

Company “Due Diligence”
and non-financial information:
threats or new leverages
for workers' representatives?

A WORKERS' REPRESENTATIVE TOOLKIT

Lessons learned and possible ways forward in due diligence

About Syndex

Syndex is a European consultancy firm (45 years of experience) with more than 400 specialized consultants, providing assistance to social partners on a wide range of economic and social issues. It places its expertise at the service of European and national social partners, sectoral social partner committees and European and national public institutions, with the aim of fostering social dialogue and contributing to the promotion of a social Europe. Syndex has its headquarters in Paris and has offices in Bucharest, Brussels, Dublin, London, Madrid, and Warsaw. It also has a network of local experts in many other EU countries. Wmp Consult is the partner of Syndex in Germany.



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FOREWORD

The last 10 years have been very active ones over the evolution of business accountability. The UN, the ILO and OECD have revised their instruments for (multinational) companies to better prevent, mitigate and eliminate negative impact directly or indirectly linked to their operations. In Europe, the 2014 directive on mandatory reporting of non-financial information by companies and several national legislative initiatives, particularly the French one in 2017 setting up vigilance plans, are opening the door to a new important area of strategic company decisions, which is very relevant also for workers and their representatives. At sector level, new rules are being set up, like the adopted Directive on Unfair Trading Practices in the Food supply chain that favours better purchasing practices by large customers in a disproportionate bargaining position vs. weaker suppliers.

This toolkit is based on two years of work under a project called "*Company "Due Diligence" and non-financial information: threats or new leverages for workers' representatives?*" financed by the EU Commission, with the contribution of the European Industry Federations EFBWW, EFFAT, ETF, IndustriAll Europe and UNI Europa, as well as the cross-industry organisations ETUC, ITUC and TUAC. It aimed at improving the knowledge of workers' representatives regarding these recent developments and to facilitate initiatives by workers and their representatives, as well as consistent and comprehensive workers' involvement in companies' decision-making processes on these issues.

This toolkit is intended as a learning tool and reference for the analysis of corporate public reporting and to influence it in the interest of workers and civil society.

It will not only help the user to know which documents published by the company are relevant to consult but also teach how to read them. Beware that the public reporting analyses contained here are based on annually published documents which implies that the information is evolving.

The document that you are reading was written by Syndex and its German partner WMP Consult, consulting firms specialized in the support and advice of workers' representatives and their trade unions. It draws upon case studies analysed by Syndex and webinars conducted by Syndex and the European Trade Union Federations with trade union representatives in a selection of multinational companies from different sectors (EDF, McDonald's, G4S, Repsol, Scania, Volkswagen, Unilever, Danone, Nestlé, Carrefour...). In complement to this guide is a video documentary called "*if companies are accountable*", co-produced by Syndex and Centre Vidéo de Bruxelles, with the participation of trade union leaders and officers active in promoting due diligence in Europe and beyond.

This guide must now be widely disseminated so that workers' representatives demands to participate in the due diligence processes be heard, as too often management adopts unilateral policies or market documents unilaterally. It is also a useful tool for intervening in the European and national legislative processes underway.

Another document, that is an annex to this toolkit, presents company cases like Nestlé, Inditex, Scania and Unilever and many others was drafted to better understand why trade unionists should pay attention to public company reporting.



CHAPTER 1:

NON-FINANCIAL INFORMATION AND DUE DILIGENCE: WHAT ARE YOUR RIGHTS TODAY?



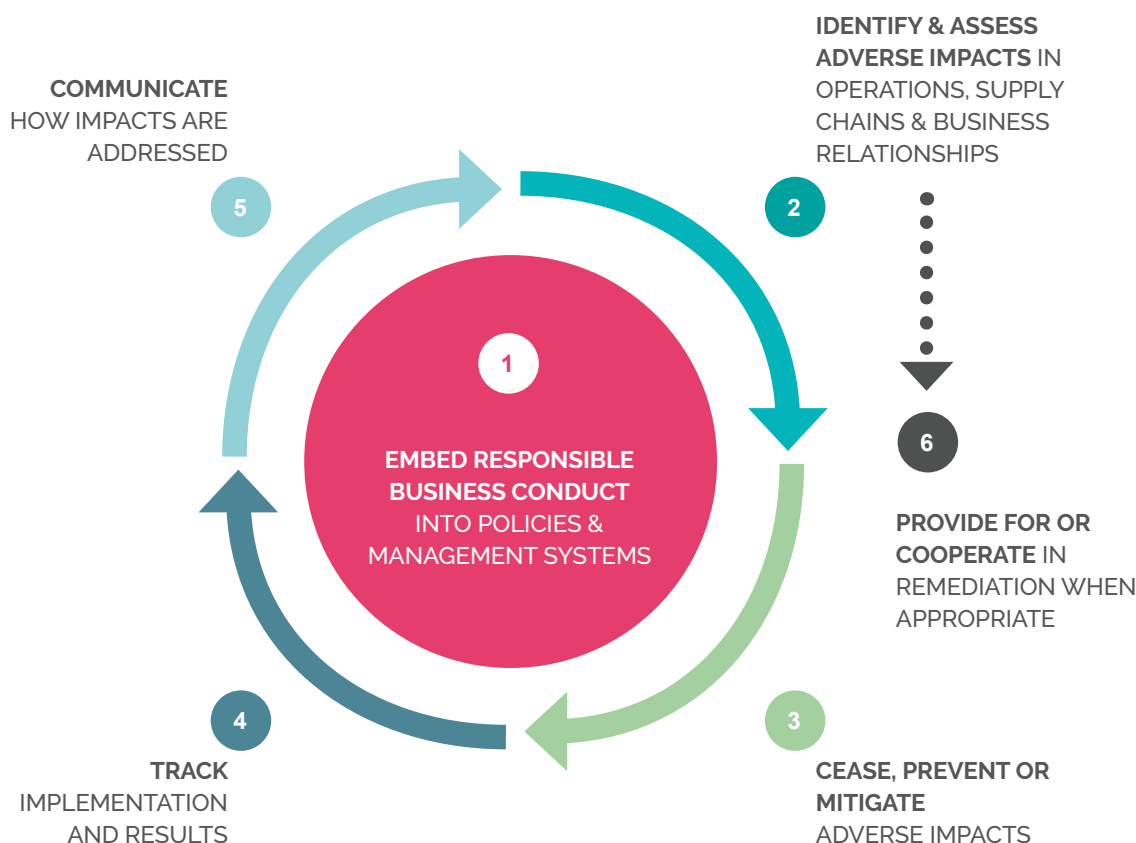
1. WHAT IS DUE DILIGENCE?

- » **Think of buying a car...** What are the risks to consider when buying a car? For you? For the environment, for the society? For the workers in the industry including the supply chain ...
- » **The term due diligence:** Due diligence means "due or necessary care". It is a process about risks. It includes an analysis of risks (also called risk assessment) carried out with appropriate care with the aim of identifying as many relevant risks as possible, in relation to the company activities.

DEFINITION:

According to the OECD (Organisation for Economic Cooperation and Development), due diligence is to be used by enterprises to avoid and address adverse impacts in their operations, supply chains and business relationships (see figure below). The main purpose of due diligence is to prevent negative impacts on human rights, including workers and industrial relations, environment, bribery and corruption¹. When adverse impacts occur, companies should provide remedy, where they have caused or contributed to those impacts.

THE OECD PRESENTS DUE DILIGENCE AS A PROCESS IN 6 STEPS:



¹ In France, the 2017 legislation has extended its scope to the health and security of individuals (see below for more information on the French legislation)

2. HOW IS IT DONE? A HANDS-ON APPROACH...

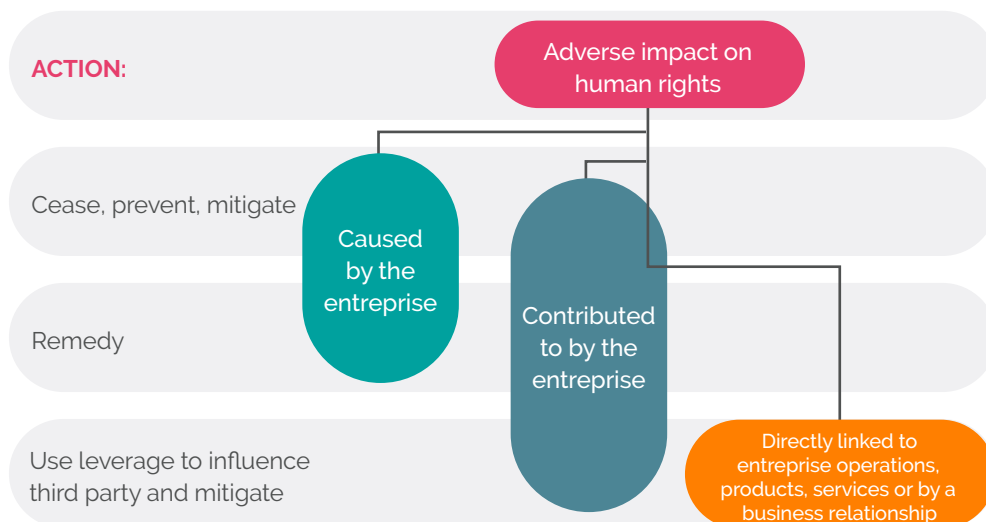
HUMAN RIGHTS DUE DILIGENCE ACCORDING TO THE UNITED NATIONS GUIDING PRINCIPLES ON BUSINESS AND HUMAN RIGHTS

- » This concept of due diligence has been introduced in various international instruments and standards (ILO's Tripartite declaration of principles concerning multinational enterprises and social policy; ISO's 26000, UN Global Compact, OECD Guidelines, National Action Plans in the EU)
- » In order to fulfill their responsibility to respect human rights, business enterprises should carry out human rights due diligence. This should "identify, prevent, mitigate and account for" actual or potential adverse human rights impacts a company may be involved in through its own activities or business relationships.

CORE ELEMENTS OF HUMAN RIGHTS DUE DILIGENCE

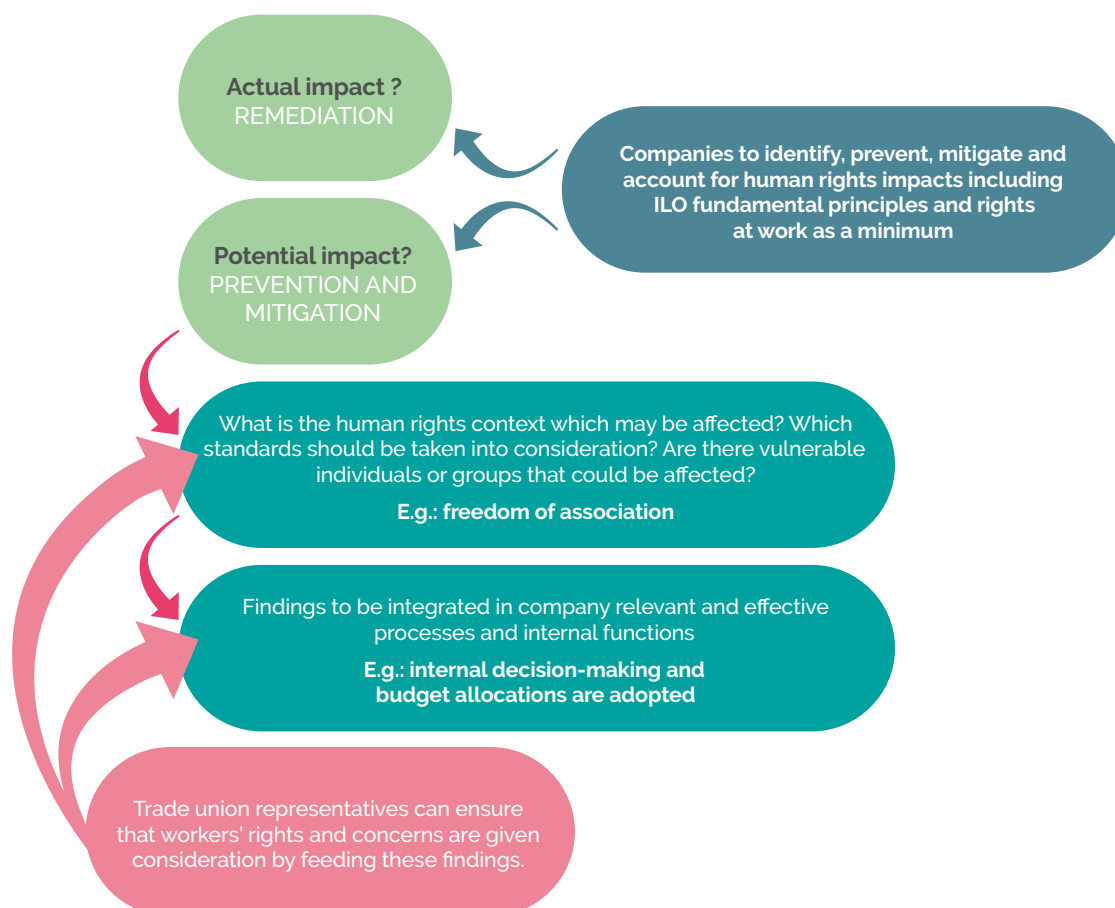


The table below shows that a company is accountable in different ways and must act even if a human rights breach may happen or is actually happening because of one of its business relations.



3. THE PROCESS

QUESTION 1: ARE YOU DEALING WITH AN ACTUAL NEGATIVE IMPACT OR A POTENTIAL ONE?



» How does this matter to you and other workers' representatives?

Due diligence is a transversal policy and a process that should be followed or taken on board by every business unit or department of the company.

This should not be a marketing department thing, nor purchasing department one only.

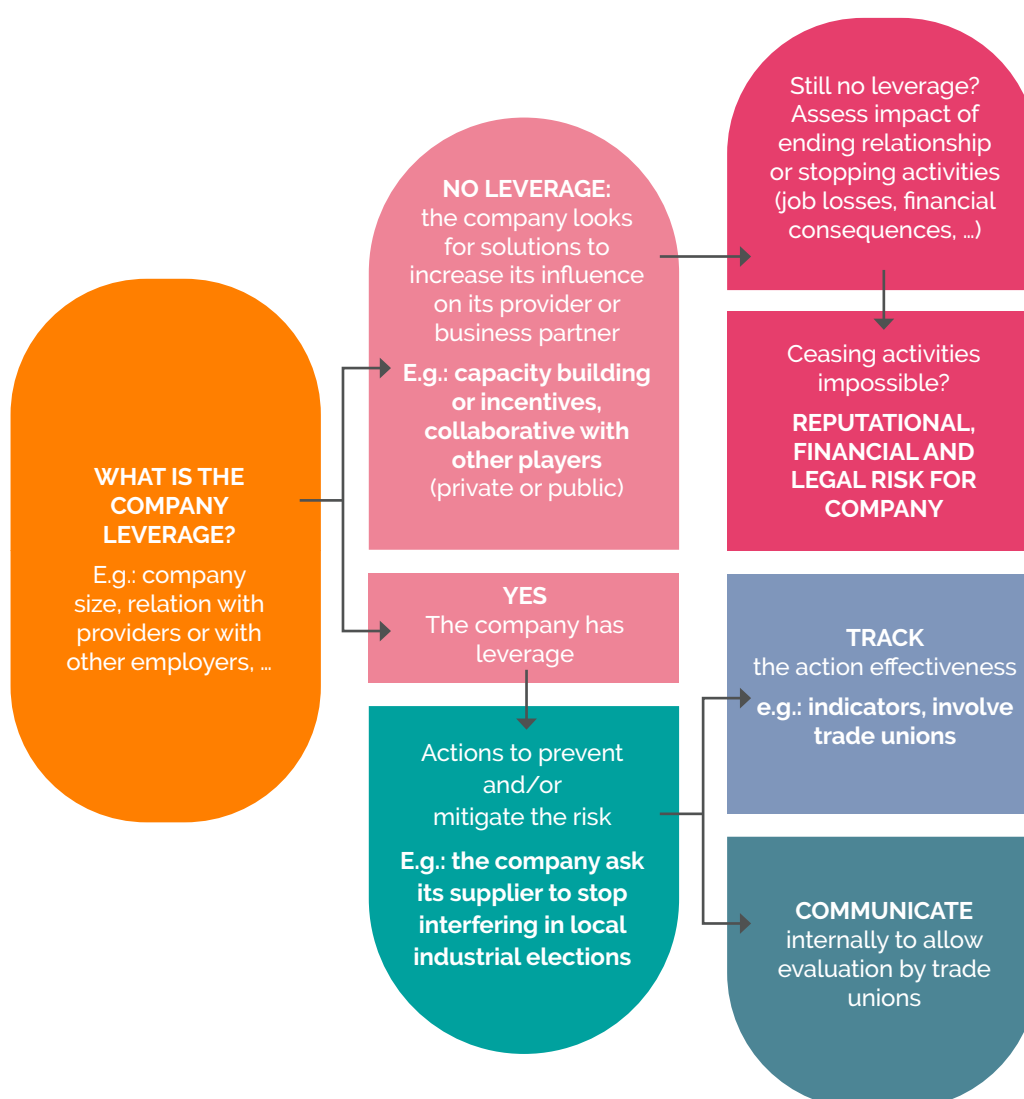
Many companies have created risk assessment teams: HR + Legal Department + purchasing (services and goods) department + CSR department. But regrettably, most of the time, trade unions and workers' representatives are not invited to participate.



QUESTION 2: HOW CAN THE COMPANY INFLUENCE ITS BUSINESS PARTNERS AND ITS ENVIRONMENT?

A company that has leverage over a subcontractor or supplier is the one that will be able to get results if it asks that an infringement or risk be stopped. For example, a principal asks that union discrimination be stopped, and it happens. A company that does not have this leverage, should cease its business relationship with the supplier. There is also the possibility for the company to accompany its supplier to make it progress (training, contractual obligations, controls, etc.) or to seek allies to influence its business partner.

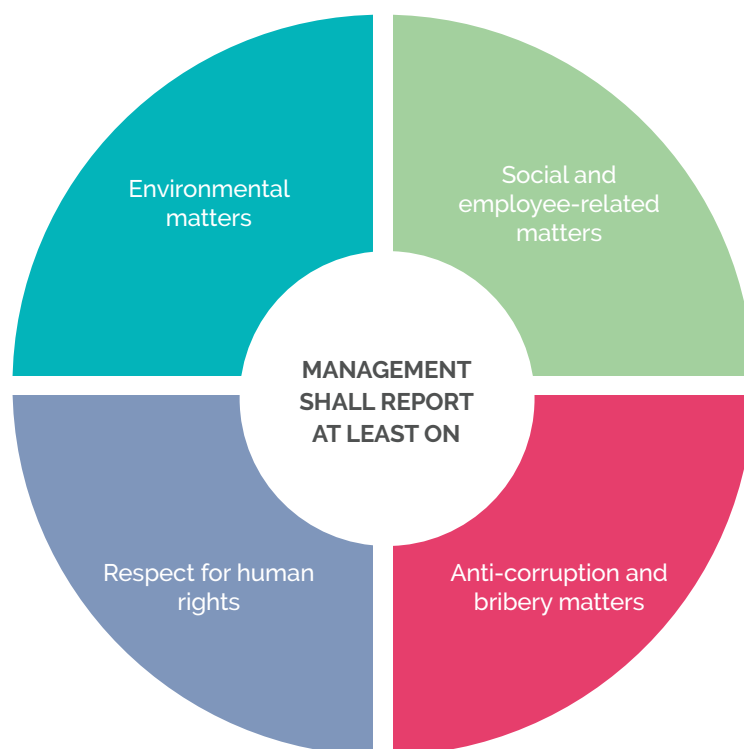
- » **Trade union representatives** can provide important advice and information from the workforce.
- » **Trade union representatives** are the most relevant contact point for infringements and remedial claims for workers in the company and in the supply chain



4. WHY IS IT DONE? EUROPEAN NON-FINANCIAL REPORTING REQUIREMENTS

- » **The European Directive 2014/95/EU** on disclosure of non-financial and diversity information applies to public-interest undertakings of **over 500 employees**, which covers approximately 6,000 companies across the EU including listed companies, banks, insurance companies and other companies designated by national authorities as public-interest entities.
- » It helps investors, consumers, policy makers and other stakeholders to evaluate the non-financial performance of large companies and encourages these companies to develop a responsible approach to business.
- » An enterprise must disclose a brief description of its business model and, for each of the above matters, the following information:
 - › A description of policies, including towards suppliers and providers and **including due diligence** processes implemented.
 - › Outcomes of these policies.
 - › The risks relating to those matters and how the company manages those risks.
 - › Non-financial key performance indicators relevant for the particular business.

TO BE USED BY EWC MEMBERS!



5. NATIONAL EXAMPLES

In recent years, national legislation has been tentatively emerging in the EU. Here are some examples that show the great disparity of solutions found in several countries. You can use them as inspiration for your trade union work to push for legislation in your country if you do not have any. The work done by the trade union movement for European legislation and a global treaty also needs the support of all trade unions.

THE FRENCH LEGISLATION ON THE DUTY OF VIGILANCE (2017)

In addition to their classical public reporting on non-financial information, big companies operating in France have the obligation to establish and update each year a "*vigilance plan*".

