content to equip suppliers with the knowledge and tools they need to effectively meet the company's procurement requirements and HRDD standards.

Firstly, the guidance creates information for suppliers of the detail required to inform their actions. By disaggregating the practices of due diligence into granular subtopics, content created with this guidance helps demystify requirements for suppliers, enabling suppliers to understand and implement necessary processes efficiently. This clarity helps suppliers avoid the pitfalls of non-compliance and fosters a more transparent and responsible supply chain.

Secondly, providing information to the level of detail suggested by this guidance increases trust between current and potential suppliers, and mining companies. Company representatives can draw on the content created by this guidance to answer specific questions from current and potential suppliers, helping businesses feel they are encountering a more transparent procurement process. Procurement and community relations employees of mining companies can also reduce the time they spend answering similar questions from current and potential suppliers by providing the standardised content created by this guidance. This both increases efficiency but also reduces the risk that different suppliers receive different information – which itself can cause accusations of favouritism and even corruption.

Freeport-McMoRan, which reports in accordance with the Mining LPRM already, illustrates a leading example of the importance of accessible communication. By offering information into suppliers through their comprehensive supplier tab section in their website, Freeport-McMoRan ensures that all suppliers, regardless of their primary language (information is available in different languages) or location, can access and understand the necessary information to comply with HRDD standards. Their website is fully public, and this information is easily accessible without having to register for any kind of supplier registration system or portal.

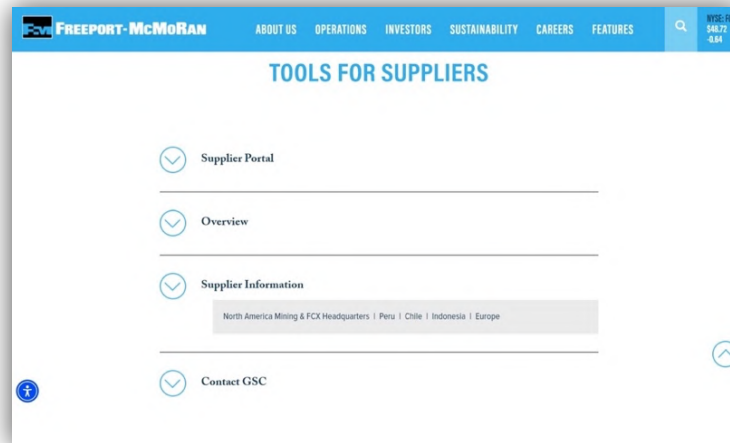


Figure 6: Freeport-McMoRan's website section for suppliers (as of June 2024)¹⁴

¹⁴ Freeport McMoran, *Tools for Suppliers*, June 2024, <https://fcx.com/suppliers/overview>

Additional direction on where and how mining companies can share the information created with this guidance will be provided in *Part 4 - Where and How to Share Information on HRDD in Procurement*. This section will help companies empower the widest range of stakeholders possible with their information on HRDD in procurement, and to create the most business value possible.

Who is this Guidance for? And the Modular Approach Explained.

▸ Who is this Guidance for?

This guidance is targeted at companies in the mining sector, engaged in any part of the mining life cycle (see box below), as well as consultants and other relevant partners they work with on HRDD practices, reporting, and other communications. It also can be used by engineering, procurement and construction (EPC), engineering, procurement and construction management (EPCM), and other major service providers in their own activities contracted by mining companies. During development of mines especially, outside service providers can carry out most procurement spending for a given asset, and so their activities require a similar level of due diligence.

What is a “mining company” in this guidance?

This guidance will refer to “mining” companies throughout the document, but the term is meant to be all inclusive of any company that is engaged in the mining life cycle – exploration, development, production, and closure. Companies operating at all stages of the mining life cycle procure goods and services and are subject to the same kinds of regulations and standards.

This guidance can also be used by investors, civil society organisations, and other actors seeking to understand how a given mining company manages HRDD during procurement. The comprehensive nature of this guidance, with its detailed modules that disaggregate all the components of HRDD practice, allows these stakeholders to ask specific questions to mining companies, facilitating better transparency and accountability.

- **Informing questions to mining companies:** Stakeholders can use the modules and their subtopics to frame questions regarding a mining company's HRDD practices during procurement. The Annex also provides the specific language from each regulation and standard, allowing these actors to cite multiple relevant documents quickly.
- **Comparison and benchmarking:** By using the modules, stakeholders can compare the HRDD practices of different mining companies. This comparative analysis helps stakeholders identify best practices and areas for improvement from peer companies, as well as case study material. This benchmarking can highlight leaders in the industry, but also identify companies that may need to enhance their HRDD processes for procurement.
- **Sector alignment:** Mining industry associations and other industry actors can use the modules to explore the potential for alignment across member companies across various components of HRDD during procurement.

► How the Modules Work

The guidance is divided into five modules, each covering the main aspects of HRDD practice for procurement that companies need to address. These modules ensure comprehensive coverage of all elements of HRDD processes for the procurement of goods and services, drawn from the relevant regulations, standards, and ESG criteria. Companies can use the modules to explain their approach to all the components of each module, and then use the responses across various required reporting and information sharing to stakeholders. Providing information on each component then acts as a self-assessment and gap analysis for the company's HRDD practices in procurement, to guide them to be compliant with all laws and standards.

The five modules are:

1. **Policies** - This module focuses on the need for companies to describe their HRDD-related policies and commitments. It ensures companies have explicit, documented processes rather than high-level commitments alone.
1. **Governance and accountability** - This module covers the requirements for companies to describe their governance structures and supply chains, as well as who in the company is provided training on HRDD practices during procurement.
2. **Risk assessment and mitigation measures** - This module requires companies to explain how they identify, assess, and address human rights risks in their supply chains, as well as the various processes they have in place to mitigate those risks.
3. **Grievance mechanisms and remediation** - This module outlines how companies provide complaints processes regarding human rights risks and violations in suppliers, and how the company provides remediation when risks and violations are found.
4. **Monitoring** - This module outlines how companies monitor and evaluate the effectiveness of their HRDD practices in procurement.

Each module consists of:

- **Theme overview:** This section explains why the subtopics were chosen and where in the legislation, standards, or ESG rating criteria they are specifically mentioned.
- **Reporting module:** This section includes a detailed reporting table that requests information that covers all the requirements of legislation, standards, and ESG rating criteria. The tables in this guidance document are supplemented by spreadsheet versions, allowing mining companies to fill in content.
- **Annex material:** For a more comprehensive understanding, each module has a corresponding annex section where every specific clause related to the requirements is listed. This ensures that companies can cross-reference their reporting with the exact legal and regulatory demands, guaranteeing that no aspect of HRDD reporting is overlooked.



3 - The Guidance

Module 1: Policies

Theme Overview:

Legislation, standards, and ESG rating criteria are for the most part aligned on the need for companies to describe their policies for how they conduct due diligence with suppliers for the various components of human rights. The common theme among these documents is that there must be actual policies in place that explicitly cover HRDD during procurement (and other aspects of business activities for that matter), and not simply “established practices” and other high-level commitments that lack documented processes that management and employees must follow.

In legislation, across all the existing HRDD laws, companies are intended to explain, or put in place and report on their “policy” or “policies,” except the EU CSDDD which goes further and specifically asks for a “policy” but that this policy also must include a “code of conduct.”¹⁵ For mining sector sustainability standards, all the standards refer to “policy” or “policies.” However, for the reporting standards, the GRI asks the company to describe its “policies or commitments regarding the material topic,”¹⁶ while the SASB/ISSB only asks the company to explain its “due diligence practices and procedures.”¹⁷ Below is a table showing how HRDD policies are covered across many of the current national laws in effect:

Country	HRDD Legislation Wording for Policy
Australia	Section 16, Part 1 (g) describe the actions taken by the reporting entity and any entity that the reporting entity owns or controls, to assess and address those risks, including due diligence and remediation processes; and

¹⁵ European Parliament, *Corporate Sustainability Due Diligence (CSDDD)*, article 7, section 2 (a) (b), 2024, https://www.europarl.europa.eu/doceo/document/TA-9-2024-0329_EN.html#ref_2_2

¹⁶ Global Reporting Initiative Standards (GRI), GRI 3: Material Topics 2021, Disclosure 3-3 Management of material topics, p.19, 2021, <https://www.globalreporting.org/how-to-use-the-gri-standards/gri-standards-english-language/>

¹⁷ International Sustainability Standards Board (ISSB), Mining and Metals Sustainability Accounting Standard, topic Security, Human Rights & Rights of Indigenous Peoples, Metric EM-MM-210a.3., p. 32, December 2023, <https://sasb.ifrs.org/standards/download/>

