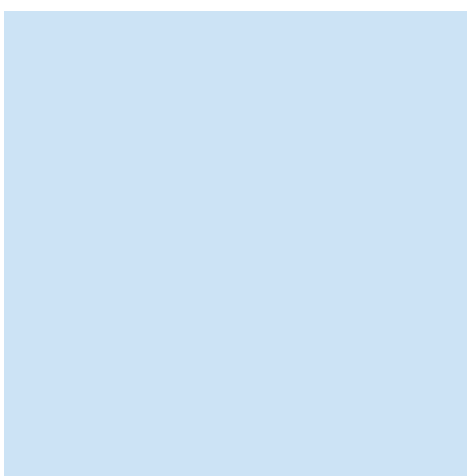
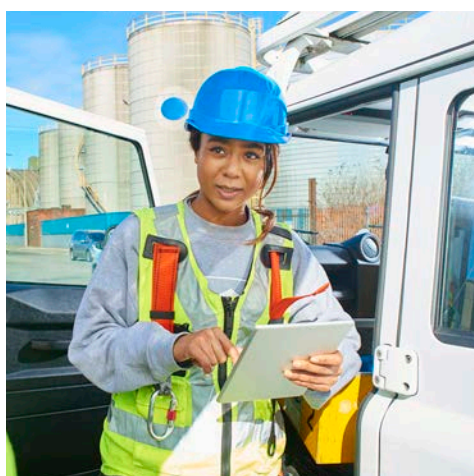




Labour rights risk identification in the supply chain

Guidance document for identifying and
screening labour rights risks in supply chains

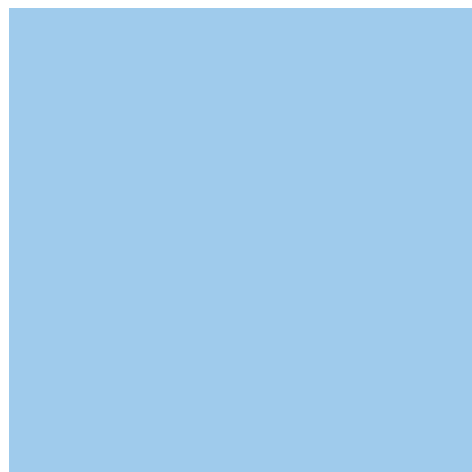
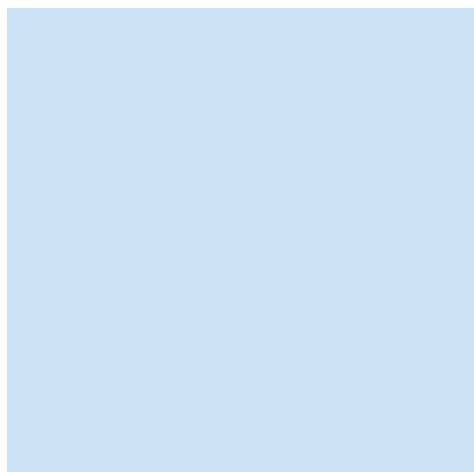


Supply chain



Advancing environmental
and social performance

www.ipieca.org



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Labour rights risk identification in the supply chain

Guidance document for identifying and
screening labour rights risks in supply chains



The global oil and gas association for advancing environmental and social performance

14th Floor, City Tower, 40 Basinghall Street, London EC2V 5DE, United Kingdom

Telephone: +44 (0)20 7633 2388

E-mail: info@ipieca.org Website: www.ipieca.org

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Introduction

This section provides background to IPIECA's work on human rights and presents an overview of the scope, objectives and intended audience of this guidance document.



Introduction

BACKGROUND TO IPIECA'S HUMAN RIGHTS WORK

IPIECA has been convening the industry around human rights issues for over a decade. Bringing together the experience and knowledge of our global membership, IPIECA facilitates peer-learning, provides guidance on the implementation of business and human rights frameworks, and facilitates the development, sharing and promotion of good practices for the oil, gas and alternative energy industry, and its supply chain.

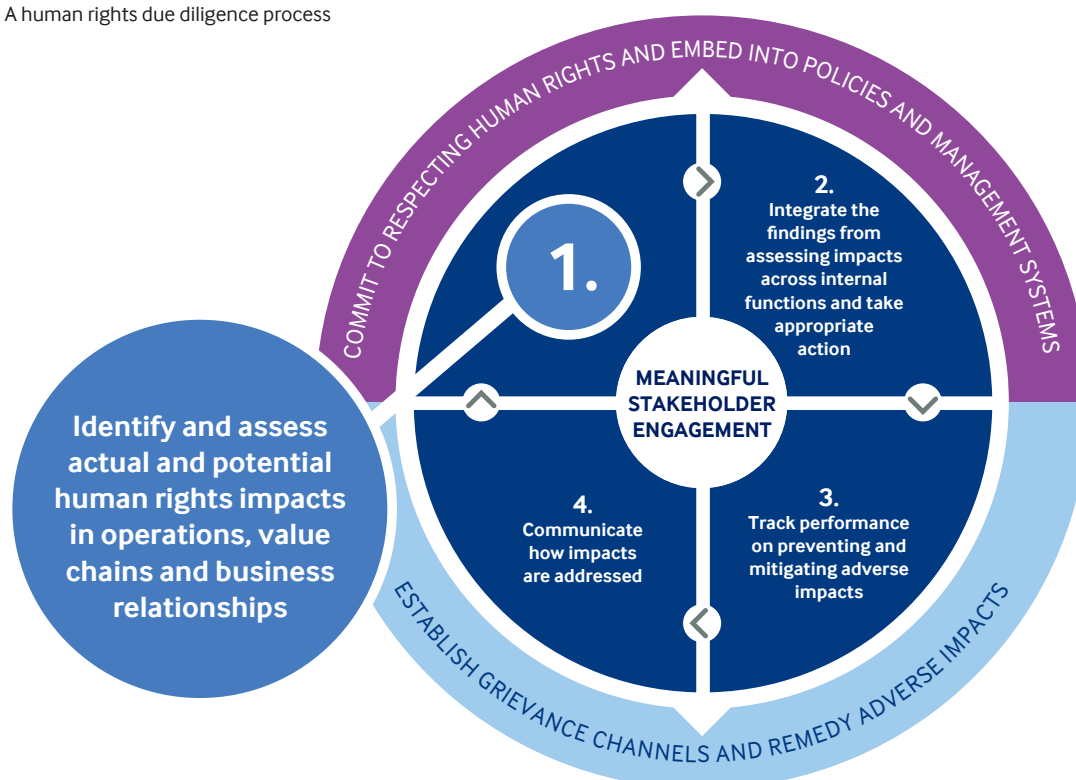
IPIECA has continued to demonstrate strong and ongoing industry support for the framework provided by the United Nations Guiding Principles on Business and Human Rights (UNGPs), which provide a common language for human rights and a set of high-level principles for managing human rights issues and risks.