The vigilance plan shall include :

- » Risk mapping and assessment processes
- » Alerting and reporting mechanism on the existence or occurrence of risks
- » A mechanism to monitor the company measures implemented and to evaluate their effectiveness

Rights and risks covered:

- » All human rights and fundamental freedoms (therefore including ILO core conventions)
- » The health and safety of persons
- » The environment

Scope:

- » The companies concerned are:
 - › Companies with more than 5,000 employees at the mother company and in their French subsidiaries or
 - › Companies with more than 10,000 employees at the mother company and in their French and foreign subsidiaries
- » A company whose parent company is subject to publication is exempt from publishing vigilance plan. Its vigilance plan is integrated with that of its parent company.
- » Parent company + subsidiaries + providers / business partners: the plan should cover **activities of subcontractors or suppliers** with whom an "**established commercial relationship**" is maintained when these activities are linked to this relationship.

POSITIVE POINTS

Influencing the process is possible:

- Stakeholders (NGOs, TU,...) should be consulted by Management for the elaboration of the plan
- Trade unions from the company shall be involved in the elaboration of an alerting and reporting mechanism on the existence or occurrence of risks.

Going to Court is possible:

- Stakeholders from all countries can file a complaint in a French court for complaints linked to risks or damages based outside France
- In the event of failure to publish a vigilance plan: The court in France can give notice to the company to publish its plan, with financial penalties imposed for each day of delay.
- In case of damage: the company may be ordered by the court to compensate the damage in question (including damages outside France).

NEGATIVE POINTS

- The law does not apply to some company statutes
- The law does not fix amounts for financial penalties
- The law may be limited to tier one subcontractors.

THE GERMAN LEGISLATION (2021)

The German legislation (called "*Corporate due diligence obligations for the prevention of human rights violations in supply chains Act*") shall enter into force on 1st January 2023 although the public authorities can already check and assess if and what enterprises have initiated towards the adoption of a corporate risk management policy.

What should employers do? The German legislation is very descriptive and lists all the steps to be taken, in close relation to the UN Guiding Principles for Business and Human Rights: **Conduct a risk analysis every year as regards the enterprise activities and direct business relations.**

On the basis of the analysis outcomes, adopt preventive measures that cover: a) a policy statement from the enterprise top management, b) a strategy identifying priorities, c) the procurement and purchasing process and the obligations put on providers / suppliers and workers, d) designate one or several responsible persons within the enterprise for the due diligence management, e) training provision to enterprise workers and suppliers, f) taking remedial action when needed and g) establish a complaint procedure.

When prevention is no longer possible, remedial action shall be taken. The law requests an enterprise to use its influence, alone or with other enterprises, towards a supplier that would breach human rights or to terminate the business relationship when the situation continues.

Rights and freedoms covered:

- » **Human rights risks:** forced labour and slavery, child labour, breach of freedom of association and of the right to collective bargaining, including the right to strike, discrimination as enacted in the Core ILO Labour Standards. Additionally, the German law covers health and safety at the workplace and the right to adequate wage according to the national laws in place where the production or service activity takes place.
- » **Environment-related human rights:** soil degradation, water and air pollution, excessive water consumption, hazardous wastes, ...

Scope:

- » The enterprises covered are those registered in Germany and whose headquarters and branches are based in and outside Germany if they employ at least 3,000 workers in Germany (including agency workers employed for at least 6 months and workers posted abroad). This threshold will be downsized to 1,000 workers only as from January 2024.
- » However, the law does not only apply to these companies but also to their direct and indirect suppliers.



POSITIVE POINTS

- Thresholds in terms of employee numbers are low, hence a good number of enterprises are obliged to comply with this legislation.
- Direct suppliers are covered by the legislation, not only the enterprise itself. When the possibility of a violation of human rights by indirect suppliers in lower tiers of supply chains exists and the enterprise has knowledge of this, the analysis and the enterprise prevention or remediation policy must also be extended to indirect suppliers.
- German works councils are informed and consulted on matters related to due diligence of the enterprise and its supply chain.
- High fines can be imposed by public authorities. Public authorities have a strong position as regards assessment and control.
- Trade unions and NGOs can take legal action on behalf of victims that wish so, even for victims outside Germany.

NEGATIVE POINTS

- Although German works council members, who are often trade unionists, shall be involved in the due diligence process, this is not the case of stakeholders like NGO or local communities.
- The law lacks a clear civil liability provision. In principle, German Court hearings will continue to be conducted according to the rules of the applicable foreign law, thus leading to legal uncertainty.

UK MODERN SLAVERY ACT (MSA) 2015

In 2015, the UK Modern Slavery Act (MSA) entered into force: it is a legal tool to combat forced labour in the UK but also in the supply chains of UK-based enterprises.

Each year, British enterprises with an annual turnover exceeding £36 million should publish a **report** on the steps adopted to avoid human trafficking and slavery.

Such reports, adopted by top management, should disclose information on labour supply chain policies.

Although this law is a step in the right direction, it remains limited according to the ITUC: it does not foresee any kind of **sanctions**.

CHILD PROTECTION AND DUE DILIGENCE IN THE NETHERLANDS

Since 2019, the "*Child Labour Due Diligence Law*" requires companies selling goods and services to Dutch end-users to determine whether child labour occurs in their supply chains. If so, companies must set out a plan of action on how to combat it and issue a due diligence statement on their investigation and plan of action.

- » That statement would be recorded in a public register by a yet to be designated public authority.
- » The law introduces criminal sanctions for failure to exercise human rights due diligence.



6. TOWARDS MANDATORY DUE DILIGENCE!

THE ETUC CALL:

The ETUC calls for a European directive on mandatory human rights due diligence and responsible business conduct.

According to the ETUC, such directive "should establish mandatory and effective due diligence mechanisms covering companies' activities and their business relationships, including their supply and subcontracting chains. The directive would constitute an important step forward to ensure the respect and enforcement of human rights with trade unions' and workers' rights as main components. A directive should empower workers to fight against violations of human rights. It should ensure the full involvement of trade unions and workers' representatives in the whole due diligence process. Effective remedies and access to justice should be available for victims, including trade unions. Companies should be accountable for the impacts of their operations. Liability must be introduced for cases where companies fail to respect their due diligence obligations, without prejudice to joint and several liability frameworks."

- » **The ITUC guide "Towards mandatory due diligence in global supply chains"**² suggests an important analysis of the current debates at stake and a comparative overview of national initiatives and recommendations. TUAC, ETUC and several European Trade Union Federations have also adopted their respective position paper and recommendations.
- » **The OECD due diligence guidance for responsible business conduct**³ is not a trade union tool but contains very useful information to understand the large scope of due diligence in relation to the OECD guidelines for multinational enterprises.



WHAT COMPLAINT MECHANISMS?

- » **SOCIAL DIALOGUE, COLLECTIVE BARGAINING AND RESPONSIBLE BUSINESS CONDUCT: Promoting the strategic use of International Instruments for trade unions' action.**⁴ This ILO publication suggests several ways to combine legal and paralegal means with trade union action to elaborate the most efficient strategy to defend human rights at work
- » **MONITORING AND APPLICATION OF LABOUR RULES AND SOCIAL PROTECTION IN THE SUPPLY CHAINS OF CONSTRUCTION COMPANIES: An EFBWW toolkit to empower European Works Council representatives.**⁵ This toolkit explains to EWC members and trade unionists how to analyse the supply chain from a sectoral point of view and how to influence management purchasing policies, including via due diligence processes.



² Available in five languages: https://www.ituc-csi.org/towards_mandatory_due_diligence?lang=en

³ The OECD Guidelines are available in 13 languages here: <https://www.oecd.org/fr/investissement/due-diligence-guidance-for-responsible-business-conduct.htm>

⁴ Available in English and Spanish: https://www.ilo.org/wcmsp5/groups/public/---ed_dialogue/---actrav/documents/publication/wcms_722744.pdf

⁵ Available in 9 languages here: <https://www.efbww.eu/publications-and-downloads/reports-and-studies/monitoring-and-enforcement-of-labour-and-social-considerations-i/1409-a>

CHAPTER 2:

CORPORATE SOCIAL RESPONSIBILITY (CSR) AND DUE DILIGENCE



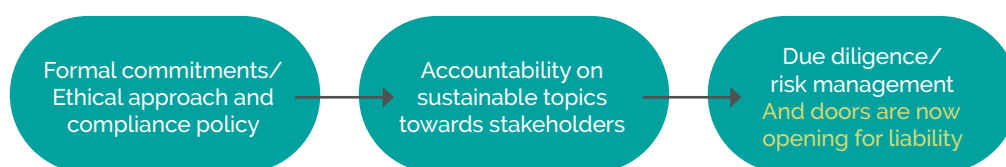
Are the days when companies publicly committed themselves to being exemplary through charters or codes of conduct (without ever respecting them) over?

Will corporate social responsibility, based on altruistic but small-scale initiatives, give way to a duty of care, opening the door to accountability or even a binding obligation?

» Some countries seem to be going in the right direction. The paradigm is changing, and trade unions should seize the opportunity.

A) CSR : THE LONG WAY FROM COMPLIANCE TO LIABILITY

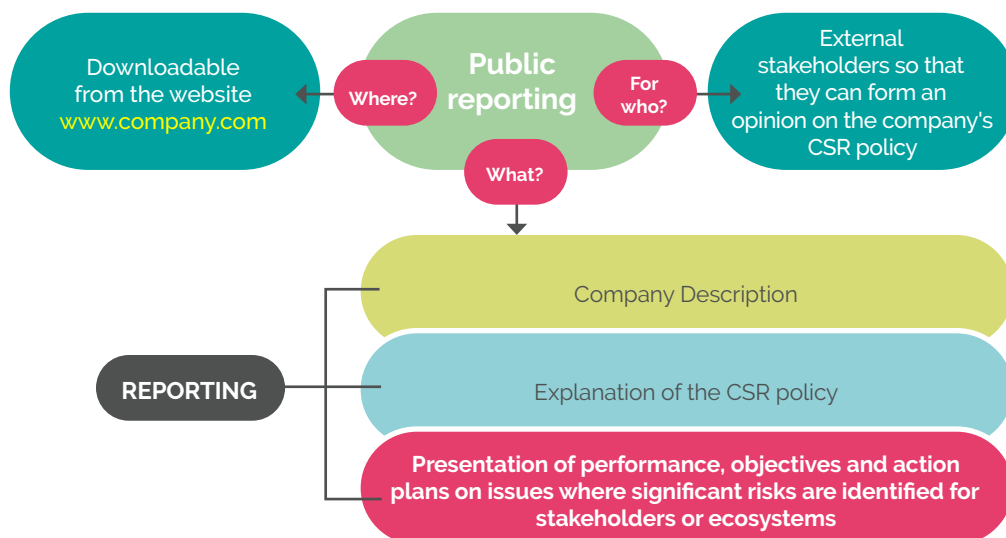
The current European definition of Corporate Social Responsibility (2011) is: « *The responsibility of enterprises for their impacts on society* »



B) INSTRUMENTS AND METHODS FOR USE BY THE STAKEHOLDERS



C) PUBLIC REPORTING: THE BASIC SOURCE OF INFORMATION



Example: A map of the stakeholders presented in the public reporting of EDF (electricity sector)



D) WHAT MAKES A "GOOD REPORTING"?

- » Corresponding to the actual circumstances, balanced (positive and negative aspects should be equally important)
- » Comprehensive but concise (links to other information)
- » Strategic and future-oriented (short-, medium- and long-term consequences of the information disclosed, including strategy and objectives)
- » Effective inclusion of stakeholders
- » Methods of measurement of indicators (KPIs), objectives and progress
- » Information about the scope and limitations of coverage, especially when certain information relates to one division only or if certain business sectors are excluded



EXAMPLE: MCDONALDS (CATERING SECTOR)

Reporting on CSR-aspects includes the general relevance of the topic, the company's approach and actions, goals and progress. However, CSR-performance indicators are only given regarding emissions and sustainable sourcing/de-forestation. For many other aspects, key figures are missing and concrete CSR objectives are not published. Concerning franchised restaurants McDonalds emphasizes that *"Franchisees [...] are independent business owners"* and *"[McDonalds] cannot prescribe social responsibility and environmental solutions for [...] independent Franchisees."*

- » Key performance indicators (KPIs) are a measurement tool used to assess an aspect of a company's qualitative or quantitative performance.
- » Key figures should be available in a time series in order to map past and present changes.
- » Performance indicators with regard to employees are for e.g.: total women quota, quota of women in management positions, turnover rate, share of employees under collective agreements, training - hours, basic salary ratio of men to women, proportion of employees with disabilities

E) HOW THE TOPICS SHOULD BE CHOSEN AND PRIORITISED FOR ACTION PLANS BY A COMPANY?

To identify the sustainability issues relevant to a company's activities, the standard procedure in a corporate social responsibility management system is to survey internal and external stakeholders, ask them to indicate which issues they think are relevant and ask them to rank them in terms of relative importance.

- » **This type of survey generally leads to a list of between 100 and 200 issues or concerns.**

To identify the key issues or priority issues to be addressed by the company, it is customary to present the issues in a table that will show a gradation of the relevance of these issues according to stakeholder families. This notion of relevance is called "materiality".

In general, a company will select between 5 and 20 priority issues for which it will make specific progress commitments explicit and will develop action plans relative to these key-issues.

EXAMPLE: G4S

The example of G4S (private security sector): According to the company's CSR policy on suppliers, *"where their performance does not meet the required levels, a corrective action plan must be submitted to G4S to address any issues raised."* It has been implemented across G4S *"businesses in Hong Kong, Saudi Arabia, UAE and the UK, where around 5% of suppliers have been categorised as potentially high-risk, including manufacturers of electronics and uniforms, cleaning and temporary labour."* 1541 Ecovadis assessments have been completed with a *"93% of supplier's scorecards have achieved a satisfactory rating."* ECOVADIS, an independent consulting firm is at the centre of all external auditing processes: assessing providers/ suppliers. Important points to be followed up: G4S has launched a "supply chain social principles' guidance and due diligence toolkit" about social standards expected from suppliers and provides training to face modern slavery.

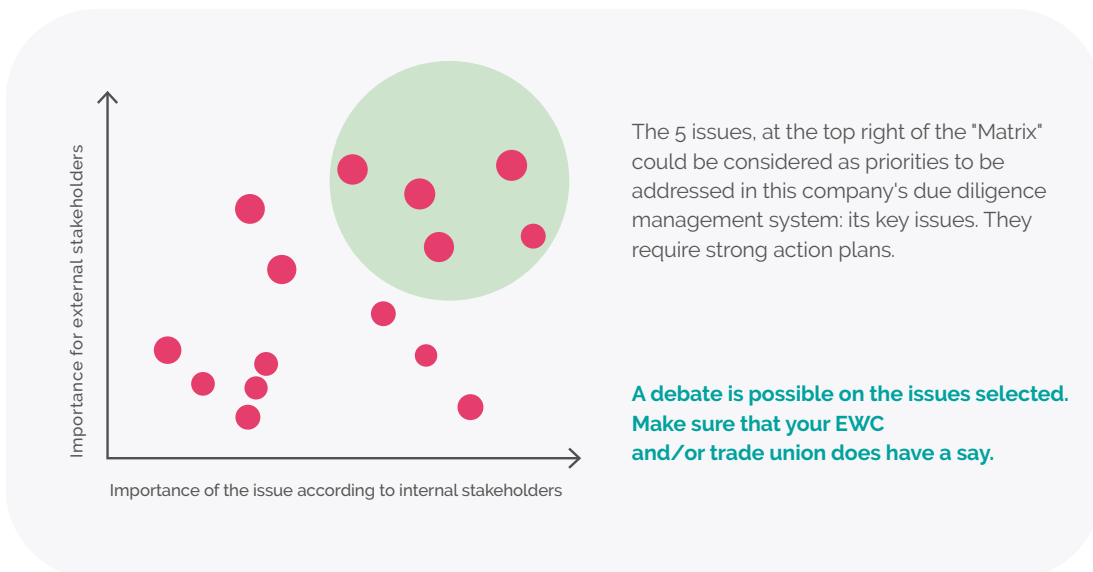
EXAMPLE: SCANIA

Scania's public reporting (automotive sector) does not provide information on any monitoring that may have been set up in the supply chains, except for mining activities involving certain raw materials such as cobalt or tin.

Performance indicators (KPIs) are presented on certain corporate social responsibility topics, including the percentage of employees covered by a collective bargaining agreement (73% in 2019). An objective of 100% is provided for this indicator, although the report does not specify how the company will achieve this objective.

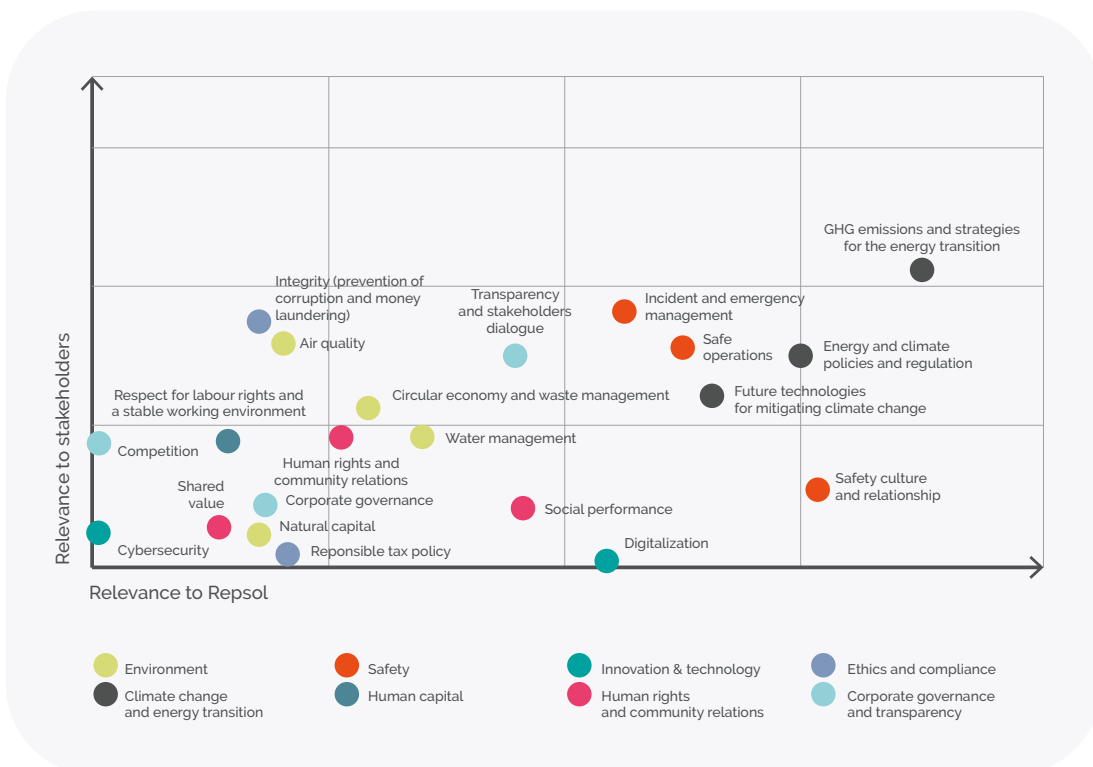


Examples of issues: Respect for freedom of association, fight against climate change ...



EXAMPLE: REPSOL (OIL AND ENERGY SECTORS) MATERIALITY ANALYSIS

At Repsol, the workers' representatives have participated in the identification of the risks: because the company is moving from oil distribution to become a multi-energy player, the top topics are linked to climate and energy issues.



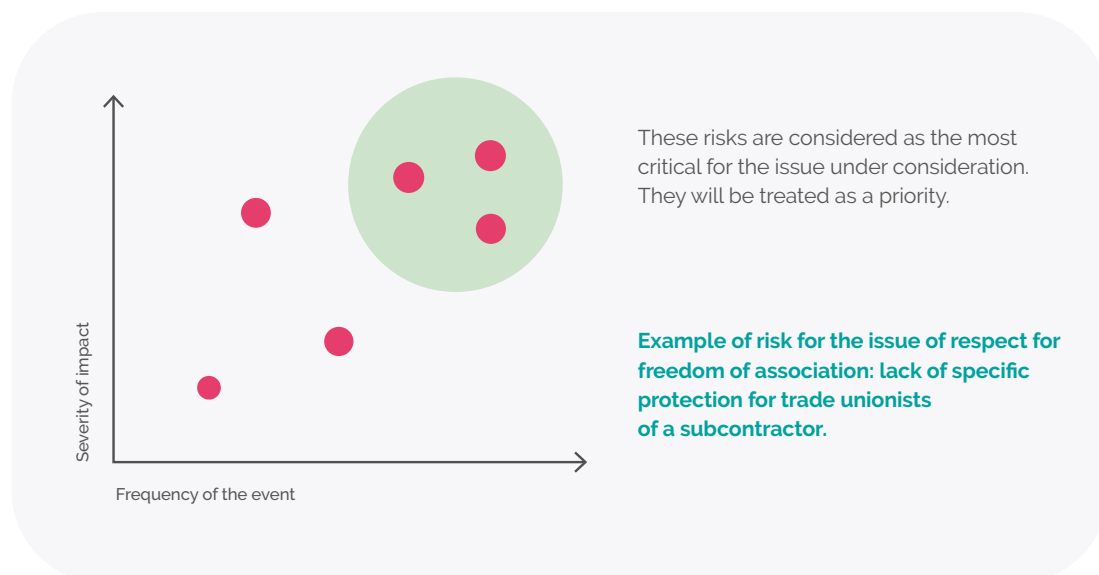
WHAT IS A RISK?