	Example: For paragraph (g), actions taken by an entity may include the development of policies and processes to address modern slavery risks and providing training for staff about modern slavery. ¹⁸
Canada	Section 11 (3) The report must also include the following information in respect of each entity subject to the report: (b) its policies and its due diligence processes in relation to forced labour and child labour; ¹⁹
EU	Article 5 (1) Member States shall ensure that companies conduct <i>risk-based</i> human rights and environmental due diligence as laid down in Articles 7 to 16 ('due diligence') by carrying out the following actions: (a) integrating due diligence into their policies <i>and risk management systems</i> in accordance with Article 7; ²⁰ Article 7 (2) The due diligence policy referred to in paragraph 1 shall be developed in prior consultation with the company's employees and their representatives, and contain all of the following: (a) a description of the company's approach, including in the long term, to due diligence; (b) a code of conduct describing rules and principles to be followed throughout the company and its subsidiaries, and the company's direct or indirect business partners in accordance with Article 10(2), point (b), Article 10(4), Article 11(3), point (c), or Article 11(5); ²¹
Germany	Section 6 Preventive measures (2) The enterprise must issue a policy statement on its human rights strategy. ²²
Norway	Section 4 The enterprises shall carry out due diligence in accordance with the OECD Guidelines for Multinational Enterprises. For the purposes of this Act, due diligence means to

¹⁸ Australia, *Australia Modern Slavery Act, No.153, 2018*, part 2, Article 16, section 1(g), 2018

¹⁹ Canada, *An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff, BILL S-211*, Part 2 Reporting Obligation-Entities, Annual Report, section 11, part 3 (b), 2023, <https://laws.justice.gc.ca/eng/acts/F-10.6/page-1.html>

²⁰ European Parliament, *Corporate Sustainability Due Diligence (CSDDD)*, article 7, section 2 (a) (b), 2024, https://www.europarl.europa.eu/doceo/document/TA-9-2024-0329_EN.html#ref_2_2

²¹ *Ibid.* article 5, section 1 (a), 2024,

²² Federal Ministry of Labour and Social Affairs, *Act on Corporate Due Diligence Obligations in Supply Chains*, article 1, division 2, section 6, part 2, p.8, 2021, <https://www.bmas.de/EN/Services/Press/recent-publications/2021/act-on-corporate-due-diligence-in-supply-chains.html>

	a) embed responsible business conduct into the enterprise’s policies. ²³
UK	Article 54 (5) An organisation’s slavery and human trafficking statement may include information about— (b) its policies in relation to slavery and human trafficking; ²⁴

Table 4: Example of coverage of policies in HRDD laws

Where there is less alignment among regulations, standards and ESG rating criteria is the dissemination and public availability of the policies where HRDD in procurement is covered. While none of the legislation requires or suggests how the relevant policy is shared, there is more direction in some of the standards. For example, the World Gold Council RGMPs require that members have a supply chain policy that covers due diligence, and that this policy is published publicly.²⁵ Likewise, the Responsible Mineral Initiative’s RRA requires that “Sites adopt and disseminate a policy or policies on ESG issues associated with the Site’s supply chains” and that “the policy is publicly available and communicated internally and externally and proactively shared with relevant stakeholders.”²⁶

Some of these documents also ask for more specific information on how these policies are created and managed, such as what level of management has been involved in creating and approving the documents, and how often they are updated. The EU CSDDD for example states that “Member States shall ensure that companies update their due diligence policies without undue delay after a significant change occurs, and review and, where necessary, update such policies at least every 24 months.”²⁷ Furthermore the RRA standard also explicitly mandates the policy must be periodically reviewed.²⁸

Reporting Module:

Based on all potential components of policies in current legislation, standards and ESG rating criteria, below is the reporting module:

²³ Norway, *Act relating to enterprises’ transparency and work on fundamental human rights and decent working conditions (Transparency Act)*, section 4 (a), p.2, 2021, <https://www.regjeringen.no/contentassets/c33c3faf340441faa7388331a735f9d9/transparency-act-english-translation.pdf>

²⁴ United Kingdom, *Modern Slavery Act 2015*, part 6: Transparency in supply chains etc, article 54, section 5 (b), p.52, 2015, <https://www.legislation.gov.uk/ukpga/2015/30/part/6>

²⁵ World Gold Council, *Responsible Gold Mining Principles*, section c: The responsible gold mining principles, principle 3.1, p.5, 2019 <https://www.gold.org/industry-standards/responsible-gold-mining>

²⁶ Responsible Minerals Initiative (RMI) & The Copper Mark, *Risk Readiness Assessment*, Criterion 10: Responsible supply chains, I. Implementation, b. Part 1: Core requirements, p. 65, 2023, [https://www.responsiblemineralsinitiative.org/minerals-due-diligence/risk-management/risk-readiness-assessment-\(rra\)/](https://www.responsiblemineralsinitiative.org/minerals-due-diligence/risk-management/risk-readiness-assessment-(rra)/)

²⁷ European Parliament, *Corporate Sustainability Due Diligence (CSDDD)*, article 7, paragraph 3, 2024, https://www.europarl.europa.eu/doceo/document/TA-9-2024-0329_EN.html#ref_2_2

²⁸ Responsible Minerals Initiative (RMI) & The Copper Mark, *Risk Readiness Assessment*, Criterion 10: Responsible supply chains, I. Implementation, b. Part 1: Core requirements, p. 63, 2023, [https://www.responsiblemineralsinitiative.org/minerals-due-diligence/risk-management/risk-readiness-assessment-\(rra\)/](https://www.responsiblemineralsinitiative.org/minerals-due-diligence/risk-management/risk-readiness-assessment-(rra)/)

Policies		
Subtopic	Statement on existing practice	Action items identified
<p><i>Nature of policies on HRDD in procurement:</i></p> <ul style="list-style-type: none"> • Explain in what policy documents is HRDD during the procurement of goods and services included, such as a: <ul style="list-style-type: none"> ○ Human rights policy ○ Business Code of Conduct ○ Supplier Code of Conduct • Explain which policy documents apply to what different types of internal and external stakeholders. • Describe the scope coverage of the policy documents in terms of supplier practices: child labour, forced labour, freedom of association, collective bargaining, elimination of excessive working hours, minimum wage, discrimination, and harassment. • Explain how employees and their representatives were consulted in the creation of policy documents pertaining to HRDD in procurement. • Describe how the company actively monitors and audits internal compliance with policy documents on HRDD in procurement. • Explain any involvement with experts, relevant institutions, and other partners in informing the company’s HRDD policy documents for the procurement of goods and services. 		
<p><i>Management approval for policies on HRDD in procurement:</i></p> <ul style="list-style-type: none"> • Explain what level of management has approved the policy documents that include HRDD during procurement. 		
<p><i>Updates of the policy:</i></p> <ul style="list-style-type: none"> • Explain how the relevant policy documents are periodically reviewed and updated, the frequency of updates, and 		

<p>what internal and external stakeholders are involved in the review process.</p>		
<p><i>Public communications of policies on HRDD in procurement:</i></p> <ul style="list-style-type: none"> • Explain all places where policies that include HRDD during procurement are publicly available. • Explain how policies that include HRDD in procurement are communicated to suppliers, and if this communication differs across different types of suppliers. • Explain how the policies have been communicated to personnel. • Explain other relevant external stakeholders that the policy documents have been communicated to and how, including how the documents are both accessible and understandable. • Explain the extent that policy documents that include HRDD in procurement have been translated into relevant languages. 		

Module 2: Supply Chain Structure and Due Diligence Management and Accountability

Theme Overview:

This module focuses on how businesses relate to their suppliers, who is responsible for managing HRDD, and the internal training provided to ensure compliance.

