Methodology for the Responsible Supply Chain Benchmark 2014

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INTRODUCTION

The document serves as a general guideline regarding the set of themes and criteria included in the new Responsible Supply Chain Benchmark (RSCB). The new methodology is based on three section of assessment:

- Governance & Policy;
  - o Accounts for 25% of the final score.
- Management & Implementation;
  - o Accounts for 40% of the final score.
- Outcomes;
  - o Accounts for 35% of the final score.

The new methodology includes 14 main themes related to Responsible Supply Chain Management (RSCM), which are subdivided in 46 specific criteria.

Structure of the document
The document is structured as follows:
- Section of assessment
- RSCM theme (numbered)
- RSCM criteria - sub criteria (numbered)
- Summarisation table displaying scoring items included in the criterion

Execution of the methodology
The execution of the methodology is based on an incremental approach, for each theme and respective criteria the researcher adds points according to the scoring items within the table(s).
There are 2 exceptions to this incremental approach:
- Scoring tables that present *one* scoring item with an asterisk (*):
  - o If a company scores in an * scoring item, it cannot score in any other scoring item(s) of the same table/criterion.
- Scoring tables that present two or more scoring items with an asterisk (*):
  - o In this case the two (or more) scoring items exclude each other, therefore the company can score in at least one of the scoring items with the asterisk plus the remaining ones without them.

Sources employed in conducting the assessment
The RSCB, in executing its assessment, only uses official sources disclosed by the participants. As such, only documents, policies and hyperlinks mirrored from the websites of the participating companies will be taken into account.

PART A: RSCM GOVERNANCE AND POLICY

1.   Strategy and governance

1.1.   Responsible supply chain management strategy

Scoring Items	Score
An ad-hoc approach to RSCM is taken/There is no RSCM strategy formulated	0
A statement regarding RSCM is found	1*
The company formulated a sustainability/CSR strategy, which makes reference to RSCM (no systematic approach to RSCM can be identified)	1
The company formulated a clear RSCM strategy, including performance monitoring, goals, KPIs, etc.	1

1.2.   Responsibilities for the implementation of the RSCM policy

Scoring Items	Score
There is no description of RSCM responsibilities and/or no responsible personnel	0
Descriptions of RSCM responsibilities are provided, functions with responsibility remain unclear	1*
Member(s) of top level management, the Executive Board and/or Supervisory Board bear responsibility for RSCM and the title of the function(s) carrying responsibility is clearly stated	1
If formal responsibility for RSCM accrue to more than one individual, descriptions clarify their demarcation of roles regarding RSCM implementation	1

1.3.   RSCM targets and incentives at highest responsibily level

1.3.1.   *Board of management RSCM targets*

Scoring Items	Score
The Board does not have sustainability or RSCM targets	0
The Board has sustainability targets and it is clear what precisely these targets are for the last reporting year	1
The Board has RCSM targets and it is clear what precisely these targets are for the last reporting year	1
The company outlines whether or not the Board's sustainability/RSCM targets were achieved	1

1.3.2. Board of management RSCM incentives

Scoring Items	Score
There is no information on incentives supporting sustainability/RSCM target achievement	0
There are non-financial incentives to drive the Board's sustainability/RSCM target achievement	1*
There are financial incentives to drive the Board's sustainability/RSCM target achievement are established,	1*
It is clear what the share (exact amount of money or percentage) of RSCM/sustainability incentives is, in the long-term remuneration plans or alternative bonus payment schemes.	1

2. Formal alignment of company's RSCM approach with that of suppliers

2.1. Supplier code of conduct/other formal alignment agreement

Scoring Items	Score
There is no supplier code of conduct or alternative means of formal alignment of company's RSCM approach with that of suppliers	0
A supplier code of conduct or alternative means of formal alignment of company's RSCM approach with that of suppliers is established	1
It is clear that the alignment mechanism is inspired by the standards laid down in the Universal Declaration of Human Rights	1
It is clear that the alignment mechanism is inspired by the standards laid down in the ILO guidelines[1]	1
It is clear that the alignment mechanism is inspired by the standards laid down in the OECD guidelines	1
The company has opted for an alignment mechanism by a(n) (sector) initiative such as BSCI, EICC, etc.	1

2.2. Scope of the supplier code of conduct/main formal alignment agreement

Scoring Items	Score
There is no specification on the scope of the alignment mechanism	0
The alignment mechanism applies to first tier suppliers	1
Second tier suppliers and/or sub-contractors are expected to comply with the code of conduct/alignment mechanism; the assurance lies with first tier suppliers	1*
Second tier suppliers and/or sub-contractors are expected to comply with the code of conduct/alignment mechanism; the assurance lies with the company	2*

