

G4-HR11

SIGNIFICANT ACTUAL AND POTENTIAL NEGATIVE HUMAN RIGHTS IMPACTS IN THE SUPPLY CHAIN AND ACTIONS TAKEN

- a. Report the number of suppliers subject to human rights impact assessments.
- b. Report the number of suppliers identified as having significant actual and potential negative human rights impacts.
- c. Report the significant actual and potential negative human rights impacts identified in the supply chain.
- d. Report the percentage of suppliers identified as having significant actual and potential negative human rights impacts with which improvements were agreed upon as a result of assessment.
- e. Report the percentage of suppliers identified as having significant actual and potential negative human rights impacts with which relationships were terminated as a result of assessment, and why.

GUIDANCE**Relevance**

This Indicator informs stakeholders about an organization's awareness of significant actual and potential negative human rights impacts in the supply chain.

The UN *Protect, Respect and Remedy: a Framework for Business and Human Rights*¹⁰⁷ has affirmed the expectation that organizations should respect human rights throughout their activities and relationships with others.

Processes to identify and assess significant actual and potential negative human rights impacts in the supply chain may enable an organization to address them.

Compilation

If it will provide appropriate context on significant impacts, organizations are encouraged to break down the information requested by this Indicator by the location of the supplier and the significant actual and potential negative human rights impact.

Negative impacts include those that are either caused or contributed to by the organization, or that are linked to its activities, products, or services by its relationship with a supplier.

Human rights assessments may include:

- Child labor
- Discrimination
- Forced or compulsory labor
- Freedom of association and collective bargaining
- Indigenous rights
- Security practices

Assessments may be made against agreed performance expectations which were set and communicated prior to the assessment.

Assessments may be informed by audits, contractual reviews, two-way engagement, and grievance and complaint mechanisms.

Improvements may include the adjustment of the organization's procurement practices, the adjustment of performance expectations, capacity building, training, and changes to processes.

Definitions

See Glossary in *Implementation Manual*, p. 244

- [Supplier](#)

Documentation sources

Potential sources of information include procurement, purchasing and legal departments.