It is an event or a problematic situation, with unintended consequences, that is likely to occur.

F) RISK MAPPING IN ADDITION TO THE ANALYSIS OF THE RELEVANCE OF THE ISSUES

- » Each issue must be the subject of a risk mapping related to the activity and
- » Mapping the risks helps the organisation to prioritize its action plans and allocate the proper resources based on the criticality of the risks

Identified risk for an issue



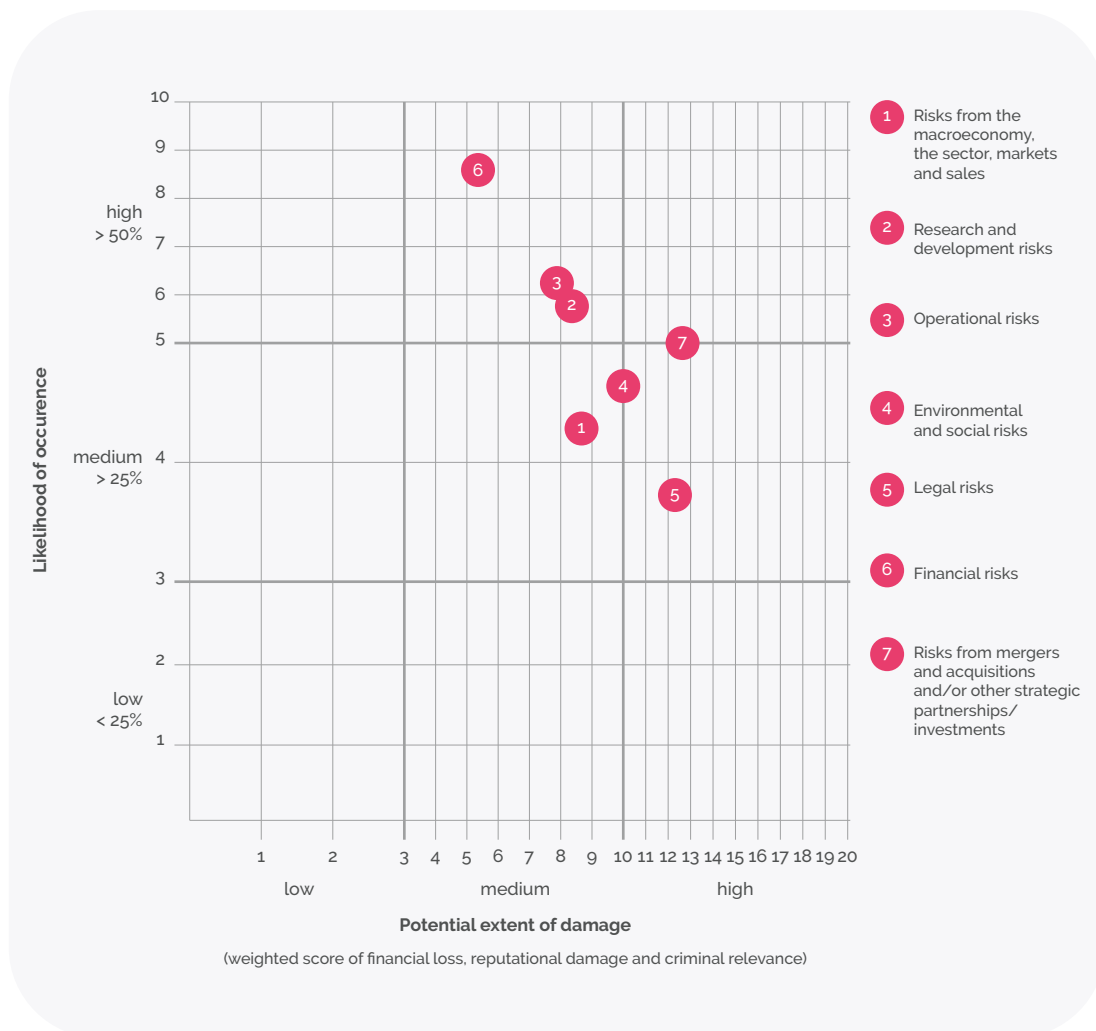
Criticality / importance of the risk =
Severity of the consequences X Frequency of occurrence of the triggering event



EXAMPLE: VW (AUTOMOTIVE SECTOR) MATRIX OF THE RISKS

Identification of the risk of excessive working hours at XPO (logistics sector).

Average scores of the risk categories



Proposed solutions:

On-board tachographs and time clocks on site. Health and safety issues are led by the European Environment, Health and Safety (EHS) Manager with the support of national and business unit EHS managers as well as regional and site EHS managers. The objective is to improve the safety performance by 15%. "In 2019, a new escalation procedure has been introduced to ensure that all serious incidents are reported to senior management across Europe in a consistent and timely manner." Three indicators are used: frequency rate, severity rate and crash rate.



G) PARTICIPATIVE PROCESS

Stakeholders (interest groups) are legal or natural persons who can be assumed to be significantly affected by the company's activities, products or services.

(Company-)internal and (company-)external stakeholders: Internal stakeholders are management, employees, employee representatives and trade unions; external stakeholders are trade unions too in certain countries, investors, consumers, suppliers, non-governmental organisations (NGOs), local communities, public authorities, etc.

Different stakeholder groups may have different requirements for the company's sustainability performance. Moreover, the interests of stakeholders may well differ from those of the company's management. If stakeholders are included, their expectations and their interests and needs can be better understood. The dialogue with stakeholders thus has the primary task of bringing together different, sometimes contradictory expectations and facts into a due diligence policy by the company.

An important contribution of stakeholder participation is thus also to legitimise the due diligence policy and to lead to a greater overall contribution of the company to sustainable development.

In larger companies, stakeholders are often involved in stakeholder forums. In addition to stakeholder forums, a dedicated dialogue on due diligence with trade unions and employee representatives is set up in many multinational companies. In so doing, multinational companies acknowledge that employees are not just one stakeholder out of many, but hold **a priority status** for bearing specific risks, since their health, income and employability are at stake and highly dependent on the way companies and their supply chain are managed.

UNILEVER (FOOD INDUSTRY) FOR INSTANCE, INVOLVES THE WORKERS' REPRESENTATIVES AND TRADE UNIONS AS FOLLOWS:

- » From occasional to more institutionalized cooperation with global unions: Memorandum of Understanding with IUF and IndustriAll Global, 2018, recognizing them as the internationally representative bodies of unionized workers within Unilever worldwide
- » Transnational framework agreements Framework for Fair Compensation (2015), Joint Commitment with IUF and IndustriAll Global on preventing sexual harassment at Unilever workplaces (2017) and Joint Commitment on Sustainable Employment (2019)
- » More recently project-related cooperation with ITF, IUF and FNV on truckdrivers, 2018
- » Europe: strong role of the EWC as a partner of European and global management (Future of Work Agreement 2019)

DANONE (FOOD INDUSTRY) SAYS THAT IT INVOLVES THE WORKERS' REPRESENTATIVES AND TRADE UNIONS AS FOLLOWS:

- » In the company: Danone reports on the many agreements signed with the IUF to regulate working conditions and social dialogue in its companies around the world.
- » Supply chain and/or business relations: Supplier Code of Conduct, which makes social dialogue an integral part of the Group's supplier selection process.

NESTLE REGARDING THE SUPPLY CHAIN LEVEL:

- » *"Trade unions on the ground can be an important resource both to help to identify issues and potential solutions. We will therefore work with suppliers to build relations with unions in high risk countries and crops." and "We will work with suppliers to promote the right for their workers to establish and join organisations of their choosing and engage in constructive negotiations."*

AT CARREFOUR (RETAIL SECTOR), A GLOBAL FRAMEWORK AGREEMENT SIGNED WITH UNI GLOBAL UNION PROMOTES DIALOGUE WITH TRADE UNIONS ON DIVERSITY.

- » In this context, the vigilance plan and the risk mapping concerning human rights, and workers' health and safety are co-constructed and regularly presented to the European Information and Consultation Committee (CICE), which brings together the main European trade union organisations.



H) ALERT SYSTEMS

Having a system for communicating alerts within the company is a first step, but it is better to have a process open to third parties. The UN Guiding Principles on Business and Human Rights ask for non-state extra-judicial grievance mechanisms in companies.

To ensure their effectiveness, non-state extra-judicial grievance mechanisms should meet several criteria: e. g. accessibility: known to all groups for which they are intended and provide sufficient support to those who may face particular barriers to accessing them; be predictable: provide a clear, known process with a predictable timeframe for each stage of the process, as well as clear statements of the types of processes, outputs and means available to monitor implementation; should be based on exchange and dialogue with stakeholders for which they are intended and rely on dialogue as a means to address and resolve grievances.

All the companies studied have grievance mechanisms in place. In most cases, alert procedures are attached to the companies' codes of conduct, which are intended to give all employees the opportunity to report compliance violations against the contents of the codes or any kind of risks.

In addition, companies provide telephone hotlines in various languages, e-mail addresses for submitting anonymous complaints.

Procedures for the submission of complaints by persons external to the company, such as the employees of suppliers, are less frequent, although they have an important function as regards respect for human rights in the supply chain.

GRIEVANCE MECHANISM AND WHISTLEBLOWING

Danone's alert system is enabled to prevent breaches of its Ethical Principles and to take the necessary measures in the event of a proven breach.

1. In the company: the Danone Ethics Line is an online and telephone system that Danone makes available to its employees to report violations of its Ethical Principles. Employees may also contact their line managers or the Human Resources Department.
2. Supply chain and/or business relations: The Danone Ethics line is also open to reports from suppliers and service providers.
3. Accessible 24/7, by internet, in 15 languages.
4. Use the BKMS solution, provided by the tiers company Business Keeper. This solution is certified to comply with European data protection legislation.
5. Attention: the Danone ethics line website does not appear in Google search results.

McDONALD'S

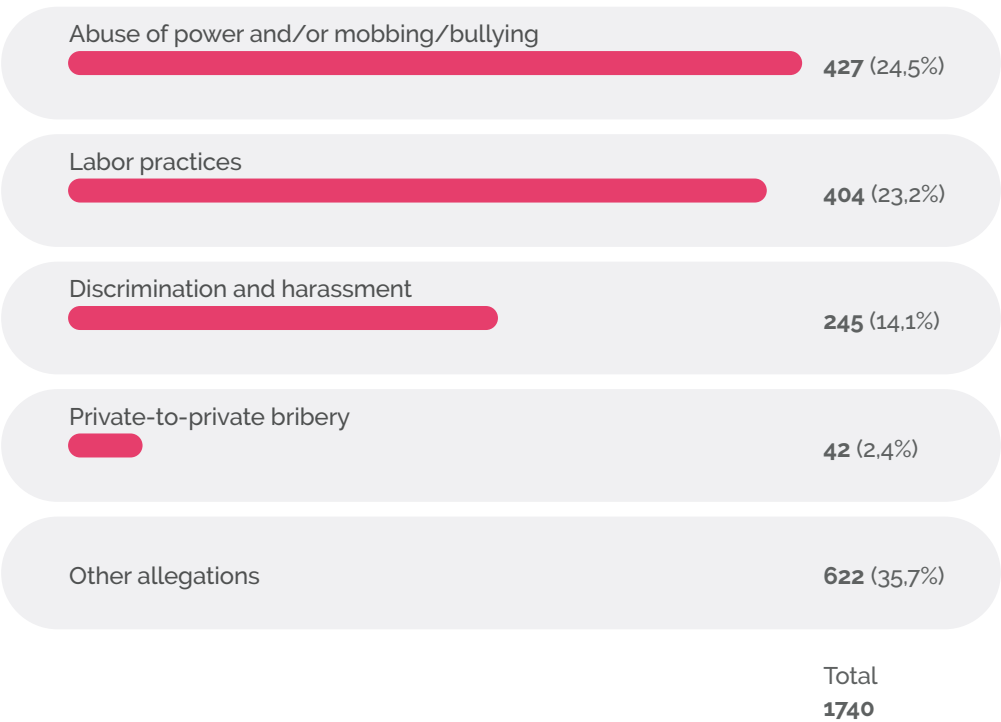
McDonald's has a Standards of Business Conduct for its employees that mainly focuses on human rights, data protection, diversity, and the prevention of anti-corruption. Regarding breaches of the code, employees can submit anonymous complaints to a third-party Business Integrity Line (24h, 365 days a year, interpreters are available). Reports can also be submitted online. Reports or phone calls are coded with a reference number that can be used to check on the status of the report/call or to provide additional information. Regarding whistle-blower protection the company states that *"McDonald's strictly prohibits retaliation of any kind directed against an employee who has, in good faith, reported a possible violation."* The protection of whistle-blowers is also part of the McDonald's Supplier Code of Conduct.



NESTLÉ INTEGRITY REPORTING SYSTEM (NIRS)

- » "Our robust system means that 1496 (86%) cases were closed and 474 (31%) substantiated. As a result, 135 employees left the company, there were 19 written warnings, and 17 suppliers' services were terminated. Where appropriate, other measures, such as internal process improvement and reinforcement, were carried out."
- » Good description of the process of the complaint / concern report mechanism
- » No-retaliation commitment
- » Available in all languages

Number of messages received through our
Nestlé Integrity Reporting System in 2019, by issue type (% of total)



HOW WILL THE ALERT BE HANDLED, HOW WILL THE PROBLEM BE SOLVED?

This is an important challenge to which the Global Union Federations have found solutions through international framework agreements.



CHAPTER 3:

LESSONS LEARNED FROM THE PROJECT

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LESSONS LEARNED FROM THE PROJECT

- a) **The concept of corporate due diligence on sustainability risks is fairly well known among the European and international trade union federations that participated in the project.**
- » However, most company trade unionists have little knowledge of this concept and experience of its use in social dialogue. They are seldom involved by company management, who rarely consider them as a partner in due diligence processes. A majority would need training on this relatively new subject.
- b) **The appropriation of the concept of due diligence with regard to sustainability risks varies greatly from company to company.**
- » The publications issued by companies on this subject range from total silence to annual descriptions of their vigilance system on a few dozen pages.
 - » When the information provided is too light, it may also show an approach limited to business risks rather than sustainability risks, and often amounts to greenwashing.
- c) **Corporate communications on risk management for sustainability issues is generally more relevant when the company's international headquarters are in a country that has deployed a robust transposition of the Non-Financial Reporting Directive 2014/95.**
- d) **The information published by companies whose international headquarters are located in a country that has adopted a specific law relating to the due diligence is in fact more detailed and more precise than that emanating from companies subject only to the general obligation of non-financial information.**
- » Companies subject to the French Duty of vigilance Act 2017 have clearly made progress on this issue since the implementation of this law.
 - » However, national legislative initiatives are rather uneven in their content, and several are weakly binding. This diversity of legal frameworks in Europe makes the appropriation of due diligence concepts more complex for stakeholders.
- e) **Companies subject to the French Duty of Vigilance Act have improved their communication and probably also their risk management practices with regard to the risks concerned by this law (risks to human rights, to the health and safety of people, and to the environment).**
- » However, this law has not yet had much effect in terms of integrating these issues into the social dialogue items.
- f) **Companies with a global social dialogue committee and/or a European works council have started to use these spaces to dialogue on due diligence issues with their staff representatives. However, dialogue on these issues is still at its beginning.**
- g) **Legal action and threats of legal action by Global and national trade unions against companies subject to French law led to improvements by these companies in the months following the public controversies over their duty of vigilance.**
- h) **Many whistleblowing and reporting mechanisms have been created or modified in recent years by companies, taking a potential complementary place in the due diligence systems of companies in Europe. However, these mechanisms are not yet followed up in depth in the social dialogue.**
- i) **The due diligence plans and systems published annually by companies are often only available on company websites in one or two languages. Many workers who do not speak these languages find it difficult to read or use these public documents.**
- j) **Liability must be introduced for cases where companies fail to respect their due diligence obligations, without prejudice to joint and several liability frameworks.**

Exercise sheets >>

CHAPTER 4: EXERCISES

The subject of due diligence may seem technical or complex when approached solely from a theoretical perspective. For this reason, we propose examples of exercises that can inspire trade union trainers and workers' representatives to take ownership of important concepts underlying corporate reporting. It is also recommended to "get the hang of it" by reading and comparing some corporate due diligence reports and vigilance plans in order to analyse them, as proposed in the annex to this brochure.



EXERCISE 1

OBJECTIVE: IDENTIFICATION OF THE PROS & CONS OF DUE DILIGENCE AND SYNTHESIS.

Participants: to be divided into three "worker" groups.

The members of the following groups are members of the EWC and/or trade union officers of Peoplefirst Industries.

The blue group: The blue group is in favour of using due diligence as a lever for trade union action. They will use all possible means to ensure that their company takes concrete action to prevent, mitigate or eliminate the risks associated with its business operations.

The Orange Group: The orange group believes that due diligence is unnecessary, even dangerous. For them, labour law and criminal law offer sufficient protection.

The Green group: The green group believes that due diligence has advantages and disadvantages. They will seek to combine the different levers of action to be as effective as possible.

Case study:

In 2019, an American global company called Peoplefirst Industries drafted its Sustainable Development (SD) report. They currently employ about 28,000 workers in several European countries.

To do so, the European management set up a 'Dialogue and Ethics Committee' in which 3 EWC representatives did participate together with the management (HR Department, purchasing department, legal department, CSR department). Together they examined:

- » the risks related to the company's activities
- » the risks related to its business relations (providers, suppliers, joint ventures, banks, major clients, ...)
- » and they identified communication channels to pass on possible alerts from workers and third parties to the company management.

In addition, an interview with the head of the IUF is included in the 2020 SD report to show the quality of the dialogue at the global level. In Europe, Peoplefirst Industries has a positive attitude towards the trade union organisations already established in the company.

In 2021, the company is going through deep financial difficulties because of the corona crisis. Several EWC members find out from the press that Peoplefirst Industries is getting ready, in a few weeks at most, to sign three key commercial partnerships with McDonald's, Ryanair and Amazon to strengthen its multimodal transport offer and global sales. These contracts are strategic for the company's new business model, says Management in a press release.

Question: Each group must explain what measures/actions need to be taken regarding the strategic partnership with the other three multinational companies.



EXERCISE 2

NON-FINANCIAL COMPANY REPORTING AND TRADE UNION ACTION

CASE #1: [NAME OF THE SELECTED COMPANY]

Working time: 60 minutes

Among the members of your working group, appoint a spokesperson who will report back your recommendations to the plenary session, in max. 10 minutes.

Objective of the working group

The objectives of the working group are to exchange concrete experiences and propose ideas to improve:

- » The non-financial and due diligence information which can be found in the public reporting of a company
- » The (good and not-so-good) company practices regarding non-financial reporting and due diligence policies
- » How trade union representatives in multinational companies, including members of European Works Councils, can use non-financial reporting and due diligence policies to defend workers' rights all along the supply chain and abroad

Background

The public reporting practices and the actions of trade union representatives/EWC members in one specific company will be introduced. The introduction will serve as a basis to launch a broader discussion during which you will exchange ideas and proposals to improve due diligence and non-financial reporting in companies.

The specific company case your working group will start looking at in introduction is [name of the selected company].

A moderator coming from the organising team will guide the discussion and make sure that all opinions can be taken into consideration.

Task of the working group

- 1. The moderator introduces Syndex analysis of [name of the selected company] non-financial reporting and due diligence policies (10 min.)**

A Syndex expert looked at the public reporting of [name of the selected company] and analysed how the company reports non-financial and due diligence information. The moderator will introduce the Syndex expert analysis.

- 2. The trade union representative(s) and/or EWC member(s) at [name of the selected company] will share their experience (10 min.)**

Trade union representatives and/or EWC members from [name of the selected company] will share their own experience. They will explain how they use non-financial reporting and due diligence policies to discuss with management how to respect and promote workers' rights in the company, its subcontractors, and its suppliers, both in Europe and abroad.



3. All the working group members will then discuss (20 min.)

Based on the experience at [name of the selected company], and based on your own experience as EWC member or trade union representative in a company, discuss:

- **Company reporting:** what are the good practices of public reporting at [name of the selected company] which should serve as an example to follow by other companies? On the contrary, which are the reporting practices at [name of the selected company] which should not be seen as a good example?
- **The role of trade union representatives and EWC members:** what are the good practices of social dialogue between trade union representatives/EWC members and the management at [name of the selected company] which should serve as an example to follow in other companies? On the contrary, which are the practices at [name of the selected company] which are not a good example?