For further information about IPIECA's work on human rights, please consult IPIECA's webpage www.ipieca.org/our-work/people/respecting-human-rights.

LABOUR RIGHTS RISKS IN THE SUPPLY CHAIN

Human rights risk identification takes as its foundation a wide set of international principles and focuses on the risk of adverse impacts to people resulting from a company's operations, supply chains and other business relationships. Human rights risk identification is a key step in conducting effective human rights due diligence (as illustrated in Figure 1). For more information about how to conduct a human rights due diligence process, see IPIECA's *Human rights due diligence guidance: a practical guidance for the oil and gas, and alternative energy industry*. Applying this step to identify actual or potential labour rights risks in the supply chain helps companies to assess and manage these risks through mitigation and remediation measures. Although human rights risks can be wide ranging (e.g. impacts on local communities and Indigenous Peoples), the scope of this guidance document focuses specifically on labour rights risks to workers in the supply chain.

Figure 1: A human rights due diligence process



This guidance document uses the principles outlined in the Universal Declaration of Human Rights and the International Labour Organization Declaration on Fundamental Principles and Rights at Work to propose tools that draw out labour rights risks in company supply chains. By asking the right questions and considering the key areas of risk at the start of supplier relationships, a company can build, where necessary, an appropriate labour rights risk management plan, considering the company's responsibilities towards its workers, including (but not limited to):

- treating workers with dignity, respect and fairness;
- safe, healthy, secure working environment (and accommodation, where appropriate);
- ethical and legal recruitment and employment terms;
- remuneration and working hours;
- no child labour and protection of young workers;
- ability to voice concerns without retaliation, and access to effective worker grievance mechanisms;
- worker representation is respected/access to freedom of association;
- an environment free of harassment and discrimination;
- employment freely chosen and freedom of movement;
- freedom from bonded or forced labour, e.g. as a result of recruitment fees, ongoing illegal deductions; and
- protection against passport and personal ID retention.

OBJECTIVES

This document aims to provide practical considerations and examples of how an oil and gas company can identify and screen for labour rights risks in tier 1 (i.e. direct suppliers) of its supply chain. Although specifically focused on tier 1 application, companies may be able to adapt the processes illustrated in the guidance document to identify where risks may be likely in tier 2 and further down their supply chains.

The guidance aims to:

- Provide support for company practitioners to make the case for implementing an effective risk identification process which is based on general industry practices.
- Build supplier understanding of how operating companies might conduct a general labour rights risk identification process.
- Seek to support and align with external initiatives working on supplier due diligence, such as the Human Rights Assessment Service, a global service for sharing human rights assessments of suppliers in the energy sector¹.

It covers:

- How companies may address conducting risk identification and assessment.
- General principles and examples of processes for risk-based screening methodologies.
- Further sources of information to help companies research risk categories and background resources on human rights due diligence.

AUDIENCE

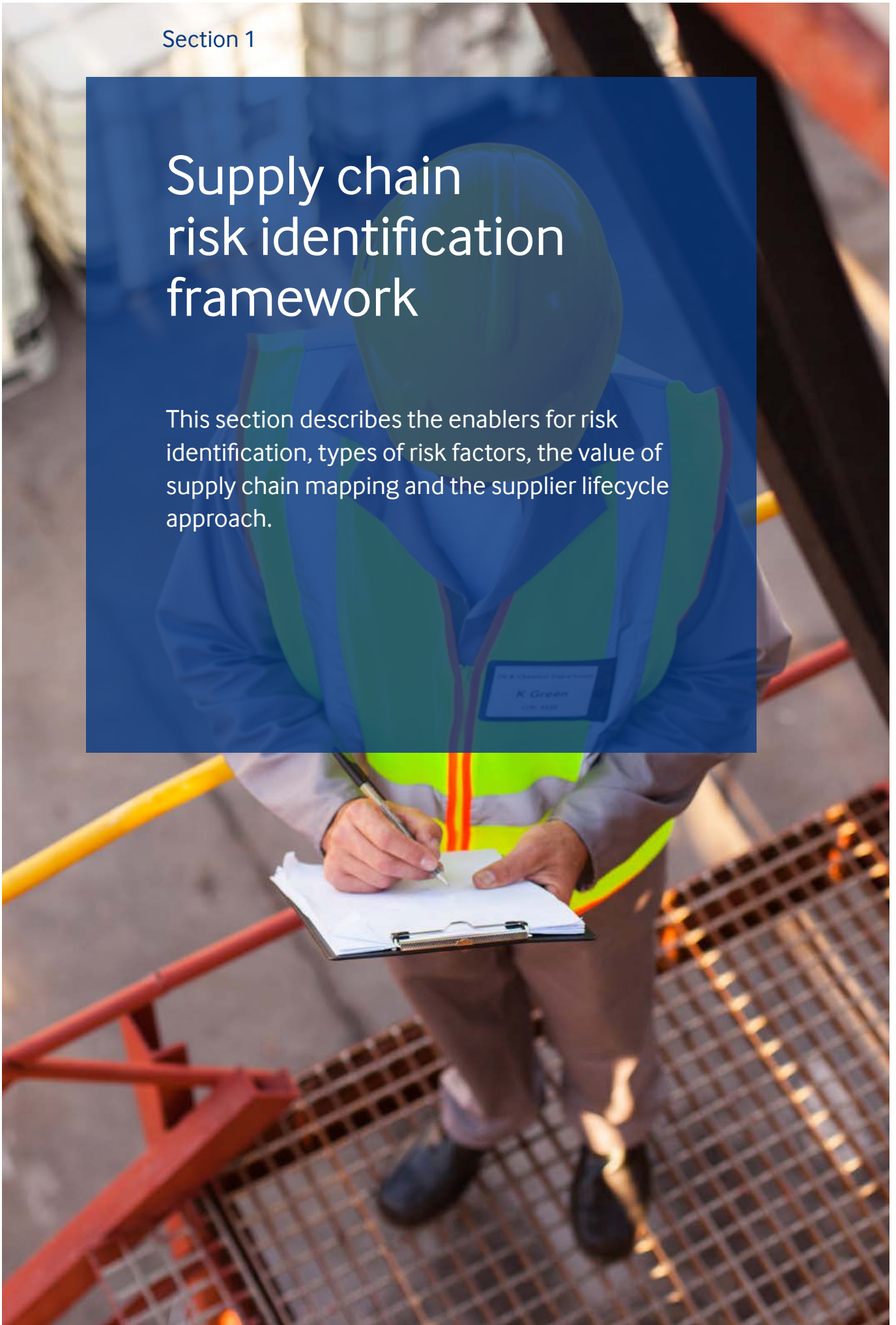
This document is for oil and gas, and alternative energy company practitioners working in procurement and sustainability functions on supply chain human rights due diligence. It is a practical tool covering good practice examples, and provides a general methodology to help guide practitioners to conduct effective labour rights risk identification in the supply chain.