Several, but not all the existing HRDD laws require companies to describe the nature of their supply chains as an initial step. The Australian regulations require companies to “describe the structure, operations, and supply chains of the reporting entity.”²⁹ Similarly, the Canadian Act mandates that reports include the company’s “structure, activities, and supply chains.”³⁰ As part of fulfilling due diligence obligations the EU CSDDD requires companies to specifically map their operations and those of their subsidiaries and business partners to identify where adverse impacts are most likely to occur.³¹ The table below provides the language from a selection of the existing HRDD laws currently in existence:

²⁹ Australia, *Australia Modern Slavery Act, No.153, 2018*, part 2, section 1(b), 2018, <https://www.legislation.gov.au/C2018A00153/latest/text>

³⁰ Canada, *An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff, BILL S-211*, part 2: Reporting Obligation-Entities, Annual Report, section 11, part 3 (a), 2023, <https://laws.justice.gc.ca/eng/acts/F-10.6/page-1.html>

³¹ European Parliament, *Corporate Sustainability Due Diligence (CSDDD)*, article 8, section 2 (a), 2023, https://www.europarl.europa.eu/doceo/document/TA-9-2024-0329_EN.html#ref_2_2

Country	HRDD Legislation Structure of the Companies' Upstream Supply Chains
Australia	Article 16, Section 1 (b) describe the structure, operations and supply chains of the reporting entity; ³²
Canada	Section 11 (3) The report must also include the following information in respect of each entity subject to the report: (a) its structure, activities and supply chains; ³³
EU	Article 8 (2) As part of the obligation set out in paragraph 1, taking into account relevant risk factors, companies shall take appropriate measures to: (a) map their own operations, those of their subsidiaries and, where related to their chains of activities, those of their business partners ³⁴
Norway	Section 5 The enterprises shall publish an account of due diligence pursuant to Section 4. The account shall at least include: (a) a general description of the enterprise's structure, area of operations, guidelines and procedures for handling actual and potential adverse impacts on fundamental human rights and decent working conditions. ³⁵
UK	Article 8 (5) An organisation's slavery and human trafficking statement may include information about— a) the organisation's structure, its business and its supply chains; ³⁶

Table 5: Example of coverage of the structure of company supply chains in HRDD laws

³² Australia, *Australia Modern Slavery Act, No.153, 2018*, part 2, Article 16, section 1(b), 2018

³³ Canada, *An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff, BILL S-211*, part 2: Reporting Obligation-Entities, Annual Report, section 11, part 3 (a), 2023, <https://housing-infrastructure.canada.ca/pub/forced-labour-act-loi-travail-force/flcl-tfte-2023-24-eng.html>

³⁴ European Parliament, *Corporate Sustainability Due Diligence (CSDDD)*, article 8, section 2 (a), 2023, https://www.europarl.europa.eu/doceo/document/TA-9-2024-0329_EN.html#ref_2_2

³⁵ Norway, *Act relating to enterprises' transparency and work on fundamental human rights and decent working conditions (Transparency Act)*, section 5 (a), p.2, 2021, <https://www.regjeringen.no/contentassets/c33c3faf340441faa7388331a735f9d9/transparency-act-english-translation.pdf>

³⁶ United Kingdom, *Modern Slavery Act 2015*, part 6: Transparency in supply chains etc, article 8, section 5 (a), p.52, 2015, <https://www.legislation.gov.uk/ukpga/2015/30/part/6>

Designation of who is responsible for HRDD is also a subtopic included in this module, as multiple regulations and standards require companies to clearly state who is responsible for these practices. The German Act on Corporate Due Diligence Obligations for example specifies that enterprises must designate a responsible person or persons within the enterprise to oversee human rights risk management and that senior management must be regularly informed about the work of these responsible persons.³⁷ The IRMA Standard also requires that the company’s human rights policy must be approved by the most senior level of management.³⁸

Finally, how training of management and staff on HRDD policies is carried out within a company is also part of several regulations and standards. The Canadian law requires companies to report on “the training provided to employees on forced labour and child labour.”³⁹ The German Act specifically mandates that enterprises not only report on but deliver appropriate training in relevant business areas. The UK Modern Slavery Act includes the option to report on “training about slavery and human trafficking available to its staff.”⁴⁰ Finally, ESG rating agencies also inquire whether companies provide training on human trafficking and slavery to employees and management responsible for supply chain management.

Reporting Module:

Based on all potential components of supply chain structure and due diligence management and accountability in current legislation, ESG rating criteria and relevant standards, below is the reporting module:

Supply Chain Structure and Due Diligence Management and Accountability		
Subtopic	Statement	Action items Identified
<p><i>Structure of the company’s upstream supply chains:</i></p> <ul style="list-style-type: none"> Describe the company’s legal structure and subsidiaries. Describe where the mining company operates, including the location of sites and company-operated processing facilities at different stages of the mining life cycle, distinct processing facilities, corporate offices, and other offices. Provide the number of suppliers the mining company uses and which countries they are based in. 		

³⁷ Federal Ministry of Labour and Social Affairs. *Act on Corporate Due Diligence Obligations in Supply Chains*, article 1, division 2, section 4 (3), p.7, 2021 <https://www.bmas.de/EN/Services/Press/recent-publications/2021/act-on-corporate-due-diligence-in-supply-chains.html>

³⁸ IRMA, IRMA Standard for Responsible Mining, chapter 1.3, section 1.3.1.2, p.26, 2018, https://responsiblemining.net/wp-content/uploads/2018/07/IRMA_STANDARD_v.1.0_FINAL_2018-1.pdf

³⁹ Canada, An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff, BILL S-211, Part 2 Reporting Obligation-Entities, Annual Report, s11, article (3), s(f), 2023.

⁴⁰ United Kingdom, Modern Slavery Act 2015, chapter 30, part 6 Transparency in supply chains etc, article 54, s5 (a) and (f), p.2, 2015.

<p><i>Management of supplier HRDD procurement:</i></p> <ul style="list-style-type: none"> • Explain which people or departments are responsible for creating the policies and processes for HRDD in procurement. • Detail which departments and people administer these policies and processes. • Describe how senior management is involved in the creation and execution of these policies and processes. 		
<p><i>Internal access and training:</i></p> <ul style="list-style-type: none"> • Describe who receives training on HRDD in procurement, and the nature of training for different employee types. • Explain where training materials for HRDD in procurement are available, and who has access to them. 		

Module 3: Risk Assessment and Mitigation

Theme Overview:

Legislation, mining sector standards, and ESG rating criteria all require companies to either report on processes and programmes to identify risks of human rights abuses in their supply chains, or to actually implement specific risk assessment and mitigation processes and programmes. Although there is little outright conflict or contradiction among these requirements, some demand a more specific approach, and the detail required by legislation varies. Most of the practices covered by ESG rating criteria are also covered by legislation and standards, but a small number of unique requirements not covered have been flagged within the section. Despite differences among legislation, global standards, and ESG criteria, the main common themes include:

- Setting up a risk management system for human rights in suppliers
- Assessing human rights risks in suppliers
- HRDD in contractual clauses
- Auditing suppliers
- Capacity-building for suppliers
- Private providers of security
- Tier 2 and further upstream suppliers

To differing degrees, all of the HRDD laws emphasise the need for companies to identify and put measures in place to manage operational and supply chain due diligence risks either through reporting requirements requiring companies to detail measures in place to assess and mitigate risks, or through the requirement to actually implement specific measure to address and mitigate risks. In the case of the Canadian Act, it goes beyond open-ended reporting requirements like those of the UK and Australia, and it includes a comprehensive questionnaire for companies, asking for more details on specific company practices. For example, the questionnaire asks if they "conduct an internal assessment of risks in the

organization's activities and supply chains including in its business partners and subsidiaries," and also if they contract an external assessment of those same risks. It further emphasises "carrying out a prioritization exercise to focus due diligence efforts on the most severe risks," ensuring that the most critical issues are addressed first.⁴¹

According to German law, to fulfil due diligence obligations when it comes to risk assessment and mitigation companies must establish a risk management system – or “action plan” as it is referred to in some of the laws. Within this system consideration should be given to the interests of all stakeholders, explicitly including employees and those affected by the company's economic activities within its supply chains. The law specifies that "in establishing and implementing its risk management system, the enterprise must give due consideration to the interests of its employees, employees within its supply chains, and those who may otherwise be directly affected in a protected legal position by the economic activities of the enterprise or by the economic activities of an enterprise in its supply chains."⁴² Language in other laws and standards provide similar language. The EU CSDDD law for example, requires that companies take appropriate measures where relevant, to develop and implement preventative action plans to address adverse impacts in companies supply chains and these should contain clearly defined timelines as well as qualitative and quantitative indicators that can be used to measure improvement; and that companies may develop their action plans in cooperation with industry or multi-stakeholder initiatives.⁴³

For ways in which companies assess suppliers for human rights risks, the wording of different laws and standards varies but is united by the different processes that are required to be reported on and/or implemented. This is one subtopic where ESG rating agencies in some cases specifically ask for companies to use supplier questionnaires as part of their assessment, and this practice is not included in any of the laws or standards.

