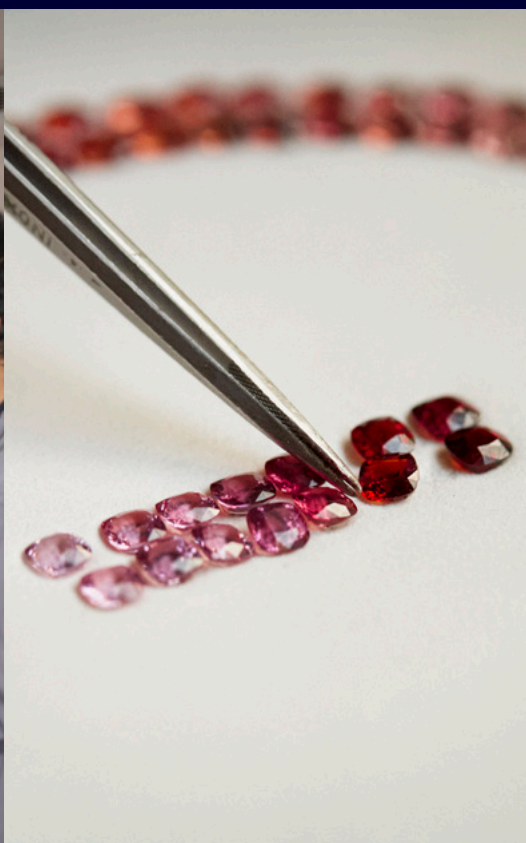


# Human Rights Navigator

Practical Guidance to Navigating  
Human Rights Due Diligence



**WATCH &  
JEWELLERY**

INITIATIVE 2030



# Foreword:

## Advancing Human Rights in the Watch & Jewellery Industry

Since its inception in 2022, the Watch & Jewellery Initiative 2030 (WJI 2030)—founded by Kering and Cartier, delegated by Richemont—has been built on the conviction that human rights are everyone's business.

The publication of the first **Human Rights Navigator** in November 2023 marked an important milestone, providing open-source guidance, practical resources, and case studies to strengthen industry capacity on human rights due diligence.

Over the past year, we have worked diligently to advance this agenda. In 2024, WJI 2030 completed a pilot on CSDDD operationalization, and released a publication with key findings from the pilot and practical guidance on double materiality, supplier engagement, and human rights and environmental due diligence. This work is continuing in 2025. We have also made progress on critical human rights issues such as advancing gender equality through a [pilot study on gender responsive procurement](#) in the watch and jewellery industry.

While WJI 2030's commitment to human rights remains steadfast, the global regulatory and policy landscape continues to evolve rapidly—requiring businesses to navigate increasingly complex and sometimes conflicting expectations. In response, we are pleased to launch a **revised edition of the Human Rights Navigator**.

This updated resource reinforces the role of business in respecting human rights across operations and value chains, while emphasizing alignment with voluntary yet authoritative frameworks such as the **UN Guiding Principles on Business and Human Rights (UNGPs)** and the **OECD Due Diligence Guidance for Responsible Business Conduct**.

The revised Navigator also incorporates expanded guidance and good practices on emerging priority areas, including **forced labor** and **conflict-affected and high-risk areas (CAHRAs)**.

Advancing human rights remains a key priority for WJI 2030, and we look forward to continuing to collaborate with our members, partners, rightsholders, and stakeholders to strengthen respect for human rights across the global watch and jewellery industry.

For more information or feedback on the Human Rights Navigator, we welcome your comments at [insight@wjinitiative2030.org](mailto:insight@wjinitiative2030.org).

Kind regards,

**Iris Van der Veken**  
Executive Director & Secretary General, WJI 2030





**Disclaimer**  
The content of this document is the sole responsibility of the authors and does not necessarily reflect the views of Watch & Jewellery Initiative 2030 (WJI 2030) members. This document does not constitute and cannot be relied upon as legal advice of any sort and cannot be considered an exhaustive review of legal or regulatory compliance.

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As a living document, this is the **second** edition of the Human Rights Navigator. We welcome feedback at [insight@wjinitiative2030.org](mailto:insight@wjinitiative2030.org)

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# 1. Introduction

## 1.1 Context

The watch and jewellery industry is characterized by highly complex and fragmented supply chains. Critical raw materials such as gold, diamonds, and other gemstones are mined from several geographically diverse regions of the world before being traded, exported, refined or transformed in other countries, coupled with the fact that mineral extraction includes small and artisanal mines, in addition to large-scale extraction sites.

The presence of multiple processing, refining, and polishing facilities, combined with the artisanal nature of production and the large number of small workshops involved, makes traceability across the supply chain – particularly at the earliest stages of mineral extraction – extremely challenging.

Despite this complexity, each individual company has a responsibility to ensure that its operations and supply chains do not contribute to human rights abuses. Under the [United Nations Guiding Principles on Business and Human Rights](#) (UNGPs, 2011), businesses are expected to put in place a human rights due diligence process to identify, prevent, mitigate, and account for their own impact on human rights; and establish processes to provide or enable remediation for adverse human rights impacts that they cause or contribute to.

Over the past few years, due diligence has shifted from voluntary actions to mandatory requirements, for example, with the introduction of the [Corporate Sustainability Due Diligence Directive](#) (CSDDD) at the EU-level or mandatory due diligence laws in countries like France, Switzerland, or Norway. The [Omnibus Simplification Package](#), released in February 2025, threatened to undo some of the progress on mandating human rights due diligence, particularly in Europe. Following the European Parliament's vote of 13 November 2025, key provisions of the Omnibus Package were adopted in a significantly weakened form.

While these changes reduce the number of companies directly in scope, expectations for robust voluntary alignment with international frameworks such as the UNGPs and [OECD Guidelines](#) remain unchanged. And while the nature and scope of regulation on human rights due diligence may temporarily shift, investors, civil society, and other stakeholders continue to demand increased accountability and transparency from companies when it comes to knowing and showing their impacts on people and the environment.



1. INTRODUCTION

# 1.2 About this Guidance

The Watch and Jewellery Initiative 2030 was founded in 2022, by Kering and Cartier, delegated by Richemont. In May 2023, WJI 2030 was recognised by the Swiss authorities as an Association of Public Utility. WJI 2030 is a multi-stakeholder action platform that unites all players across the watch and jewellery value chain and enables them to lead progress and future-proof their businesses in an ever-changing regulatory landscape focusing on the areas of climate resilience, preserving resources, and fostering inclusiveness.

In line with WJI 2030's core action pillar of accelerating the human rights agenda and working towards responsible supply chains, this revised version of the Human Rights Navigator provides **guidance, tools, and insights** from experts and members related to the prevention and mitigation of human rights impacts in company operations and value chains in the watch and jewellery industry, to contribute to the resilience and wellbeing of communities involved.

This guidance aligns with leading human rights frameworks such as the OECD Due Diligence Guidance and the UNGPs, and draws inspiration from existing resources and guidance documents linked throughout this Navigator and listed in the Appendix.

This document does not constitute and cannot be relied upon as legal advice of any sort and cannot be considered an exhaustive review of legal or regulatory compliance.



# 1.3 What Does the Updated Navigator Cover?

This document covers the following elements

- Overview of **industry human rights salient impacts** and the importance of addressing them.
- Revised overview of the regulatory landscape on due diligence and implications for business related to developing strong and future-fit human rights programs.
- **Best practices** related to carrying out **due diligence** in watch & jewellery value chains, including **access to tools and templates** which can be adapted and re-used in your company.
- Approaches to be adopted in **own operations** and **supply chains** at each step of the due diligence process.
- **Answers to most common questions** and challenges as well as a glossary of important human rights terms and definitions.
- **Additional useful resources** to progress with the integration of human rights best practices in company activities.