It is also useful for suppliers to know and understand the general approach which operators use for risk identification in their supply chains. It may help oil and gas industry suppliers to further cascade these good practices down their own supply chain.

¹ Information about the Human Rights Assessment Service is available here: <https://epim.no/huri>

Supply chain risk identification framework

This section describes the enablers for risk identification, types of risk factors, the value of supply chain mapping and the supplier lifecycle approach.



Supply chain risk identification framework

In this section, a broad framework for supply chain risk identification is discussed to help supply chain practitioners understand:

- the key enablers to establish an effective process for identifying and screening risk;
- the key types of risk factors involved (e.g. commodity, location, enterprise-level);
- how mapping supply chain risks supports effective due diligence processes; and
- how to integrate risk identification throughout the lifecycle of the commercial activity.

1.1 ENABLERS FOR CONDUCTING LABOUR RIGHTS RISK IDENTIFICATION

Enablers that facilitate company's effective risk identification include:

Developing an internal human rights corporate culture

A key enabler is an integrated strategy that raises awareness of human rights values, company commitments and supplier expectations, and is embedded into the corporate culture, with management support and allocated resources.

Establishing external expectations

The risk identification process starts even before supplier selection by communicating expectations to prospective suppliers. For example:

- Adopt supplier expectations/code of conduct/charter.
- Communicate human rights expectations.
- Establish clear benchmarks for performance.
- Include expectations in website, supplier portals, bid documentation, contracts and other forms of communication (e.g. supplier conferences and workshops).

Leveraging existing processes and tools

By leveraging existing tools, there can be faster uptake and more consistent application of tools to identify and assess

risk. Practitioners may then need to consider whether additional tools or processes are required to manage/mitigate the risk.

Developing internal and supplier training and guidance

Developing training to expand or enhance the awareness of procurement staff about human rights and labour rights risks means that there are more people able to identify or raise concerns and mitigate human rights and labour rights risks. Training could be expanded to different functions (e.g. senior management, business development, operations), and separate tools and guidance could be developed for suppliers to drive cultural change down the supply chain².

1.2 UNDERSTANDING RISK FACTORS

Oil and gas companies have large numbers of suppliers covering a broad range of materials and services, and operating in multiple locations. To begin identifying supply chain risk, it is helpful to understand the risk factors that may cause adverse labour rights impacts. Once the risks are identified, actions can be taken to address, prevent or mitigate the most severe impacts as part of a human rights due diligence process. Labour rights risks in the supply chain can fall into a variety of different categories. Three risk factors are particularly important to consider when purchasing goods and services: commodity, location and enterprise-level risks (Table 1).³

² IPIECA has produced guidance on *Company and supply chain labour rights* to help practitioners more effectively identify, prevent and mitigate labour rights risks and impacts within projects, operations and supply chains. <https://www.ipieca.org/resources/good-practice/company-and-supply-chain-labour-rights-guidance>

³ For further information, the Responsible Sourcing Tool provides examples of sector and geographic risk. <https://www.responsiblesourcingtool.org/understandrisk>

Table 1: Risk categories and the factors to consider

| RISK CATEGORY | FACTORS TO CONSIDER |
|-------------------------------|---|
| Commodity | <ul style="list-style-type: none"> • Industry sector of product or service being purchased. • Number of alternative suppliers: high levels result in pressure for decreased prices. • Known issues with specific materials within the commodity's supply chain. • Labour skill required to deliver the product or service • Reliance on low-skilled labour to do dirty, dangerous, or difficult work. • Seasonal shift work: e.g. product lifecycle causing fluctuations in labour demand, requiring large number of workers for short periods of time. • Proportion of vulnerable workers employed: e.g. impoverished, lacking in professional or advanced technical skills, landless or otherwise dispossessed. • Reliance on migrant labour (internal or international). • Reliance on labour recruiters/third parties to recruit, hire and/or manage workforce. |
| Location | <ul style="list-style-type: none"> • National regulatory and legal frameworks, including labour standards: e.g. weak or unenforced legal protections for civil liberties and workers' rights. • Governance, enforcement capacity and corruption: e.g. disregard for the rule of law and lack of adherence to laws by government. • National restrictions on freedom of association and collective bargaining • Protection of workers' rights not extended to foreign migrant workers. • Immigration policies: e.g. restricting employment opportunities and movement of migrant workers, or lack of robust bilateral agreements between sending and receiving countries about migrants' rights. • Risks of human trafficking. • Socio-economic context: e.g. in countries with lower socio-economic development, there may be fewer opportunities for work, driving vulnerable individuals to migrate and exposing them to risk of exploitation and trafficking. • Levels of crime and violence (including presence of organized criminal groups). • Level of political stability and conflict. • Discrimination based on gender identity and/or sexual orientation may lead to increased risk of harassment, or lower wages. |
| Enterprise-level risks | <ul style="list-style-type: none"> • Type of business activity/service being performed. • Labour intensity versus use of technology to deliver product or services. • Sourcing strategies: e.g. supplier size, geographic coverage, number of suppliers in a commodity area, supplier qualification requirements. • Sophistication of tier 1 suppliers to manage labour rights issues in subcontractor base. • Level of spend and schedule constraints. • Supplier relationship/scope (e.g. long vs short term). • Project versus ongoing operation (labour duration and ramp-up requirements). • Length and/or complexity of the supply chain (multiple tiers): e.g. longer supply chains with less visibility and transparency, and increased risk of adverse impacts. |