2.3. Complementary policies outlining Social, Environmental and Economic conduct along the supply chain

2.3.1. Social issues

Scoring Items	Score
There is no extra policy/ are no in detail provisions on social issues	0
There is a (policy) document covering rights to a healthy and safe workplace	1
There is a (policy) document covering labour rights in the supply chain, e.g. including collective bargaining rights and right to leisure	1
There is a (policy) document covering human rights, e.g. including forced and child labour and discrimination	1

2.3.2. Environmental Issues

Scoring Items	Score
There is no extra policy/ no detailed provisions on environmental issues	0
The company describes its approach towards limiting its supply chain's impact on biodiversity	1
The company describes its approach towards limiting its supply chain's pollution of water (including oceans)/soil/air (depending on impacts)	1
The company describes how it tries to mitigate climate change and/or how it increases its use of renewable energy	1

2.3.3. Economic Fairness Issues

Scoring Items	Score
There is no extra policy/no detailed provisions on economic fairness issues	0
The company describes its anti-corruption policy/-ies (clearly applied to the supply chain, includes anti-bribery, donations, etc.)	1
There is stated commitment to form long-term relationships with suppliers	1
The company has formulated expectations regarding fair payment to employees on side of suppliers (includes mentioning of a living wage)	1
The company outlines types (and amount) of re-investments in supplier countries and/or local communities of supplier countries (non-commercial re-investment, ≠ capacity-building)	1

3. Policies on non-compliance and management of grievances along the supply chain

3.1. Policies on non-compliance and handling of corrective actions

Scoring Items	Score
There is no information on how the company deals with non-compliance	0
There is brief description on a stratified approach to deal with non-compliance	1*
The company describes its stratified approach in detail, including a precise outline of how different forms of non-compliances are dealt with	3*

3.2. Whistle-blower policy and accompanying grievance management system

Scoring Items	Score
There is no information on a whistle-blower scheme and/or accompanying grievance management system	0
A whistle-blower scheme is established by the company and openly accessible on the website, including the numbers to be dialled for filing a complaint. Outsiders, supplier's and company employees can easily report policy violations	1
The whistle-blower scheme is linked to a grievance management system. Outsiders, supplier's employees and company employees can access information outlining the steps taken by the company to manage concerns and complaints	1
The company includes external agents to oversee its grievance management system	1
The company provides at least a one-time supplier training session on the whistle-blower scheme and its accompanying grievance management system	1
There is a form of assurance by the company, ensuring that the training provided to the suppliers (management) is cascaded to the supplier's workforce	1
In case subcontracting is allowed, there is a clear statement on who provides a one-time training on the grievance management system to supplier employees (e.g.: company or subcontracting supplier)	2

PART B: RSCM MANAGEMENT AND IMPLEMENTATION

4. Supply chain analyses undertaken as part of RSCM

4.1. Materiality analysis

Scoring Items	Score
No materiality analysis was conducted	0
The company provides a general list of material topics	1
Material topics are visualized by a materiality matrix	1
The materiality analysis reveals whether a material topic is relevant at the (I) upstream (supplier), and/or (II) midstream (company) and/or (III) downstream (customer-oriented) part of the chain	1
For all material topics with relevance at upstream level, the materiality assessment provides information regarding the supplier tier(s) in which a topic is material[2]	1
A lists topics (associated with risks and/or opportunities) that lie outside the scope of the company's materiality is provided	1

4.2. General and specific stakeholder analyses

Scoring Items	Score
There is no evidence of stakeholder engagement in the last reporting year	0
The company gives examples of stakeholder engagement in the last reporting year	1
The engagement approach per stakeholder group is included	1
There is a list of precise topics (opportunities and concerns) raised per stakeholder group and the company outlines how it has followed up on the results	1
The company provides a list of external stakeholders it engaged with in order to establish the materiality assessment	2
The company demonstrates to have engaged with external stakeholders at additional occasions (e.g. multi-stakeholder dialogue)	1

4.3.   Classification of suppliers

Scoring Items	Score
The company has no clear classification of suppliers	0
The company provides a clear classification of its suppliers, according to categories such as, e.g. exclusivity, high-spending, high risk, high impact	1
The company gives the percentage/number of suppliers it includes in each category	1

5.   Responsible Procurement

5.1.   Procurement officers' RSCM capacity-building

Scoring Items	Score
There is no training on sustainability related topics for procurement officers	0
Procurement officers are trained on sustainability criteria	1
Frequency on how often this training is provided is clearly stated (e.g.: yearly/every 2 years and so on)	1