4. All the working group members will list the conclusions of the discussion (20 min.)

Focus on the good practices you discussed and list:

- **Three recommendations of what companies must do** for a quality non-financial reporting and due diligence policy (content and process wise)
- **Three recommendations of what trade union representatives and EWC members should do** to engage dialogue with management on workers' rights in the supply chain
- **Three recommendations of action needed from European policymakers to improve the quality of public reporting and social dialogue on due diligence in companies.**





SYNDEX EUROPE & INTERNATIONAL

Bld du Roi Albert II, nr5
1210 Brussels
www.syndex.eu



With the support of
the European Union institutions



Company “Due Diligence” and non-financial information: threats or new leverages for workers' representatives?

ANNEX TO THE TOOLKIT

Lessons learned and possible ways forward in due diligence

METHODOLOGY AND PRELIMINARY REMARKS

These sheets were produced by Syndex and its German partner WMP Consult on the basis of public reporting by companies (annual report, codes of conduct, charter, etc.) of 2020 and 2021.

They were used as a basis for discussion with trade unionists and EWC members affiliated to EFBWW, EFFAT, ETF, IndustriAll Europe and UNI Europa in several working groups.

The aim of these workshops was to train and raise awareness among trade unionists and EWC members of the importance of taking up extra-financial issues.

These analysis can be used for training purposes in future activities.

Please note that the public reporting of companies evolves constantly, therefore these sheets should be updated on a regular basis.

About Syndex

Syndex is a European consultancy firm (45 years of experience) with more than 400 specialized consultants, providing assistance to social partners on a wide range of economic and social issues. It places its expertise at the service of European and national social partners, sectoral social partner committees and European and national public institutions, with the aim of fostering social dialogue and contributing to the promotion of a social Europe. Syndex has its headquarters in Paris and has offices in Bucharest, Brussels, Dublin, London, Madrid, and Warsaw. It also has a network of local experts in many other EU countries. Wmp Consult is the partner of Syndex in Germany.



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FOOD INDUSTRY



DANONE

1. COMPANY POLICY AND TOOLS

The company policy is defined/ presented/ structured as follows:

The three topics covered by the vigilance plan are those provided for in the French law of 2017 :

- » Human rights and fundamental freedoms, in which UN and ILO fundamental rights are covered
- » Health and Safety for customer, employees and subcontractors
- » Environment (sustainable agriculture, sustainable shops)

The company has also had an interest for many years in :

- » sustainable supply issues through its GREEN program and its impact on water tables
- » The health of its customers through adapted communication around its products.

2. PARTICIPATIVE PROCESSES

The company states that it involves the stakeholders as follows:

- » Danone works with its stakeholders, at global, regional and local levels, to co-construct solutions and achieve its Objectives 2030. However, no details are provided on the nature of the stakeholders and the discussions with them.

The company says that it involves the workers representatives and trade unions as follows

- » **In the company:** Danone reports on the many agreements signed with the IUF to regulate working conditions and social dialogue in its companies around the world.
- » **Over the supply chain and/or business relations:** Supplier Code of Conduct, which makes social dialogue an integral part of the Group's supplier selection process..

COMPANY PUBLIC INFORMATION OF RELEVANCE:

- > **Code of conduct (Danone Ethic line)**
- > **Charter for suppliers compliance**
- > **CSR report**
- > **Annual report**
- > **Vigilance plan integrated in the annual report (yearly, since 2018)**

DOCUMENTS OF RELEVANCE:

- > **EWC agreement**
- > **Global agreement signed with IUF**
- > **Charter for suppliers compliance**



3. ALERT SYSTEMS AND WHISTLE-BLOWING

1. Alert system:

Danone alert system is enabled to prevent breaches of its Ethical Principles and to take the necessary measures in the event of a proven breach.

- » **In the company:** the Danone Ethics Line is an online and telephone system that Danone makes available to its employees to report violations of its Ethical Principles. Employees may also contact their line managers or the Human Resources Department.
- » **Over the supply chain and/or business relations :** The Danone Ethics line is also open to reports from suppliers and service providers.
- » Accessible 24/7, by internet, in 15 languages.
- » Use the BKMS solution, provided by the tiers company Business Keeper. This solution is certified to comply with European data protection legislation.
- » Attention: the danoneethics line website does not appear in Google search results.

2. Protection of whistle-blowers:

- » The website is clear throughout the reporting process as to what information is being reported and allows anonymous reporting.

4. IMPLEMENTATION AND FOLLOW UP

Actions to assess the company policy implementation:

- » **Internal/ external auditing:** auditing of subcontractors and providers. "Respect" program for human rights, "Green" program for the sustainable use of resources (including water). "WISE" Program for Workplace Health.
- » **Company committee:** Strategic International Committee (international works council). One Planet, One Health Integration and Investment Committee. The Committee's mission is to ensure the integration and consistency of Danone's social, environmental and nutrition commitments. Sustainability Integration Department: reporting to the Corporate Secretary General, this department is responsible for coordinating and monitoring the performance of the Company's sustainable development commitments
- » **Self-assessment / declaration:** purchase of critical materials from RSPO-certified suppliers. Danone sponsors 4 investment funds for social innovation.



MCDONALD'S

1. COMPANY POLICY AND TOOLS

McDonald's offers information on sustainability issues on a global level on the company's webpage. The section "*Purpose & Impact*" of the website is designed to be a "*living reporting platform*". The company also publishes reports against external frameworks, such as ESG (2018), CDP (2020) and SASB (2019). McDonald's publishes sustainability reports on a country-based level, e.g. in Austria, Germany, France, and Sweden. McDonald's does not publish a non-financial report, as it is not listed on a European stock market.

The sustainability strategy "*Scale for Good*" (since 2018) of McDonald's is based on the UN Sustainable Development Goals and the result of a stakeholder exchange. Reporting on CSR-aspects includes the general relevance of the aspect, the company's approach and actions, goals and progress. However, CSR-performance indicators are only given regarding emissions and sustainable sourcing/de-forestation. For many other aspects, key figures are missing and concrete CSR objectives are not published.

Concerning franchised restaurants McDonald's emphasizes that "*Franchisees [...] are independent business owners*" and "*[McDonald's] cannot prescribe social responsibility and environmental solutions for [...] independent Franchisees.*"

No information on the OECD complaint against McDonald's can be found in the company's reporting/on websites.

COMPANY PUBLIC INFORMATION OF RELEVANCE:

- > **CSR-webpage "Our purpose & Impact Overview"**
- > **Standards of Business Conduct: the Promise of the Golden Arches**
- > **McDonald's Supplier Code of Conduct (2012)**
- > **ESG Reporting Website Archive 2018**
- > **McDonald's Corporation - Climate Change 2020 (CDP)**
- > **McDonald's Corporation - Forests 2020 (CDP)**
- > **McDonald's Human Rights Policy**
- > <https://corporate.McDonald's.com/corpmcd/home.html>

2. PARTICIPATIVE PROCESSES

1. The company states that it involves the stakeholders as follows:

- » McDonald's does not elaborate in the reporting on its understanding of materiality and there is no materiality analysis published. However, the company states that their "*global priorities*" (where the company can make the greatest differences) reflect a) an analysis of major social and environmental impacts of the business and the processed food and b) the material environmental and social issues that matter most to the company's customers and employees, Franchisees, suppliers and wider stakeholders. The stakeholder involvement and processes (e.g. dialogues) are not elaborated in the reporting. Only as regards the WWF it is mentioned that the NGO has influenced the sustainable procurement strategy and takes part in the supply risk analysis.

2. The company says that it involves the workers representatives and trade unions as follows

- » There is no information given on the involvement of employee representatives or trade unions.



3. ALERT SYSTEMS

Alert system:

- » McDonald's understands risks as financial risks for the company, which may arise (among others) from *"failure to preserve the value and relevance of our brand"* due to "increased public focus, including by governmental and nongovernmental organizations, on [...] environmental sustainability matters, such as packaging and waste, animal health and welfare, deforestation and land use." The information given on risk management processes is sparse. Risk management includes engaging stakeholders, quantitative and external data gathering, internal reviews and analytics. Regular identification, assessment and management of risks in the supply chain by the Senior Director of Sustainability Strategy and Scale for Good (oversees climate strategy) and other Sustainable Sourcing Directors.

Protection of whistle-blowers:

- » McDonald's has a Standards of Business Conduct for its employees that mainly focuses on human rights, data protection, diversity, and the prevention of anti-corruption. Regarding breaches of the code employees can submit anonymous complaints to a third-party Business Integrity Line (24h, 365 days a year, interpreters are available). Reports can also be submitted online. Reports or phone calls are coded with a reference number that can be used to check on the status of the report/call or to provide additional information. Regarding whistle-blower protection, the company states that *"McDonald's strictly prohibits retaliation of any kind directed against an employee who has, in good faith, reported a possible violation."* The protection of whistle-blowers is also part of the McDonald's Supplier Code of Conduct.

4. IMPLEMENTATION AND FOLLOW UP

Actions to assess the company policy implementation:

- » The Group is committed to several international standards and management systems, such as the UN's Sustainable Development Goals, Guiding Principles on Business and Human Rights, Universal Declaration of Human Rights and ILO's Declaration on Fundamental Principles and Rights at Work. Concerning the content of the Code of Conduct annual training courses are mandatory for all employees, special training exists for selected employees as regards human rights. Due diligence processes are not described in depth in the sustainability reporting and mainly refer to due diligence on human rights in the supply chain.

Regarding suppliers and human rights the company introduced a four step due diligence process consisting of:

- » Step 1: Online training to help suppliers understand what is expected of them.
- » Step 2: Suppliers complete a annual self-assessment questionnaire to appraise their current systems and practices. This results in a report indicating areas for improvement.
- » Step 3: Third-party firms conduct announced and unannounced audits. Auditors also interview workers, and review records and business practices to assess compliance with our Supplier Code of Conduct.
- » Step 4: The auditing firm shares any non-compliances with the supplier, who is required to produce an action plan to address and remedy the issues, ensuring there is no recurrence. In the case of serious non-compliances, a follow-up audit will be carried out to monitor progress. If there are instances of significant noncompliance with McDonald's Supplier Code of Conduct, McDonald's may remove the supplier from the supply chain.

The McDonald's Supplier Code of Conduct includes a reference to the UN Universal Declaration of Human Rights. Direct suppliers are required to sign a contract committing them to upholding the standards contained in our Supplier Code of Conduct.



MONDELEZ

1. COMPANY POLICY AND TOOLS

Mondelez offers information on sustainability issues on a global level on the company's webpage. Mondelez has no non-financial report (it is not listed on a European stock market). The company regularly publishes sustainability reports. Furthermore, the company reports on climate change data (CDP Climate) and the water footprint (CDP Water). In accordance with the UK Modern Slavery Act, Mondelez publishes a Human Rights Due Diligence and Modern Slavery Report. Fundamental values and standards of the company are laid down in various guidelines and documents (e.g., Corporate Responsibilities Guideline).

The sustainability strategy is aligned with the UN Sustainable Development Goals. The reporting covers policies, measures, performance and goals; KPIs are given for selected aspects.

The four CSR fields of activity defined as "material" are: promotion of safety of employees and products; supply security of key agricultural commodities and social challenges in supply chain; improvement of environmental impact across the operations, supply and communities; and promotion of consumer well-being.

COMPANY PUBLIC INFORMATION OF RELEVANCE:

- > **Snacking made right 2019 report (CSR report)**
- > **Corporate Responsibilities Guideline**
- > **Our way of doing business: the Mondelez international code of conduct**
- > **General Terms & Conditions (for suppliers)**
- > <https://www.mondelezinternational.com/Procurement>

2. PARTICIPATIVE PROCESSES

1. The company states that it involves the stakeholders as follows:

- » Mondelez does not elaborate in the reporting on its understanding of materiality. However, the company states that "impacts" define the "concept of social and environmental materiality" and the sustainability focus is set on "sustainability efforts where [the company] can have the greatest impact."
- » The company works with internal and external experts to review the impact of major societal issues on the business and to shape the strategic responses to them. The stakeholder involvement and processes (e.g. dialogs) are not elaborated in the reporting. Only the World Wildlife Fund (long-term sustainability risks), Quantis (total environmental footprint) and investment groups are listed as external experts (stakeholders).

2. The company says that it involves the workers representatives and trade unions as follows

- » There is no information given on the involvement of employee representatives or trade unions.

3. ALERT SYSTEMS

Alert system:

- » Mondelez relates to risks as financial risks for the company, which may arise (among others) from "climate change" or "shifts in labor availability." Risks are assessed in an enterprise risk management (ERM) process for identifying, measuring, monitoring, and managing risks. The ERM process is overseen by the Risk and Compliance Committee (MRCC), which also reports to the Board of Director's Audit Committee. The identification of risks relies on analysis of stakeholder and regulatory issues; the greenhouse gas, land and water footprint of the total company; proprietary consumer insight data; and publicly available data on societal issues, including statistics and reports from authorities, NGOs and peer companies. The company partnered with the World Wildlife Fund (WWF) to assess the long-term environmental and social sustainability risks of the raw materials supply chain. The prioritized risk assessment run by WWF examined raw materials by source country based on publicly available, secondary data, covering the largest raw materials volume and spend. The assessment defined cocoa and palm oil as top priorities from a human rights risk perspective.



Protection of whistle-blowers:

- » In the framework of a Compliance and Integrity Program Mondelez offers a toll-free telephone Integrity HelpLine (more than 90 countries) and an online version Integrity WebLine to all employees and third parties which can be used to raise concerns (including human rights). Reports can be made anonymously. The Integrity WebLine is operated by an independent company (EthicsPoint). Regarding the protection of whistler-blowers, the company states, that *"Anyone who retaliates against another employee for raising a concern in good faith will face discipline, which may include termination. On the other hand, concerns or allegations raised in bad faith (e.g., knowing they are not true) will not be tolerated and employees who make them are subject to discipline, including termination of employment."* Mondelez established a *"Speaking Up and Investigations Policy"* which includes a commitment to non-retaliation.

4. IMPLEMENTATION AND FOLLOW UP

Actions to assess the company policy implementation:

- » The Corporate Responsibility Guidelines and the Code of Conduct supports to ensure that norms and values are respected within the company. Mondelez is committed to the UN's Sustainable Development Goals and the Guiding Principles on Business and Human Rights and the company puts a special focus on human rights due diligence. Regarding the supply chain the company has a Code of Conduct for suppliers and introduced the Palm Oil Action Plan (labor rights) and the Initiative Cocoa Life (human rights risks and empowerment of farmers).

The due diligence process on human rights includes:

- » Mondelēz International Human Rights Working Group (HRWG) defines the company's due diligence strategy and drives its implementation to embed it throughout the organization's own operations and supply chains
- » Assessment of human rights risks (in collaboration with the human rights consultancy twentyfifty ltd)
- » Supplier self-assessments, third party ethical practice audits (own company and suppliers, by Sedex)
- » Human Rights Training: module for all employees; training module and toolkit on Forced Labor Risk Mitigation for employees in key functions (Plant Leaders, Human Resources, Procurement, Corporate & Legal Affairs)
- » Reporting (Human Rights Due Diligence and Modern Slavery Report)
- » Grievance mechanism



NESTLÉ

1. COMPANY POLICY AND TOOLS

The company policy is defined/ presented/ structured as follows:

The CSV Strategy (Creating Shared Value) is based on the United Nations Sustainable Development Goals. Key points:

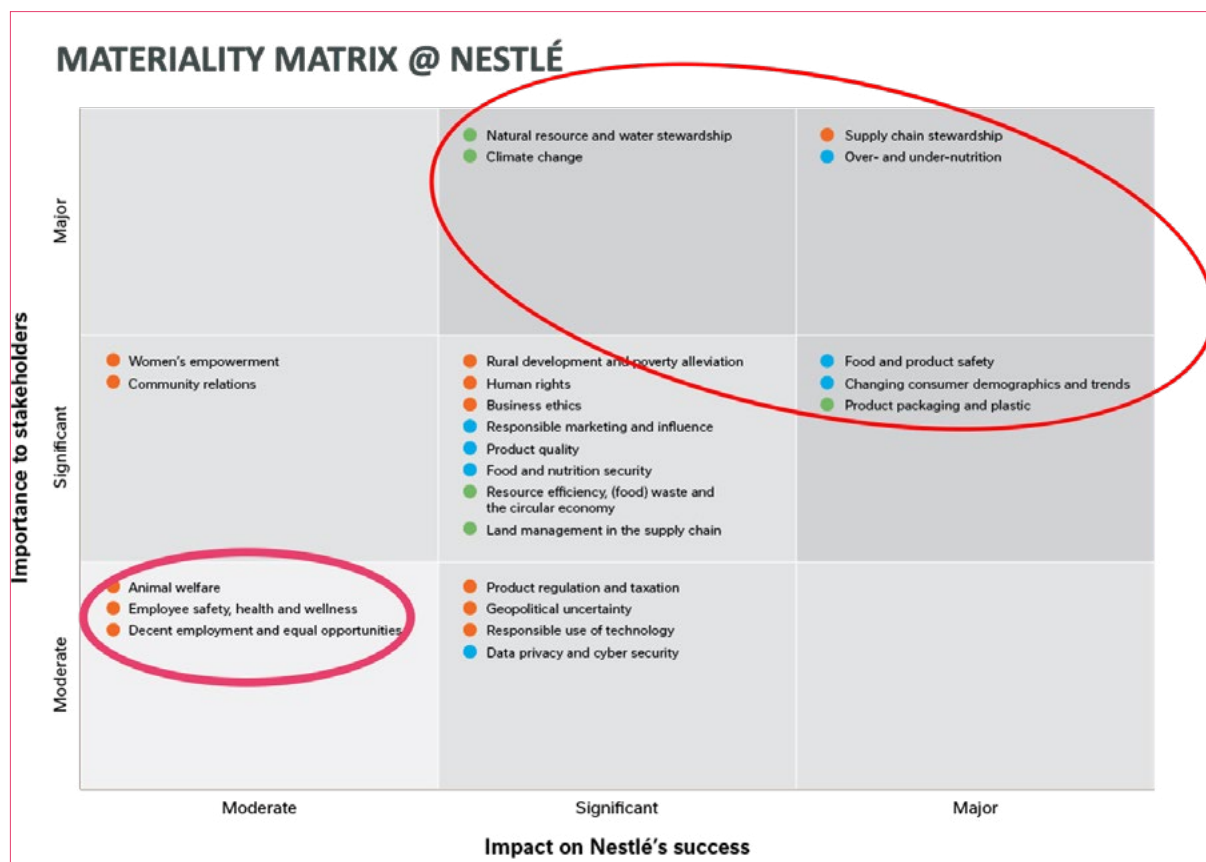
- » Direct commitment of the CEO and Board Chairman = company commitment. They present their company "creating shared value" for shareholders and society at large with equal footing. Statement "Nestlé is part of the Society"
- » Nestlé is a UN Global Compact LEAD company (a self-declaration process only)
- » Nestlé Materiality matrix (as assessed in 2018): employee safety, health and wellbeing are the lowest scored (see slide) as well as decent employment and equal opportunities
- » Strong focus on Food safety/ quality and Food production as a development stepping stone.
- » Strong focus on human rights. The American NGO Verité has been the Nestlé partner for investigating labour issues.
- » The Nestlé Corporate Business Principles are mandatory for all Nestlé employees (see Code of Business). "We integrate them into our business planning, activities, operations, performance reviews and auditing. Where our own principles and policies differ from local legislation the higher standard applies."

COMPANY PUBLIC INFORMATION OF RELEVANCE:

2018, Nestlé's material issues across the value chain:

- > **2018 Nestlé Responsible Sourcing Standard:** describes the requirements and ways of working expected from supply chain contractors. "It contributes to the implementation of the OECD guidelines for multinational enterprises, the core conventions of the ILO, and the UN SDGs."
- > **2019, Creating Shared Value Progress Report 2019 (CSV Strategy)** is the main document referring to the main company focus: individuals and families, communities, planet. The materiality table is presented
- > **2020, Our Business principles:** should be respected by all employees, providers, customers, ... the document lists all international instruments respected and promoted by the company.
- > **Human rights reporting framework Index**
- > **2017 Labour rights in Agricultural supply chains: a road map**

Materiality Matrix @ Nestlé



2. PARTICIPATIVE PROCESSES

1. Involvement of stakeholders :

- » Syndex did not find any information about involving stakeholders in the Nestlé's policy and in the Matrix of risks.
- » In 2019, in London, Nestlé organised a stakeholder convening with the CEO, two members of Nestlé's Executive Board and 15 Nestlé employees. Three themes were covered during the two-day event: nutrition in the first 1000 days, diversity and inclusion, and plastic packaging.
- » Also in 2019, two workshops took place with NGOs and academics but without workers representatives around two responsible sourcing topics: forest conservation and living income (mainly farmers).

2. The company says that it involves the workers representatives and trade unions as follows

- » Social dialogue and collective bargaining have a very low profile in Nestlé's public reporting.