Some of the laws and standards go further and require HRDD to be enshrined in the contracts between companies and their suppliers. Standards like the GRI ask companies to report on how expectations are established and defined in contracts with suppliers, and this includes targets and objectives.⁴⁴ The CSDDD, requires that companies shall be required to take the following measure, where relevant to, “seek contractual assurances from a direct business partner that it will ensure compliance with the company’s code of conduct ... including by establishing corresponding contractual assurances from its partners, to the extent that their activities are part of the company’s chain of activities; when such contractual assurances are obtained.”⁴⁵ In the German law contractual assurances measures include putting in place preventative measures from suppliers through “contractual assurance with direct suppliers that it will comply with the human rights-related and environment-related expectations required by the enterprise’s senior management and appropriately address them along the supply chain.”⁴⁶

⁴¹ Government of Canada, *Online Questionnaire*, 2024, <https://www.publicsafety.gc.ca/cnt/cntrng-crm/frcd-lbr-cndn-sply-chns/sbmt-rprt-en.aspx#a1>

⁴² Ministry of Labour and Social Affairs, *Act on Corporate Due Diligence Obligations in Supply Chains*, article 1, division 2, section 4 (4), p. 7, 2021, <https://www.bmas.de/EN/Services/Press/recent-publications/2021/act-on-corporate-due-diligence-in-supply-chains.html>

⁴³ European Parliament, *Corporate Sustainability Due Diligence*, article 10, paragraph 2 (a), 2024, https://www.europarl.europa.eu/doceo/document/TA-9-2024-0329_EN.html#ref_2_2

⁴⁴ Global Reporting Initiative, *GRI 414 Supplier Social Assessment*, 1. Topic management disclosures, p.7.2016, <https://www.globalreporting.org/search/?query=supplier+assessment+>

⁴⁵ European Parliament, *Corporate Sustainability Due Diligence*, article 10, paragraph 2 (b), 2024, https://www.europarl.europa.eu/doceo/document/TA-9-2024-0329_EN.html#ref_2_2

⁴⁶ Federal Ministry of Labour and Social Affairs, *Act on Corporate Due Diligence Obligations in Supply Chains*, article 1, division 2, section 6, part 4 (2), p. 8, 2021 <https://www.bmas.de/EN/Services/Press/recent-publications/2021/act-on-corporate-due-diligence-in-supply-chains.html>

Similarly, it is crucial not only to establish contractual obligations but also to verify supplier compliance. For instance, the CSDDD highlights that companies should accompany contractual assurance with verification of compliance, and this may be done through independent third-party verification, and through industry or multi-stakeholder initiatives.⁴⁷

As part of a deeper form of verification, in general, standards and ESG rating agencies highlight the importance of supplier audits and details around the audit process. For example:

Standard	HRDD Wording for Auditing Suppliers
Global Reporting Initiative	1. Topic Management Disclosures Reporting organisation can also disclose the type, system, scope, and frequency of assessments, as well as the parts of the supply chain that have been certified and audited. ⁴⁸
Guidance on Implementing the World Gold Council’s Responsible Gold Mining Principles	Section 3.1 For monitoring of existing suppliers, perform periodic risk-based supplier audits, either by the company’s internal auditors or an independent auditing firm, and set up periodic meetings with suppliers/contractors to discuss performance. ⁴⁹
ESG Rating Agencies	<p>“Does the company disclose the priority non-conformance rate and associated corrective action rate for suppliers’ compliance with its Business Ethics Policy or Code of Conduct?”</p> <p>“What is the company's percentage of suppliers audited for compliance with its Vendor or Supplier Code of Conduct, or its Business Ethics Policy or Code of Conduct?”</p> <p>“Does the company disclose an audit program to evaluate its suppliers’ performance in the area of human rights (including human trafficking and slavery)?”</p>

Table 6: Example of coverage of auditing suppliers in standards

The more in-depth laws not only cover how to ensure risks are mitigated with direct suppliers but also require that companies take additional steps towards assessing risks of indirect suppliers, for example, suppliers of suppliers. According to the German law, “in cases where an enterprise has structured a direct supplier relationship in an improper manner or has engaged in a transaction in order to circumvent the due diligence obligations with regard to the direct supplier, an indirect supplier is

⁴⁷ European Parliament, *Corporate Sustainability Due Diligence*, article 11, paragraph 6, 2024, https://www.europarl.europa.eu/doceo/document/TA-9-2024-0329_EN.html#ref_2_2

⁴⁸ Global Reporting Initiative, *GRI 414_ Supplier Social Assessment 2016*, 1. Topic management disclosures, p.7, 2016. <https://www.globalreporting.org/search/?query=GRI+414>

⁴⁹ World Gold Council, *Guidance on implementing and assuring the RGMPs Supplement to the Assurance Framework*, section 3.1, p.9, 2019, <https://www.gold.org/industry-standards/responsible-gold-mining>

deemed to be a direct supplier.”⁵⁰ Regarding a violation of indirect suppliers “enterprises must lay down appropriate preventive measures vis-à-vis the party responsible, such as the implementation of control measures, support in the prevention and avoidance of a risk or the implementation of sector-specific or cross-sector initiatives to which the enterprise is a party.”⁵¹ The CSDDD, also extends the concept of contractual assurance to indirect suppliers “a company may seek contractual assurances from an indirect business partner, with a view to achieving compliance with the company’s code of conduct or a prevention action plan.”

Finally, beyond ensuring HRDD compliance by suppliers, several laws and standards require companies to train to either report on or implement training for supplier businesses on how to avoid HRDD risks within their supply chains as a key aspect of risk mitigation.

The following examples illustrate how text regarding training for suppliers appears in legislation:

Country	HRDD Legislation Wording for Capacity-Building for Suppliers
Germany	Section 6, Part 4 (3) To support direct suppliers to implement their contractual assurance to comply with human rights-related and environment-related expectations must provide the implementation of initial and further training measures to implement the contractual assurances made by the direct supplier. ⁵²
EU	Paragraph 54 Companies should also provide targeted and proportionate support for an SME which is a business partner of the company, where necessary in light of the resources, knowledge and constraints of the SME, including by providing or enabling access to capacity-building, training or upgrading management systems. ⁵³
Canada (Questionnaire)	Annual Report, Reporting for entities (1) Training and awareness materials on forced labour and/or child labour. ⁵⁴

Table 7: Examples of coverage of capacity-building for suppliers in HRDD laws

⁵⁰ Federal Ministry of Labour and Social Affairs. *Act on Corporate Due Diligence Obligations in Supply Chains*, article 1, division 2, section 5 (1), p.7, 2021 <https://www.bmas.de/EN/Services/Press/recent-publications/2021/act-on-corporate-due-diligence-in-supply-chains.html>

⁵¹ *Ibid.*, section 3 (2), p.11, 2021

⁵² Federal Ministry of Labour and Social Affairs. *Act on Corporate Due Diligence Obligations in Supply Chains*. s6 (2-3), p.8, 2021 <https://www.bmas.de/EN/Services/Press/recent-publications/2021/act-on-corporate-due-diligence-in-supply-chains.html>

⁵³ European Parliament, *Corporate Sustainability Due Diligence*, s54, p.67. 146, https://www.europarl.europa.eu/doceo/document/TA-9-2024-0329_EN.html#ref_2_2

⁵⁴ Government of Canada, Online Questionnaire, 2024, <https://www.publicsafety.gc.ca/cnt/cntrng-crm/frcd-lbr-cndn-sply-chns/sbmt-rprt-en.aspx#a1>

Reporting Module:

Risk Assessment and Mitigation		
Subtopic	Statement	Action Items Identified
<p><i>Setting up a risk management system for human rights in suppliers</i></p> <ul style="list-style-type: none"> • Explain how the company sets up its risk management system (or action plan) for human rights in suppliers, including key steps involved, how roles and responsibilities are defined and communicated, and what criteria are used to allocate resources. • Explain how the risk management systems consider the interests of direct employees, and those in supplier businesses, owners of suppliers, and affected communities. • For processes not already in place, provide a layout of timelines for the implementation of appropriate measures as well as the introduction of qualitative and quantitative indicators that can be used to measure improvement. • Describe any involvement with other companies or multi-stakeholder initiatives in the company’s creation of its management system. • Explain the frequency of the different kinds of risk assessments the company carries out for human rights in suppliers. • Explain what national and international laws (e.g. country of headquarters, countries with stock exchange listings, countries of site location) the company is subject to HRDD for suppliers, how the company monitors new legal and regulatory developments it may be subject to, and how the company ensures its processes for assessing and mitigating risks for human rights in suppliers are in compliance with those laws. • Explain what areas have been identified as of higher potential risk for human rights in suppliers (e.g. countries where suppliers are based, specific goods and services the company purchases). • Explain how the company identifies and adjust practices that increase the risk of forced labour and/or child labour in its operations and supply chains. 		