# 1.4 Who Should Use the Navigator?

The Navigator is a living document which helps meet the expressed needs of all companies, covering different positions in the value chain (Maison-level, retailers, refiners, cutters and polishers, manufacturers, etc.); differing levels of maturity (from beginning to more advanced); and various company sizes (such as SMEs, ateliers, or global Maisons).



## Beginners

If you are at the start of your human rights journey, this Navigator flags content for Beginners.



## Advanced

If you are more advanced on your journey, this Navigator flags content that goes beyond foundational elements. Please proactively share your insights, case studies and questions, so that they can be added to future iterations of the Navigator.



1. INTRODUCTION

# 1.5 What Are Human Rights and Why Are They Important?

Human Rights are basic rights, inherent to all human beings regardless of place of birth or residence. They are defined and protected under international human rights law through declarations and treaties signed by governments such as the [UN Declaration of Human Rights](#), the [International Covenant on Civil and Political Rights](#) (ICCPR) and the [International Covenant on Economic, Social and Cultural Rights](#) (ICESCR), which together form the International Bill of Human Rights.

While governments have the duty to protect individuals against human rights abuses by third parties, businesses are increasingly expected to respect human rights, and to prevent harm to people that are connected to their business activities.

Unanimously endorsed by the UN Human Rights Council in 2011, the [UN Guiding Principles on Business and Human Rights](#) (UNGPs) are a voluntary global standard of expected business conduct regardless of business size, sector, or geography. The UNGPs state that companies should avoid infringing on the human rights of others and should address adverse impacts with which they are involved with, including by providing remedy.

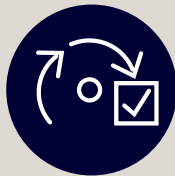
Organized under three pillars, the UNGPs articulate:



The **State duty to protect** human rights against abuses committed by third parties, including business through appropriate policies, regulation, legislation, and enforcement.



The **Corporate responsibility to respect** human rights by acting with due diligence to avoid infringing on the rights of others and addressing adverse human rights impacts.



The **need for access to effective remedy**, both judicial and non-judicial, for victims of corporate-related abuse.

The responsibility of business enterprises to respect human rights refers to internationally recognized human rights – understood, at a minimum, as those expressed in the International Bill of Human Rights and the principles concerning fundamental rights set out in the International Labor Organization's Declaration on Fundamental Principles and Rights at Work. Particularly relevant for the industry is also the universal framework set out in the [United Nations Declaration on the Rights of Indigenous Peoples](#) (UNDRIP).

A human rights approach considers risk through the lens of rightsholders (i.e., those who may be potentially or actually affected by a company's activities or business relationships). These are a business' employees, workers of its suppliers and contractors, communities in which a business operates, as well as clients and customers. Governments, investors, NGOs, and major sustainability standards (e.g., [integration of UNGPs into GRI](#)) are aligning their human rights policies and agendas with the UNGPs.

It is essential for businesses to show a commitment to upholding human rights in order to promote a just, equitable, and sustainable operating environment. Neglecting human rights in operations can lead to a range of detrimental outcomes for all rightsholders. There is growing evidence of the benefits to business of respecting human rights such as the following:



**Risk management:**  
Reduced legal risks by identifying and addressing minor issues before they become major crises.



**License to operate and community relations:**  
Reduced chance of operational disruptions from community protests, public campaigns, or criticism.



**Reputation management:**  
Reputational benefits from leadership in an area that external stakeholders feel strongly about.



**Talent attraction and retention:**  
Greater interest and retention of top talent by demonstrating respect and support for human rights.



**Investor expectations:**  
The UN Principles for Responsible Investment and large asset managers expect robust human rights due diligence. Human rights controversies can trigger divestment, increased cost of capital, and loss of market access.



**Innovation:**  
Respecting human rights drives inclusive business models (e.g., fair wages, access to essential goods and services). It fosters resilient and ethical value chains, which are increasingly demanded by stakeholders.

While it is important to recognize the relevance of the business case for human rights, it is equally critical to acknowledge its limits. [There is no single, universal business case](#); the rationale for action depends on context – industry, geography, and salient issues. Because advancing human rights often requires additional investment (for example, in living wages or safe working conditions), short-term financial returns may not always be evident.

Yet these actions strengthen long-term business resilience, trust, and license to operate. Rather than focusing narrowly on ROI, companies should understand respect for human rights as a [strategic imperative and an integral component](#) of sustainable business success.



1. INTRODUCTION

# 1.6 Why Companies Need to Conduct Human Rights Due Diligence

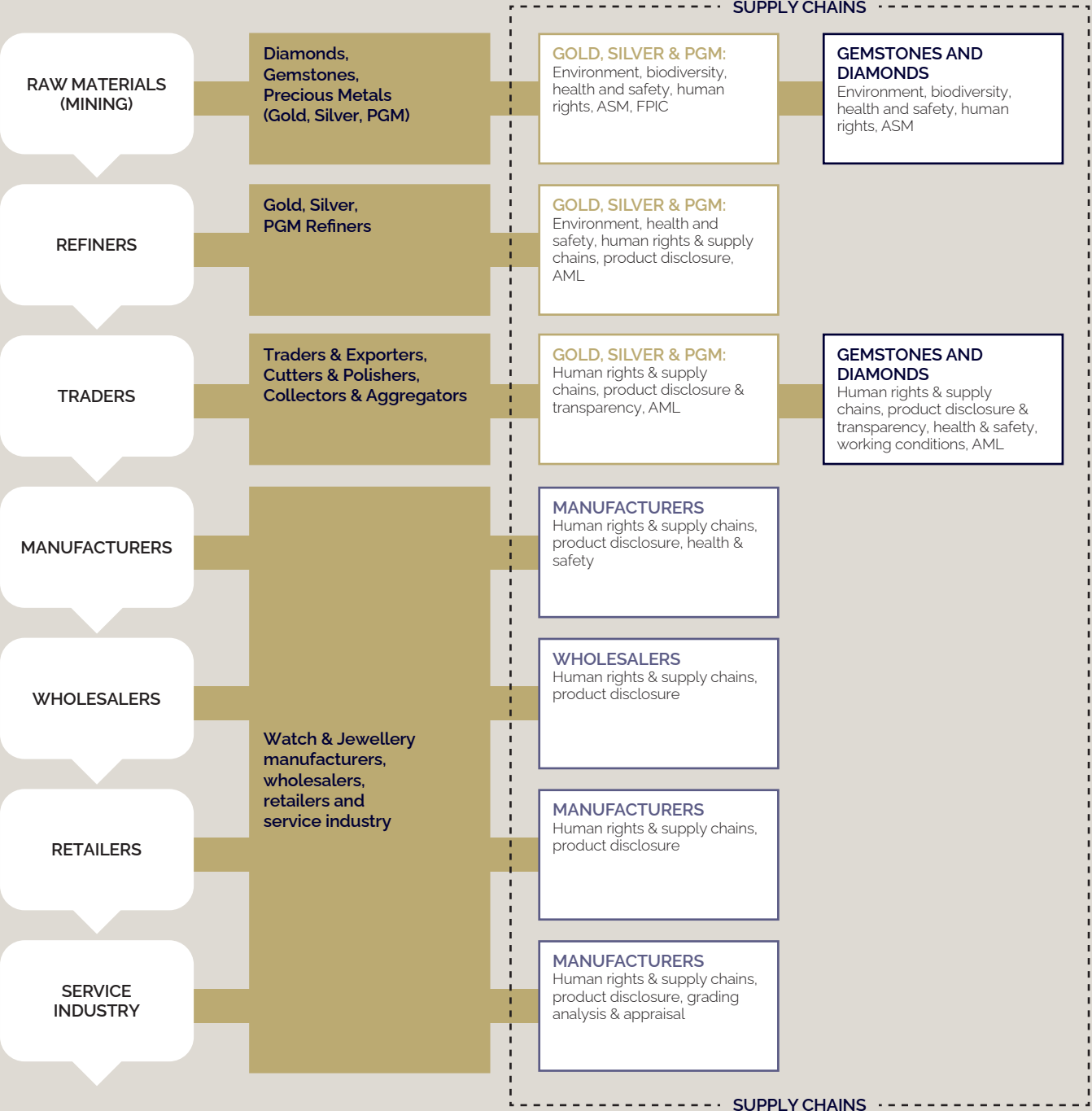
Human rights due diligence is a critical step to implementing the UNGPs, and is increasingly expected of companies by various stakeholders, including investors and regulatory requirements. Human rights due diligence allows companies to:

- Inform strategic decision-making:** Business will make better decisions about operations, expansions, and investments when it understands the human rights risks and impacts of those decisions.
- Get a picture of business structure and impacts:** HRDD contributes to clarify the company's human rights risk profile, particularly in lesser-known areas such within the supply chain.