@ the supply chain level:

- » "Trade unions on the ground can be an important resource both to help to identify issues and potential solutions. We will therefore work with suppliers to build relations with unions in high risk countries and crops." and "We will work with suppliers to promote the right for their workers to establish and join organisations of their choosing and engage in constructive negotiations." (Source: 2017 Labour rights in Agricultural supply chains: a road map)



3. ALERT SYSTEMS AND WHISTLE-BLOWING

1. Alert system:

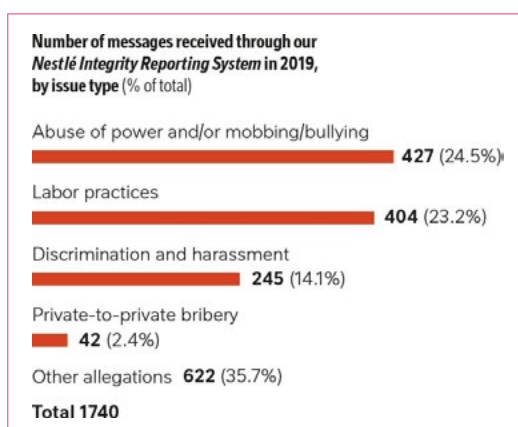
- » Nestlé has set up a "Tell us" report mechanism that is based on a website, accessible in all languages. Each user will

2. Protection of whistle-blowers:

- » Internal and external Nestlé grievance mechanisms are widely accessible to both employees and external stakeholders to raise concerns about potential issues of non compliance. Nestlé says to "investigate all concerns raised and prohibit retaliation against any employee for such reports made in good faith".

Nestlé INTEGRITY REPORTING SYSTEM (nirs)

- » "Our robust system means that 1496 (86%) cases were closed and 474 (31%) substantiated. As a result, 135 employees left the company, there were 19 written warnings, and 17 suppliers' services were terminated. Where appropriate, other measures, such as internal process improvement and reinforcement, were carried out."
- » Good description of the process of the complaint / concern report mechanism (but who is the Market Compliance Officer?)
- » No-retaliation commitment
- » Available in all languages



Source: <https://www.nestle.com/csv/impact/respecting-human-rights/grievance-mechanisms> and <https://www.nestle.com/aboutus/businessprinciples/report-your-concerns>

4. IMPLEMENTATION AND FOLLOW UP

Actions to assess the company policy implementation:

1. Internal/ external auditing: auditing of subcontractor and providers

- » The CARE Program, relies on an independent external audit network. CARE findings and recommendations are reported through the Board Audit Committee to the Nestlé S.A. Board of Directors.
- » In 2019, 193 CARE audits were conducted and 44959 employees performed the Code of Business Conduct training.



2. Action of follow-up

- » "Should our business partners demonstrate a lack of adherence with any of our business principles, we will request an open and transparent discussion, establish corrective actions or terminate the relationship, if necessary. Conversely, we respect our partners' reasonable standards."

2019 Nestlé annual review

For our communities

Helping develop thriving, resilient communities



Our 2030 ambition is to improve 30 million livelihoods in communities directly connected to our business activities



Enhancing rural development and livelihoods

- Improve farm economics among the farmers who supply us
- Improve food availability and dietary diversity among the farmers who supply us
- Implement responsible sourcing in our supply chain and promote animal welfare
- Continuously improve our green coffee supply chain
- Roll out the Nestlé Cocoa Plan with cocoa farmers



Respecting and promoting human rights

- Assess and address human rights impacts across our business activities
- Improve workers' livelihoods and protect children in our agricultural supply chain
- Enhance a culture of integrity across the organization
- Provide effective grievance mechanisms to employees and stakeholders



Promoting decent employment and diversity

- Roll out our Nestlé needs YOUTH initiative across all our operations
- Enhance gender balance in our workforce and empower women across the entire value chain
- Advocate for healthy workplaces and healthier employees

Nestlé's human rights salient issues

	Nestlé employees	Suppliers employees	Farmers and farm workers	Communities	Consumers
FoA & collective bargaining	X	X	X		
Working time	X	X	X		
Accommodation & basic needs	X	X	X		
Safety & health at work	X	X	X	X	
Living wage	X	X	X		
Data protection and privacy	X		X		X
Child labour		X	X		
Forced labour		X	X		
Land acquisition			X	X	
Access to water & sanitation	X	X	X	X	
Access to grievance mechanisms	X	X	X	X	X



UNILEVER

COMPANY POLICY AND TOOLS

- » Unilever has developed a corporate culture that is defined as "purpose-led business".
- » During the last decade, the company has been very ambitious in becoming a leader in terms of supporting major global initiatives in the field of sustainability, environmental protection, addressing climate change and human rights.
- » During the last decade, Unilever has also been quite active in consultation and cooperation with civil society, environmental, rural, human rights, and trade union movement – this certainly has been triggered by past conflicts and damages of the corporate image of the company

Key current tools of the company are:

- » Unilever Sustainable Living Plan (2010), including the establishment of a high-profile Advisory Council
- » Human Rights Policy Statement, respect universal principles, the due diligence processes and governance, adhering to the UN Guiding Principle
- » Unilever Responsible Sourcing Policy & Responsible Business Partner Policy, including

"Poverty eradication and universal human rights lie at the core of the Sustainable Development Goals. Businesses like Unilever must leverage their scale and influence to improve society and the environment. If a critical mass joins the SDG movement and we all work together to drive transformational change, it will create an unstoppable force for good."

Rebecca Marmot, Chief Sustainability Officer, Unilever

"The right to an adequate standard of living is a fundamental human right (...) Decent work, enough to adequately maintain yourself and your family not only helps people escape poverty but helps economic and social development too. So I commend Unilever for its foresighted commitment as it continues the evolution of its social ambition, founded on the respect for human rights."

Professor John Ruggie, member of the Unilever Sustainability Advisory Council

UNILEVER SUSTAINABLE LIVING PLAN: PROGRESS IN 2019



UNILEVER HUMAN RIGHTS APPROACH



- » Human Rights report 2020 identifies 8 salient issues that are important to be addressed
- » Strong presence of issues related to working conditions and trade union interests: Fair wages, forced labour, freedom of association, working hours and health and safety

UNILEVER APPROACH TO DUE DILIGENCE:

12 Fundamental Principles of Responsible Sourcing Policy & Responsible Business Partner Policy



STAKEHOLDER INVOLVEMENT AND TRADE UNIONS

Involvement of stakeholders:

- » Strong stakeholder approach: stakeholder Involvement at various level, e.g. high-level Advisory Council as regards Unilever Sustainable Living Plan; cooperation with AIM Progress as regards due diligence in supply chain, Memorandum of Understanding with Fair Labour Association; global partnerships with UN Women's "Ending Violence Against Women" (EVAW), stakeholder involvement in local projects and initiatives, etc.



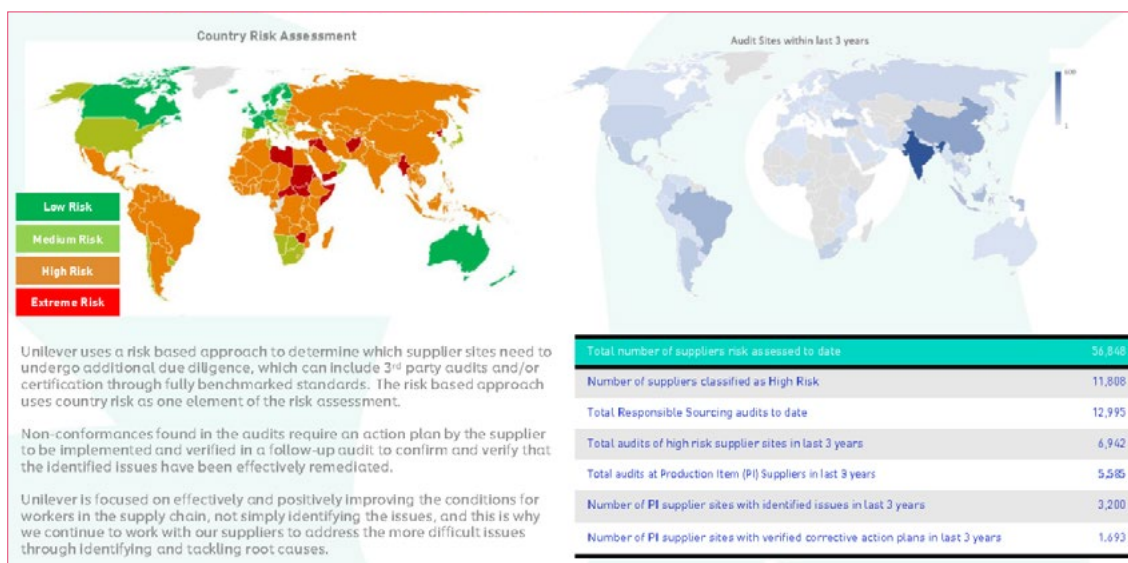
Involves the workers representatives and trade unions as follows

- » From occasional to more institutionalized cooperation with global unions: MoU with IUF and IndustriAll Global, 2018, recognizing them as the internationally representative bodies of unionized workers within Unilever worldwide
- » Transnational framework agreements Framework for Fair Compensation (2015), Joint Commitment with IUF and IndustriAll global on preventing sexual harassment at Unilever workplaces (2017) and Joint Commitment on Sustainable Employment (2019)
- » More recently project-related cooperation with ITF; IUF and FNV on truckdrivers, 2018
- » Europe: strong role of the EWC as a partner of European and global management (Future of Work Agreement 2019)

RISK IDENTIFICATION AND ALERT SYSTEMS

- » In 2015, Unilever was the first company that adopted and used the **UN Guiding Principles Reporting Framework** to produce a comprehensive, standalone Human Rights report. Since 2017, Unilever delivers annual transparency statements in the context of the UK Modern Slavery Act.
- » **Human Rights Impact Assessment Process:** In addition to ensuring compliance with our Code Policies, an important way in which Unilever monitors our due diligence – particularly in high-risk or conflict areas is through Human Rights Impact Assessments (HRIAs) which include on-site visits by third party experts who engage and consult right-holders and other stakeholders. The results of HRIA's enable us to adapt our due diligence and sourcing decisions. For example, in 2019 we carried out HRIAs in Guatemala, Thailand and Turkey
- » **Supplier Risk Assessment Process:** We work with external monitoring systems to enable suppliers to demonstrate compliance with our standards. These include Sedex Members Ethical Trade Audit (SMETA) and in 2018 we introduced the use of EcoVadis assessments to evaluate indirect procurement suppliers. In 2019 we introduced a new dashboard for our procurement teams to track global compliance with our Responsible Sourcing Policy (RSP).
- » **Grievance mechanisms / Whistleblowing:** Single integrated channel to ensure that employees can raise grievances, issues and concerns as simply as possible. Individuals are encouraged to put their names to allegations, but concerns may also be raised anonymously.

Due Diligence for Responsible Sourcing:



OVERALL ASSESSMENT

- » Unilever as a driver and leader in terms of due diligence and compliance with UN Guiding Principles, including on reporting, risk identification and impact assessments as well as monitoring of performance
- » One of the 26 companies, business associations, and initiatives that released a joint statement in September 2020 calling for EU-wide, cross-sectoral mandatory human rights and environmental due diligence legislation
- » Also, against tensions in the past, Unilever has also increasingly become more "*trade union friendly*" in recent years

Questions:

- » Should there be a stronger involvement or even participation of trade unions in due diligence process and monitoring?
- » If so, how and as regards which thematic areas?
- » What could be workers own specific contribution to due diligence apart from involvement (own projects, networks)?
- » How could this be supported in terms of funding, resources and institutional settings?





TRANSPORT

AIR FRANCE - KLM

1. COMPANY POLICY AND TOOLS

Air France – KLM has published non financial information for more than 15 years. The group published the first vigilance plan in 2018 (in the Reference document 2017), and updated this synthesis in 2019 and 2020 (2 pages each year in addition to the CSR reporting).

They follow the structure described in the French law on "*Duty of vigilance*", for the respect of Human rights, Health & Safety and Environmental protection.

The main risks and policies considered in the CSR management are published, associated with specific KPIs.

COMPANY PUBLIC INFORMATION OF RELEVANCE:

- > **2019 Universal mandatory registration**
- > **2018 Annual corporate report**
- > **2017 Annual corporate report**
- > www.airfranceklm.com

2. PARTICIPATIVE PROCESSES

1. The company states that it involves the stakeholders as follows

- » Two materiality analysis were conducted (in 2017 and 2019) in order to identify and prioritise the key non-financial stakes and the risks associated with the activity of the company and its supply chain. The company says it was done through questions to a panel of internal and external stakeholders, however no name of organisations are published. Results are summarised in the annual public reporting, where 16 types of risks are described, the first one being working conditions and social dialogue.

2. The company says that it involves the workers representatives and trade unions as follows

- » AirFrance KLM reports that the internal social dialogue is a key element in the life of the company. Trust between workers representatives and management would have been restored since 2019 according to the published document. The dialogue at the European level takes place in the framework of the European Group council. It seems however that there is no specific commission for the dialogue on CSR.
- » The "*Principles*" of the company would have been discussed within the EWC before publication.
- » It's not clear whether worker's representatives are associated with the risk management procedures or the elaboration of the vigilance plan.





3. ALERT SYSTEMS

1. Alert system:

- » Air France – KLM indicates in its vigilance plan that there are several channels allowing the stakeholders (such as workers, customers or inhabitants near the airports) to interact with the group. However these channels are not described in the public reporting of the group.
- » A professional (internal) alert system would have been updated in 2019 in order to be more in line with the French law on the duty of vigilance. However this system and the processes are not presented.
- » Analysts of this study searched into the web site of the company in order to find an access to an alert system, but didn't find it !

2. Protection of whistle-blowers:

- » No information on an Air France – KLM alert system or on the protection of the whistle-blowers could be found in a web based search.

4. IMPLEMENTATION AND FOLLOW UP

Actions to assess the company policy implementation

- » Internal/ external auditing: Risk management is conducted by the Internal auditing department.
- » A CSR management system is in place based on the Global Compact commitment and an Environmental management system.
- » A social and ethical charter was elaborated with the EWC in 2019 and should be formally approved and distributed in 2020. It is however noticeable that the group would shift some of the responsibility to the subsidiaries to respect and to promote its commitments !?
- » A management for sustainable procurement is in place. Purchasers are trained on CSR topics. And a specific mapping of risks is internally used crossing type of purchasing and countries of origin..
- » Suppliers sign a charter of sustainability and their CSR risk is evaluated. In case of high CSR risk, suppliers are assessed by Ecovadis (an external service provider for audits of suppliers). This can lead to specific corrective action plans at the supplier level. 414 suppliers were audited in 2019.
- » No public information available on results of audits and problem encountered.



AMAZON

Note: Amazon is covered both by the transport (ETF) and the commerce sectors (UNI Europa)

1. COMPANY POLICY AND TOOLS

Amazon publishes a sustainability report and an annual report on a global level. There are no separate reports available for Europe and there is no non-financial report (Amazon is not traded on a stock market in Europe). The UN Sustainable Development Goals and the United Nations Guiding Principles on Business and Human Rights are mentioned in the company's reporting. However, it remains largely unclear what measures are used to implement these frameworks.

There are hardly any and no comprehensive or comparable CSR - performance indicators published in the sustainability report and it remains largely unclear to what extent the "anecdotal" CSR measures listed in the sustainability report are actually implemented throughout the company. Hardly any concrete CSR objectives are published.

The risks mentioned in the annual report relate to financial risks for the company, which may arise from climate change, the need for qualified personnel and the supply chain.

COMPANY PUBLIC INFORMATION OF RELEVANCE:

- > **Amazon (2020): All In: Staying the Course on our Commitment to Sustainability 2020**
- > **Code of Business Conduct and Ethics**
- > **Amazon (2020): Annual report 2019**
- > **California Supply Chain Transparency Act Statement**
- > **Supply Chain Standards Manual**
- > **Conflict Minerals Report Modern Day Slavery Statement**
- > **Slavery and human trafficking statement**
- > <https://ir.aboutamazon.com/overview/default.aspx>

2. PARTICIPATIVE PROCESSES

1. The company states that it involves the stakeholders as follows:

Amazon reports that the company carried out a materiality analysis in which stakeholders were involved. However, no further information is published:

- » "We also have conducted a sustainability materiality assessment to identify the most significant environmental and social topics across our business. We prioritize risks and opportunities by taking into account customer and stakeholder expectations, regulations, business risks, industry best practices, trends in financial and sustainability reporting, and emerging topics in news and social media."

Amazon states that the current highest priority sustainability issues are: Climate change, energy efficiency, renewable energy, sustainable transportation, waste, recycling, circular economy and sustainable products

2. The company says that it involves the workers representatives and trade unions as follows

There is no information given on the involvement of employee representatives or trade unions. However, the sustainability report declares:

- » "We firmly believe it is in our employees' and the company's best interests to continue our direct communications, and the best way to effect positive change is for our employees to continue working directly with their managers throughout the company. We respect freedom of association and our employees' right to join, form, or not to join a labor union or other lawful organization of their own selection, without fear of reprisal, intimidation, or harassment."



3. ALERT SYSTEMS

Alert system:

- » No information on risk management processes or internal audits can be found in the reporting.

Protection of whistle-blowers:

- » Amazon has a Code of Business Conduct and Ethics that mainly focuses on prevention corruption and other illicit business. Regarding breaches of the code employees can submit anonymous complaints to an Amazon's third-party Ethics Hotline. Furthermore, Amazon states to be "*committed to providing our employees with appropriate access to grievance mechanisms and remedial action.*" No policy for protection of whistle-blowers can be found in the company's reporting.

4. IMPLEMENTATION AND FOLLOW UP

Actions to assess the company policy implementation:

- » Beyond mentioning a materiality analysis and a few non-financial risks Amazon does not report on its due diligence policy regarding sustainability issues.
- » In the Amazon Global Human Rights Principles for the supply chain Amazon refers to the United Nations Guiding Principles on Business and Human Rights. Amazon uses third-party audit firms to verify compliance with the Supply Chain Standards through on-site inspections and worker interviews of suppliers that produce Amazon-branded products. For 2020 the company plans to expand its risk assessment approach by engaging in an assessment of the companies' human rights risks and conducting human rights impact assessments regarding specific products, regions, or risk areas. No further information is given.
- » Amazon states that when violations of the supplier Code of Conduct occur, a Corrective Action Plan (CAP) is designed that details actions to address high-risk issues and a long-term plan to prevent issues from reoccurring. Where suppliers fail to meet the standards or refuse to make progress on remediating issues, Amazon may choose to terminate the relationship. No information on number of audits or possible terminations is published.



DHL

1. COMPANY POLICY AND TOOLS

DHL International GmbH belongs to the Deutsche Post DHL Group and the annual report, non-financial report and sustainability report are available at Group level. The non-financial report is part of the sustainability report. The Group's CSR reporting provides substantive information: Key performance indicators are reported for various CSR material issues, actions are taken to achieve targets for the indicators and the reports also provide measurable progress on various sustainability goals.

Deutsche Post DHL Group explains that no risks relating to the aspects named in the non-financial reporting directive could be identified. In the section "*opportunity and risk management process*" in the annual report the increase of chronic and acute diseases and demographic change (risks arising from an aging workforce) are identified among other risks for the Group's earnings, the image or sustainability matters in general.

The materiality analysis identified energy efficiency and climate change, air pollution, respect for human rights, employee engagement, employee development, occupational health and safety, compliance, standard in the value chain and data protection and security as material.

COMPANY PUBLIC INFORMATION OF RELEVANCE:

- > **Deutsche Post DHL Group (2020): 2019 Financial Year focusing on our profitable core.**
- > **Deutsche Post DHL Group (2020): 2019 Sustainability report: Connecting people**
- > **Code of Conduct (for Deutsche Post DHL Group)**
- > **Supplier Code of Conduct**
- > <https://www.dpdhl.com/content/dam/dpdhl/en/media-center/responsibility/dpdhl-sustainability-report-2019.pdf>

2. PARTICIPATIVE PROCESSES

1. The company states that it involves the stakeholders as follows:

- » Deutsche Post DHL Group lists employees, customers, investors, non-governmental organizations (NGOs), policymakers, suppliers, journalists, academic institutions, associations and councils, as well as CR experts from other companies, as stakeholders among others. The Group states that a "*regular, open and constructive dialogue with our stakeholders is part of our strategic management process*".
- » The Group's stakeholder policies are based on Stakeholder Engagement Guidelines, which comply with the international AA1000 Stakeholder Engagement Standard. Regarding the materiality analysis 500 representatives of the main stakeholder groups participated in an anonymous, international online survey and shared with their input on the importance of sustainability issues for the Group, as well as their feedback on the Group's performance in the respective areas.

2. The company says that it involves the workers representatives and trade unions as follows

- » In 2012 there was an OECD complaint by UNI Global Union (UNI) and the International Transport Workers' Federation (ITF) about violations of freedom of association at various sites of the Group. A condition for the settlement of the OECD complaint was to set up a committee with both international trade union federations, employee representatives at the company level and management. Furthermore, the Group states that it is committed to the principle of social partnership. It offers training sessions for managers and employees on employee relations and developed a guideline for managers on good employee relations. 74 % of employees governed by collective bargaining agreements.
- » **Regarding the European works council, the Group reports:** "*Deutsche Post DHL Forum –which is a European works council by agreement – met more than 26 times (including committee meetings). The main issues discussed were our Strategy 2025, our business performance, compliance issues, IT security and cyber security, and the impact of digitalization on employees.*"



3. ALERT SYSTEMS

Alert system:

The Group lists the following as parts of its compliance management system :

- » create and maintain a culture of compliance
- » define and implement objectives
- » set up/establish compliance organization
- » identify and analyze risks
- » monitor and improve compliance program and reporting; derive and implement measures
- » communicate compliance; relevant matters; develop and implement training concepts
- » create and update guidelines, evaluate business partners and provide a whistleblower system.