Section 1

Supply chain risk identification framework

Key questions for procurement teams to identify supply chain risks include:

- What are they buying?
- Where are they buying it?
- Who are they buying from?

Information about risk factors which might impact the supply chain can be gathered from a variety of external sources, including governments, international and non-governmental organisations, trade unions and media, as well as from internal company sources.^{4 5}

1.3 MAPPING SUPPLY CHAIN RISKS

Supply chain mapping is a key step in undertaking an effective due diligence process. By identifying and understanding human rights risks in the supply chain, organizations can:

- Determine the level of labour rights risks for purchased goods and services and their priority for action.
- Develop a fit for purpose strategy for assessment of higher-risk suppliers and for addressing the risks they may pose to workers.
- Allocate resources to critical areas in the supply chain to mitigate against possible risks. For instance, by conducting on-site assessments or audits of suppliers, developing training programmes, or establishing supplier development programmes.
- Establish monitoring and evaluation processes to assess the effectiveness of such programmes and to promote continuous supplier improvement.

Mapping likely requires the collaboration of procurement and commodity experts within the organization. Once the key risk categories and risk factors have been understood, mapping facilitates risk-based screening of suppliers. Two examples of how to conduct risk screening (high level and deeper analysis) are described in Section 2.

1.4 SUPPLIER LIFECYCLE APPROACH

Many organizations have large supply chains and may conduct detailed supplier assessments only on higher-risk, critical and high-spend vendors during supplier qualification. Risk assessment during the supplier qualification stage is particularly important because

entering into a relationship with a supplier that has a good track record and understands how to manage labour rights impacts is an effective way of mitigating risk for a company.

The lifecycle of a commercial activity extends from supplier selection, through contract execution and supplier performance assessment during the contract term. Therefore, companies may consider the whole supplier lifecycle to identify or address risk.

A structured approach to supplier lifecycle management (as depicted in Figure 2) from identification to supplier development will support an effective risk management regime and drive improvement in labour rights performance across the supply chain. This involves strong understanding of inherent risk, visibility of supplier information and performance, identifying red flags and risk recognition.



⁴ OECD (2018) Due diligence guidance for responsible business conduct. <https://mneguidelines.oecd.org/OECD-Due-Diligence-Guidance-for-Responsible-Business-Conduct.pdf>

⁵ For examples of sources which could be used to help identify risk, please see Section 3 'further sources of information'.

Figure 2: A lifecycle approach for conducting supply chain risk identification

| STAGE | IDENTIFICATION | QUALIFICATION | EVALUATION/ SELECTION | ON-BOARDING | PERFORMANCE MANAGEMENT | PERFORMANCE MANAGEMENT | SUPPLIER DEVELOPMENT |
|---------------------|--|--|--|---|---|---|--|
| STAGE OVERVIEW | ASSESS INHERENT RISK | ASSESS SUPPLIER POLICIES | EVALUATE/ VISIT SUPPLIER | APPROVE VENDOR | MEASURE PERFORMANCE | DEVELOP RELATIONSHIP | DRIVE IMPROVEMENT |
| | Initial assessment of suppliers' abilities to meet requirements/expectations | Pre-qualification of suppliers to take part in sourcing activities | Detailed evaluation of potential vendor against a range of metrics including cost, quality, sustainability, etc. | Collection of all relevant documentation required to add the vendor to the company's approved vendor list | Ongoing supplier assessment - frequency dependent on the level of human rights risk and the criticality of the vendor to the company operations | Develop and manage supplier relationship to maximize value. Regular discussions with suppliers on human rights, sustainability, price and service quality | Implement supplier development programme to drive continuous improvement in human rights performance |
| RISK IDENTIFICATION | Determine the inherent risk by comparison against established risk mapping and anticipated spend | Gather supplier specific human rights information such as policies and key data based on inherent risk | Challenge supplier data, benchmark against similar vendors, conduct supplier site visits to verify information | Verification of documents and approval of new vendor | Current human rights metrics and KPIs. Audit of supplier policies and processes | Develop deeper understanding of tier 1 suppliers' human rights practices to identify and address risks on an ongoing basis | Proactively improve human rights within supply chain |

Processes for risk-based screening methodologies

This section describes two different methods for risk identification:

1. High level approach
2. In-depth analysis

Processes for risk-based screening methodologies

Risk screening practices used by IPIECA members show that screening for labour rights risk factors can often be quite straightforward, easy to communicate to procurement teams, and well aligned to the typical data that operators collect on their suppliers.

This document explores two different approaches to risk identification. Approach 1 is a simple yet robust screening method to help identify the suppliers requiring closer scrutiny. Approach 2 could be used for more in-depth assessments where contracts with a significant risk potential have been identified and require further investigation.

2.1 APPROACH 1: HIGH-LEVEL UNDERSTANDING AND MAPPING OF RISK

This approach aims to understand the risk level associated with a contract, or the risk level associated with a purchased good or service.