- Enable prioritization and resource allocation:** A risk-based HRDD approach helps companies focus resources on the most severe impacts. This ensures that human rights efforts are not just broad but effective, addressing the most pressing or salient issues where the company can have the greatest influence.
- Support remedy and accountability:** HRDD is the foundation for meaningful grievance mechanisms and remediation. By knowing where harm may occur, companies are better prepared to remedy negative impacts when they happen, closing the loop of responsible business conduct.

# 1.7 Overview of the Watch & Jewellery Industry

The watch and jewellery industry comprises a wide range of businesses and activities, from design and development, mining, sourcing of raw materials (ranging from metals to gemstones), processing and manufacturing, packaging, retailing, and distribution, to marketing and advertising of luxury goods including watches and jewellery.



Source: Watch & Jewellery Initiative 2030, own elaboration of [OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas \(2016\)](#)



1. INTRODUCTION

The process of creating jewellery and watches is a complicated one, with supply chains often spanning multiple countries. Raw materials, such as gold, diamonds, and other minerals used in the production process are sourced from multiple countries before being refined and processed in various locations. The materials are then transformed into jewellery in manufacturing plants or artisan workshops before being sold in retail stores.

However, given the complexity of supply chains it is often difficult to determine where these materials originated from or how they are sourced.

Given the nature of the supply chain, from extraction to manufacturing, through to retail, the watch & jewellery industry is typically characterized by a number of significant human rights risks, which can include the following categories:



FUNDAMENTAL PRINCIPLES & RIGHTS AT WORK

Forced Labor

Forced or compulsory labor is defined as any duty or service performed under the threat of penalties or any non-voluntary work or service. Migrant workers are the most vulnerable to risks because they are more likely to fall into situations in which they have restricted access to identity cards (for example, passport retention by employers), payment of recruitment fees through unfair hiring practices, and restrictions on freedom of movement. Forms of modern slavery, including forced labor, may occur in the raw material supply chains of jewellery companies. Workers in raw material supply chains may be subjected to labor abuse, including forced or bonded labor conditions. Undocumented migrants are particularly vulnerable.

Child Labor

Child labor is work done at an age that is too young and that can deprive children of access to education and adversely affect their development. ILO standards prohibit hazardous work for all persons under the age of 18. It also prohibits the labor of children under the age of 15, except in developing countries. The sourcing of raw materials often used to manufacture jewellery and watches is under increased scrutiny due to the elevated risk of child labor in mining and in lower tiers of the supply chain.

Occupational Health and Safety

Risk that companies will not be able to protect the health and safety of their employees and onsite workers in their workplace. For example, exposure to hazardous and toxic contaminants on manufacturing and processing sites, lack of adequate safety training, lack of personal protective equipment (PPE), insufficient understanding of the company's occupational health and safety processes and the risk that good practices may not be implemented. In particular, risks are likely to increase in countries where occupational health and safety regulations are weak. It also includes worker mental health, which is central to both individual well-being and workplace health and safety. Mental health can negatively impact individual workers and their families, as well as the productivity of the industry as a whole.



EMPLOYMENT CONDITIONS

Living Wage and Income

Workers in the supply chain receive inadequate income which does not allow them to afford a decent standard of living. A decent standard of living includes adequate food, water, clothing, housing, education, transportation and health care for themselves and their families, as well as the provision for unexpected events.

Grievance Mechanisms and Access to Remedy

Everyone has the right to effective remedy when their human rights have been violated. Where a company identifies that its operations (or supply chains) have caused or contributed to adverse human rights impacts, they should provide for or cooperate in their remediation through legitimate processes, whether through the company's own operational-level grievance mechanism or through cooperation with independent non-judicial grievance mechanisms.



COMMUNITIES

Safety and Gender-Based Violence

Valuable minerals have frequently been associated with violence and conflict raising the level of military and civilian casualties. In addition to the possibility of violence against local communities or other rightsholders due to conflict involving state and not state parties, public and/or private security personnel, the protection of retail and non-retail operations may also present human rights risks as it relates to discrimination, harassment and gender based violence.

Land Use & Acquisition

Unfair or insufficiently negotiated land acquisition, displacement of communities, and changes in land use and access to land for farming, grazing, cultural heritage, or forest resources can result in human rights violations and lead to conflict in the long or short term. In many cases, traditional land rights are not enshrined in law and resettlements and acquisitions are, or are perceived to be, undertaken without adequate compensation.

Free, Prior and Informed Consent

Risk that companies (and/or their suppliers) fail to appropriately consult a community that has the right to give or withhold their consent on lands they hold ownership rights to, or use, and therefore not taking a rights-based approach. Rights related issues in the field include the rights of unions to associate and engage in collective bargaining, entitlement to benefits, and freedom of expression.

Community Health and Environmental Impacts

Negative environmental impacts may be associated with company operations (and/or its supply chains), as a result of company practices or those of business partners, which may affect local communities and may disproportionately affect vulnerable groups including women. These include pollution/contamination of water use, deforestation, and food security issues. These risks may arise in major sourcing countries for watch and jewellery companies.

WJI 2030 Insight

- The UNGPs framework is widely considered the North Star for business committing to a human-rights compliant vision that leaves no one behind.
- Due to the nature of the watch and jewellery industry, a range of salient risks are to be monitored and evaluated, from working conditions, to compulsory work and land acquisition.



## 2. Understanding the Context: Regulatory Developments & International Standards

### 2.1 Navigating a Shifting Regulatory Landscape on Human Rights Due Diligence

The regulatory environment for human rights due diligence (HRDD) is increasingly complex, particularly in the EU. Over the past few years, the EU has introduced a range of measures designed to ensure companies identify, prevent, and address adverse human rights and environmental impacts. These measures work through different levers: some create direct due diligence obligations (e.g., [Corporate Sustainability Due Diligence Directive or CSDDD](#)), others impose disclosure requirements (e.g., [Corporate Sustainability Reporting Directive or CSRD](#)), and still others regulate market access by banning products linked to potential harms (e.g., [EU Forced Labor Regulation](#)). Beyond Europe, trade- and product-level rules such as the U.S. [Uyghur Forced Labor Prevention Act \(UFLPA\)](#) presumes that goods produced in or linked to Xinjiang are barred from import unless companies can demonstrate deep traceability and mitigate risks.

While these regulatory developments pointed towards a shift from voluntary towards mandatory due diligence and promised increased harmonization with regards to legal requirements around corporate management of sustainability impacts, significant ESG backlash as well as the Omnibus Simplification Package introduced in February 2025 and the subsequent European Parliament vote in November 2025 have created widespread uncertainty in the business and human rights field. The following section briefly describes significant shifts in the regulatory landscape and highlights implications for companies in the watch and jewellery industry.