5.2.   Integration of RSCM criteria in procurement decisions

Scoring Items	Score
Procurement officers are not required to integrate sustainability criteria into their daily purchasing decisions	0
Procurement officers are required to integrate sustainability criteria into their daily purchasing decisions, and the general means (tools, procedures etc.) by which this is done are clearly outlined	1
The selection of new suppliers is based on a screening of sustainability criteria (in addition to common considerations of quality and price)	1
The supplier screening criteria are publicly available	1

6. Environmental and Social Management System along the Supply Chain

6.1. Environmental management system

Scoring Items	Score
There is no assurance of management systems on environmental issues along the supply chain	0
The company requires its first tier suppliers to have an environmental management system, e.g. ISO 14001 or equivalent	1*
First tier suppliers are required to have a certified environmental management system, e.g. ISO 14001 certification or equivalent	2*

6.2. Social management system

Scoring Items	Score
There is no assurance on management systems on social issues along the supply chain	0
The company requires its first tier suppliers to have a social management system, e.g. SA or equivalent	1*
The company requires its first tier suppliers to have a certified social management system, e.g. SA8000 certification or equivalent	2*

7. Suppliers' Monitoring and Supervision

7.1. Monitoring of classified supplier groups and tiers

7.1.1. Existence of tools and use of tools for RSCM monitoring

Scoring Items	Score
No specific groups are identified as particularly important to supervise and/or the scope of supervision is unclear	0
There is evidence that the company possesses a system/set of tools whereby it monitors suppliers on compliance with the company's environmental and social RSCM provisions (e.g. self-assessments, dialogues)	1

7.1.2.   Classified supplier groups monitored with monitoring system/set of tools

Scoring Items	Score
A selection of the classified supplier groups is monitored on RSCM performance (e.g. high-risk suppliers). The company specifies its monitoring tools	1*
All classified supplier groups (see 4.3) are monitored on RSCM performance. The company specifies its monitoring tools	2*

7.1.3.   Monitored tiers assessed with monitoring system/set of tools

Scoring Items	Score
The tiers that are monitored correspond to tiers that have to sign the supplier code/alignment mechanism	1
There are additional efforts in monitoring deeper tiers. The company makes an effort to expand its monitoring towards other suppliers than those that have to directly sign supplier code/alignment mechanism (e.g. occasional 2nd, 3rd tier auditing and/or sub-contractor auditing)	2
The tiers monitored correspond to the outer impact/materiality boundaries the company identified through the materiality assessment	3

7.2.   On-site audits

7.2.1.   Types of audited supplier groups

Scoring Items	Score
No on-site audits have been conducted (on the classified supplier types)	0
There are on-site audits for a part of the classified supplier groups (e.g. for high-risk suppliers)	1*
There are on-site audits for all classified supplier groups	2*

7.2.2.   Tiers monitored with on-site audits

Scoring Items	Score
Tiers monitored correspond to tiers that have to sign the supplier code/alignment mechanism (to those where company outlined it will provide assurance on)	1
There are additional efforts in monitoring deeper tiers than those that directly have to sign the supplier code/alignment mechanism (e.g. occasional 2nd, 3rd tier auditing and/or sub-contractor auditing	2
The tiers monitored correspond to the outer impact/materiality boundaries the company identified itself in the materiality assessment	3

7.2.3. RSCM relevance in on-site audits

Scoring Items	Score
There is no on-site auditing related to sustainability	0
The company conducts on-site audits which include sustainability criteria	1
The sustainability criteria included in the on-site audit procedure are clear	1
For each classified supplier group (see 4.3), information is provided on whether the group's audit procedure includes assessment on sustainability criteria	1

7.2.4. Stakeholder inclusivity in on-site audits

Scoring Items	Score
The parties interviewed in on-site visits are not specified	0
There is evidence that interviews with both management of suppliers and supplier employees are conducted	1
There is evidence that other parties such as trade unions representatives or community representatives are interviewed	1

7.2.5. Third-party inclusion in on-site auditing

Scoring Items	Score
Third-parties are not included in the auditing process	0
The company states to use independent third-party auditors but the percentage of audits by this party is unclear or below 50%.	1*
On-site audits are exclusively carried out externally, i.e. one or more third-parties carry out audits	2*
The name(s) of the third-party auditor(s) is/are provided	1

7.2.6. Frequency of supervision of suppliers for both monitoring and auditing

Scoring Items	Score
The frequency of supervision is unclear	0
The key monitoring tools other than auditing are applied at least yearly (e.g. self-assessment, dialogue with suppliers or others)	1
The full set of monitoring tools is applied to specific supplier groups (e.g. high-risk and high-spend suppliers) every 2-4 years	1