The approach considers two key factors:

1. **The risk inherent in the contract scope to be sourced.** This factor could consider, for example:
 - the level of skill required by the workforce to deliver the service (the lower the required skillset the higher risk);
 - if the services are being provided by a large migrant workforce; and
 - if the service requires a large amount of subcontracting.

These are all elements which, if present, could increase the labour rights risk presented by a supplier.

2. **The country where the work is being performed.** Some countries may present a higher risk due to local legislation or lack thereof, or due to a lack of enforcement of the protective laws and lack of punitive measures linked to violations. Sources of country risk may be available from the 'further sources of information' in Section 3, in addition to specialist consultancies that companies may choose to work with.

Companies can define a policy that clearly sets out whether one or both factors are designated as higher risk, to trigger more detailed due diligence on the supplier. An example of how this might work in practice is shown in Box 1, where three example commodities or categories of work are mapped across different countries.

Box 1: Illustrative example of how risk factors (country versus contract scope) could be used to identify commodity risk levels

The headings (commodity and countries) are highlighted red if deemed higher risk. The table cell colours indicate the level of risk (green for lower risk, red for higher risk).

| COMMODITY | COUNTRY 1 | COUNTRY 2 |
|-----------------------|-----------|-----------|
| CONSTRUCTION | | |
| CLOUD COMPUTING | | |
| CATERING AND CLEANING | | |

2.2 APPROACH 2: IN-DEPTH ANALYSIS OF SUPPLIER RISK

This approach offers a more in-depth analysis of a supplier's corporate set-up, as well as considering the type of service being purchased and the country of activity. This approach would provide a more focused risk screening and would narrow the due diligence to specific suppliers.

This approach suggests using an extended set of factors which have been defined in Table 2. It provides a methodology to analyse the level of risk presented by these elements (Table 3).

Table 2: Supplier risk factors

| RISK FACTOR | DESCRIPTION |
|--|---|
| Relationship | The number of years the company has worked with the supplier. It is generally expected that suppliers which hold long-term relationships with a company present a lower risk than a supplier that has never been used before. It is expected that suppliers who have been through previous due diligence assessments will pose a lower risk. |
| Corporate structure | A publicly listed company generally has more stringent standards of disclosure, allowing for more visibility on sustainability practices than a privately held company. More transparency on company practices allows for better understanding of company risks. |
| Level of spend | How much will the company be spending with this supplier per year? The higher the spend, the greater the risk may be. This assumes that a high value contract would encompass a larger number of workers and a more complex supply chain, therefore increasing the risk of potential labour rights impacts. |
| Activity | What type of work will this supplier be performing? Companies can break down their spend into categories, which could then be assigned a risk rating associated to the known labour rights risk for that industry. The risks are based on the level of skill required by a service (the lower the skill set, the greater the risk of being exploited), if the services are being provided by a large migrant workforce and if the service requires a large amount of subcontracting. These are all elements which, if present, could increase the labour rights risk presented by a supplier. |
| Country of activity | The country where the service/manufacturing is to take place. Some countries may present a higher risk, due to local legislation or lack thereof, or due to lack of enforcement of the protective laws and lack of punitive measures linked to violations. Sources of country risk may be available from the 'further sources of information' in Section 3, in addition to specialist consultancies that companies may choose to work with. |
| Workforce composition | This assesses on a general level the degree of skill required to be a worker with this supplier. Higher risk is associated with a supplier that uses a significant amount of low skilled workers. |
| Proportion of indirectly employed workers | A company that uses recruitment agencies to recruit its workforce may create a higher risk of labour rights abuse through poor management of the recruitment agencies. |
| Proportion of migrant workers | A company that employs a higher proportion of migrant workers can be exposed to a higher level of risk. Migrant workers are more vulnerable to exploitation because of increased recruitment risks. Once recruited, often they are unaware of local laws, do not speak the local language and are denied the same rights as national workers. They are also less likely to raise grievances for fear of losing their jobs. |
| Number of alternative suppliers | Understanding the competitive landscape context for the commodity or service may provide insight into the level of risk but must be assessed in context. Higher risk may (or may not) be caused when a monopoly exists and companies have a limited choice. Conversely a very competitive landscape could lead to disregard of and/or driving down labour practices to cut costs. |
| Multiple tiers of sub-suppliers | Length and/or complexity of the supply chain (multiple tiers), e.g. longer supply chains with less visibility and transparency, and increased risk of adverse impacts. |

2.3 SCORING GUIDE FOR POTENTIAL RISKS

To conduct a rounded risk screening of a supplier, the above factors could be put into a table and each answer assigned a score. The overall score would give an indication of the potential risk exposure for a supplier. Table 3 provides an example of how companies might measure and score a supplier's potential risk. Based on the results a company may consider the next steps for supplier pre-qualification assessment. This guidance does not prescribe an industry-specific approach for what each factor's range should be, and the examples in Table 3 are

for illustration only. Companies should tailor each factor and its range to fit their own internal thresholds.

Given the nature of the factors of annual spend, activity, country, and number of alternative suppliers, it is not possible to provide sample scores for illustrative purposes; companies would need to define their internal thresholds for the risk exposure. They may need to use external resources to help guide this process.

Table 3: Sample example of scoring guide for potential risks

| SAMPLE SCORING GUIDE FOR POTENTIAL RISK EXPOSURE | | | | |
|--|-----------------------------------|-------------------------------|-------------|-------------|
| FACTOR | LOW | MEDIUM | HIGH | VERY HIGH |
| Associated score | 1 | 2 | 3 | 4 |
| Relationship | 5+ years | 3-5 years | 1-3 years | <1 year |
| Corporate structure | FTSE100/Fortune 500 or equivalent | Other publicly listed company | LLC | Sole Trader |
| Annual spend | To be determined by company | | | |
| Activity | To be determined by company | | | |
| Country of activity | To be determined by company | | | |
| Workforce composition | High skilled | Semi-skilled | Low-skilled | |
| Age of company | 10+ years | 5-10 years | 1-5 years | <1 year |
| Number of alternative suppliers | To be determined by company | | | |
| Proportion of indirectly employed workers | 0% | 25% | 50% | 100% |
| Proportion of migrant workers | 0% | 25% | 50% | 100% |
| Number of tiers of sub-suppliers | 0 | 1-2 | 3-6 | >7 |

| SAMPLE AVERAGE SCORE | |
|----------------------|-------------|
| LOW | <1.35 |
| MEDIUM | 1.36 - 2.35 |
| HIGH | 2.36 - 3.35 |
| VERY HIGH | >3.36 |

To create an average score, assign a score (1 – 4) to each row (e.g. the risk factor), calculate the total and then divide by number of risk factor rows. However, companies may assign a different weighting to risk factors as appropriate or they may have overriding risk factors which push suppliers to higher risk regardless of their average score.