It is important to note that while Europe has been a driving force behind mandatory human rights and environmental due diligence, other regions of the world are now considering these mandatory requirements, even as Europe equivocates. Therefore, and particularly for multinationals, meeting different and sometimes contradictory requirements around the world can be accomplished through adoption and alignment with the UNGPs and OECD Guidelines, which continue to serve as the basis for such regulatory trends.





2. UNDERSTANDING THE CONTEXT

Making Sense of Laws Regulating Sustainability Impacts

Governments across the world have been adopting four types of laws to regulate business conduct in relation to sustainability impacts, including broad due diligence requirements as well as more prescriptive measures on specific due diligence steps, such as reporting.



Due Diligence:

Requires in-scope business to conduct due diligence to identify, prevent or mitigate, remedy actual or potential adverse human rights and environmental impacts in their operations and value chains, and account for their management of such impacts through reporting.



Trade Restrictions:

Impose barriers to the import, export, or distribution of goods suspected of being made or sourced in ways that impact human rights or the environment, or those posing risks of misuse.



Reporting:

Requires in-scope business to publish a statement disclosing information regarding due diligence and human rights and environmental impacts.



Taxonomies:

classification systems for sustainable activities. The EU Taxonomy requires companies to meet "Minimum Safeguards", i.e., procedures to align with the UNGPs and OECD Guidelines

Overview of recent EU regulations on sustainability and their alignment with due diligence expectations

Regulation	Type	Due Diligence Alignment
CSDDD	Due diligence obligations	<ul style="list-style-type: none"><li>Contains due diligence requirements that broadly align with UNGPs and OECD Guidelines due diligence but departs in some respects.</li></ul>
Batteries Regulation		<ul style="list-style-type: none"><li>Contains due diligence requirements that broadly aligns with due diligence steps from UNGPs and OECD Guidelines but depart from these frameworks on several accounts. The Regulation provides that due diligence should identify, prevent, mitigate and otherwise address adverse impacts, with meaningful consultation with affected communities required. However, the due diligence obligation only applies to limited economic operators and only requires that due diligence be conducted on the supply chain.</li></ul>
Prohibiting Products made with Forced Labour	Trade restrictions	<ul style="list-style-type: none"><li>Refers to ILO Conventions for forced labor definition and mentions UNGPs and the OECD due diligence.</li><li>Does not require due diligence but authorizes authorities to consider due diligence performance while assessing whether the company violates the regulation. Covers domestic and imported products and combines a ban with a robust, risk-based enforcement framework.</li></ul>
Deforestation Regulation		<ul style="list-style-type: none"><li>Recognizes link between deforestation and adverse human rights impacts. Requires operators and traders to ensure products are deforestation-free and legal, complying with land, labor, and human rights laws and the FPIC principle. Unlike the UNGPs, it narrows due diligence steps and without a broader rightsholder focus.</li><li>Covers ongoing due diligence for key commodities (soya, cattle, palm oil, wood, cocoa, rubber, coffee) and their derivatives (e.g., leather, soya beans, oil cakes, chocolate). Companies must collect specified information, assess risks, apply mitigation measures, and publicly report on their due diligence systems and actions.</li></ul>
Conflict Minerals Regulation		<ul style="list-style-type: none"><li>Refers to the UNGPs, OECD Guidelines and Guidance for Responsible Supply Chains of Minerals from Conflict-Affected &amp; High-Risk Areas. Requires ongoing due diligence with respect to the import of Tin, Tantalum, Tungsten, and Gold.</li></ul>
CSRD	Reporting	<ul style="list-style-type: none"><li>Aims for consistency with UNGPs, the OECD due diligence guidance and related sectoral guidelines, UN Global Compact, the ILO Tripartite Declaration, ISO 26000, and the UNPRI. Requires disclosure of due diligence process but does not require exercise of due diligence.</li></ul>
ESRS		<ul style="list-style-type: none"><li>Refers to due diligence approach in cross-cutting standard, relevant to full value chain, and highlight's role of affected stakeholders in line with UNGPs and OECD Guidelines, while there are also some areas of deviations from the UNGPs and OECD Guidelines approach</li></ul>
SFDR		<ul style="list-style-type: none"><li>Several reporting requirements link to UNGPs and OECD Guidelines including two mandatory indicators on OECD Guideline alignment of portfolio companies and several voluntary human rights related indicators.</li><li>Principal adverse impact statement requires financial market participants to describe their adherence to RBC due diligence.</li></ul>
Green Taxonomy	Taxonomy	<ul style="list-style-type: none"><li>Environmentally sustainable investments must align with the UNGPs and OECD Guidelines, ILO conventions, International Bill of Human Rights. Minimum safeguards clause (article 18) entails implementation of due diligence.</li></ul>

Source: Adapted from [How do the pieces fit in the puzzle?: Making sense of EU regulatory initiatives related to business and human rights](#). The Danish Institute for Human Rights, 2024



2. UNDERSTANDING THE CONTEXT

Halting Progress on Mandatory Due Diligence Requirements:  
The Omnibus Simplification Package

In February 2025, the [European Commission proposed significant adjustments to corporate sustainability regulations](#), following through on its earlier announced plan to streamline reporting requirements in three EU Green Deal laws: the EU Taxonomy, the Corporate Sustainability Reporting Directive (CSRD), and the Corporate Sustainability Due Diligence Directive (CSDDD). Following the European Parliament's vote on 13 November 2025, the Omnibus I Package advanced to trilogue negotiations with a substantially revised and weakened scope.

For example, the [Parliament's position](#) raises thresholds for company applicability, removes the obligation for companies to adopt climate transition plans under the CSDDD, and limits due diligence requirements to Tier 1 suppliers unless "plausible information" of risks exists further upstream in the value chain.

These changes mark a clear shift from the EU's earlier ambition to make due diligence comprehensive and risk-based toward a narrower, compliance-light regime focused on competitiveness and reporting relief. While intended to reduce administrative burdens, the amendments substantially narrow the number of companies directly in scope and postpone meaningful implementation until at least 2028.

The Omnibus:  
Key Proposed Changes to CSDDD

- **Raising applicability thresholds** to 1,750 employees and €450 million turnover for the Corporate Sustainability Reporting Directive (CSRD), and 5,000 employees and €1.5 billion turnover for the Corporate Sustainability Due Diligence Directive (CSDDD).
- **Removing the mandatory climate transition plan** requirement from the CSDDD, although it remains under the CSRD.
- **Limiting due diligence obligations** to Tier 1 suppliers except where "plausible information" indicates risks further down the value chain.
- **Eliminating the civil-liability provision** and scaling back administrative sanctions, leaving enforcement largely to Member States.
- **Simplifying reporting and assurance**, with the assurance requirement downgraded to *limited* and sector-specific European Sustainability Reporting Standards (ESRS) made voluntary.

Regulatory Developments Beyond Europe

Beyond Europe, Asia is also moving toward mandatory requirements, though progress is uneven across the region. Japan has issued non-binding Human Rights Due Diligence Guidelines and is preparing [Sustainability Disclosure Standards \(SSBJ\)](#) that will align with the ISSB global baseline and become mandatory for large companies from 2027. South Korea has reintroduced a draft Corporate Human Rights and Environmental Due Diligence Act, which, if adopted, would be the first binding HRDD law in Asia. It would apply to large domestic and foreign companies operating in Korea and require board-level oversight, grievance mechanisms, and annual due diligence planning. China has introduced [Basic Guidelines for Corporate Sustainability Disclosures](#), issued in 2024, which adopt a double materiality approach and are also broadly aligned with ISSB standards. In Southeast Asia, financial regulators and stock exchanges are driving reform: Singapore is consulting on mandatory ISSB-aligned climate disclosures beginning in FY2025 for listed companies and extending to large non-listed companies by FY2027; Hong Kong is on track to mandate ISSB-aligned climate reporting by 2025; and Malaysia has phased in enhanced sustainability reporting obligations since 2023. Overall, the trend in Asia is one of gradual but steady convergence with international frameworks, with an emphasis on interoperability with global standards.