<ul style="list-style-type: none"> • Explain how the company ranks risks in its suppliers as a basis for prioritisation. • Explain how the results of risk analyses are communicated to relevant decision-makers. • Explain what methodologies and processes the company uses to ensure risk assessments of suppliers are credible and carried out by competent professionals. • Describe any steps put in place to ensure small businesses are not inadvertently excluded from the company’s supply chain because of unrealistic requirements aimed at larger companies. • Provide any other relevant information for how the company conducts sets up and manages its assessment of human rights risks in suppliers. 		
<p><i>Assessing human rights risks in suppliers:</i></p> <ul style="list-style-type: none"> • Explain how the company conduct risk assessments for human rights in potential new suppliers and existing suppliers, including during supplier selection, and whether it uses supplier questionnaires and compliance checklists • Explain how the company seeks and confirms supplier acceptance of its relevant human rights policies (e.g. its supplier code of conduct and/or wider human rights policy). • Explain the company’s procedures for ongoing monitoring of suppliers for human rights risks, and for tracking performance of their human rights practices. • Describe engagement with workers of suppliers and their family members, during the assessment of suppliers. • Explain how the company manages risks associated with suppliers using labour brokers and third-party recruiters • Explain any additional measures in place to ensure supplier compliance with codes of conduct and other policy documents related to HRDD during procurement. 		
<p><i>HRDD in contractual clauses:</i></p> <ul style="list-style-type: none"> • Explain how HRDD is enshrined in contracts and other written agreements with suppliers and what elements of risk assessment and mitigation are covered across different types of contracts (e.g. compliance, auditing, training). 		

<ul style="list-style-type: none"> • Explain any human rights policies that suppliers must put in place as a contractual condition, and if and how they vary across different types of suppliers. • Explain any contractual incentives that are used to encourage suppliers to improve their human rights practices. 		
<p><i>Auditing suppliers:</i></p> <ul style="list-style-type: none"> • Explain how the company carries out periodic risk-based supplier audits, and how these audits are conducted by internal auditors and external firms. • Describe the frequency of audits across different types of suppliers. • Explain the system the company uses to track the type, scope, frequency, and results of supplier assessments and audits. • Explain if and how the company uses independent, unannounced audits. • Explain how the company manages the cost of independent third-party verification. • Describe any wider industry or multi-stakeholder initiatives used to audit supplier compliance. • Explain if, and under what circumstances can a supplier share audit results with other customer companies. 		
<p><i>Capacity-building for suppliers:</i></p> <ul style="list-style-type: none"> • Explain how capacity-building support for human rights performance is targeted at existing and potential suppliers. • Explain the training provided to potential and existing suppliers on human rights and company expectations, including how this training is delivered in relevant local languages (e.g. during onboarding, training sessions, periodic briefings) • Detail the materials given or made available to suppliers on human rights and company expectations, including how these materials are provided in relevant local languages. • Describe the types of financial support available to suppliers when compliance with the code of conduct or preventive action plans may threaten their viability. 		
<p><i>Private providers of security:</i></p> <ul style="list-style-type: none"> • If private security is used in mining projects, explain how the company ensures contracts with security 		

<p>providers align with the Voluntary Principles on Security and Human Rights, including use of force and firearms procedures and delineation of security duties.</p> <ul style="list-style-type: none"> • Explain how the company monitors private security providers for alignment with the Voluntary Principles on Security and Human Rights. 		
<p><i>Tier 2 and further upstream suppliers:</i></p> <ul style="list-style-type: none"> • Explain how the company assesses human rights risks for indirect suppliers – the suppliers of goods and services to the company’s direct suppliers (“Tier 2” suppliers), and further upstream. • Explain what preventative measures are put in place with Tier 1 suppliers to prevent human rights abuses in their own suppliers (Tier 2) and further upstream, including control measures and capacity-building for Tier 1 suppliers. • Explain if and how the company makes contractual agreements on HRDD with Tier 2 and upwards suppliers. • Explain the complaints procedure available for individuals to report human rights risks and abuses related to the company's indirect suppliers. • Explain if and how the company takes part in any sector-specific initiatives to prevent human rights abuses in the production of particular goods or services in Tier 2 and those further upstream. • Explain how the company prevents the creation of indirect supplier relationships that could circumvent HRDD obligations, such as intentionally procuring products from high-risk suppliers indirectly through a Tier 1 supplier. 		

Module 4: Grievance Mechanisms and Remediation

Theme Overview:

Legislation, standards, and ESG rating agencies commonly emphasise the importance of companies having operational grievance mechanisms. However, it is not always clear whether these mechanisms extend to complaints against suppliers and complaints made by suppliers. Some legislation and standards do explicitly refer to grievance mechanisms for addressing risks in supply chains. For example, the German law requires that enterprises have appropriate internal procedures that "enable persons to report human rights and environment-related risks as well as violations of human rights-related or environment-related obligations that have arisen as a result of the economic actions of an enterprise in its own business area or of a direct supplier." According to the Act these internal processes should also apply to risks as a result of indirect suppliers.⁵⁵ Some ESG criteria also extend these complaints mechanisms to suppliers, and the RRA asks that sites encourage or require suppliers themselves to implement grievance mechanisms specifically aligned with the UNGP effectiveness criteria.⁵⁶

A minority of the laws and the standards that explicitly include complaints mechanisms about and by suppliers, also provide conditions such as allowing for the confidentiality of complainants (a "whistleblowing policy") and if and how the results of complaints have to be provided to those making them. The EU law states that companies covered by this Directive should have notification mechanisms and complaints procedures for individuals to report issues with suppliers. It specifies that, to prevent retaliation, the company must keep the identity of the person or organisation submitting the complaint confidential, in accordance with national law. It goes further to say that persons issuing complaints should be "provided by the company the reasons a complaint has been considered founded or unfounded and, where considered founded, with information on the steps and actions taken or to be taken."⁵⁷

Linked to both grievances received and investigated, as well as assessing suppliers, laws, standards and ESG rating criteria also include the need to report on how, or to ensure that remediation takes place when human rights violations have been found. The Canadian Act, for example, requires companies to report on remediation plans to address adverse impacts caused by suppliers.⁵⁸ In relation to supply chains, Australian legislation also mandates that modern slavery statements must "describe the actions taken by the reporting entity and any entity that the reporting entity owns or controls to assess and address those risks including due diligence and remediation processes."⁵⁹ In the case of the German law, the Act requires that companies develop remedial actions without delay to address violations of human rights-related or an environment-related obligations of direct suppliers. If the issue cannot be resolved in the near future the company should create a plan to end or minimise the violation. This plan must include a concrete timetable and consider measures such as joint development and implementation of a remediation plan with the supplier, collaborating with other enterprises in sector

⁵⁵ Federal Ministry of Labour and Social Affairs. Act on Corporate Due Diligence Obligations in Supply Chains. s8-9, pp. 9-10, 2021 <https://www.bmas.de/EN/Services/Press/recent-publications/2021/act-on-corporate-due-diligence-in-supply-chains.html>

⁵⁶ Responsible Minerals Initiative (RMI) & The Copper Mark, *Risk Readiness Assessment*, Criterion 10: Responsible supply chains, VI. p. 70, 2023 [https://www.responsiblemineralsinitiative.org/minerals-due-diligence/risk-management/risk-readiness-assessment-\(rra\)/](https://www.responsiblemineralsinitiative.org/minerals-due-diligence/risk-management/risk-readiness-assessment-(rra)/)

⁵⁷ European Parliament, *Corporate Sustainability Due Diligence*, article 14 s4, 2024. 146, https://www.europarl.europa.eu/doceo/document/TA-9-2024-0329_EN.html#ref_2_2

⁵⁸ Government of Canada, Online Questionnaire, 2024, <https://www.publicsafety.gc.ca/cnt/cntrng-crm/frcd-lbr-cndn-sply-chns/sbmt-rprt-en.aspx#a1>

⁵⁹ Australia, Australia Modern Slavery Act, part 2, s16 (1d). p.12, 2018

initiatives to increase influence over the violator, and temporarily suspending the business relationship with the supplier while minimising the risk.⁶⁰

