



THE DANISH  
INSTITUTE FOR  
HUMAN RIGHTS

THE HUMAN RIGHTS  
COMPLIANCE ASSESSMENT  
TOOL

CONTRACTORS AND  
SUPPLY CHAIN

## THE HUMAN RIGHTS COMPLIANCE ASSESSMENT TOOL CONTRACTORS AND SUPPLY CHAIN

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# INTRODUCTION

Welcome to the Contractors and Supply Chain section of the Human Rights Compliance Assessment (HRCA) tool. This section has indicators on how human rights are respected when engaging with contractors and suppliers.



The sub-categories for this section are:

- Procurement Systems and Practices
- Performance Standards

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## 8.1 PROCUREMENT SYSTEMS AND PRACTICES

No.	Area	Section
8.1.1	Contractors and supply chain	Procurement systems and practices

### Question

Does the company promote international human rights and labour standards in its interactions with suppliers and business partners?

Yes	No	F/A	N/A

### Description

Companies should seek to avoid and address abuses of human rights and labour standards by its suppliers and business partners by taking human rights and labour standards into account when selecting and developing business relationships.

The indicators for the question are based on the implementation principles for responsible supply chain management, developed by the Danish Ethical Trading Initiative in collaboration with the Ethical Trading Initiatives in the United Kingdom and Norway. Please visit [www.dieh.dk](http://www.dieh.dk) for more information.

### Suggested Indicators

- 1 The company has a commitment to promote the continuous improvement of human rights standards of its suppliers.

True	False	F/A	N/A

- 2 The commitment is supported by training on human rights standards for relevant management and procurement staff.

True	False	F/A	N/A

- 3 The company has conducted an assessment of its supply chain to identify which suppliers have the greatest risk of human rights abuses.

True	False	F/A	N/A

- 
- 4 The company has defined minimum requirements for the human rights standards of suppliers and communicates these in writing to new and existing suppliers and business partners.

True	False	F/A	N/A

- 
- 5 Where necessary, the company collaborates with individual suppliers to implement continuous improvements of human rights standards.

True	False	F/A	N/A

- 
- 6 The company and procurement practices, such as prices, delivery times and internal incentive structures, encourage improved human rights standards in suppliers and business partners.

True	False	F/A	N/A

- 
- 7 The company collaborates with other companies to promote improved human rights standards in suppliers.

True	False	F/A	N/A

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**Comments:**

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**Basis for assessment:**

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**Question references:**

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## 8.2 PERFORMANCE STANDARDS

No.	Area	Section
8.2.1	Contractors and supply chain	Performance standards

### Question

Does the company seek to ensure that its suppliers and contractors provide a safe and healthy working environment, minimizing risks of accidents, personal injury and adverse health impacts in compliance with applicable laws and regulations?

Yes	No	F/A	N/A

### Description

Suppliers and contractors should provide safe and healthy working facilities and take appropriate precautionary measures to protect employees from work-related hazards and anticipated dangers in the workplace. Safety precautions will depend upon the industry and country of operation, company concerns and the needs of vulnerable workers, such as pregnant women. All workers must be trained for all tasks for which they are responsible prior to new assignments. Workers should not be exposed to harmful processes, chemicals, substances or techniques. When exposure is unavoidable, all workers exposed must be provided with the necessary protective equipment at no cost. Employees should be protected against processes, substances and techniques, which are obnoxious, unhealthy, toxic or harmful, including but not limited to the following: harmful chemicals or biological agents; noise; toxic fumes, emissions, smoke, gases, smells, or other forms of air pollution; vibration; radiation; electrical shocks and currents; flames; incendiary or explosive agents; snow, ice, or other slippery surfaces; extreme temperatures; falling objects; asbestos, coal, and other substances that cause respiratory ailments if inhaled or ingested; bright light or sun; dangerous machinery (e.g. saws, presses); lead and benzene; cigarette or cigar smoke; flying debris, particles or sparks.

### Suggested Indicators

- 1 A requirement to ensure compliance with health and safety standards is included in the company's terms of contract with suppliers and contractors.