In the United States, the picture is more fragmented. At the federal level, the Securities and Exchange Commission adopted a Climate Disclosure Rule in March 2024, requiring large publicly listed companies to disclose climate-related risks, governance, and Scope 1 and 2 greenhouse gas emissions where material. However, implementation has been stayed pending litigation, and the rule was significantly scaled back from its original draft by dropping Scope 3 emissions. The emphasis remains firmly on financial materiality rather than double materiality. In contrast, California has emerged as a de facto global regulator. Its [Climate Corporate Data Accountability Act \(SB-253\)](#) and [Climate-Related Financial Risk Act \(SB-261\)](#) mandate Scope 1–3 emissions reporting and climate risk disclosures for companies doing business in California with revenues above certain thresholds, regardless of where they are headquartered. These obligations begin to apply from 2026, with third-party assurance requirements phased in. The state has also adopted AB-1305, which regulates the use of voluntary carbon offsets and carbon neutrality claims.

Alongside climate-related regulation, the United States enforces the [Uyghur Forced Labor Prevention Act \(UFLPA\)](#), in force since 2022, which creates a rebuttable presumption that any goods from China's Xinjiang region are made with forced labor. Importers must provide clear and convincing evidence of robust due diligence to overcome this presumption, and US Customs actively detains and excludes non-compliant goods. Litigation is also growing as a tool of accountability, with courts allowing some human rights and climate-related cases to proceed, although outcomes remain inconsistent.



2. UNDERSTANDING THE CONTEXT

Implications for the Watch and Jewellery Industry

Despite the uncertainty created by regulatory revisions and delays, the overall trajectory is clear: human rights due diligence remains a baseline expectation for responsible business conduct. Indeed, pressure comes not just from regulators, but investors and ratings agencies as well as buyers, suppliers, and beyond. Companies cannot afford to wait for perfect regulatory clarity.

Aligning with the UNGPs and the OECD Guidelines provides a stable foundation for HRDD, ensures readiness for evolving EU and global requirements, and positions businesses to manage risks, safeguard access to markets, and meet stakeholder expectations. In this context, voluntary alignment with international standards is not only the prudent course but also the most reliable way to future-proof business practices.



More specifically, companies in the watch and jewellery industry can stay abreast of shifting regulatory requirements by aligning with the UNGPs including:



Express their commitment to meet their responsibility to respect human rights through a publicly available policy statement.



Adopt a governance structure to map and manage human rights impacts within the company.



Conduct due diligence to identify actual and potential human rights impacts, involving stakeholder and rights-holder engagement.



Prevent and mitigate negative impacts on human rights and monitoring of their effectiveness.



Provide remedy, including through appropriate grievance mechanisms.



Disclose of the above aspects through proper reporting.



2. UNDERSTANDING THE CONTEXT

# 2.2. Towards Integration of Environmental and Human Rights Due Diligence

Climate change, biodiversity loss, and human rights are deeply interconnected, demanding integrated business strategies rather than siloed approaches. With growing legal and regulatory expectations – such as the [International Court of Justice's 2025 ruling](#) recognizing a healthy environment as a human right and EU directives like the CSDDD and CSRD – companies face increasing pressure to manage environmental and human rights impacts together.

However, integration remains challenging due to fragmented internal structures, differing data methodologies, and unclear regulatory alignment. Many businesses still treat environmental metrics (like emissions) and social outcomes (like worker rights) separately, [which can create compliance gaps, inefficiencies, and missed opportunities for impact](#). For businesses, the implications are clear:

- Integrated risk management is now essential to meet regulatory requirements and investor expectations.
- Cross-functional collaboration – linking human rights, climate, legal, and reporting teams – is needed to identify interconnected risks and opportunities.
- Balanced metrics and qualitative insights must be developed to capture both environmental and social dimensions.
- Companies that act early can gain strategic advantage, strengthening resilience, stakeholder trust, and long-term value creation.

Ultimately, embedding human rights into environmental strategies is not only a compliance imperative – it's a pathway to equitable, sustainable business transformation and a strategic enabler to strengthen supply chain resilience and build trust with consumers and investors, as highlighted in the guidance note [“Preparing for the Corporate Sustainability Due Diligence Directive in the Watch & Jewellery Industry”](#) that WJI 2030 published in early 2025.





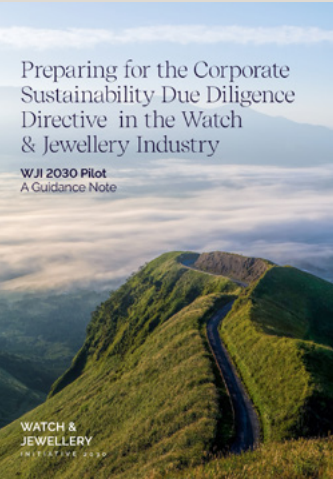
2. UNDERSTANDING THE CONTEXT

CSDDD Pilot in the Watch & Jewellery Industry:

In April 2024, WJI 2030 initiated an industry pilot with 14 companies to prepare for due diligence requirements outlined by the CSDDD. The pilot, facilitated by twentyfifty and A Positive Impact, was structured as a series of peer learning sessions focused on exploring three key topics:

- Double Materiality Assessment (DMA)
- Operationalizing Human Rights & Environmental Due Diligence (HReDD)
- Supplier Engagement

The pilot found that many companies are at an early stage of CSDDD readiness, especially regarding integrating environmental and human rights due diligence, supplier engagement, and double materiality. It also underscored the value of **peer learning and knowledge exchange** as companies struggle with common issues (e.g., data limitations, organizational silos, etc.). Finally, it identified essential practices such as adopting a phased supplier engagement approach, structured stakeholder listening, alignment between due diligence and materiality, and cross-functional governance in order to prepare for emerging regulations.



All insights have been summarized in an open source guidance note – *Preparing for the Corporate Sustainability Due Diligence Directive in the Watch & Jewellery Industry*. [Read it now](#)

2.3 Human Rights Standards and Frameworks

International standards on business and human rights provide the foundational framework for responsible business conduct. They establish the expectation that companies must respect human rights, conduct ongoing human rights due diligence, and remediate adverse impacts linked to their operations, supply chains, or business relationships.

These standards serve as the global benchmark guiding businesses to integrate human rights considerations into decision-making, governance, and risk management. Key standards and frameworks include:

**International Bill of Human Rights**

- [Universal Declaration of Human Rights](#)
- [International Covenant on Civil and Political Rights](#)
- [International Covenant on Economic, Social and Cultural Rights](#)

**UN Guiding Principles on Business and Human Rights (UNGPs)**

**OECD Guidelines for Multinational Enterprises**

- [OECD Guidelines for Multinational Enterprises on Responsible Business Conduct](#)
- [OECD Due Diligence Guidance for Responsible Business Conduct](#)
- [OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas](#)

**ILO Core Conventions on Labour Standards (8 core conventions), e.g.:**

- [ILO Declaration on Fundamental Principles and Rights at Work \(1998\)](#)
- [Forced Labour Convention, 1930 \(No. 29\) \(and its 2014 Protocol\)](#)
- [Worst Forms of Child Labour Convention, 1999 \(No. 182\)](#)

**Selected HRDD Legislation (in force & anticipated)**

- National level mandatory human rights due diligence laws (I.e., [German Supply Chain Act](#), [Norway Transparency Act](#), [Netherlands Child Labor Due Diligence Act](#), etc.)
- [Swiss Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour](#)
- [EU Corporate Sustainability Due Diligence Directive \(CSDDD\)](#)
- [EU Battery Directive](#)

**Industry-Relevant Voluntary Frameworks**

- [Voluntary Principles on Security & Human Rights \(VPSHR\)](#)
- [IRMA Standard](#)
- [IRMA Chain of Custody Standard](#)
- [RJC Code of Practices](#)

**Guidance for Business**

- [How do the pieces fit in the puzzle? Making sense of EU regulatory initiatives related to business and human rights | The Danish Institute for Human Rights \(2024\)](#)



# 3. Demystifying Human Rights Due Diligence

Governments have a duty to protect human rights, but since the adoption of the UNGPs, it has become widely accepted that businesses also have a responsibility to respect human rights. This means they should identify – and then seek to prevent, mitigate, or remediate – any actual or potential adverse impacts on human rights that might be linked to their activities.