Country	HRDD Legislation Wording for Remedial Actions
Germany	<p>Section 7</p> <p>(2) If the violation of a human rights-related or an environment-related obligation at a direct supplier is such that the enterprise cannot end it in the foreseeable future, it must draw up and implement a concept for ending or minimising the violation without undue delay.</p> <p>1. The joint development and implementation of a plan to end or minimise the violation with the enterprise causing the violation.⁶¹</p>
EU	<p>Article 12</p> <p>(2) Where the actual adverse impact is caused only by the company’s business partner, voluntary remediation may be provided by the company. The company may also use its ability to influence the business partner that is causing the adverse impact to provide remediation.⁶²</p>

Table 8: Examples of coverage of remedial actions in HRDD laws

In regard to several types of human rights violation, the RRA requires companies to establish procedures to provide for or participate in remedy if an incident arises in its operations or supply chain, including investigating the root causes of the incident.⁶³

Extending remediation practices beyond the company’s immediate operations to include suppliers is also important to push HRDD best practices further. The RRA standard specifies that companies should implement comprehensive, risk-based due diligence to ensure responsible business conduct in supply chains, including defined approaches to remediation and that companies must also encourage suppliers to establish remediation plans aligned with UNGP criteria.⁶⁴

The RGMP 2.5 mandates the creation of fair, accessible, effective, and timely mechanisms to address complaints and grievances related to their activities. These mechanisms must ensure the

⁶⁰ Federal Ministry of Labour and Social Affairs. Act on Corporate Due Diligence Obligations in Supply Chains. s7, p.9, 2021 <https://www.bmas.de/EN/Services/Press/recent-publications/2021/act-on-corporate-due-diligence-in-supply-chains.html>

⁶¹ Ibid. section 7, part 2, p.9, 2021

<https://www.bmas.de/EN/Services/Press/recent-publications/2021/act-on-corporate-due-diligence-in-supply-chains.html>

⁶² European Parliament, *Corporate Sustainability Due Diligence*, article 12, section 2, 2024,

https://www.europarl.europa.eu/doceo/document/TA-9-2024-0329_EN.html#ref_2_2

⁶³ Responsible Minerals Initiative (RMI) & The Copper Mark, *Risk Readiness Assessment*, Criterion 12-13- No Forced Labour and Freedom of Association and Collective Bargaining – Responsible Supply Chains, part 6, p.85,91, 2023, https://coppermark.org/wp-content/uploads/2023/10/RRA-v3.0-Criteria-Guide_2023.pdf

⁶⁴ Ibid. Criterion 10: Responsible supply chains, I (b), p. 63

implementation of remedies as part of their requirements. Furthermore, individuals raising concerns in good faith will be protected from discrimination or retaliation.⁶⁵

Finally, monitoring and disclosure are essential for ensuring that suppliers’ remediation efforts are effective and transparent. The RRA, also mentions the need to publicly disclose impacts, planned actions, progress, and results of measures taken to address human rights violations, in the company’s supply chain.⁶⁶ Additionally, the Canadian legislation mandates annual reporting on remediation measures taken, ensuring continuous improvement and accountability.⁶⁷

Reporting Module:

Based on all potential components of Policies and Commitment in current legislation, ESG rating criteria and relevant standards, below is the module:

Grievance Mechanisms and Remediation		
Subtopic	Statement	Action Items Identified
<p><i>Complaints procedures:</i></p> <ul style="list-style-type: none"> • Explain what internal complaints procedures are in place for employees to report human rights risks and violations that have arisen as a result of a direct or indirect supplier. • Explain what publicly available complaints processes are in place for suppliers, employees of suppliers, and other external stakeholders for them to report human rights risks and violations that have arisen because of a direct or indirect supplier. • Explain how the company prevents retaliation against individuals or organisations filing complaints by offering the option for confidential reporting (whistleblowing procedures). • Explain if and how suppliers are encouraged or required to implement their own operational grievance mechanism in alignment with the UNGP effectiveness criteria. • Explain any other information regarding how the company ensures that complaints procedures are fair, publicly available, accessible, predictable and transparent. 		

⁶⁵ World Gold Council. *Guidance on implementing and assuring the RGMPs Supplement to the Assurance Framework*, section c 2.5, p.4, 2019, <https://www.gold.org/industry-standards/responsible-gold-mining>

⁶⁶ Responsible Minerals Initiative (RMI) & The Copper Mark, *Risk Readiness Assessment*, Criterion 12- No Forced Labour and Freedom of Association and Collective Bargaining, section 7, p.85, 2023, [https://www.responsiblemineralsinitiative.org/minerals-due-diligence/risk-management/risk-readiness-assessment-\(rra\)](https://www.responsiblemineralsinitiative.org/minerals-due-diligence/risk-management/risk-readiness-assessment-(rra))

⁶⁷ Canada, *An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff, BILL S-211*, Part 1: Reporting Obligation — Government Institution Annual Report, section 2 (d), 2023, <https://laws.justice.gc.ca/eng/acts/F-10.6/page-1.html>

<p><i>Grievance mechanisms regarding private security:</i></p> <ul style="list-style-type: none"> • What specific grievance mechanisms are in place for complaints against private security forces and how are these grievances monitored. 		
<p><i>Grievance mechanism for suppliers:</i></p> <ul style="list-style-type: none"> • Explain the documented process that is in place for the company to follow in cases of non-compliance of a supplier, including an escalation process. • Describe the specific actions the company must take if they cannot end a supplier violation in the foreseeable future, including developing a plan with a concrete timetable, and the minimisation of the harms prioritised by their severity and likelihood. • Explain if and how temporary suspension of business relationships take place while efforts are made to correct supplier violations. • Explain if and how suppliers are supported by the company in the creation of a remediation plan in the case of non-compliance. • Explain under what circumstances would non-compliance by a supplier result in the termination of the business relationship, and how this termination would occur. • Describe the procedure in place for cases where the adverse impacts of terminating a business relationship due to supplier non-compliance will be reasonably expected to be manifestly more severe than the adverse impact that could not be prevented or adequately mitigated by the supplier. 		
<p><i>Remedial action for impacted stakeholders:</i></p> <ul style="list-style-type: none"> • Describe if and how companies support or provide remedial actions to stakeholders affected by human rights violations committed by their suppliers, including the type of remedy or combination of remedies, such as apologies, restitution or rehabilitation, financial or non-financial compensation. • Explain how remedial actions for affected stakeholders are made through engagement and collaboration with the affected stakeholders, and the role of independent, third-party mediators or other means mutually acceptable to affected rights holders when there is disagreement on the appropriate remedial actions. 		

<p><i>Remedial actions for company policy and processes:</i></p> <ul style="list-style-type: none"> • Describe if and how the company has modified and improved its business plan, overall strategies, and operations because of uncovering risks or violations of human rights in suppliers. • Explain any changes made to procurement policies and processes because of uncovering risks or violations of human rights in suppliers. • Explain any investments, adjustments, or upgrades the company has made to facilities, production, or other operational processes and infrastructures because of uncovering risks or violations of human rights in suppliers. 		
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Module 5: Monitoring

Theme Overview:

Legislation and standards emphasise the need for companies to monitor and evaluate the effectiveness of their policies and procedures regularly. The Australian Modern Slavery Act mandates that a modern slavery statement must "describe how the reporting entity assesses the effectiveness of such actions,"⁶⁸ meaning that companies should be constantly monitoring the efficacy of their reports and their internal procedures to avoid and assess human rights risks. Similarly, the Canadian regulation mandates that entities must report on their methods for evaluating the effectiveness of measures to prevent the use of forced labour and child labour in their operations and supply chains.⁶⁹ The European Parliament's CSDDD requires companies to conduct regular assessments to evaluate how well they identify, prevent, mitigate, and minimise adverse impacts. These assessments should be based on both qualitative and quantitative indicators and should be conducted at least every twelve months or whenever significant changes occur.⁷⁰

Country	HRDD Legislation Wording for Monitoring of Effectiveness of Procedures
Australia	Article 16, Section 1 (e) ... describe how the reporting entity assesses the effectiveness of such actions. ⁷¹
Canada	Part 2, Section 11 3(d) ...how the entity assesses its effectiveness in ensuring that forced labour and child labour are not being used in its business and supply chains. ⁷²
EU	Paragraph 6 Companies should monitor the implementation and effectiveness of their due diligence measures. They should carry out periodic assessments of their own operations, those of their subsidiaries and, where related to the chain of activities of the company, those of their business partners, to assess the implementation and to monitor the adequacy and effectiveness of the identification, prevention,

⁶⁸ Australia, *Australia Modern Slavery Act, No.153, 2018*, part 2, article 16, section 1 (e), p. 17, 2018,