After scoring, a company could then apply a level of due diligence on its suppliers appropriate to the level of risk represented by the analysis.

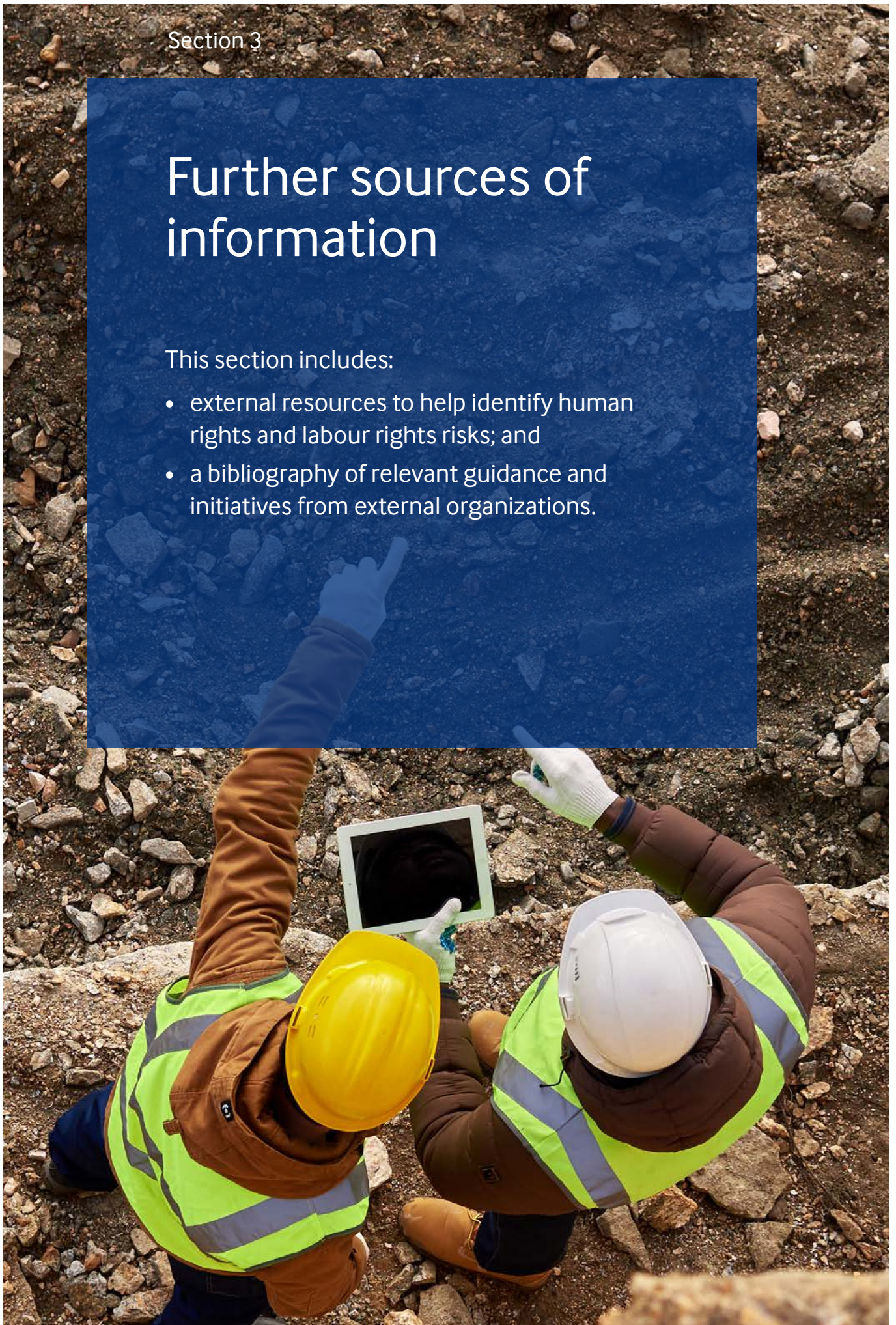
2.4 NEXT STEPS

Once a company has identified the potential labour rights risks in its supply chain, it could use a variety of different tools to understand and assess the level of risk and follow up on any risk mitigation and remediation actions. Risk identification is a key step in a company's overarching due diligence process and should be fit for purpose as outlined by the UNGPs. For further information about the UNGPs and additional guidance and materials, please consult Section 3, and IPIECA's webpage on human rights: <https://www.ipieca.org/our-work/people/respecting-human-rights>

Further sources of information

This section includes:

- external resources to help identify human rights and labour rights risks; and
- a bibliography of relevant guidance and initiatives from external organizations.



Further sources of information

THIS SECTION IS DIVIDED INTO TWO PARTS:

- **External resources to help identify human rights and labour rights risks** - Listed below are links to external organizations and tools which may help companies to identify the human rights risks in their supply chains by providing information and data on human rights and labour rights issues. The list is non exhaustive but highlights some of the current research and projects freely available online. Readers are encouraged to conduct their own research into the external landscape to identify the tools or resources which are most applicable to their risk identification process.
- **Bibliography** - Guidance and initiatives from external organizations related to human rights due diligence and risk identification in the supply chain. The resources listed here are starting points for further reading, additional materials may be available online.