8. Capacity-Building programs aimed at suppliers

Scoring Items	Score
There are no capacity-building programs aimed at (first tier) suppliers	0
Aims of the capacity-building programs clearly include environmental and/or social issues	1
Capacity-building programs are carried out with first tier suppliers at least every three years	1
Capacity-building programs (with first tier suppliers) are set up as a consequence of suppliers' engagement to the company. The type of training requested by the supplier is explicitly stated.	2
The capacity-building consists of training sessions on sustainability/RSCM (provided by the company or a third party)	1
The company possesses a funding mechanism/provides financial assistance where needed for facilitating goal attainment of the capacity-building program	2
The capacity-building program includes community investment (e.g. establishing educational facilities)	1

9. Strategic partnerships for RSCM

9.1. Memberships in (cross)-sector Initiatives

Scoring Items	Score
There is no participation in a (cross-)-sector RSCM initiative	0
The company is a member of one or more (cross-)-sector initiatives	1
If the (cross-)-sector initiative implies commitment to specific guidelines and/or standards, a) It is unknown in how far the company commits to these b) The company partly commits to these (no full membership or no full commitment) c) The company fully commits to these (full membership and commitment)	0 1* 2*
If the (cross-)-sector initiative implies specific supply chain actions (e.g. specific buying behaviour, specific forms of supplier auditing), a) It is unknown in how far the company applies these b) The company applies part of these requirements/tools (no full membership or no full commitment) c) The company applies all of these (full membership and commitment)	0 1* 2*
The company describes its ways of participation in the sector initiative over the last reporting year (e.g. participation in projects, interaction with partners)	1

9.2. Collaborative supplier-buyer relationships and other partnerships beyond company borders

Scoring Items	Score
There is/are no supply chain partnership(s)	0
The company has engaged in one or more supply chain partnerships aimed at realizing responsible ways of optimizing or developing the supply chain (i.e. = collaborative relationships between partners and peers; ≠ sector initiative cooperation)	1
The company has engaged in one or more multi-stakeholder partnerships aimed at realizing responsible ways of optimizing or developing the supply chain (e.g. involving NGOs, (host country) governments, civil society; ≠ sector initiative cooperation)	1
The company describes its ways of participation in the partnership over the last reporting year	1
The name of the partner(s) is/are included in the report	1

10. Product and customer responsibility

10.1. Sustainability-Oriented R&D

Scoring Items	Score
There is no R&D targeted at sustainability/RSCM	0
The company cooperates with suppliers or peers for R&D purposes regarding RSCM. The ways in which partners cooperated over the last reporting year are described	1
The company provides evidence that the R&D efforts targeted at RSCM or sustainability address material issues of the company	1
The company provides examples or descriptions about of R&D directed at developing more sustainable products or services within the last reporting year	1

10.2. Management aimed at resource preservation and resource circularity

Scoring Items	Score
There is no circular purchasing system in place, no recycling or re-use system in place	0

10.2.1. Circular purchasing

Scoring Items	Score
Scarce resources are important in the production of company products or services, the company has a clear approach aimed at reducing input needs	1
For certain materials or product groups the company purchases, it has set a minimum % threshold of reused content the purchased material or product group has to contain, in order to be eligible for purchase	1

10.2.2. Upstream resource reduction and downstream reuse

Scoring Items	Score
The company has a system for waste reduction along the supply chain	1
The company has a system to ensure maximal re-usability of materials, products and/or services at their 'end-of-life' stage	1

10.2.3. Circular business models

Scoring Items	Score
The company has implemented (a) new business model(s) with suppliers and/or downstream business partners that contain new ownership structures, closed products/materials/services loops within the supply chain; cascading materials and so on	1
Zero-waste projects/initiatives are present for a part of the high-impact product or service portfolio (i.e. no initiatives on areas counted where impacts were already minor)	1

10.3. Responsible marketing strategies

Scoring Items	Score
There is no sustainability oriented marketing	0
Sustainability is a structural element in the marketing of products or services. Customers are made aware of RSCM attributes of the company's products or services through use of various forms of media.	See 1.
The customers are actively involved in sustainability related concerns through the use of interactive media such as mobile apps, (open innovation) forums and so on	See 2.