<https://www.legislation.gov.au/C2018A00153/latest/text>

⁶⁹ Canada, *An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff, BILL S-211*, Part 2: Reporting Obligation-Entities, Annual Report, section 11, part 3(g), 2023, <https://housing-infrastructure.canada.ca/pub/forced-labour-act-loi-travail-force/flcl-tfte-2023-24-eng.html>

⁷⁰ European Parliament, *Corporate Sustainability Due Diligence*, paragraph 61, 2024,

https://www.europarl.europa.eu/doceo/document/TA-9-2024-0329_EN.html#ref_2_2

⁷¹ Australia, *Australia Modern Slavery Act, No.153, 2018*, part 2, Article 16, section 1(e), 2018

⁷² Canada, *An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff, BILL S-211*, Part 2: Reporting Obligation-Entities, Annual Report, section 11, part 3(g), 2023, <https://housing-infrastructure.canada.ca/pub/forced-labour-act-loi-travail-force/flcl-tfte-2023-24-eng.html>

	minimisation, bringing to an end and mitigation of adverse impacts. ⁷³
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Table 9: Examples of coverage of monitoring of effectiveness of procedures in HRDD laws

External monitoring is another topic covered by laws, standards and ESG rating criteria, assessing if the due diligence efforts of companies are scrutinised by independent parties. The IRMA standard, for example, specifically mentions that external monitoring should take place if a company's due diligence efforts fail to prevent or mitigate human rights impacts. Furthermore, IRMA explicitly requires external monitoring by auditors or other external partners. Companies must monitor whether human rights risks and impacts are effectively addressed using both qualitative and quantitative indicators, incorporating feedback from internal and external sources, including affected stakeholders. If due diligence efforts fail repeatedly to prevent, mitigate, or remediate human rights impacts, external monitoring must be conducted, highlighting the need for auditing processes to be put into place.⁷⁴ IRMA also underscores the need for public reporting to be present.

The requirement for detailed reporting and transparent communication of due diligence activities extends to the supply chain. ESG rating agencies also inquire whether companies disclose processes or strategies for monitoring supplier compliance with their business ethics policy or code of conduct, and whether they actively monitor and audit internal compliance. This is also how companies monitor supplier adherence to the code of conduct as a means of ensuring compliance with their internal processes of mitigation and risk reduction of human rights violations across the whole supply chain.

Reporting Module:

Based on all potential components of *Monitoring* in current legislation, ESG rating criteria and relevant standards, below is the module:

Monitoring		
Subtopic	Statement	Action Items Identified
<p><i>Monitoring of effectiveness or procedures:</i></p> <ul style="list-style-type: none"> • Explain the process for how the company monitors and evaluates the effectiveness of its policies and procedures for HRDD in procurement, including the role of any external monitors. • Explain the frequency of monitoring and evaluation processes for the company's HRDD during procurement. 		

⁷³ European Parliament, *Corporate Sustainability Due Diligence*, paragraph 61, 2024, https://www.europarl.europa.eu/doceo/document/TA-9-2024-0329_EN.html#ref_2_2

⁷⁴ IRMA, *IRMA Standard for Responsible Mining*, chapter 1.3, section 1.3.4, p.28, 2018, https://responsiblemining.net/wp-content/uploads/2018/07/IRMA_STANDARD_v.1.0_FINAL_2018-1.pdf

<ul style="list-style-type: none"> • Describe the process of monitoring and evaluating the effectiveness of remedial actions for supplier businesses and for affected stakeholders. • Describe how the company takes actions to change and amend policies and processes as a result of monitoring. 		
<p><i>Monitoring of supplier compliance and audits:</i></p> <ul style="list-style-type: none"> • Explain the number and percentage of suppliers audited, broken down by different types of audits. • Provide the non-conformance rate found for audited suppliers • Describe how findings from supplier monitoring and auditing are disclosed, including specific actions taken on non-compliance issues. 		
<p><i>Communication of monitoring results:</i></p> <ul style="list-style-type: none"> • Explain how the results of monitoring of HRDD in procurement are communicated to stakeholders. 		



4 - Where and how to Share Information on HRDD in Procurement

This guidance has been created to help mining companies comply with the requirements of reporting-based HRDD legislation and standards and to outline the requirements of HRDD legislation, relevant sustainability standards, and ESG rating criteria that require companies to not only report but also fulfil due diligence obligations. It is also intended to drive performance improvements so that HRDD during procurement is strengthened overall. With this said, significantly more business value will be created if mining companies communicate the content created by this guidance through as many channels as possible.

As a starting point, public dissemination of information on HRDD practices for procurement is already required by legislation and by standards to varying degrees. Compliance with these requirements, therefore, form the foundation for all further actions.

However, supplier businesses do not tend to look up documents like the anti-slavery statements required by Australian legislation. These statements will cover HRDD in other aspects of a mining company's activities beyond procurement (direct hiring for example), and are targeted at regulators, rather than suppliers.

By making HRDD information publicly available in a more practical manner, companies can ensure that suppliers understand the norms and regulations they must adhere to if they wish to do business with the company. This clarity helps suppliers align their practices with recognised benchmarks, thereby enhancing their eligibility and competitiveness.

Moreover, publicly sharing HRDD information benefits companies by fostering trust and credibility among different stakeholders. Investors, for instance, gain confidence in the company's commitment to ethical practices, which can positively impact financial performance and risk management. Local communities, employees, and NGOs also benefit from understanding the company's efforts to uphold human rights, leading to stronger relationships and a more positive corporate reputation.

This section explores various channels through which companies can disseminate HRDD information, ensuring that all stakeholders have access to relevant and comprehensive details.

Supplier Website Sections

On the company’s website, dedicated supplier tabs should be created. These tabs should reference the relevant standards and criteria that guide the company’s HRDD practices. Including this information justifies the company’s adherence to recognised benchmarks and provides transparency into the processes and expectations set for suppliers. It ensures that stakeholders can easily find and understand the criteria used to assess supplier human rights practices.

The supplier section should include various types of documents and resources to ensure comprehensive coverage of HRDD expectations. Firstly, it should feature the policy documents outlining the company’s commitment to human rights referred to in Module 1, such as the human rights policies, principles of business conduct, and the business partner (supplier) code of conduct. These documents should provide clear guidelines on the ethical standards expected from suppliers and serve as practical guides for compliance.

In addition to policies, this section should offer practical guides and resources, including supplier manuals that provide instructions and guidelines to help suppliers comply with the company’s HRDD practices. Training materials should be available to educate suppliers on human rights expectations and compliance processes, ensuring they are well-informed and equipped to meet the necessary standards. Compliance checklists can also be included to help suppliers systematically verify their adherence to all HRDD requirements.

The supplier tabs should also provide comprehensive contact information. This includes dedicated HRDD contacts, listing the names and contact details of company representatives who can offer further information and support on human rights expectations.

To facilitate reporting and feedback, the supplier section should include information on grievance mechanisms, detailing how suppliers can report concerns or violations of human rights. Feedback forms should also be provided, allowing suppliers to offer feedback on the company’s HRDD processes and practices.

A great example of a very detailed and easily accessible supplier tab is Freeport-McMoran:

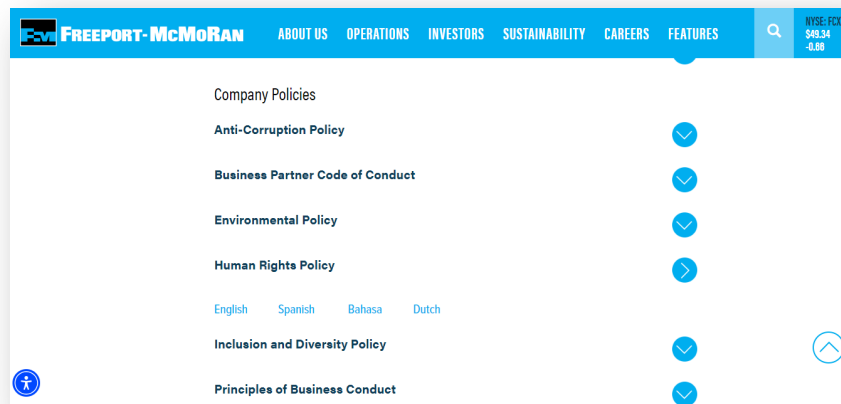


Figure 7: Supplier tab, Freeport-McMoran: <https://www.fcx.com/suppliers/overview>⁷⁵

⁷⁵ Freeport McMoran, *Tools for Suppliers*, June 2024, <https://fcx.com/suppliers/overview>

Community Relations Offices

Establishing information centres or community offices in areas where the company operates can serve as accessible and physical points for local communities to obtain practical information for suppliers. These offices should provide printed materials that are readily available for anyone to take, ensuring that all stakeholders have easy access to the necessary information. The printed materials should include comprehensive guides on the company's human rights requirements for suppliers, details about compliance procedures, and summaries of key policies and standards.