3.1 EXTERNAL RESOURCES TO HELP IDENTIFY HUMAN RIGHTS AND LABOUR RIGHTS RISKS

Amnesty International – Country reports

Amnesty International has developed individual profiles for countries across the world, highlighting their performance in relation to human rights. Each profile consists of an overview of the country, news, commentary and research. Link: www.amnesty.org/en/countries

Business and Human Rights Resource Centre

The Business and Human Rights Resource Centre focuses on the human rights impacts, both positive and negative, of over 10,000 companies operating in over 180 countries. It provides guidance materials along with examples of good practice. They have a digital platform that monitors individual companies including in the extractives industry. Link: www.business-humanrights.org/en/companies

Dow Jones Risk and Compliance – Third-party risk management

The Dow Jones third-party risk management service provides users with third party screening services, enhanced due diligence reports and updated sanctions compliance lists for importing and exporting. Ultimately, it allows businesses to improve their human rights performance and avoid indirect support of the continuation of human rights violations. Link: professional.dowjones.com/risk/third-party-risk-management

GlobalNAPs

GlobalNAPs is an interactive website that maps the National Action Plans (NAPs) that different countries have developed to support the implementation of the UNGPs. The map includes nations with existing NAPs, nations with an official commitment to develop NAPs and finally those where non-state actors have initiated efforts to start the NAP development process. Additionally, human rights and business country guides have been developed which provide guidance for companies on how to ensure respect for human rights in their operations or in collaboration with suppliers and other business partners in the local country context. Link: globalnaps.org

Global Slavery Index (2018)

The Global Slavery Index can be used as a tool to better understand the extent of modern slavery, the existing responses and the factors that contribute to its continuation. The index measures these components country by country, allowing users to identify high-risk areas, which enables them to ensure their own operations are slavery-free. Link: www.globalslaveryindex.org/2018/findings/highlights

Human Rights and Business Dilemmas Forum

The Forum, developed by the UN Global Compact and Verisk Maplecroft, supports efforts made by businesses to respect human rights in their operations and supply chains. Companies can explore the dilemmas and case studies relating to their key risks, so that they are better equipped to prevent adverse human rights impacting their business and partners. Link: hrbdf.org

Section 3

Further sources of information

Human Rights Watch – Country overviews

The country overviews developed by Human Rights Watch provide information on different nations, each consisting of a brief outline, videos, an annual report of human rights-related events, further reports and news. Link: www.hrw.org/countries

MVO-Nederland – CSR Risk Check

This tool is aimed at companies that are importing from, exporting to or have any sort of production facilities in foreign countries by selecting the product or service they import/export and choosing the country of origin/destination. It aims to help companies identify, prevent and reduce human rights risks in their supply chain and operations. Link: www.mvorisicochecker.nl/en/home

Responsible Sourcing Tool

The Responsible Sourcing Tool presents multiple resources to help companies and other stakeholders identify human trafficking risk and implement actions on worker protection. It is the result of a collaboration between the US State Department's Office to Monitor and Combat Trafficking in Persons, Verité, Made in a Free World, and the Aspen Institute. The website offers many resources; the Understand Risk Section of the website is of particular relevance to this document. Link: www.responsiblesourcingtool.org

Transparency International – Corruption Perceptions Index

The Corruption Perceptions Index is a widely used and comprehensive driver of anti-corruption. It ranks 180 countries and territories in terms of their perceived levels of public sector corruption, providing them with a score out of 100. The Index is produced annually and consists of an interactive map, showcasing countries' corruption scores, along with highlights and a full report. Link: www.transparency.org/research/cpi/overview

US Department of Labor – List of goods produced by child labor or forced labor

The US Bureau of International Labor Affairs has developed a list of goods and the countries they are sourced from, that are suspected to have been produced by means of child or forced labour. As of 30 September 2020, the list consists of 155 goods from 77 countries. Link: www.dol.gov/agencies/ilab/reports/child-labor/list-of-goods

US Department of State – Country reports on human rights practices

The US Department of State's annual reports on human rights outline the human rights performance of countries that either i) receives assistance from the US or ii) is a United Nations member state, and includes situations and events occurring in the calendar year that the report was made for. Link: www.state.gov/reports-bureau-of-democracy-human-rights-and-labor/country-reports-on-human-rights-practices

US Department of State – Trafficking in persons report

The US Government's *Trafficking in persons report* is a tool used to engage foreign governments on the issue of human trafficking. Each annual edition comprehensively assesses what efforts governments around the world are making in order to combat human trafficking. Link: www.state.gov/trafficking-in-persons-report

World Justice Project – Rule of Law Index

The World Justice Project's Rule of Law Index evaluates how the rule of law is perceived and experienced by the general public with respect to 126 nations and jurisdictions globally. The index is developed using over 120,000 household and 3,800 expert surveys, highlighting how different rule of laws perform across a number of factors. Link: worldjusticeproject.org/our-work/research-and-data/wjp-rule-law-index-2019

3.4 BIBLIOGRAPHY

Building Responsibly – Worker welfare principles

Building Responsibly has developed a set of worker welfare principles to serve as the global standard on worker welfare for the engineering and construction industry. They address key areas of worker vulnerability to raise standards and level the playing field, so that competitiveness is not at the expense of the worker. Link: www.building-responsibly.org/worker-welfare-principles

Chartered Institute of Procurement and Supply – Protecting human rights in the supply chain (2016)

This resource aims to educate and encourage decision makers, public procurement practitioners and opinion formers to uptake responsible business practice, so that human rights are respected. The four objectives of the document are to help stakeholders understand why human rights are important, to develop a strategic approach to human rights due diligence, to identify actions that they can take to mitigate human rights risks and to work in collaboration with others to further enhance understanding and promote good practice. Link: www.apuc-scot.ac.uk/docs/A%20Guide%20Protecting%20Human%20Rights%20in%20the%20Supply%20Chain.pdf

Deloitte – Responsible supply chain tools: Understanding the market opportunity (2019)

This study produced by Deloitte examines the current landscape and future horizon for socially responsible tools and services that can be employed throughout supply chains. It explores the factors that influence the market and calculates the potential future size through interviews with stakeholders, analysis of secondary research, and discussions with subject matter experts at Humanity United and Working Capital. Link: www2.deloitte.com/content/dam/Deloitte/us/Documents/about-deloitte/us-about-deloitte-humanity-united-responsible-supply-chain-tools.pdf

European Commission – Study on due diligence requirements through the supply chain (2020)

This study was conducted for the European Commission DG Justice and Consumers. It focuses on due diligence requirements through the supply chain to identify, prevent, mitigate and account for human rights abuses. The aims of the study were to provide an examination of current regulation, initiatives, and proposals for due diligence in business and develop and assess further regulatory options, including a proposal to make due diligence a legal requirement at European level.