This responsibility covers both their own operations and their value chains (i.e., supply chains, as well as business partners such as suppliers, distributors and retailers, products, marketing distribution and use, etc.). This responsibility is also set out in the [OECD Guidelines for Multinational Enterprises on Responsible Business Conduct](#).

## What is Human Rights Due Diligence?

Human rights due diligence (HRDD) is central to the field of business and human rights. It is an ongoing process that helps businesses identify and assess actual and potential human right impacts; act upon the findings; tracking responses and outcomes; and communicating how impacts are addressed.

Human rights due diligence should focus on **both actual impacts** occurring in the present **and potential impacts (i.e., risks)** that could occur in the future or where there might be a possibility of harm.

HRDD is concerned with **impacts on people, not business risks** to the company. Assessing **outward impacts on people** (as required by emerging regulations) thus requires a different approach to enterprise risk assessment methodologies that focus on risks to a business. This is particularly relevant for conducting human rights impact assessments in a company, where the severity of impact is measured from the perspective of the individual rightsholders who may be harmed or otherwise negatively affected by the impact.

A key component of human rights due diligence is **meaningful engagement with stakeholders**, particularly rightsholders such as employees, community members, human rights defenders, supply chain workers, and consumers.

HRDD is an **integral part of sustainable and responsible business** - an essential component of the corporate responsibility to respect human rights. It should be embedded in formal corporate governance processes and endorsed at the highest level of the organization and have Board and senior leadership oversight.



3. DEMYSTIFYING HUMAN RIGHTS DUE DILIGENCE

OECD Guidelines for Multinational Enterprises on Responsible Business Conduct (OECD Guidelines)

The [OECD Guidelines for Multinational Enterprises on Responsible Business Conduct](#) are a foundational framework for business and human rights and have informed the guidance in this document. They set out recommendations from governments to businesses for ensuring responsible business conduct in all areas where business interacts with society, including human rights, labor rights, environment, bribery, consumer interests, as well as disclosure, science and technology, competition, and taxation . To promote the effective observance of the Guidelines, the OECD has also developed sectoral guidance to establish a common understanding among governments, business, civil society and workers on due diligence for responsible business conduct—such as the [Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas](#).

The Guidelines were last revised in 2023 as a response to evolving global challenges such as climate change, digitization, and evolving regulatory expectations. Among other changes, the 2023 revision strengthens guidance on climate change, biodiversity, pollution, and technology-related impacts (AI, data use, digital products), extends due diligence to downstream and use-phase impacts, and reinforces stakeholder engagement, transparency, and consistency in corporate lobbying and anti-corruption practices.

Core Steps to the Human Rights Due Diligence Process

In line with the UNGPs and OECD Due Diligence Guidance for Responsible Business Conduct, human rights due diligence can be defined as a process which includes six core steps:



Photo © Sparkle Studio / Andre Messika Diamonds



3. DEMYSTIFYING HUMAN RIGHTS DUE DILIGENCE

Supply Chain vs. Value Chain:  
Does the Distinction Matter in HRDD?

This section refers to both supply chains and value chains, two important concepts in the context of HRDD. However, the terms are not interchangeable:

- **Supply chain** refers to the sequence of processes and entities involved in producing and delivering a product or service, from raw materials to the final consumer. It focuses primarily on the upstream network of suppliers and subcontractors that contribute to production.
- **Value chain** encompasses the full range of activities and relationships through which a company creates value—from raw material sourcing to end use and disposal. It includes both upstream (e.g., suppliers) and downstream (e.g., distributors, customers) relationships.

In the context of human rights due diligence, the term “value chain” is generally more accurate and aligned with the UNGPs and OECD Guidelines as it better captures the full **spectrum of business relationships** where a company may be directly linked to human rights impacts. However, given that the large majority of potential human rights impacts are likely to occur at deeper and upstream tiers of the value chain such as during the mining and sourcing of raw materials, the term “supply chain” is used more frequently.

Further Resources

- [Human rights impact assessment guidance and toolbox](#) | The Danish Institute for Human Rights (2020)
- [Human Rights Due Diligence of Products and Services](#) | BSR (2021)
- [Human Rights Assessments: Identifying Risks. Informing Strategy](#) | BSR (2021)
- [HRDD Interpretive Guide](#) | UNDP (2022)

3.1 Step 1: Commit to Respect Human Rights and Embed the Commitment in Your Business

CONTEXT

Respecting human rights starts with a clear commitment from a company's top management. Oversight, accountability, and coordination around human rights is also critical. This may entail assigning and defining roles and responsibilities within sustainability committees. Internal reporting and discussion on human rights should also occur on regular intervals and not exclusively ad-hoc or in the event of a crisis. Human rights policy commitments should be accompanied by internal KPIs to evaluate and demonstrate implementation and effectiveness over time.



OWN OPERATIONS

The UNGPs expect organizations to embed the responsibility to respect human rights within their internal structures – at every level of the organization and across all functions and departments.

What to do:

Develop a policy/statement that expresses your commitment to respecting human rights within your own operations and value chain. The policy/statement should, at a minimum:

- ✓ Be **approved and signed at the most senior level** of the business enterprise (i.e., CEO and / or Board Members).
- ✓ Proclaim **respect for all internationally recognized human rights** and reference the International Bill of Human Rights, ILO Core Conventions and other relevant instruments and standards.
- ✓ Be informed by relevant **internal and / or external expertise**.
- ✓ Specify that in countries where the company operates and where local regulations may be less stringent than international human rights standards, the company will **apply international standards** (or company standards if they are implying similar obligations).
- ✓ Be **publicly available** and include references on how the business communicates these commitments internally and externally to all personnel, business partners and other relevant parties.
- ✓ **Reference rightsholders** (i.e., all individuals and groups who may be impacted by the company's activities or through its business relationships, e.g., women, migrants).



3. DEMYSTIFYING HUMAN RIGHTS DUE DILIGENCE

- ✓ **List a company's salient human rights issues** (as identified during a salience assessment, which prioritizes a company's actual or potential human rights impacts based on scope, scale, remediability, and likelihood of impacts).
- ✓ **Include a commitment to conduct human rights due diligence** as an ongoing process to identify, prevent, mitigate, and account for how to address impacts on human rights.
- ✓ Include **governance and accountability** for implementation of human rights commitments and monitoring.
- ✓ **Reference other relevant policies**, such as code of conduct, gender equality policy, and other relevant human resources policies.
- ✓ **Reference grievance mechanisms** or a commitment to provide effective operational-level grievance mechanisms for individuals and communities who may be adversely impacted; and
- ✓ State the company's commitment to **continually update its human rights approach** and use due diligence and monitoring for continuous improvement

SUPPLY CHAIN

Clearly communicate your policy and expectations on respecting human rights and addressing potential harm to **suppliers and business partners**.

What to do:

- ✓ **Engage with business partners** to adequately inform them about your commitment and expectations, and make sure they understand them, including through your website.
- ✓ **Ensure that your procurement teams are familiar** with your policies, comfortable and able to engage with business partners on this topic.
- ✓ Ensure consistency and **integration of human rights standards into all your commercial documentations**: standard contracts (which can contain specific human rights protection or performance clauses), terms and conditions, supplier code of conduct, invitation to tender/bidding process, sustainability policy, third-party recruitment agreements.