Furthermore, Corporate Internal evaluates the effectiveness of the risk management system, control mechanisms, and management and monitoring processes. It does this by performing independent regular and ad hoc audits at all Group companies and at corporate headquarters. During the year under review, 241 regular audits and about 90 follow-up audits were conducted on site (including audits related to compliance issues or to compliance with the Supplier Code of Conduct in procurement processes).

Protection of whistle-blowers:

The Group reports that:

- » *"Any suspected violations of legal and internal rules – including, for example, the human rights policy i.e., the codes of conduct – can always be reported by employees and external staff using the compliance hotline. Compliance violations can be reported by name or anonymously, where this is permitted by local law. Third parties can report their suspicions via the Group website."*
- » The compliance hotline is available in roughly 150 countries and in 30 different languages.

4. IMPLEMENTATION AND FOLLOW UP

Actions to assess the company policy implementation:

- » The Group is committed to several international standards and management systems regarding CSR, such as the UN Global Compact, United Nations' Sustainable Development Goals, Universal Declaration of Human Rights, OECD Guidelines for Multinational Enterprises, Declaration on Fundamental Principles and Rights at Work (ILO), and UN guiding principles of business and human rights.

Due diligence is not mentioned as a term in the sustainability report. The risk management process involves mainly internal auditors and the board of management. Regarding internal audits the following steps are listed:

- | | |
|------------------------------|---------------------------------------|
| 1. A strategic risk analysis | 4. Define measures |
| 2. Develop audit plan | 5. Inform management |
| 3. Perform audit | 6. Verify implementation of measures. |

Furthermore, the reporting describes a management process for the sustainability agenda, that includes the following steps:

- | | |
|--------------------------------------|--|
| » gain insights through stakeholder, | » communicate progress internally and externally |
| » review agenda on regular basis, | » and engage in dialogues with stakeholder. |
| » record process, | |

Modular training courses include sessions on the Code of Conduct, anti-corruption matters and competition law.

- » Regarding employee issues and human rights, a so-called ER Forum (Employee Relations Forum) is responsible for implementing measures to promote human rights policies inside the company and its supply chain. The process involves reviews include discussion with randomly selected employees (anonymized), with local employee representatives, action plans, and a monitoring of progress made. ER reviews in 2019 revealed a sustainable amount of overtime in five countries. Development of potential solutions and local action plans followed.



DP WORLD

1. COMPANY POLICY AND TOOLS

DP World has a CSR homepage but no sustainability or non-financial report (it is not listed on a European stock market). However, part of the annual report is dedicated to sustainability issues. Since 2019 DP World is a member of the UN Global Compact. Against the background of this membership, the company particularly wants to expand its commitment in the area of human rights.

A few key performance indicators in the area of sustainability are mentioned in the report.

The company's sustainability strategy is based on the results of a materiality analysis. CSR fields of activity defined as "material" are: safety, security, wellbeing, ethics, people development, climate change, community engagement, and in the context of corporate citizenship: education, women, ocean protection.

The company uses a broad definition of risk, and not only lists risks that have a financial impact but also "negatively impact the Group's reputation or stakeholder requirements." Regarding non-financial risks the company's annual report lists: environmental risks, safety (health) and labor unrest, and describes measures taken to deal with these risks.

COMPANY PUBLIC INFORMATION OF RELEVANCE:

- > **DP World (2020): The smarter trade report: Annual report and accounts 2019**
- > **DP World's Code of Ethics**
- > **Modern Slavery Act Transparency Statement**
- > <https://www.dpworld.com/en/sustainability/our-approach/>

2. PARTICIPATIVE PROCESSES

1. The company states that it involves the stakeholders as follows:

- » DP World carried out a materiality analysis in which stakeholders were involved. During the materiality analysis, the company identified an initial list of over 500 sustainability issues. These were refined through stakeholder engagement to ten key areas (see slide 1). Employees and trade unions are listed as stakeholders as are partners/competitors, investors, media, and government agencies.

2. The company says that it involves the workers representatives and trade unions as follows

The company reports on an engagement strategy with trade unions and employees in areas most affected by labor disputes. This includes multi-year agreements and clearly assigned responsibilities for maintaining close relationships with unions locally, nationally, and internationally. Furthermore, the company states, that:

- » "We are proactive and timely in our responses to the needs of the unions. A senior management representative holds a membership role on the European Works Council, which provides a forum to interact directly with union representatives on a timely and continuous basis."
- » DP World also conducts employee engagement surveys with a formal process for following up on employee concerns.





3. ALERT SYSTEMS

Alert system:

- » The company states that it has established a control framework and the system of internal control is embedded in all key operations. The control framework is designed to provide reasonable assurance that the company's business objectives will be achieved. Within the system management of various business units, regions and corporate functions constantly review, challenge and monitor risks on an ongoing basis in their day-to-day business activities.

Protection of whistle-blowers:

- » DP world offers a whistleblowing hotline to all DP World workers and third parties which can be used to report suspected violations of human rights. The company states, that *"all reporters are protected from retaliation in any form."*
- » Furthermore, DP world offers a definition of "Whistleblowing" in the company's reporting: *"Whistleblowing is the disclosure of information which relates to suspected wrongdoing or dangers at work."* This includes *"danger to health and safety; damage to the environment,"* among others like failure to comply with any legal or professional obligation or regulatory requirements; bribery etc.

4. IMPLEMENTATION AND FOLLOW UP

Actions to assess the company policy implementation:

- » DP World's reporting on due diligence includes a description of the processes regarding risk identification, risk assessment and prioritization, risk treatment and response and risk monitoring and reporting. Several committees on different organizational levels deal with overseeing the implementation of risk management, among others the Audit and Risk Committee and the Enterprise Risk Management Committee. There is a risk reporting cycle through allocated Risk Champions in place who capture and report on their risks through risk profiles. The Board receives updates from the Audit and Risk Committee, based on regular information provided by both internal and external audit reports on the Group's risks.
- » The risk analysis includes financial and non-financial risks. Further parts of the due diligence process are the code of conduct, whistleblowing policy, and an anti-bribery and corruption policy (also supported by online training classes).
- » **Regarding suppliers and human rights:** The company has a modern slavery and human trafficking policy, which includes: procurement policies and procedures, which sets out minimum criteria to be placed on DP World's approved vendor list; company standards and conduct policy and procedure, which sets out employees' obligation to report incidents of modern slavery and human trafficking; selection policy, which includes a prohibition on use of child labour among others. Supplier self-assessment on modern slavery and human trafficking is part of a vendor screening process. There are also a vendor code of conduct and modern slavery desktop audits and knowledge sharing sessions with 7 major contractors and consultants that have been frequently invited to tenders or have been awarded projects in 2019.





SNCF

1.A. COMPANY POLICY

The company policy is defined/ presented/ structured as follows:

The company has changed of statute in 2020, from a public service body with commercial interests to 5 private companies (S.A.) owned by the state. Therefore the company's legal obligations towards public reporting will change as from this year.

There is a long list of risks identified (page 10, societal engagement report) that covers all kinds of topics like security of individuals, energy access, digitalisation, consumer satisfaction, brand reputation, ... It seems rather to be a mix of CSR, marketing, commercial statements without being necessarily linked to risk prevention.

The CEO recalls the commitment to the guiding principles of the global compact by recommitting to 2020.

The SNCF is positioned as a changing company, which is taking responsibility primarily for its societal role (mobility as a factor of social cohesion) and the fight against climate change. The company action is not presented in a defensive way (***we are aware of the potential negative effects of our operations and we want to prevent/ mitigate them***) but rather as an agent of change against climate change and social exclusion (***we are part of the solution***).

The company's commitments regarding climate change look clear:

The Group has set itself the objective of achieving neutrality of its greenhouse gas emissions by 2030.

- » Exit of diesel fuel from railways by 2035
- » Domestic fuel oil output by 2028
- » Development of alternative road fuels (biogas, biodiesel, electric, hydrogen).

1.B. COMPANY TOOLS

Examples of actions and tools:

- » Drafting of a prevention and awareness-raising guide on moral harassment (November 2019)
- » Drafting of a Guide on the protection of personal data (October 2019).
- » PRISME: This programme transformation of safety management according to the report led to a reduction of 50% of the number of Remarkable Security Events (RSEs) and of 10% decrease of the number of accidents at work by 10%. in four years.
- » Railsponsible: The initiative aims at improving environmental and social practices of companies of the railway sector and railway sector supply chain through best practice sharing and capability building. It also aims at improving efficiency in the analysis of supply chain CSR practices, and to promote greater transparency to meet increasing stakeholder requirements

SNCF: EMPLOYMENT AND SUPPLY CHAIN

- > 23,000 service providers and suppliers, including 16,400 SMEs and 272,000 employees, 1/4 of whom are women.
- > 12 billion euros of purchases per year but 20% of these are made by SMEs only .

COMPANY PUBLIC INFORMATION OF RELEVANCE:

- > Societal engagement company report 2019
- > page 1: "The report is a first step towards the performance declaration. which will be included in the SNCF's 2020 annual financial report."
- > page 94: Correspondence table of voluntary non financial performance statement
- > Public Affairs Charter 2019 (?)
- > "Highlights" , Group Ethics Department February 2020
- > The French law on "devoir de vigilance" did not apply to SNCF, until 2020.
- > The reporting by SNCF is in general limited to French operations. There is very little information on other countries and on subsidiaries like Thalys, Eurostar, Keolis and Geodis. Is there a real coordination in place regarding activities on Due Diligence?





About corruption:

- » In 2019, SNCF central management requested a mapping of risks of corruption in the majority of companies and subsidiaries in the Group.
- » New commitments on the measures to be deployed by the end of the first quarter of 2020: unique risk mapping method, new code of conduct, adoption of an information system for third party assessment, wider dissemination of survey by the Group Ethics Department to provide information on risk mapping, continued training for several thousand exposed employees, definition of a new accounting control procedure, adoption of a practical sheet on disciplinary sanctions for RS players, commitment of an audit by the DGAR on the entire system.

About working conditions:

- » There is no information on the supply chain in the documents. The company has changed the status of SNCF employees whose employment contract is now regulated by usual labour law and collective agreements.

2. PARTICIPATIVE PROCESSES

1. Risks are identified in some cases but the methodology is not explained.

The company states that it involves the stakeholders as follows:

- » In 2017, more than 58,000 contributions from its employees and travellers have been recorded to participated in the businessplan drafting. SNCF has also signed a memorandum of understanding with 10 national consumer associations - working in transport, housing, union representation, etc. - which it meets regularly to discuss current and future projects.
- » 2018, SNCF set up a National stakeholder consultation committee (associations, business leaders, academics). In 2019, committees were broken down into regions to "*create spaces for dialogue and sharing of local issues as close as possible to the regions.*"

2. The company says that it involves the workers representatives and trade unions as follows

- » For Prisme: At the end of 2019, a mission evaluation of the progress of the programme, which has focused on six topics: simplification documentary, organisational factors and human resources, risk management, health and safety and safety at work, safety equipment and security governance. For each of these topics, a Committee of international experts has formulated recommendations for the period 2020-2026. There is no information related to employee participation here.
- » Observatory of the Quality of Life at Work in France, composed of representatives of the company, trade unions and the National Agency for the improvement of working conditions".
- » The company negotiates collective labour agreements with representative trade unions in France. There is no information about other countries.

3. ALARM SYSTEMS AND WHISTLE-BLOWING

1. Alarm system:

- » **Corruption:** An operational anti-corruption committee has been set up. According to SNCF, the committee has designated a "*lot leader*" for each of the eight measures provided for in the French law (called Sapin II law), whose task is to implement, commission or ensure the effective implementation of the necessary actions.

2. Protection of whistle-blowers:

No information found.

4. IMPLEMENTATION AND FOLLOW UP

Actions to assess the company policy implementation:

- » The Group Ethics Department reports the following: they have carried out 28 investigations out of 80 complaints received (27 in 2018) including 11 concerning suspicions of sexual harassment / sexism.
- » Action and follow up: SNCF publishes a policy document in 2020, "*biodiversity approach*", common to all entities of the Group and reinforces its application of the methodology called AMC: Avoid, Mitigate, Compensate, with the deployment of an tool for monitoring compensatory measures. The exclusion of plant protection products (herbicides) is a priority. Numerous cooperation projects with NGOs have been set up.





XPO

1. COMPANY POLICY AND TOOLS

The company policy is defined/ presented/ structured as follows:

- » The annual report (Europe) covers extra-financial reporting and a vigilance plan.
- » The risk assessment identifies risks of breaching of freedom of association, forced labour & child labour, health and safety, collective bargaining rights. On forced labour: Identified as a risk factor "among subcontractors, especially in the textile sector and cross-border transport (trafficking in human beings). In the U.K., follows the guidelines of the Modern Slavey Act, P75
- » The process is in the hands of management via the European Risk Committee (purchasing, HR, risk departments, etc.). Soon, the committee should be replicated for the USA.
- » Two materiality analyses have been carried out (one USA and one Europe) in 2018. The four issues that scored high in terms of materiality: Talent and Culture; Health, Hygiene and Safety; Ethics and Compliance; and Energy and Climate Change.
- » The company has centralized the purchasing function in Europe for greater consistency in the selection, evaluation and management of suppliers and subcontractors.
- » In the European report (p. 71) it is indicated that due diligence initiatives depend on each country and the categories of partners; a particular focus would be made on transport and interim sub-contractors. Exclusion from the scope of: recently acquired companies, franchisees and Jacobson entities (11% of group turnover). Geographically: exclusion USA, UK, Asia, ???
- » The French vigilance plan applies at subcontracting level 1 only.

COMPANY PUBLIC INFORMATION OF RELEVANCE:

- > EWC agreement
- > Sustainability report 2019
- > Code of business and ethics US (COBE)
- > Annual report US and Europe 2019
- > The non-financial performance statement of XPO Logistics Europe is based on the transposition into French law of the European Directive 2014/95/EU concerning the publication of non-financial and diversity information by certain large companies and groups.
- > The company has produced a vigilance plan requested under the 2017 French legislation.
- > At the international level, only the COBE serves as a reference, a document that is essentially top-down, declaratory and without clear identification of follow-up measures. The document is more akin to a disclaimer of responsibility than a risk prevention policy.

2. PARTICIPATIVE PROCESSES

1. The company states that it involves the stakeholders as follows:

No information. But the company declares its intention "to extend the consultation to other relevant external stakeholders, organisations and entities" (European report page 73).

2. The company says that it involves the workers representatives and trade unions as follows

- » In the company: No it does not, except for one meeting in November 2019 (central Works council in France?),

Labor philosophy (report US)

- » "As a global leader in transportation and logistics, we operate in an industry where speed, flexibility and collaboration are the differences between success and failure. We must, additionally, deliver outstanding customer service. This requires a commitment from every employee to work as a team. In Europe, XPO maintains productive working relationships with its union partners. Approximately 66% of our European employees are covered by a collective bargaining (or similar) agreement. This rate varies nationally, primarily due to differences in labor relations practices between countries. In 2019, our European representatives engaged in 415 contract negotiations, resulting in 377 signed agreements regarding mandatory annual negotiations, profit sharing or pre-electoral agreements. In the US, we respect the right of every employee to choose or decline





union membership. Our employees have largely declined union representation, believing that we can best achieve our shared goals by maintaining collaborative relationships. In 2019, XPO received two petitions for union representation elections in our LTL business. One election resulted in employees voting to decline union representation and the other resulted in employees voting to accept union representation. Separately, nearly two hundred employees in two other XPO locations voted to decertify their union representation, effectively reducing the total number of US union-represented employees to fewer than 200. XPO is currently negotiating in good faith with union representatives for first contracts at five locations."

3. ALARM SYSTEMS AND WHISTLE-BLOWING

1. Alarm system:

There are several internal and external communication channels proposed in both the World Report and the European Report:

- » the Ethics Hotline: a toll-free telephone service operated by an independent third party 24 hours a day, 7 days a week, 365 days a year, which allows for anonymous reporting where permitted by local law;
- » a website for reporting concerns to an independent third party and for anonymous reporting where permitted by local law; and
- » A dedicated mailbox, managed by the XPO Compliance Department

2. Protection of whistle-blowers:

- » With regard to the website, it provides clear and detailed information on the process of processing the information submitted and the guarantees of protection offered. It is not clear whether one can access the website in his or her own language.

4. IMPLEMENTATION AND FOLLOW UP

1. Actions to assess the company policy implementation:

7. Internal/ external auditing: auditing of subcontractor and providers
8. Company committee: European Risk Committee (purchasing, HR, risk departments, etc.). Soon, the committee should be replicated for the USA.
9. Self-assessment / declaration: survey of employees

On health and safety: Identification of the risk of excessive working hours. Proposed solutions: on-board tachographs and time clocks on site. Health and safety issues are led by the European Environment, Health and Safety (EHS) Manager with the support of national and business unit EHS managers as well as regional and site EHS managers. The objective is to improve the safety performance by 15%. "In 2019, a new escalation procedure has been introduced to ensure that all serious incidents are reported to senior management across Europe in a consistent and timely manner. " three indicators used: frequency rate, severity rate and crash rate.

2. Action of follow-up

- » Redress: fight against discrimination, according to the global report, nearly 100% of UK employees would have completed XPO's Respect in the Workplace training through XPO University by 2019
- » Mitigate: Road To Zero safety plan, initially introduced in the United Kingdom in 2016 for employees and subcontractors: policies, procedures, training, new technologies to reduce physical activity (packaging, telematics and on-board cameras).
- » Eliminate: undetailed sanctions are foreseen against subcontractors that would not respect the COBE
- » Compensate: no info.



INDUSTRY AND ENERGY SECTORS



EDF ELECTRICITÉ DE FRANCE

1. COMPANY POLICY AND MEANS DEPLOYED

- » The EDF Group devotes about 100 pages of its annual report, called the Universal Registration Document, to reporting on non-financial information.
- » In accordance with French law on the duty of care, this annual public reporting includes its updated care plan.
- » The vigilance plan is summarised on 5 pages. It presents the method used to draw up the risk map; it lists the most critical risks in terms of human rights, health and safety of individuals, and the environment; it specifies the risk prevention and mitigation actions; it presents the monitoring system for the measures and an evaluation of their effectiveness.
- » Each group entity carries out its own risk mapping.
- » With regard to suppliers and subcontractors, questionnaires and CSR audits are carried out every year, allowing for the control of approximately 2000 suppliers.

DOCUMENTARY SOURCE :

- > **Universal Registration Document 2019**

2. PARTICIPATORY PROCESS / CONSULTATION

- » The vigilance plan is drawn up and revised each year by various group departments in conjunction with the representative trade unions, within the framework of the group's global agreement on social responsibility (an agreement co-signed with IndustriAll Global Union in particular).
- » The Global CSR Agreement stipulates that the Compliance Plan is developed and implemented in association with stakeholders, including employee representative organisations.
- » An annual meeting is organised with all the signatories of the agreement, who sit on the Social Responsibility Dialogue Committee (SRDC), to share the methodology of the monitoring plan and to develop its implementation and follow-up.

3. ALERT MECHANISM

- » The group evolved its alert systems in 2018 to merge various systems that were operating in parallel on several topics.
- » It is now accessible through a single interface on the group's website, usable in 6 languages, including Chinese: www.edf.fr/edf/alerte-ethique
- » The alerts are examined and processed by the group's internal departments. However, they are recorded on an external information platform (BKMS), which is supposed to keep certain information confidential in the group.
- » When a whistle-blower is considered admissible by EDF, the whistle-blower is informed of the specific protection regime he or she enjoys, depending in particular on the country in which he or she is located.
- » 53 alerts were deemed admissible and processed in 2019 by this system.



4. IMPLEMENTATION AND MONITORING

- » The mapping of supply chain risks is carried out and monitored by the purchasing department. It covers 12,800 suppliers and subcontractors.
- » This analysis leads to the annual prioritisation of evaluation, control and audit programmes according to the criticality of the risks identified.
- » For actions to prevent and mitigate human rights risks, the company states that dialogue and consultation are the basic means of implementation and follow-up with local stakeholders (Universal Registration Document 2019 page 189).



EVONIK

1. COMPANY POLICY AND TOOLS

Evonik present its CSR policy and achievements in a dedicated yearly report called "*Sustainability report*" (100 pages, following main recommendations from the Global Reporting Initiative GRI). Some important steps in the development of this policy are the following :

- » 2014 : A code of conduct for suppliers
- » 2017 : First impact evaluation of its activities + integration of non financial risks in risk management + Establishment of a whistle-blower system
- » 2018 : Materiality analysis of the key stakes for the company
- » Risks are listed and explained, associated with objectives and actions plans. No assessment of the results are clearly presented at this stage. The wording "*due diligence*" is only used for suppliers, not for Evonik. Explanation of the Evonik's vision on the areas of influence over the value chain topic by topic.