Full report: op.europa.eu/en/publication-detail/-/publication/8ba0a8fd-4c83-11ea-b8b7-01aa75ed71a1/language-en

Synthesis report: op.europa.eu/en/publication-detail/-/publication/291b84d3-4c82-11ea-b8b7-01aa75ed71a1/language-en/format-PDF/source-search

OECD – Due diligence guidance for responsible business conduct (2018)

This guidance document is centred on providing practical support to businesses in implementing the OECD's Guidelines for Multinational Enterprises. It provides explanations on language related to its due diligence recommendations and associated provisions. Furthermore, the guidance also aims to promote and develop understanding amongst governments, businesses and stakeholders on the due diligence necessary for responsible business conduct. Link: mneguidelines.oecd.org/OECD-Due-Diligence-Guidance-for-Responsible-Business-Conduct.pdf

OECD – Due diligence guidance for responsible supply chains of minerals from conflict-affected and high-risk areas (2016)

This guidance document is a collaborative state-backed multi-stakeholder initiative focusing on responsible sourcing of minerals in conflict-affected areas. The goal of this guidance is to assist businesses in respecting human rights and avoid fostering conflict through their own practice. Furthermore, it aims to encourage transparent supply chains and corporate engagement in the minerals sector. Link: www.oecd.org/daf/inv/mne/OECD-Due-Diligence-Guidance-Minerals-Edition3.pdf

Section 3

Further sources of information

OECD – Guidelines for multinational enterprises (2011)

These are a set of non-binding principles and standards for governments and multinational businesses to follow in order to conduct themselves in a responsible manner. The Guidelines specifically intend to ensure that business operations are aligned with government policies, strengthen business-society relationships, enhance foreign investment, and increase the contribution from multinational businesses to sustainable development. (Note: See Section IV for Human Rights). Link: www.oecd.org/daf/inv/mne/48004323.pdf

SHIFT – Business and human rights impacts: identifying and prioritizing (2014)

This is a summary report from a workshop, facilitated by Shift and convened by the Dutch Social and Economic Council for the Netherlands, that focused on identifying and prioritising human rights risks. The two objectives of the workshop were to build practical experience in applying key tools and approaches and to generate broader learning about implementing these approaches to share with a wider audience in order to enhance understanding. This report highlights the key learnings from the workshop. Link: shiftproject.org/resource/business-and-human-rights-impacts-identifying-and-prioritizing-human-rights-risks

SHIFT – Respecting human rights through global supply chains (2012)

This resource produced by Shift explores how companies can implement the UNGPs across their own business relationships and throughout the entirety of their supply chains. It focuses on five activity areas: identifying risks, leveraging, and incentivising sustainable change in suppliers, applying these approaches in different contexts, achieving internal alignment across business, and supporting grievance mechanisms in supply chains. Link: [hiftproject.org/wp-content/uploads/2012/08/Shift_UNGPssupplychain2012.pdf](http://shiftproject.org/wp-content/uploads/2012/08/Shift_UNGPssupplychain2012.pdf)

UN Guiding Principles on Business and Human Rights (2011)

The UNGPs consist of 31 principles that implement the UN's 'Protect, Respect and Remedy' framework. They are a set of globally recognized guidelines for states and companies, with the aim of preventing and addressing human rights abuses across entire business value chains. Link: www.ohchr.org/documents/publications/guidingprinciplesbusinesshr_en.pdf

UN Human Rights Office of the High Commissioner – The corporate responsibility to respect human rights (2012)

Following the endorsement of the UNGPs in 2011, this guide was published to provide further explanation of the UNGPs to ensure their intent is accurately understood. It does not add or change the UNGPs in any way; nor is it an operational manual that outlines exactly how to implement them. Although States have an equally important role to play in upholding human rights, this guide focuses on corporate responsibility. Link: www.ohchr.org/Documents/Issues/Business/RtRInterpretativeGuide.pdf



IPIECA is the global oil and gas industry association for advancing environmental and social performance. It convenes a significant portion of the oil and gas value chain and brings together the expertise of members and stakeholders to provide leadership for the industry on advancing climate action, environmental responsibility, social performance and mainstreaming sustainability.

Founded at the request of the UN Environment Programme in 1974, IPIECA remains the industry’s principal channel of engagement with the UN. Its unique position enables its members to support the energy transition and contribute to sustainable development.

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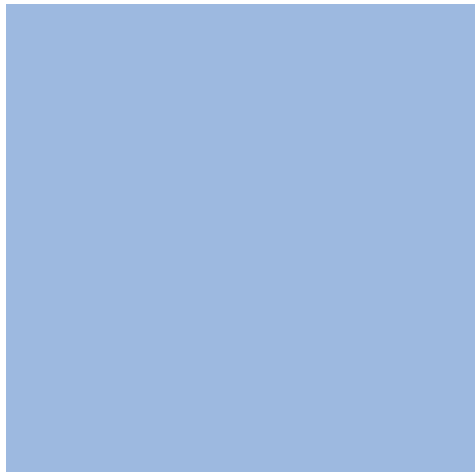
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| ADNOC | Eni | OMV | SNH |
| AIP | Equinor | Ovintiv | Suncor |
| AMEXHI | ExxonMobil | PAJ | Total |
| API | FIPI | PDO | Tullow Oil |
| APPEA | FuelsEurope | Petrobras | UKPIA |
| ARDA | Halliburton | PETRONAS | VNPI |
| Arpel | Hess | PTTEP | Wintershall Dea |
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14th Floor, City Tower
40 Basinghall Street
London EC2V 5DE
United Kingdom

T: +44 (0)20 7633 2388

E: info@ipieca.org



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www.ipieca.org