True	False	F/A	N/A

- 2 The ability of suppliers/contractors to comply with the requirement is assessed during qualification and selection of new suppliers and contractors.

True	False	F/A	N/A

- 3 Compliance by suppliers/contractors is regularly monitored as part of ongoing evaluation of suppliers and contractors through self-assessment, site-visits, and/or audits.

True	False	F/A	N/A

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**Comments:**

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**Basis for assessment:**

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**Question references:**

The question relates to the right to life, liberty and security of person and the right to health. It is based on general principles contained in the following: Universal Declaration of Human Rights (1948), Article 25; International Covenant on Economic, Social and Cultural Rights (1966), Articles 7 (b) and 12 (2b); Convention on the Elimination of All Forms of Discrimination Against Women (1979), Article 11 (1f); ILO Hygiene (Commerce and Office) Convention (C120, 1964); ILO Occupational Health and Services Convention (C161, 1985), Article 5 (b); Tripartite Declaration on the Responsibilities of Transnational Corporations (1977), Article 38

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No.	Area	Section
8.2.2	Contractors and supply chain	Performance standards

### Question

Does the company seek to ensure that its suppliers and contractors observe applicable international and national laws and regulations concerning maximum working hours and minimum breaks and rest periods, ensuring that overtime is limited, infrequent, voluntary and compensated at a premium rate?

Yes	No	F/A	N/A

### Description

The International Labour Organisation (ILO) sets a 48 hour workweek for commercial and industrial occupations – with a daily maximum of 10 and 8 hours respectively to ensure time for rest and leisure. For work processes that must be conducted continuously on a shift basis a maximum workweek of 56 hours is permitted. Overtime should be voluntary, infrequent and should not exceed 12 hours per week or 36 hours per month. Specific rules may apply to various types of work (such as shift work, offshore work, long-distance transport, cargo work, seasonal work etc.) where unfixed working hours may be permitted. Overtime hours must be compensated by leave time or pay at a premium rate over and above the normal rate of pay. According to international minimum standards, the rate should be not less than 1.25 times the basic pay or wages per hour.

### Suggested Indicators

- 1 A requirement to ensure respect for maximum working hours and overtime restrictions is included in the company's terms of contract with suppliers and contractors.

True	False	F/A	N/A

- 
- 2 The ability of suppliers/contractors to comply with the requirement is assessed during qualification and selection of new suppliers and contractors.

True	False	F/A	N/A

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- 3 Compliance by suppliers/contractors is regularly monitored as part of ongoing evaluation of suppliers and contractors through self-assessment, site-visits, and/or audits.

True	False	F/A	N/A

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**Comments:**

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**Basis for assessment:**

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**Question references:**

Universal Declaration of Human Rights (1948), Articles 23, 24 and 25; International Covenant on Economic, Social and Cultural Rights (1966), Article 7 (d); ILO Hours of Work (Commerce and Offices) Convention (C30, 1930), Articles 3 and 4; ILO Hours of Work (Industry) Convention (C1, 1919); ILO Weekly Rest (Industry) Convention (C14, 1921), Article 2(1); ILO Weekly Rest (Commerce and Offices) Convention (C106, 1957), Article 6 (1); ILO Forty-Hour Week Convention (C47 1935); SA 8000 Standards, Article 8; Ethical Trading Initiative, Article 6; Fair Labor Association's Workplace Code of Conduct; ILO Hours of Work and Rest Periods (Road Transport) Convention, (C153, 1979).

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No.	Area	Section
8.2.3	Contractors and supply chain	Performance standards

**Question**

Does the company seek to ensure that its suppliers and contractors pay wages on time and provide all employees with at minimum a living wage sufficient to meet the basic needs of employees and their dependents?