COMPANY PUBLIC INFORMATION OF RELEVANCE:

- > **Sustainability report 2019**
- > **Financial report 2019**

2. PARTICIPATIVE PROCESSES

- » Evonik insists on the importance they give to dialogue with stakeholders (pages 18,19 and 20 of the sustainability report). Several examples of interactions between the companies and diverse stakeholders are presented. Employees being among them.
- » However the CSR management system seems to be a single directors affair.
- » Social dialogue and trade union are wordings which never appear in this non financial reporting.

3. ALERT SYSTEMS

- » Sustainability report 2019 page 29 : "*All employees are required to report possible or actual violations of the code of conduct to the responsible department or compliance officer without delay*" and "*We do not tolerate any disadvantage to employees who report possible or actual violations or cooperate in the investigation of such violations*".
- » There is also an anonymous external whistle-blower web platform (bkms system), which can probably provide better confidence for any people wanting to launch an alert, usable in many languages : <https://www.bkms-system.net/bkwebanon/report/clientInfo?cin=5EvK11&c=-1&language=fre>

4. IMPLEMENTATION AND FOLLOW UP

- » The Group describes the non-financial criteria on which it evaluates its suppliers. These criteria include environmental, social and human rights risks, including freedom of association and the right to collective bargaining, and safety issues.
- » Approximately 2,000 new suppliers would have been evaluated in 2019.
- » The Group's regular suppliers (approximately 30,000) are invited to conduct a self-assessment against the same criteria.
- » 92% of suppliers of critical raw materials were thus evaluated on the basis of sustainable development criteria.
- » A report is presented on the supplier audits carried out during the year (26 corrective action plans were required in 2019 among 2,000 new suppliers).



REPSOL

1. COMPANY POLICY AND TOOLS

- » Around 40 pages of the Group's 2019 integrated report are devoted to its corporate social responsibility and non-financial information, presented in accordance with the guidelines of the Global Reporting Initiative (GRI 2016).
- » A materiality analysis was conducted in 2019. A Global sustainability plan defines ambitions and 2025 objectives. In addition, local plans are published in some countries and main industrial activities.
- » A sustainability risk map is presented, mainly focusing on climate change, and on risks for the company itself, not for external stakeholders.
- » *"The Company uses all the means at its disposal to prevent its activities or decisions from having adverse impacts on human rights, and will do all it can to repair the damage of any such impacts that do occur"* (Integrated report page 66)
- » *"Respecting the human rights of our employees. Foster a culture of respecting human rights among our employees, promote specific training and implement tools to prevent the infringement of these rights. Ensure that our employees have access to communication and reporting channels that allow them to notify Repsol of situations of possible impacts on their rights."* (Repsol policy on Human Rights - 2019)

COMPANY PUBLIC INFORMATION OF RELEVANCE:

- > **2019 Integrated management report**
- > **2019 Global sustainability plan**
- > **Human rights and community relations policy**
- > **Code of ethics and business conduct – 2019**

2. PARTICIPATIVE PROCESSES

- » The 2019 integrated management report refers to the AA1000 standard, which is a solid reference in terms of stakeholder relations. It explains how consultations with stakeholders are organized (page 104).
- » Relations with employee representatives and trade unions appear to be solidly built. However, no reference is made to consultations on due diligence.
- » *"Employees : Prioritize transparency and company/worker dialog, in addition to incident and emergency management, the energy transition and the adaptation to climate change. The Company has direct channels of communication and dialogue with its employees and also through their labor union representatives in negotiating committees to discuss issues of interest and reach agreements. Through committees and commissions meetings, monitoring and compliance are ensured of collective agreements and understandings applicable in Group companies. The European Works Council of the Repsol Group stands out for their capacity for dialogue with employees' representatives at an international level."*

3. ALERT SYSTEMS

- » The **Repsol Ethics & Compliance Channel** is a confidential means for company employees and any third parties to ask questions or confidentially and anonymously report potential breaches of the Code of Ethics and Business Conduct or the Crime Prevention Model, available on line 24 hours / 7 days.
- » It is run an external company (Navex / Ethicspoint). Whenever a concern is raised this is then reported to the company departments in charge of managing such matters and carrying out the corresponding investigations.
- » A fairly detailed review of this activity is presented in the 2019 integrated report (page 81). For 2019, 373 serious or very serious alerts were handled, some of which led to staff separations.



4. IMPLEMENTATION AND FOLLOW UP

1. A due diligence process is described in the management of the supply chain of the company.
 - » 67 supplier assessment audits were performed in 2019, checking human rights among others topics.
 - » 2605 self-assessments were reported by suppliers and contractors during the same year, with respect to a range of environmental, employment, social and integrity issues.
 - » After the negative evaluations were identified, improvements were agreed with 100% of the suppliers. No relationships were ended with suppliers were ended for social or environmental reasons
2. Health and safety topics are covered in formal agreements with labor unions
 - » The company uses specific instruments in each country. Examples are shown in Spain, Norway and Peru.



SCANIA

1. COMPANY POLICY AND TOOLS

Despite Scania is a 100% subsidiary of Volkswagen, the company presents its own policy on sustainability issues and reports non financial information using the Global Initiative referential (GRI).

A materiality analysis was conducted in 2017 in order to prioritise the key-issues relative to the activities of Scania. The main efforts seem being oriented to a a better life-cycle of the products regarding environmental issues, however non financial objectives are not described in detail in terms of means and dedicated organisation.

Risks for stakeholders outside Scania are not listed.

There is a short reference on due diligence in the policy regarding suppliers (Annual report page 35) : *"We recognise that important human rights risks are found in our raw material supply chains. In 2020 we will continue to develop our raw material due diligence system created with our partners in the Volkswagen Group and through our industry alliance Drive Sustainability".* This policy is not described in the Scania reporting.

2. PARTICIPATIVE PROCESSES

- » The Sustainability policy is presented as a subject simply managed by the directors.
- » Interactions procedures and agendas regarding exchanges with external stakeholders like NGOs or Trade Union organisations are not presented in the public reporting.
- » The only reference made of such interactions is about the materiality analysis conducted in 2017, with a survey including Labour unions.

3. ALERT SYSTEMS

- » The group's website and the Scania code of conduct (version 1.0 - dec 2017 edition - page 65) present an internal whistleblowing system in addition to an incentive to pass alerts through management channels or employee representatives beforehand.
- » The website describes a Scania Group Policy on whistleblowing (<https://www.scania.com/group/en/home/admin/misc/whistleblowing.html>), which states that reports can be submitted anonymously to an internal e-mail address: whistleblower@scania.com . It is stated that whistle-blowers will be protected from retaliation, however the details of this protection are not described.
- » In addition, the group also refers to the whistleblowing system managed by Volkswagen which can be used, but again the system seems to be managed only internally within the Volkswagen group, which may not inspire sufficient confidence in a whistle-blower.
- » The [Scania.com](https://www.scania.com) website also offers a form for writing a message directly to the sustainability department, and provides the telephone numbers of two people responsible for this department.

4. IMPLEMENTATION AND FOLLOW UP

- » Scania's public reporting does not provide information on any monitoring that may have been set up in the supply chains, except for mining activities involving certain raw materials such as cobalt or tin.
- » A few performance indicators (KPIs) are presented on certain corporate social responsibility topics, including the percentage of employees covered by a collective bargaining agreement (73% in 2019). An objective of 100% is written for this indicator without specifying a deadline or the means implemented by the company to achieve this objective.

COMPANY PUBLIC INFORMATION OF RELEVANCE:

- > **Annual and Sustainability Report 2019**
- > **Scania Code of conduct (2018)**
- > **Human rights policy (document available on [scania.com](https://www.scania.com))**
- > **Scania supplier code of conduct (available on [scania.com](https://www.scania.com))**

2019 SCANIA ANNUAL REPORT - PAGE 134 – HUMAN AND LABOUR RIGHTS :

- > **"We are actively developing our company-wide approach to human rights risk and human rights due diligence. Scania also believes that good relations and social dialogue improve the work environment as well as company performance. Scania's European Committee is our highest labour relations forum, where we continuously inform and consult with our employee representatives globally."**
This approach is not described in deeper details in the public reporting.

VOLKSWAGEN

1. COMPANY POLICY AND TOOLS

Sustainability issues and non-financial key performance indicators are part of the TOGETHER 2025+ Groupe strategy... along the entire supply chain. (2019 annual report page 55).

Employees at all levels of the hierarchy receive regular training on the code of conduct (page 66)

Abstracts from the code of conduct for business partners :

- » **Freedom of association (page 22):** *"The basic right of all employees to form trade unions and employee representations and to join them is respected. In countries where this right is restricted by local laws, alternative legitimate options for employee participation shall be supported."*
- » **Duty of care to promote responsible raw material supply chains (page 26):** *"Our suppliers are required to comply with their due diligence obligations with regard to relevant raw materials – in particular tin, tantalum, tungsten, gold, cobalt and mica."*
- » **The Volkswagen Group "reserves the right to verify compliance with these requirements using appropriate means. This verification may take the form of questionnaires or involve the deployment of experts on-site" (page 32)**

COMPANY PUBLIC INFORMATION OF RELEVANCE:

- > **Annual report 2019**
- > **Sustainability report 2019**
- > **Code of conduct (2.1 version – 04/2020)**
- > **Code of conduct for business partners**

2. PARTICIPATIVE PROCESSES

1. The company states that it involves the stakeholders as follows (annual report page 134) :

- » "We have given our stakeholder management an organizational structure in the form of external committees. At group level these are the Sustainability Council and the Stakeholder Panel. The Panel is comprised of 300 national and international opinion leaders. "

2. The company says that it involves the workers representatives as follows (annual report page 153) :

- » *"Codetermination and employee participation are important pillars of our human resources strategy. This includes employees' opinions, assessments and criticisms being heard."*
- » *"We have agreed various charters and declarations with the European and the World Works Councils which set out the principles of labor policy in the Volkswagen Group as well as individual employee rights."*
- » However the annual reporting doesn't specify how worker's representatives are consulted neither about risk mapping and risk management on sustainability issues, nor on due diligence policy. The risks with consequences for the Volkswagen Group and to risks for the environment and society are managed through the risk management and internal control system (RMS/ICS).



3. ALERT SYSTEMS

- » Messages can be sent to the Company's Compliance Officer (compliance@Volkswagen.de).
- » The Volkswagen Group additionally established an internal whistle-blower System, which can be contacted through a postal address, a 24/7 hotline phone number, an email (io@Volkswagen.de – investigation office) or an online external interface : www.bkms-system.com/vw
- » When you use the online platform in order to submit a report, you are in touch with an external provider of services, which should keep some of your information protected (not provided to VW) if you require it. The web interface invites you to anonymously declare any violation or risk.
- » The services of external lawyers are also suggested to people using the external channel of whistle-blowers.
- » 3174 reports have been recorded in 2019 (excluding China).

4. IMPLEMENTATION

- » The company present its policy more in a compliance way, in accordance to the law in every countries of activity, than in a due diligence approach, except on corruption and bribery, and on human rights in the mining and mineral raw materials supply chains.
- » Procedures are at the beginning stage regarding the incorporation of the topic of business and human rights in the compliance management system on the other purchases by VW business.
- » Volkswagen has a specific policy about the reduction of greenhouse gas emissions in the supply chains, working with suppliers on decarbonization.



SERVICES AND COMMUNICATION SECTORS

SOCIÉTÉ GÉNÉRALE

1. COMPANY POLICY AND TOOLS

Société Générale, present in 61 countries, publishes its annual Compliance Plan in accordance with the French law of 2017. This summary document (pages 338 to 345) is included in its last annual Universal Registration Document.

It complies with the requirements of the law and gives details of its vigilance governance and is linked to its extra-financial performance declaration.

The due diligence process is structured around three pillars:

- » Human resources and safety
- » Purchasing
- » Activities

It explains its risk assessment method through several documents and lists the main risks. We note, for example, that the group considers to be linked to discrimination risks on a fairly large scale.

COMPANY PUBLIC INFORMATION OF RELEVANCE:

- > **2021 Universal Registration Document**
- > **2020 Sustainability Accounting Standards Board Mapping Report**
- > **Code of Conduct**
- > **Principes généraux environnementaux et sociaux**
- > **Rapport culture d'entreprise 2020**
- > **RSE Chiffres essentiels du groupe**

2. PARTICIPATIVE PROCESSES

- » The group has conducted a stakeholder materiality survey, including employees and employee representatives.
- » It indicates that it renewed an agreement with UNI Global Union on fundamental rights in February 2019. One full page of this agreement refers to the French law on the duty of vigilance, indicating that UNI is a recognised as a stakeholder for the implementation of this due diligence policy.
- » On the other hand, it explains its relations with several NGOs.
- » To facilitate exchanges, it publishes its positions on controversial subjects in a specific public web space entitled "Group positions".

3. ALERT SYSTEMS

- » Société Générale reports that it has extended an alert system that it already had in order to meet the requirements of the French law on the duty of vigilance.
- » This system was the subject of consultation with the representative trade unions in France and with staff representation institutions in France and Europe. It is presented in the Group's Code of conduct.
- » The system is hosted on an external website: report.whistleb.com/en/societegenerale. It is available in 13 languages. The conditions of protection are presented and it is possible to remain anonymous.
- » However, the group does not communicate publicly on the number and nature of the alerts collected, nor on the follow-up that has been given.



4. IMPLEMENTATION AND FOLLOW UP

- » The deployment of the vigilance approach is coordinated by the CSR, Human Resources, Purchasing and Compliance Departments. Its implementation is the responsibility of the Business Units and Service Units concerned.
- » For purchasing, social and environmental criteria are integrated into calls for tender for product and service categories with a medium or high risk.
- » In addition, an evaluation is carried out on certain targeted suppliers.
- » Société Générale specifies that in 2020, together with 3 other French banks, it launched 4 audits concerning services identified as high risk. However, the nature of these services is not publicly disclosed.
- » The group has set up indicators to monitor the implementation of its vigilance. All entities with more than 50 employees must carry out two self-assessments per year using this benchmark.
- » The progress of the quantified results is communicated in the last chapter of the annual vigilance plan.



G4S

1. COMPANY POLICY AND TOOLS

The company policy is defined/ presented/ structured as follows:

- » G4S, the worldwide security company leader employs about 526.000 colleagues. The company faces a huge turnover and recruits around 200.000 people every year. At the same time, it buys services and goods from 40.000 providers (uniforms, vehicles, catering, technology, staff ...).
- » G4S has adopted a large number of policies and codes because it is a highly exposed company due to its size, geographical locations and private security industry. The principles and objectives are generally sound but there are few success stories (qualitative approach) to illustrate achievements, and very few data (quantitative approach).
- » G4S differentiates itself by its **open language towards freedom of association / employee representatives and collective bargaining**. In addition, the company focuses on the issue of migrant workers and forced labour. The former is a result of the agreement signed with UNI in 2008 and the latter is based on the UK legal requirements (2015 Modern Slavery Act). G4S employs 28.000 migrants to face labour scarcity.

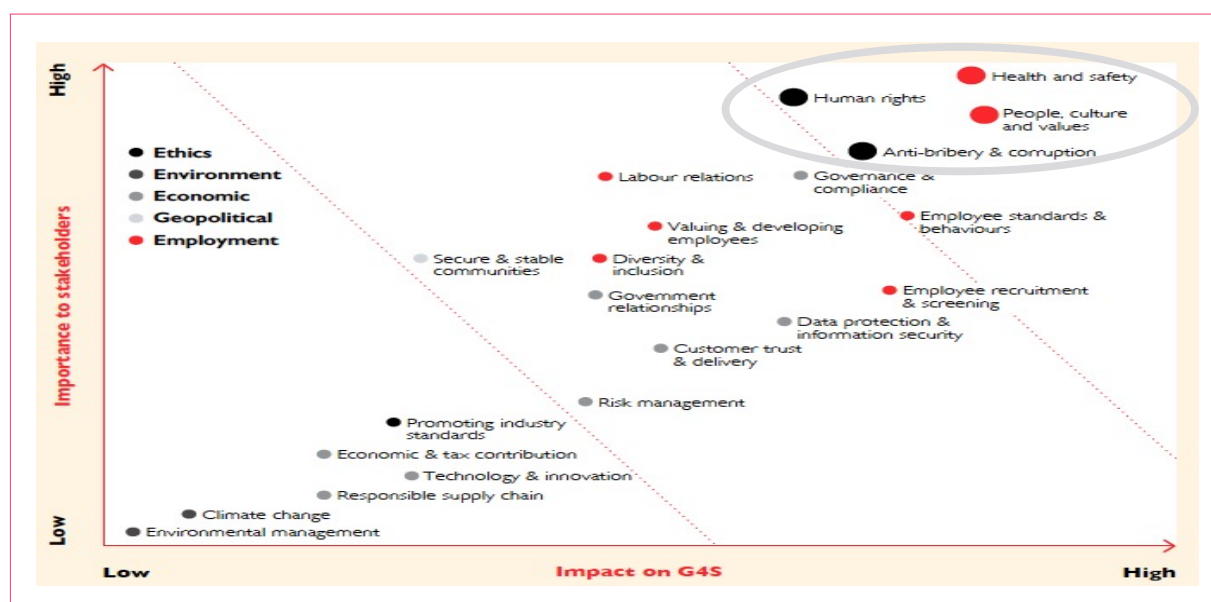
COMPANY PUBLIC INFORMATION OF RELEVANCE:

- > Global agreement with UNI Global Union "Ethical employment partnership » 2008: freedom of association and conciliation procedure
- > Integrated Report and accounts 2019: accounting and CSR policy, including Due Diligence
- > Whistleblowing policy 2021: when, what, how to report abnormal situations
- > Business Ethics Code 2021: expected behaviour of workers
- > Supplier code of Conduct 2020: expected behaviour of suppliers
- > Global Procurement Policy (not found)
- > G4S Human Rights Policy Understanding and Showing Respect for Human Rights 2021: it explains the due diligence process
- > Slavery and Human Trafficking statement 2020: needed to implement the UK legislation of 2015 Modern Slavery Act

Materiality

The top ranking issues are:

- » Health, safety and protection of employees and people under G4S's care: linked to the sector specificity and the covid 19 crisis
- » Human rights: the focus is very much on migrants protection and forced labour
- » Anti-bribery and corruption: a topic linked to the sector and geographical footprint
- » People, culture and values: the focus is mainly about G4S values



2. PARTICIPATIVE PROCESSES

Involvement of stakeholders and unions :

About Human rights: the report is positive about trade unions and workers representatives that are partners for a communication channel:

- » *"With around 30% of our employees covered by collective agreements, the trade unions we work with via our Ethical Employment Partnership (UNI), the European Works Council and local recognition agreements provide important communication channels. Through them we receive insights and feedback on the company's performance and constructive challenge on potential decisions which may impact our employees, such as the company's approach to safeguarding our employees in the context of Covid-19. Based on their feedback, we have sought to establish a better rhythm and regularity for our communications via emails, newsletters and conference calls to bring certainty and clarity where we can at such a time of change."*

About Human trafficking in particular:

- » The company gathers information provided by "NGOs and other independent experts such as EcoVadis, UNI the global union, the International Labour Organisation (ILO), and the United Nations Global Compact's Modern Slavery Working Group."
- » G4S states that this information helps prevent risk and solve issues in both its supply chain and the employment of migrant workers in the Middle East and Asia.
- » @ the supply chain level: no other local players are quoted as stakeholders.

3. ALERT SYSTEMS AND WHISTLE-BLOWING

1. Alert system:

- » The main process in place is the **Speak Out process, an online tool** accessible by the web or by phone in multiple languages in an anonymous fashion. Its effectiveness is measured through "a combination of periodic review of the Group's Speak Out arrangements, the biennial Employee Engagement Survey and the year-on-year analysis of the cases reported". So far, the vast majority of complaints are linked to labour issues in the scope of the HR local dpt. according to the 2019 report (555 cases were raised that year).
- » Another possibility is to follow the global agreement signed with UNI in 2008.

2. Protection of whistle-blowers:

- » Whistle-blowers should report concerns to their supervisor/ manager or to the HR staff. If they suffer consequences from this, they can report this to the chair of the Group Ethics Steering Committee or the chairman of the Group Audit Committee (who is member of the board of Directors).
- » Membership of this Ethics Steering Committee consists of: The Group General Counsel (chair), Group Human Resources Director, Group Corporate Affairs Director, Group Company Secretary, Group Head of Risk & Compliance and the Group Chief Financial Officer. However, there is no worker representative/ union representative in this Committee regrettably.