INSIDER TIPS

- A written commitment can be a standalone statement or part of your business vision, value statement, code of conduct or corporate social responsibility policy. In some instances, companies further adopt stand-alone theme specific policies, such as on forced labor and child labor, for the purpose of reinforcing their commitments in a particular area where impacts can be severe.
- Allocate the necessary internal capacity. For an **SME** with limited resources, it will likely be a task that can be allocated to an existing member of staff. For larger organizations, it will require a more systematized approach. This may involve structured collaboration across departments, clear internal reporting requirements, regular interactions with external experts, and/ or collective action with others.
- It is important that all business partners understand what the policy is about, what it means for them and what can be done to support them in the policy implementation. Thus, business engagement is key to encouraging them to adopt such principles and being transparent about how they go about implementing them.
- A Complaints / Grievance mechanism can be a stand-alone process in each business entity, or it can be integrated into a single mechanism. Such mechanisms can be managed internally (make sure to set up a clear standard operating procedure to operate them) or can be managed by an independent third-party. Your human rights policy should clearly communicate how to access these mechanisms.
- More **advanced companies** may consider developing internal human rights guides for employees dealing with suppliers, which describe how the company approaches human rights and provide actual cases that staff have had to deal with. Or sharing updates on human rights risks and best practice on a regular basis through internal communication. Consider organizing training for suppliers.

Companies should not tolerate



Any form of psychological, physical, or sexual harassment, or any other violation of the dignity and respect of employees in the workplace.



Any form of workplace discrimination based on protected categories such as gender, age, ethnicity, national origin, religion, disability, sexual orientation, HIV/AIDS status, citizenship, or any other relevant characteristics protected under the applicable law.



Any form of involuntary or coerced work, including slavery-like and human trafficking practices.

Further Resources

- [OECD Due Diligence Guidance for Responsible Business Conduct | OECD \(2018\)](#)
- [OECD Guidelines for Multinational Enterprises on Responsible Business Conduct | OECD \(2023\)](#)
- [UN Guiding Principles on Business and Human Rights | OHCHR \(2011\)](#)
- [Human Rights Due Diligence and Remedy Guidance | M&S \(2021\)](#)
- [Navigating the Future of Business and Human Rights: Good Practice Examples | UNGC \(2019\)](#)



3. DEMYSTIFYING HUMAN RIGHTS DUE DILIGENCE

3.2 Step 2: Identify Your Actual and Potential Human Rights Impacts

CONTEXT

This critical step involves **assessing, identifying, and prioritizing human rights impacts** relevant to your business and its value chain, as well as groups of rightsholders that could potentially be affected, either.

- **Directly**, as a result of your own activities (e.g., risk of discriminating against certain people in recruitment process), or
- **Indirectly**, as a result of negligence by a business partner (e.g., risk linked to manufacturing of products or their use throughout the value chain)

The findings are used to inform response strategies and the development of actions to prevent, mitigate, and remedy adverse human rights impacts and position companies to fulfill their responsibility to respect human rights.



Explainer:  
Actual vs. Potential Human Rights Impacts

In the context of HRDD, the terms “actual impacts” and “potential impacts” are frequently used. But what do they mean in practice? According to the UNGPs and OECD Guidelines:

Actual human rights impacts refer to **actual adverse effects or harms** on individuals’ human rights that result from a company’s operations or business relationships.

Potential human rights impacts, by contrast, are the **potential adverse effects or harms** that *may occur* on people’s rights. In other words, these are risks to people or rightsholders.

HRDD covers both human rights impacts (actual) and risks (potential), however, the responses are different. For **actual human rights impacts**, companies are expected to take steps to *cease, prevent recurrence, and remediate* the harm. For **potential human rights impacts**, businesses should *prevent or mitigate* the risk before harm occurs.

OWN OPERATIONS

**Human rights risks and impacts at your offices/sites/operations** cover workplace conditions and commonly include factors such as working hours, wages, health and safety, disciplinary practices, discrimination (throughout recruitment, during work or when terminating employment contracts), privacy, freedom of association and collective bargaining.

What to do:

- ✓ **Identify** where in your own operations the most severe human rights risks are likely to occur – consider forced labour risks, vulnerable workers (labour type, contract type), high risk geographies and areas.
- ✓ **Include** risks associated with labour providers, service providers, contractors or sub-contractors operating on your sites.

- ✓ **Build** in the views of employees, employee representatives and trade unions into your risk assessment, for example by gathering employee survey data or information from interviews or audits (e.g., health & safety audit). Identify different risks faced by different categories of employees such as women or minority groups.
- ✓ **Look** for complementary information from your peers, industry, government, and local organizations.
- ✓ **Update** the scoping exercise with new information whenever the enterprise makes significant changes,

CASE STUDY

Rosy Blue



Identifying Human Rights Salience Through Stakeholder Engagement

Beyond sharing its code of conduct and human rights policy to its business partners, Rosy Blue actively engages stakeholders through qualitative and quantitative surveys to learn of specific supply chain and human rights management. Consultations are run periodically with the support of independent third-party academic researchers and are aimed complementing Rosy Blue’s analysis of its value chains and possible impacts.

With the goal of ensuring a multi-stakeholder approach, a diverse group of experts is engaged in this activity, including mining businesses, customers, governments, representatives of local communities’ organizations, civil society experts, international organizations, business industries, and academics experts.

This analysis is part of a more comprehensive due diligence process that is then further complemented by on-site assessments based on a prioritization of risks and volume of business.



3. DEMYSTIFYING HUMAN RIGHTS DUE DILIGENCE

SUPPLY CHAIN

It is important that **all risks and impacts – risk to people, not to the company – are identified and assessed**, whether these may be attributable to direct suppliers, indirect spend, labor providers, service providers or contractors.

What to do:

- ✓ Create a **detailed risk assessment of your supply chain** using internal and external sources that indicate the severity and probability of adverse human rights impacts in your supply chains.
- ✓ Gather information to understand high-level risks of adverse impacts related to the **sector** (e.g., products and their supply chains, services and other activities), **geography** (e.g., country governance and rule-of- law, conflict, pervasive human rights or environmental adverse impacts) or **enterprise- specific risk factors** (e.g., known instances of corruption, misconduct, implementation of standards for responsible business conduct).
- ✓ To that effect, you can **use external sources of data** to identify where in your supply chain the most severe human rights risks are likely to occur. Sources might include reports from governments, international organizations, civil society organizations, workers' representatives and trade unions, national human rights institutions (NHRIs), media or other experts. Where gaps in information exist, consult with relevant stakeholders and experts.
- ✓ If you are at the beginning of your human rights journey, or an **SME**, start with your Tier 1 suppliers and key raw materials. Over time, you will expand the risk assessment to include all your suppliers and services providers such as packaging, warehousing, logistics and IT.

Companies with an already advanced human right policy should:

- ✓ **Build** networks with industry, government, and local organizations to supplement risk information about supply chains.
- ✓ **Encourage** their Tier 1 suppliers to conduct their own human rights risk assessment and share their findings. Encourage high-risk suppliers in your Tier 2 to conduct their own human rights risk assessment.
- ✓ **Use** available information from supplier questionnaires or audits to record mitigating factors at supplier level, for example, existence of health and safety policies or grievance channels or supplier attendance of modern slavery courses, whether suppliers are certified and whether the certification covers human rights topics, whether the suppliers are registered on Sedex or similar systems, whether they participate in industry initiatives, etc.
- ✓ **Track** information about suppliers' human rights due diligence approach as mitigating factors in your risk assessment e.g., suppliers that have an individual to manage human rights, suppliers that have conducted their own risk assessment or suppliers involved in collaborations to tackle human rights impacts.
- ✓ If necessary, **seek human rights advice** and information from human rights experts, NGOs, trade unions, and relevant multi-stakeholder initiatives. Contacting your business association may also be useful.