Yes	No	F/A	N/A

**Description**

Suppliers and contractors should pay wages on time and pay wages that enable workers to meet their basic needs and provide some disposable income. Minimum wages may be fixed by law or collective agreement but are in many countries not sufficient to meet employees' basic needs. If the company has piece-rate payment structures, these must also meet living wage requirements. Where the national minimum wage level does not meet employees' basic needs, companies should calculate a 'living wage' corresponding to the income needed in light of local prices to support the employee and his or her immediate family to a reasonable standard of living. In making this calculation, it is necessary to include not only the costs of housing, food, water, clothing and transport, but also dependents, education, disposable income and social benefits such as health care, national insurance and pension.

## Suggested Indicators

- 1 A requirement to pay a living wage is included in the company's terms of contract with suppliers and contractors.

True	False	F/A	N/A

- 
- 2 The ability of suppliers/contractors to comply with the requirement is assessed during qualification and selection of new suppliers and contractors.

True	False	F/A	N/A

- 
- 3 Compliance by suppliers/contractors is regularly monitored as part of ongoing evaluation of suppliers and contractors through self-assessment, site-visits, and/or audits.

True	False	F/A	N/A

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### Comments:

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### Basis for assessment:

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### Question references:

The question relates to the right to an adequate standard of living and the right to work and just and favourable conditions of work. It is based on general principles contained in the following: Universal Declaration of Human Rights (1948), Article 25; International Covenant on Economic, Social and Cultural Rights (1966), Article 7(a) and 11(1); International Covenant on Civil and Political Rights, Article 23; Convention on the Elimination of All Discrimination Against Women (1979), Article 11; Convention on the Protection of All Migrant Workers and Members of Their Families (1990), Article 25; ILO Minimum Wage Fixing Convention (C131, 1970), Article 3; ILO Social Policy (Basic Aims and Standards) Convention (C117, 1962), Article 5; ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (1977), Article 34.

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No.	Area	Section
8.2.4	Contractors and supply chain	Performance standards

### Question

Does the company seek to ensure that its suppliers and contractors are committed to ensuring access for all employees, in line with international minimum standards and local laws, to: annual paid leave, paid sickness leave, paid parental leave?

Yes	No	F/A	N/A

### Description

The company must grant all employees paid annual holiday and sick leave for the period determined by the competent authority in the country of operation. International Labour Organisation standards require all employees to be granted a minimum of no less than three weeks of holiday per year. Moreover, a minimum of 14 weeks, or more if provided by law, should be granted for paid maternity leave.

### Suggested Indicators

- 1 A requirement to ensure access to benefits in line with international standards is included in the company's terms of contract with suppliers and contractors.

True	False	F/A	N/A

- 2 The ability of suppliers/contractors to comply with the requirement is assessed during qualification and selection of new suppliers and contractors.

True	False	F/A	N/A

- 3 Compliance by suppliers/contractors is regularly monitored as part of ongoing evaluation of suppliers and contractors through self-assessment, site-visits, and/or audits.

True	False	F/A	N/A

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**Comments:**

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**Basis for assessment:**

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**Question references:**

The question relates to the right to work and just and favourable conditions of work, the right to family life and the right to health. It is based on general principles contained in the following: Universal Declaration of Human Rights (1948), Articles 16, 23 and 24; International Covenant on Economic, Social and Cultural Rights (1966), Article 7(d) and 10(2); Convention on the Elimination of All Forms of Discrimination against Women (1979), Article 11(2b and 2c); Convention on the Rights of the Child, Article 5; ILO Holidays with Pay (Revised) Convention (C132, 1970), Article 4(2); ILO Maternity Protection Convention (C183, 2000), Article 4

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No.	Area	Section
8.2.5	Contractors and supply chain	Performance standards

**Question**

Does the company seeks to ensure that its suppliers and contractors refrain from discrimination or harassment of any kind in the workplace, including in relation to recruitment, compensation, benefits, promotion or termination?