4. IMPLEMENTATION AND FOLLOW UP

Actions to assess the company policy implementation:

1. Internal/ external auditing: auditing of subcontractor and providers

- » In addition to information provided by workers and their representatives, the companies conducts internal surveys among employees: it claims having **surveyed 450.000** staff whom expressed 84% satisfaction towards their employer.
- » **ECOVADIS, an independent consulting firm is at the centre of all external auditing processes: assessing providers/ suppliers (so far UK):** *"We aim to utilise this experience to apply the process internationally between 2020 and 2023, focussing on our top 15 highest spending businesses to cover 85% of G4S's total procurement spend."* The topics covered are environment, labour and human rights, ethics, and sustainable procurement.
- » According to the CSR policy, *"where their performance does not meet the required levels, a corrective action plan must be submitted to G4S to address any issues raised."* It has been implemented across G4S *"businesses in Hong Kong, Saudi Arabia, UAE and the UK, where around 5% of suppliers have been categorised as potentially high-risk, including manufacturers of electronics and uniforms, cleaning and temporary labour."* 1541 Ecovadis assessments have been completed with a *"93% of supplier's scorecards have achieved a satisfactory rating."*

2. Action of follow-up

- » When a supplier does not meet the ECOVADIS / G4S criteria, it is whether excluded from the G4S network or invited to submit a plan to address the loopholes. In 2021, Belgium, Denmark, India, Kenya, Luxembourg, Netherlands, South Africa and the USA will be scrutinised. Other important points to be followed up: G4S has launched a "supply chain social principles 'guidance and due diligence toolkit" about social standards expected from suppliers and provides training to face modern slavery. In general, the reports provide very little information and data about achievements and measurable objectives. One exception is about migrant workers housing: *"in the past two years, we have reviewed accommodation for migrant workers and made a number of changes to enhance the facilities"*



SMURFIT KAPPA

1. COMPANY POLICY AND TOOLS

Smurfit Kappa is a leading European specialty paperboard packaging group headquartered in Dublin. It operates in 35 countries, with 350 production sites in Europe and America, and 46,000 employees.

The group publishes an annual sustainability report. The report, published in English only, includes about 100 pages for the year 2019. It is based on the guidelines of the Global Reporting Initiative (GRI).

A materiality analysis of the issues has been updated in 2019. It does not show any social issues among the highest priorities.

The group presents a policy containing mainly objectives for the consideration of environmental issues, based on ambitions for a more circular economy. Employees are mentioned among the stakeholders, but not trade unions.

Due diligence is mentioned in relation to the treatment of forest preservation issues (page 30), and in relation to human rights and anti-corruption issues in acquisitions (page 46).

COMPANY PUBLIC INFORMATION OF RELEVANCE:

- > **Sustainable report 2019**
- > **Smurfit Kappa Group Code of Business Conduct**

2. PARTICIPATIVE PROCESSES

- » Smurfit Kappa reports having a policy of dialogue with stakeholders, particularly with regard to risk reduction in the supply chain (page 10). The group participates in and organises thematic roundtables with various stakeholders. The three main themes are circularity, inclusiveness and innovation.
- » The stakeholder families identified for thematic interactions are: customers, investors, employees communities and suppliers.
- » The group states that industrial relations are among the fundamental principles of its human resources management. However, no objectives or results are indicated on the social issues, except for an objective to reduce work-related accidents. There are only 3 sentences on social dialogue and collective bargaining, illustrated by this one *"In many countries, Smurfit Kappa conducts formal employee consultations with local Works Councils"* (page 46).

3. ALERT SYSTEMS

The group's code of conduct indicates the existence of a system for recording alerts called "Speak Up", with 3 possible ways to raise concerns :

- » an email address : speakup@smurfitkappa.com
- » a telephone number, available in many countries, managed by a third party
- » an external Internet platform, available 24 hours a day and 7 days a week. The link indicated in the Code of Conduct does not work, but searching through Google leads to a page secure.ethicspoint.eu/domain/media/fr/gui/105805/index.html, which clearly explains the process, including a protection mechanism. It is managed by an external company, called NAVEX. It is possible to anonymously raise a concern.

4. IMPLEMENTATION AND FOLLOW UP

- » Smurfit Kappa introduces its governance and human rights performance by describing a company working in an ideal world (pages 66 and 67), with a management system that would have full control over all its activities and their consequences: *"During 2019, there were no material incidents reported, which the group considered to be non-compliant with the code of Business Conduct" (???...).*
- » Risk management is conducted in a more credible manner with regard to purchasing (sustainable sourcing). A specific policy is developed for risk management of wood procurement.
- » Audits are carried out on the most important suppliers and 81% of them present low or moderate risks. All the concerns presented following these audits are related to environmental protection and reliability of supply. Among the results of these audits, no social issues are reported in the 2019 sustainability report.

ORPEA

1. COMPANY POLICY AND MEANS DEPLOYED

The Orpea Group devotes seventy pages of its annual report, the so-called universal registration document, to reporting on non-financial information.

In accordance with French law on the duty of care, this annual public reporting includes its updated vigilance plan.

The vigilance plan is summarised on 4 pages, and refers to other sections of the document. It presents the method used to draw up the risk map, which was completely overhauled in 2019; it lists the main risks, with regard to human rights and business ethics, health and safety of individuals, and the environment; it presents the system for monitoring measures and an assessment of their effectiveness; it specifies the actions to prevent and mitigate risks.

Risk mapping was carried out for all subsidiaries and activities.

CSR assessments are carried out each year with suppliers deemed strategic. An Eco-Responsible Charter (not downloadable) exists since 2017 to complete the environmental criteria in the calls for tender.

DOCUMENTARY SOURCE :

- > **Universal Registration Document 2019**
- > **Code of Conduct**

2. PARTICIPATORY PROCESS / CONSULTATION

- » The vigilance plan is developed and reviewed annually by various departments of the group. It is stated that the group has structured its internal organisation to ensure the monitoring and evaluation of risks and related indicators.
- » While it is clearly stated that internal stakeholders were interviewed (without specifying which ones), consultation with external stakeholders is not documented.
- » Trade unions, employee representatives or even employees are rarely or never mentioned as actors in the development of the vigilance plan or in the monitoring of its implementation, and in particular not in the establishment of the alert mechanism and the collection of reports (see below).

3. ALERT MECHANISM

<https://orpea.signalement.net/>

- » Since June 2018, there is a global ethics alert system, available to internal and external employees and third parties, so that they can report breaches of the principles of the Code of Conduct.
- » This whistleblowing mechanism was set up to meet the obligations of the Sapin II law on ethics and the fight against corruption, and was subsequently extended to the topics covered by the French law on the duty of vigilance.
- » It is available in all the languages of the countries in which the Group operates.
- » Details of the alert procedure (general framework, handling of the alert, rights and obligations of issuers, etc.) can be downloaded from the site.
- » Employees are aware of this tool, in particular through training on the Code of Conduct.
- » At the end of 2019, only 3 cases were reported.



4. IMPLEMENTATION AND MONITORING

- » Monitoring is carried out by internal group departments, but also by external bodies, depending on the subject.
- » The group publishes indicators (around twenty) in relation to the risks identified. However, it appears that the response to certain risks is not assigned a precise indicator; in these cases, no figures are published in the documentation (eco-responsibility of construction projects, fight against food waste, etc.).
- » It is mentioned that some risks are or will be the subject of action plans, including targets. However, the documentation mentions very few quantified objectives.
- » These action plans are not detailed (sometimes illustrated by a few examples). The group indicates that they concern risk mitigation or prevention measures.
- » The documentation is not explicit about sharing results directly with employee representatives or with employees directly.



CARREFOUR

1. COMPANY POLICY AND MEANS DEPLOYED

Carrefour's vigilance plan, published in 2018, is part of the group's CSR policy, which has been structured for more than fifteen years. This is now based on the group's raison d'être, which is enshrined in the group's articles of association: to become the leader in the food transition.

The vigilance plan covers the activities of the company, its subsidiaries and any controlled company (the indicators cover 84% of the Group's 2020 consolidated turnover, in the 9 integrated countries); the activities of its suppliers; and the activities of its subcontractors.

However, it is not indicated to which level of the supply chain (supplier, subcontractor) the reporting is done.

The vigilance plan covers the themes listed by the French law on the duty of vigilance: prevention of risks of non-respect of human rights and fundamental freedoms and risks of serious harm to health and the environment.

The policies implemented aim to cover products (mainly those under the Carrefour brand and, to a lesser extent, the goods marketed), and operations (fight against waste, environmental impact of sites, packaging, fight against climate change).

DOCUMENTARY SOURCE :

- > **Universal Registration Document 2020**
- > **Code of conduct "Our ethical principles"**
- > **Supplier commitment charter**

2. PARTICIPATORY PROCESS / CONSULTATION

- » The Group clarifies the organisation of dialogue with stakeholders, both internal (governance set up around management bodies and more operational levels and trade union organisations) and external (customers, NGOs, administrations, investors, suppliers, etc.)
- » This consultation covers both the development and revision of the vigilance plan, but also the deployment stages, such as the monitoring of the measures implemented. Carrefour indicates that
- » The methodology used to identify and map the risks is detailed.
- » A global framework agreement signed with Uni Global Union promotes consultation with trade unions on diversity. Within this framework, the vigilance plan and the mapping of risks concerning human rights and employee health and safety are co-constructed and presented on a regular basis to the European Information and Consultation Committee (CICE), which brings together the main European trade union organisations.
- » In addition, in 2020, Carrefour presented its non-financial results to 50 trade union representatives worldwide.

DOCUMENTARY SOURCE :

- > **United Nations Global Union Agreement (2001, 2015, 2018)**
- > **Engagement with WWF (1998)**
- > **Engagement with FIDH (2000, 2018)**
- > **Adhesion to the Global Compact (2001)**



3. ALERT MECHANISM

- » The global framework agreement with Uni Global Union includes a dispute management procedure which allows for the reporting to UNI and Carrefour management of any complaint noted by union representatives or Carrefour teams and the commitment to ensure that it is dealt with.
- » The Group has also deployed an ethics alert system, which covers all the themes of the Ethical Principles, including human rights and fundamental freedoms, health and safety, and the environment.
- » Carrefour employees, suppliers and service providers have access to this alert system, which is available 24/7, by telephone or internet, in the 11 languages corresponding to the countries in which the Group operates.
- » The principles of whistleblower protection are made explicit.
- » This scheme is promoted by the Uni Global Union agreement.
- » The group does not indicate the number of alerts raised, but illustrates with examples, cases of alerts and corrective or reinforced action plans put in place.

DOCUMENTARY SOURCE :

- > **United Nations Global Union Agreement (2001, 2015, 2018)**
- > <http://ethics.carrefour.com>

4. IMPLEMENTATION AND MONITORING

- » For most of the risks identified, Carrefour has assigned monitoring indicators, most often with target objectives.
- » In doing so, Carrefour organises risk prevention and mitigation measures according to the three perimeters: at Carrefour, at suppliers and at customers.
- » Evaluations and audits are carried out either by internal bodies or by external bodies.
- » Carrefour illustrates examples of action plans to prevent or mitigate the occurrence of a risk (non-exhaustive list)

DOCUMENTARY SOURCES :

- > **Supplier and service provider commitment charter (updated in 2018)**
- > **CSR product purchasing rules and food transition (updated in 2020)**



CONSTRUCTION

EIFFAGE

1. COMPANY POLICY AND RESOURCES DEPLOYED

The company has been presenting its corporate social responsibility management system for about ten years. This takes up about 100 pages in its annual management report. The group relies on reference documents that it publishes on its website

- » "Ethics and commitment" Charter
- » Complementary charters on different themes
- » A few social and environmental indicators are presented, mainly on employee movements, consumption of natural resources and greenhouse gas emissions related to the Group's activities.
- » A vigilance plan, summarised in 4 pages, is included in the annual management report. It provides very few details on the actual risk management conducted by the company. There is no monitoring in terms of human rights.

DOCUMENTARY SOURCES:

- > [Universal Registration Document 2019](#)

2. PARTICIPATORY PROCESS / CONSULTATION

- » The reporting published in 2020 for fiscal year 2019 makes virtually no reference to any consultation on social, societal and environmental issues, either with employee representatives, or with trade unions, or with external stakeholders such as NGOs or territories.
- » Neither are societal risks the subject of consultation with suppliers and subcontractors, for whom only a self-assessment questionnaire is proposed.
- » A matrix of the materiality of the issues was developed in 2018, based in particular on the questioning of external stakeholders, but it seems that a process of dialogue concerning this matrix has not been initiated to make it evolve.

3. WARNING MECHANISMS

- » Eiffage has set up a warning system in France concerning possible corrupt practices following the legal requirements (Sapin 2 law), but only announces that it will set up a warning and reporting system that meets the requirements of the French law on the duty of vigilance in the course of 2020.
- » This system is advertised by the group as having to rely on an external online platform and telephone lines.

4. IMPLEMENTATION AND FOLLOW-UP

- » The Group has not published detailed information to explain its procedures for assessing and mitigating the risks identified with regard to human rights, health and safety and possible environmental damage related to its own activities or those of its established business partners.
- » With the exception of workplace accidents and GHG emissions, there are no indicators on societal issues in the Group's non-financial reporting. Likewise, targets are not quantified in terms of numbers and time horizons.
- » Training on social responsibility issues is provided to buyers.
- » Supplier audits are still the exception when it comes to social vigilance issues. For 2019, reference is made only to the visit of two partners to Madagascar by the procurement department, which apparently did not give rise to critical progress plans.



ETEX

1. COMPANY POLICY AND RESOURCES DEPLOYED

A specific corporate policy for the assessment, prevention and mitigation of risks in the areas of "safety, ethics, integrity and professional conduct".

- » A code of conduct ("The Etex Way") provides standards for safety, ethics, integrity and professional conduct. The code is said to be based on the OECD Guidelines for Multinational Enterprises
- » The risks covered are extensive
 - union rights (union discrimination, information, consultation, etc.),
 - environmental risks
 - Human rights such as those protected by certain UN and ILO texts on political, civil and social rights
- » The value chain is mentioned
 - compliance by suppliers with the principles of the code under penalty of termination of the relationship,
 - Clients through the principles of anti-corruption

Means deployed...

- » both in terms of governance (Sustainability and CSR Committee within the Management Board meeting 3 times a year); establishment of a cross-organisational green team.
- » ... and risk management procedures (principle of the code integrated into the risk management procedures, internal audits)
- » ... and training (training in the e-learning code of conduct as a criterion for the annual performance evaluation of all managers ("white collar").

On the asbestos policy, certain elements of a due diligence approach are presented: prevention and compensation in particular.

But little specific public information on the due diligence policy is available

- » The Group's environmental and social report, i.e. non-financial information, focuses on asbestos management, employee safety, the environment and internal personnel management.
- » There is no explicit vigilance plan, but it is true that the company is not subject to the obligation to publish it
- » Other elements of Etex's "ethics and integrity" policy, in terms of the environment, health and safety, the fight against corruption, anti-competitive behaviour, etc., exist, but are only accessible on the group's intranet.

THE GROUP, THE DOCUMENTS CONSULTED

- **Etex : 13,000 people, 113 production sites, in 42 countries, including Great Britain. Headquarters in Belgium (Zaventem)**
- **History of the group marked by the exposure to asbestos of some of its employees, when the company was previously called Eternit.**

Resources used

- **Code of Conduct:** https://www.etexgroup.com/siteassets/site-assets/global/files/working-at-etex/the-etex-way_code-of-conduct_en.pdf?v=4aga1f
- **CSR Policy:** <https://www.etexgroup.com/en/inspiring/social-responsibility/csr-standards/>
- <https://www.etexgroup.com/en/inspiring/social-responsibility/>
- **Annual Report for 2019**
- **Press release, issuance of a sustainable development loan:** <https://www.etexgroup.com/en/news/15820/etex-links-the-cost-of-its-eur-600-million-sustainability-linked-loan-to-its-sustainability-ambition/>
- **Report by the British subsidiary Etex Building Performance on the risks of modern-day slavery and human trafficking:** <https://www.siniat.co.uk/en/download/file/en/26fcdeb5ef57465fa1dbabfe00ea676d/etex-bp-annual-modern-slavery-statement-june-2020?rev=6d24b005-3159-4af0-80c2-3aagbc9a1b89>



2. PARTICIPATORY PROCESS AND CONSULTATION

The reporting published in 2020 for fiscal year 2019 makes virtually no reference to any consultation with employee representatives concerning social, societal and environmental issues

- » Employee representatives are not mentioned in the section of the annual report devoted to stakeholders (internal and external).
- » However, the code of conduct devotes an entire paragraph to trade union rights, including the right to transparent information, consultation and negotiation on working conditions and employment.
- » Other consultation topics, such as the CSR policy, are not mentioned.

There is no mention of any consultation with representatives of the communities living near the activities or with NGOs.

The approach on the risk of modern-day slavery of a British subsidiary seems to go further than the policy of the whole group:

- » the report on the risks of modern-day slavery and human trafficking by the British subsidiary Etex Building Performance Ltd. (EBP) mentions a due diligence audit carried out on [the] natural gypsum supply chain and in particular the extraction of gypsum from quarries in southern Spain.

3. WARNING MECHANISMS

The code encourages employees to express their concerns or report any violations of the code to internal management or their legal counsel

- » *"your director, your general manager, your HR, your legal counsel, the head of antitrust or the internal audit department"*.

Reports cannot be subject to sanctions and are treated anonymously according to the code.

The report on the risks of modern-day slavery and human trafficking by the British subsidiary EBP mentions a mechanism for gathering reports and warnings, intended for company employees, to which access is not specified.

We found no evidence in the public documents of an externally accessible warning system or procedure for protecting whistleblowers.

4. IMPLEMENTATION AND FOLLOW-UP

With the exception of certain environmental issues, the objectives are not published and cannot be monitored by stakeholders.

Note: the company promotes the evaluation of its environmental, social and governance policy through an independent third party, Sustainalytics (with a score and ranking in its sector). But nothing is public.

- » The compliance with the Group's CSR objectives, guaranteed by Sustainalytics, is even the basis for the level of the interest rate paid by the Group on a Sustainability Linked Loan contracted in 2019.

JELD-WEN

1. COMPANY POLICY AND RESOURCES DEPLOYED

Jeld-Wen is an American group, based in Charlotte and listed on the New York Stock Exchange, specialising in the manufacture of doors and windows. It has manufacturing sites in 20 countries.

There is apparently no non-financial information on the sites of its subsidiaries in Europe. The information is limited here to the description and technical promotion of the products.

On the global group's website (www.jeld-wen.com), a few web pages provide very superficial information about its social responsibility policy. There are only cosmetic statements of principles, which could be registered on the site of practically any company.

There is no information available on a due diligence or vigilance policy on the site. On the other hand, a code of conduct for suppliers explicitly addresses the concern of taking into account sustainable development issues in the supply chain.

DOCUMENTARY SOURCES :

> www.jeld-wen.com

2. PARTICIPATORY PROCESS / CONSULTATION

- » The website does not refer to any consultation, whether with staff, the trade union movement or external stakeholders.
- » Social dialogue is not mentioned. Among the values is only the notion "*Invest in people*"

3. WARNING MECHANISMS

- » The Supplier Code of Conduct provides a warning system hosted on the site of a third party, ETHICSPPOINT.
- » It is accessible to any external person in several languages and can collect reports regarding human rights, workers' rights, health and safety issues, environmental respect and ethical concerns.
- » Research on this site indicates that it is committed to preserving the anonymity of the whistleblower if necessary, but does not clearly address issues of its effective protection.

4. IMPLEMENTATION AND FOLLOW-UP

- » No information appears in the public reporting on the management system, the implementation of any due diligence or its follow-up.
- » No monitoring indicators are apparent.



RECTICEL

1. COMPANY POLICY AND RESOURCES DEPLOYED

Recticel is a group present in some twenty countries and has its international headquarters in Brussels. According to its website in December 2020, it currently employs about 4000 people (7000 in 2019 according to its annual report). The group specialises in the manufacture of foams (Polyurethane for the automotive industry, construction, etc.)

The company emphasises its sustainable development strategy, in particular through its innovations that reduce its impact on the environment and its human resources development policy. This is the subject of about ten pages in its annual report.

Its non-financial information has been published since 2016, based on the «*Global Reporting Initiative*» framework.

It presents the 6 key issues it has identified and indicates its objectives and action plans for each of these issues.

However, this selection of issues is not argued (no materiality matrix is presented) and in the policy on human rights there is no reference to freedom of association (which includes freedom to form and join a trade union).

DOCUMENTARY SOURCES:

- > 2019 annual report
- > Website www.recticel.com

2. PARTICIPATORY PROCESS / CONSULTATION

- » The annual report makes no reference to consultation with employees, trade unions or other external stakeholders.
- » Only the consultation with suppliers is addressed on the website concerning the policy of innovation through integration of sustainable development issues.
- » The sustainable development policy, the choice of key issues and the objectives and action plans are presented as policies established solely by members of the company's various departments.

3. WARNING MECHANISMS

- » The company does not refer to a due diligence policy with respect to CSR risks other than through the mere presence of general clauses in its purchasing contracts.
- » Analysis of the documents published by the company did not identify its system for reporting warnings.
- » However, a broader search on the Internet, carried out by keywords, led to a Recticel document dated January 2020, presenting warning procedures, usable from inside or outside the company and accessible to any stakeholder (Title: «Procedure for the reporting of misconduct and the protection of Whistleblowers in the Recticel Group»). According to this document, the company would provide protection for whistleblowers.

4. IMPLEMENTATION AND FOLLOW-UP

- » The implementation of the sustainable development policy is presented in the form of projects conducted in parallel.
- » The overall logic and the human and financial means are not explained.
- » As the due diligence policy is not included in the reporting, its monitoring is not included either.





SYNDEX EUROPE & INTERNATIONAL

Bld du Roi Albert II, nr5
1210 Brussels
www.syndex.eu



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