10.3.1. Awareness raising on importance of RSCM and fostering of customer knowledge

Scoring Items	Score
There are awareness creating explanations and studies on global sustainability issues (e.g. on the website)	1
The company provides highly specific company related knowledge such as access to LCA or 'true cost' data	1
Sustainability of the products is conveyed through the use of labels or initiatives that relate to sustainability	1

10.3.2. Efforts for direct customer engagement in RSCM

Scoring Items	Score
The customers are actively involved in sustainability related concerns through the use of interactive media such as mobile apps, (open innovation) forums and the like	2

PART C: RSCM OUTCOMES

11. Results on supplier policies

11.1. Results of supplier supervision

11.1.1. Supplier monitoring results

Scoring items	Score
No data on outcomes of supplier supervision is reported	0
The total number of suppliers monitored within the last reporting year is given	1
The total number of suppliers monitored within the last reporting year is given per supplier category (e.g. high risk, high spending)	1
For the total number of suppliers monitored within the last reporting year, it is clear which percentage or number has been audited on environmental and social criteria	1
Out of the total number of monitored suppliers, the number of instances of third-party supervision conducted in the last reporting year is provided	1

11.1.2. Supplier auditing results

Scoring Items	Score
No data on outcomes of supplier audits is reported	0
The total number of suppliers audited within the last reporting year is given	1
The total number of suppliers audited within the last reporting year is given per supplier category (e.g. high risk, high spending)	1
For the total number of suppliers audited within the last reporting year, it is clear which % or number has been audited on environmental and social criteria	1
Out of the total number of supplier audits, the number of instances of third-party supervision conducted in the last reporting year is provided	1

11.2. Data on non-compliance and grievance

Scoring Items	Score
There is no information reported on compliance or non-compliances	0
The company provides results on the total number of instances of supplier non-compliance	1
The company provides results on the most common reasons of supplier non-compliance	1
The company provides detailed results on supplier compliance/non-compliance regarding assessed environmental issues	2
The company provides detailed results on supplier compliance/non-compliance regarding assessed social issues	2
The company provides results on supplier compliance/non-compliance data based on region	1

11.2.1. Types and number of grievances filed and resolved

Scoring Items	Score
There is no information reported on types or grievances filed and resolved	0
Number of grievances about environmental impacts filed, addressed and resolved through grievance management system	1
Number of grievances about labour practices filed, addressed and resolved through formal grievance (including health and safety concerns or complaints) mechanisms	1
Number of grievances about human rights practices filed, addressed and resolved through formal grievance mechanisms	1
Number of grievances about impacts on society (e.g. by customers) filed, addressed and resolved through formal grievance mechanisms	1

12.   Results of capacity-building programs aimed at suppliers

Scoring Items	Score
There is no data on the outcomes of capacity-building programs	0
The number of suppliers involved in capacity-building programs is given	1
The benefits for the company and suppliers, achieved through capacity-building programs, are stated in qualitative or quantitative terms	1

13.   Results of responsible procurement

Scoring Items	Score
There are no results related to responsible procurement	0
The company provides the number of procurement officers trained over the last reporting year	1
The company provides the average hours of training procurement officers received	1
The company provides the percentage of new suppliers that were screened using environmental and social criteria	2

14.   Data on material topics

14.1.   Tracking material topics with measurements

Scoring Items	Score
There is no form of measurement (qualitative or quantitative) to track material topics	0
For less than half of the material topics, there is a corresponding measurement (qualitative or quantitative)	1*
For half of the material topics, there is a corresponding measurement (qualitative or quantitative)	2*
For more than half of the material topics, there is a corresponding measurement (qualitative or quantitative)	3*
For all of the material topics there is a corresponding measurement (qualitative or quantitative)	4*

14.2. Tracking materiality measurements per tier(s)

Scoring Items	Score
The company focuses on company level materiality measurement (although the boundaries of its materiality go beyond this; see 4.1)	1
The company focuses on first tier materiality measurements (although the boundaries of its materiality go beyond this; see 4.1)	2

14.3. Targets for material issues

Scoring Items	Score
There are no targets set for material issues	0
For less than half of materiality-related measurements, targets are set	1*
For half of materiality-related measurements, targets are set	2*
For more than half of materiality-related measurements, targets are set	3*
For all of the materiality-related measurements, targets are set	4*

14.4. Tracing relative improvements regarding material topics

Scoring Items	Score
There are no relative improvements regarding material topics	0
For one of the materiality measurements with a set target, there is a relative improvement detectable over the last reporting year	1*
For three of the materiality measurements with a set target, there is a relative improvement detectable over the last reporting year	2*
For four of the materiality measurements with a set target, there is a relative improvement detectable over the last reporting year	3*
For all of the materiality measurements with a set target, there is a relative improvement detectable over the last reporting year	4*