Yes	No	F/A	N/A

**Description**

Discrimination can include any distinction, exclusion or preference made on the basis of illegitimate distinguishing personal characteristic. The grounds for discrimination that are recognised and prohibited under international human rights law include gender, age, nationality, ethnicity, race, colour, creed, caste, language, mental or physical disability, organisational membership, opinion, health status (including HIV or AIDS status), sexual orientation, marital status, birth, or civic, social, or political characteristics of the employee. Discrimination can be direct or indirect. Direct discrimination occurs whenever a company practice specifically targets a particular group of employees because of a distinguishing personal characteristic, and treats that group worse than the others. Indirect discrimination occurs when the practical application of a company policy, procedure or practice negatively impacts a group of people - even if the policies, procedures or practices appear neutral. For example lack of female changing rooms can keep women from entering certain job functions in a company. Workplace harassment encompasses many types of behaviour, including assault, physical and sexual harassment or threats, and workplace bullying and intimidation. To protect workers against such acts, the company should implement prevention policies, facilitate open communication, provide training, and allow workers to report incidents of harassment to a complaint mechanism that fully investigates the reports and responds accordingly.

## Suggested Indicators

- 1 A requirement to maintain a workplace free from discrimination and harassment is included in the company's terms of contract with suppliers and contractors.

True	False	F/A	N/A

- 2 The ability of suppliers/contractors to comply with the requirement is assessed during qualification and selection of new suppliers and contractors.

True	False	F/A	N/A

- 3 Compliance by suppliers/contractors is regularly monitored as part of ongoing evaluation of suppliers and contractors through self-assessment, site-visits, and/or audits.

True	False	F/A	N/A

**Verification:**

**Comments:**

**Basis for assessment:**

### Question references:

Universal Declaration of Human Rights (1948), Articles 1, 2, and 23; International Covenant on Economic, Social and Cultural Rights (1966), Article 7(a); Convention on the Elimination of All Forms of Discrimination against Women (1979), Article 11(1); ILO Equal Remuneration Convention (C100, 1951), Articles 1 and 2; ILO Discrimination (Employment and Occupation) Convention (C111, 1958) Article 1; ILO Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy (1977), Articles 21, 22 and 41; ILO Right to Organise and Collective Bargaining (C98, 1949), Article 1. Universal Declaration of Human Rights (1948), Article 5; International Covenant on Civil and Political Rights (1966), Article 7; Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment (1984), Articles 2 (1), 4 and 10; Convention on the Protection of All Migrant Workers and Members of Their Families (1990), Article 10.

No.	Area	Section
8.2.6	Contractors and supply chain	Performance standards

### Question

Does the company seek to ensure that its suppliers and contractors respect the rights of employees' to associate freely, form labour unions and/or workers councils and to bargain collectively in accordance with applicable international and national laws, and without fear of reprisal, intimidation or harassment?

Yes	No	F/A	N/A

### Description

Workers must be allowed to form and/or join worker organisations of their choice. The company must allow such organisations and their representatives to function independently without interference and with reasonable access to the information, resources, and facilities necessary to carry out their functions. The company must also respect the right of workers to bargain collectively. Under no circumstances may the company terminate employees or discriminate against them in retaliation for exercising trade union rights.

### Suggested Indicators

- 1 A requirement to observe the rights of employees to freedom of association and collective bargaining is included in the company's terms of contract with suppliers and contractors.

True	False	F/A	N/A

- 2 The ability of suppliers/contractors to comply with the requirement is assessed during qualification and selection of new suppliers and contractors.

True	False	F/A	N/A

- 3 Compliance by suppliers/contractors is regularly monitored as part of ongoing evaluation of suppliers and contractors through self-assessment, site-visits, and/or audits.

True	False	F/A	N/A

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**Comments:**

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**Basis for assessment:**

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**Question references:**

Universal Declaration of Human Rights (1948), Article 20 and 23(4); International Covenant on Civil and Political Rights (1966), Article 22; International Covenant on Economic, Social and Cultural Rights (1966), Article 8; ILO Collective Bargaining Convention (C154, 1981), Article 5 (2); Article 8; ILO Workers Representatives Convention (C135, 1973), Articles 1 and 2; Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (1977), Articles 48, 49, 50, 51 and 52.