Community relations staff who work at these offices should be thoroughly trained to answer questions about the company's HRDD practices and supplier requirements. This training ensures that staff can provide accurate and helpful information to suppliers and community members alike. Additionally, these offices should offer contact information for company representatives who can provide further assistance, as well as websites and other online resources related to procurement.

To maximise accessibility and effectiveness, these community relations offices can also hold informational in person sessions and workshops. These sessions can help suppliers and community members understand the company's expectations and how to meet them. Furthermore, by providing a physical location where stakeholders can obtain information and support, these offices play a crucial role in promoting transparency and fostering positive relationships between the company and the communities in which it operates.

PDFs

Creating and distributing public PDFs that serve as guides on the company's HRDD processes is another effective method. These guides should be comprehensive, easy to understand, and provide detailed insights into the company's human rights policies, due diligence procedures, and outcomes. Making these PDFs publicly available ensures that anyone interested can access and review the company's HRDD efforts.

To maximise accessibility, these PDFs should be shared through various channels, including email, WhatsApp, and other mobile-based communications. This ensures that the documents are easily accessible to a wide audience, regardless of their preferred communication platform. The same documents available in print at community relations offices should also be provided in these digital formats, ensuring consistency and reliability of information across different mediums.

Clear dates should be provided on all documents to indicate when the information was last updated. This allows suppliers and other stakeholders to quickly assess the currency and relevance of the information. By ensuring that all materials are up-to-date and easily accessible, the company can enhance transparency and support its suppliers in meeting HRDD requirements effectively.

These are examples of PDFs which could be readily available for suppliers to access:

- **Human rights policies:** Detailed documents outlining the company’s commitment to human rights.
- **Business partner code of conduct:** Practical guides and PDFs detailing the code of conduct suppliers are expected to follow.
- **Supplier manuals:** Instructions and guidelines to help suppliers comply with the company’s HRDD practices.
- **Training materials:** Resources that provide training on human rights expectations and compliance processes.
- **Compliance checklists:** Lists to help suppliers ensure they meet all necessary HRDD requirements.
- **Grievance mechanisms:** Information on how suppliers can report concerns or violations of human rights.
- **Feedback forms:** Tools for suppliers to provide feedback on the company’s HRDD processes and practices.



Figure 8: Endeavour Mining, Supply Chain Fact Sheet ⁷⁶

Social Media

Utilising social media platforms, such as Facebook, Twitter, and email newsletters, allows for the rapid and wide distribution of HRDD information. Social media is particularly effective for reaching a broad audience quickly, including local communities and other stakeholders. Sharing updates, reports, and key findings through these channels can keep stakeholders informed and engaged.

For example, major companies like BHP use their Facebook accounts to share information about supplier standards, procurement practices, and ethical sourcing commitments. These posts often provide links to detailed documents and resources, such as supplier standards and procurement details, ensuring that all stakeholders have access to comprehensive information.

⁷⁶ Endeavour Mining, Supply Chain, p.2, <https://www.endeavourmining.com/sites/endeavour-mining-v2/files/2024-03/Factsheets/value-chain-fact-sheet-web.pdf>

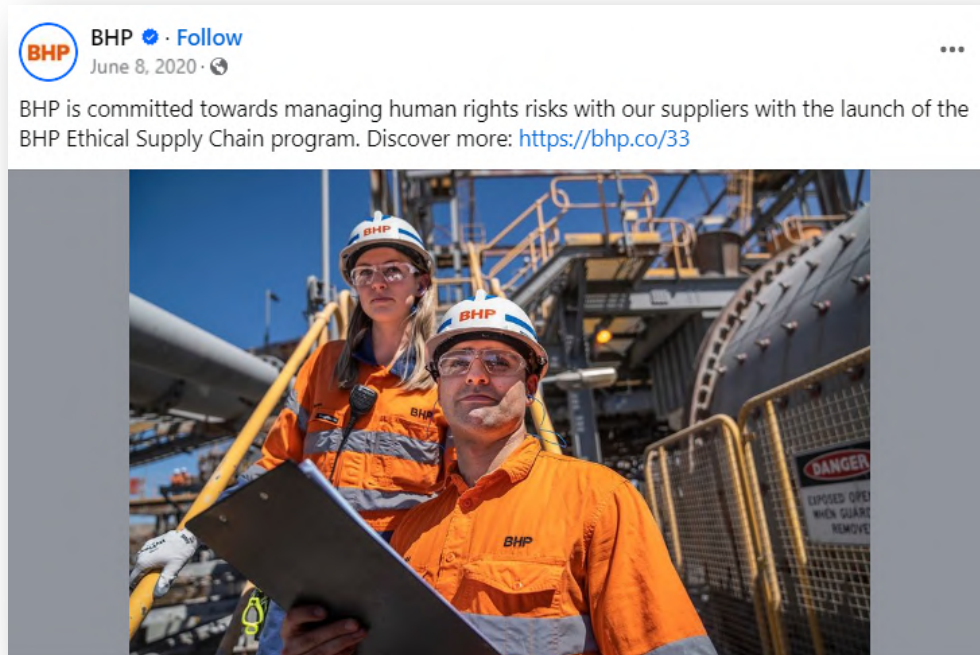


Figure 9: BHP Facebook account.⁷⁷

In some regions, people may feel more comfortable using social media platforms like Facebook to access information rather than traditional websites, making these channels vital for effective communication. Social media also provides a platform for two-way communication, allowing stakeholders to ask questions and provide feedback.

By leveraging social media, companies can ensure transparency and foster a more engaged and informed supplier community. This approach not only enhances the dissemination of HRDD information but also strengthens relationships with local communities and other stakeholders.

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⁷⁷ BHP, Facebook Account: *BHP Ethical Supply Chain Programme*, 7 June 2020, <https://www.facebook.com/photo/?fbid=2837133203079522&set=a.1773209086138611>



5 - Conclusion

This guidance was developed in response to the evolving landscape of legislation and standards that demand more stringent and comprehensive HRDD practices in the procurement of goods and services. It aims to support mining companies in meeting these requirements, thereby ensuring compliance and promoting best practices across their supply chains.

The creation of this guidance is rooted in the increasing global awareness of the importance of human rights in supply chains. High-profile incidents have highlighted the severe consequences of inadequate due diligence, driving a paradigm shift towards increasingly rigorous and transparent practices in HRDD. This shift has been codified through numerous laws and standards, including the UK Modern Slavery Act, France's Duty of Vigilance Law, and the German Supply Chain Due Diligence Act, among others. These regulations have created a complex framework that mining companies must navigate to ensure compliance and ethical practices.

In addition to legislative requirements, industry standards and ESG rating criteria have become more stringent in their demands for comprehensive HRDD practices. ESG rating agencies also scrutinise the HRDD efforts of companies, influencing investor decisions and access to capital. This heightened scrutiny also necessitates that mining companies adopt the more rigorous and transparent HRDD processes for procurement described in this guidance.

This guidance is designed to support companies in communicating comprehensive content on HRDD during procurement, that both complies with reporting-based legislation, and sets out the steps required to comply with all relevant laws, standards and ESG rating agency criteria. The content generated using this guidance can be integrated into various information-sharing formats required by different stakeholders, ensuring that the material is adaptable and can fulfil multiple compliance and communication needs. The modular approach ensures that all aspects of HRDD during procurement are covered, promoting a thorough and integrated application throughout the supply chain. The framework facilitates better transparency and accountability, allowing stakeholders to understand and assess a company's HRDD efforts more comprehensively. Additionally, mining companies and other stakeholders can utilise a spreadsheet version of the reporting modules available at the MSV website, which facilitates the practical application of this guidance.

The creation of this guidance is not only a response to existing legislative requirements but also a proactive measure to drive best practices beyond basic compliance. By following the guidance, mining companies can ensure they are well-prepared for future regulatory developments, as well as standards and ESG rating criteria increasing their HRDD requirements for procurement.

It is hoped this guidance helps companies enhance their HRDD practices during the procurement of goods and services, ensuring they meet both current and future regulatory and stakeholder demands, while promoting ethical standards across their supply chains.