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No.	Area	Section
8.2.7	Contractors and supply chain	Performance standards

**Question**

Does the company seek to ensure that its suppliers and contractors, including recruitment agents, do not participate in, or benefit from, any form of forced or bonded labour, including through practices such as recruitment fees, money deposits, retention of personal documents, captivity, coercion, or human trafficking?

Yes	No	F/A	N/A

**Description**

Where there is a risk of forced or bonded labour practices, the company should ensure that it does not use or contribute to the use of such practices. Forced or bonded labour is work performed involuntarily under threat of penalty. Certain employment practices may lead to a situation of bonded labour. This includes for example compelled overtime, human trafficking, lack of free movement, debt bondage or retention of personal documents. The company should make sure that such practices are prevented and that fair and transparent employment contracts are issued for all employees. When using third party staff agencies, the company should ensure that such agencies are not engaged in bonded labour practices. Particular care should also be taken when employing migrant workers.

**Suggested Indicators**

- 1 A requirement to refrain from all forms of forced and bonded labour is included in the company's terms of contract with suppliers and contractors.

True	False	F/A	N/A



- 
- 2 The ability of suppliers/contractors to comply with the requirement is assessed during qualification and selection of new suppliers and contractors.

True	False	F/A	N/A

- 
- 3 Compliance by suppliers/contractors is regularly monitored as part of ongoing evaluation of suppliers and contractors through self-assessment, site-visits, and/or audits.

True	False	F/A	N/A

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**Comments:**

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**Basis for assessment:**

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**Question references:**

Universal Declaration of Human Rights (1948), Article 4; International Covenant on Civil and Political Rights (1966), Article 8; International Covenant on Economic, Social and Cultural Rights (1966), Article 7 (b); Convention on the Protection of the Rights of All Migrant Worker and Members of Their Families (1990), Article 11 (2); ILO Forced Labour and Servitude Convention (C29, 1930), Articles 2.2.C, 12 and 13; ILO Abolition of Forced Labour Convention (C105, 1957); ILO Declaration on Fundamental Principles and Rights at Work (1998), Article 2(b), Convention on the Elimination of All Forms of Discrimination Against Women (1979), Article 6].

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No.	Area	Section
8.2.8	Contractors and supply chain	Performance standards

### Question

Does the company require its suppliers and contractors to adhere to applicable international and national laws concerning minimum age requirements related to child labour and young workers?

Yes	No	F/A	N/A

### Description

Children are entitled to the basic right of an education, and must not be hired for full-time work before completing their compulsory education. The age for completion of education and the minimum age for entry into employment are both determined by the national government in the country of operation. Under International Labour Organisation (ILO) standards, the minimum age for entry into full-time employment should be no younger than 15, or 14 if the country is subject to an exception. Depending on the country of operation, children aged 13, or 12 if the country is subject to an exception, may perform light work as defined by the ILO Minimum Age Convention as work for a few hours per day, not interfering with the health or development of the child, and which does not interfere with the child's compulsory education. Workers below the age of 18 should not be engaged in hazardous work. The company should have in place credible procedures for validating the age of young workers. Working children of school age should be enrolled in education and their families compensated for the loss of income. When seeking to determine minimum age limits for the country of operation, companies should investigate whether national legislation is in compliance with ILO Convention 138, and whether exceptions are in place for the country.

### Suggested Indicators

- 1 A requirement to respect minimum age standards for employment and hazardous work is included in the company's terms of contract with suppliers and contractors.

True	False	F/A	N/A

- 2 The ability of suppliers/contractors to comply with the requirement is assessed during qualification and selection of new suppliers and contractors.

True	False	F/A	N/A

- 3** Compliance by suppliers/contractors is regularly monitored as part of ongoing evaluation of suppliers and contractors through self-assessment, site-visits, and/or audits.

True	False	F/A	N/A

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**Comments:**

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**Basis for assessment:**

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**Question references:**

Universal Declaration of Human Rights (1948), Articles 24 and 26; International Covenant on Economic, Social and Cultural Rights (1966), Article 7; Convention on the Rights of the Child (1989), Article 32 (2); ILO Minimum Age Convention (C138, 1973), Article 3].

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