Circumstances may change, so human rights assessments need to be periodic and continuous. Perform an assessment when launching a new product, service, or project, entering a new market, operating in or sourcing from a new country, or establishing a new business relationship (e.g., mergers, acquisitions). It is also important to note that social audits and certifications, albeit being a valuable instrument to ensure compliance with codes of conduct and human rights policies present a series of limitations and cannot be considered as a substitute for effective human rights and environmental due diligence of own operations and global value chains.

Finally, you can also **integrate** HRDD with your Know Your Counterparty (KYC) process. KYC is a due diligence process companies use to:

- **Verify** the identity and other credentials of a counterparty or business partner, whether supplier or customer.
- **Identify** risk factors for fraud and other financial crimes; and
- **Monitor** and mitigate counterparty risk.

Spotlight on Supply Chain Mapping

Supply chains can be very complex, so it is important to gain as much visibility as possible on what your supply chain looks like before you start identifying your salient human rights issues. Mapping the value/ supply chain is a first critical task. This is often not a straightforward exercise, as modern supply chains are vast, complex, and dynamic.

- Start to map out each stage of your high-risk Tier 1 supply chains.
- Map out each stage of your key raw materials supply chains.
- Gather names of Tier 1 suppliers and as many tiers of suppliers as you are able to collect down to raw material, the location of suppliers, ownership of suppliers' businesses.
- Collect information on labor providers or service providers, the use of sub- contracting practices for example in warehousing and logistics etc.
- Use self-assessment questionnaires of high-risk suppliers in your Tier 1 to verify the risks you have identified.

- Use tools, for example third-party and second-party audits, visits, worker voice technology and worker surveys, to verify your high-risk suppliers.
- Involve internal departments that have direct interaction with entities in the supply chain such as the procurement or purchasing departments to assist in the mapping exercise.
- Encourage suppliers in your Tier 1 to carry out human rights risk assessments.
- Add commercial information (for example volume and value of each supplier or service provider) to your risk assessment to help identify which of your high-risk suppliers you prioritize for the next year/s (your business should decide a suitable timeframe).
- Regularly review your stakeholder mapping work and make sure your priorities reflect the interests of your most important stakeholders.
- Establish processes individually or collaboratively to assess the risk profile of more remote tiers of your supply chain, including by reviewing existing assessments, and engaging with mid-stream actors and "control points" in the supply chain to assess their due diligence practices.



3. DEMYSTIFYING HUMAN RIGHTS DUE DILIGENCE

CASE STUDY

Kering



Enhancing Human Rights Risks Identification in the Supply Chain

Kering and its Houses are committed to responsible business conduct as it is a cornerstone principle, as stated in its Code of Ethics.

When it comes to implementing responsible business conduct, Kering and its Houses (i) implement internal due diligence processes in order to identify, hierarchize and mitigate risks and (ii) publicly disclose a set of documents and policies detailing what is expected from their suppliers. Houses are then required to cascade these expectations to their suppliers and these suppliers to their sub- suppliers and to support them in their implementation, if necessary.

In the context of due diligence, Kering, in order to have neutral and independent insights on human rights risks at country (and sometimes regional) level, is using, among various data sources and processes, a sector agnostic platform giving such visibility. Regularly updated and based on external official reports and documentations, it allows Kering to have a snapshot in time but also to identify trends.

However, implementing a due diligence process requires not only the involvement of different internal stakeholders, but also the cross-referencing of different external as well as internal indicators. Consequently, due diligence cannot naturally be based on a single technology or tool. Audits also play a key role in Kering and its Houses' risk mitigation. These audits can be announced or unannounced and depending on the severity of anomalies identified, corrective action plans are framed by a predefined, tight schedule.

Lastly, Kering opened its grievance mechanism (Alert System) to workers of its direct suppliers to ensure that they have a possibility to alert or turn to Kering, shall they face or witness a situation which is not complying with what is stated in the Code of Ethics.

CASE STUDY

Monica Vinader



Managing the Supply Chain Beyond Tier 1

Monica Vinader works with a small number of tier 1 suppliers, most of whom have long-standing relationships built on trust and a common understanding of the respect for human rights. However, the company is taking additional steps to map its entire value chain. This has allowed the company to work with its suppliers to consistently embed good practices over time. In response to new human rights due diligence requirements, the company has been making significant progress on ensuring compliance. For example, in 2021 and 2022, the company identified gaps in its existing Supplier Code of Conduct such as expected specific requirements that suppliers were meant to adhere to. As a result,

Monica Vinader revised its SCoC to include specific requirements and increasing expectations around HRDD in accordance with the UNGPs, and other international standards. Specific requirements around employee contracts, working hours, minimum wage requirements and evidence of policies/ audits etc. were included.

In order to ensure compliance with the SCoC, the company's tier 1 suppliers (and more recently, its tier 2 suppliers) will be subject to compliance audits by a third-party auditor covering an assessment of the following human rights risk areas: child labor, forced labor, discrimination, freedom of association, employment contracts, working hours, wages and benefits. Following the audit, any non- compliances identified are addressed immediately and as part of this, a corrective action plan must be issued by the supplier within 48 hours of receipt of the audit report to address all non-compliances.





3. DEMYSTIFYING HUMAN RIGHTS DUE DILIGENCE

INSIDER TIPS

- For **SMEs** Starter/Beginner, try to generate a simple map of your main business activities and relationships from raw materials, manufacturing, and logistics through to delivery of the product or service to the customer (include returns if that is part of your business). Then think through which groups of people could be affected along this simplified value chain, and how their rights could be impacted.
- Consult regularly with people that you may affect, such as employees, the local community, customers and clients – to learn what they think your impacts might be.
- When speaking to suppliers, discuss their own challenges and findings, focus on human rights impacts that are known to form a risk for businesses in the specific sector or country of operation.
- Intermediate and **Advanced** businesses could build diversity and inclusion, gender, and climate change into HRDD approach.

SPOTLIGHT

Forced labor and labor exploitation in the watch and jewellery industry

The watch and jewelry industry operates within complex global supply chains for gemstones and precious metals, where limited visibility can heighten exposure to labor rights risks. Governments are strengthening expectations through measures such as **Canada's Fighting Against Forced Labor and Child Labor in Supply Chains Act** (2024) and the **EU's forthcoming regulation on products made with forced labor**, signaling a shift toward greater accountability and enforcement.

Given the industry's reliance on consumer trust and brand reputation, effective management of labor and human rights risks is increasingly essential. Business practices—including pricing models, lead times, and order management—can influence working conditions across supply chains. Aligning sourcing and purchasing practices with human rights commitments helps ensure both compliance and long-term business resilience.



Indicators of forced labor / red flags

Some standard "red flags" for forced labor include:



- Workers **not allowed to keep or present identity / travel documents** (i.e. withheld passports).
- **Excessive overtime**, unrealistic production targets, inability to refuse overtime.
- **Debt bondage / recruitment fees:** workers owe money for recruitment or transport, which binds them to employer.
- **Restricted movement / confinement**, surveillance, control over worker residence, isolation from outside contact.
- **Withholding of wages / non-payment / wage deduction** as a means to punish workers and keep individuals in involuntary work arrangements.
- Workers **lacking formal contracts or clarity about employment terms**



3. DEMYSTIFYING HUMAN RIGHTS DUE DILIGENCE

Remediation

Credible allegations conducive to labour exploitation, having a robust remediation process is vital. Here's how to think about it:



1. Immediate response & assessment

- a. Acknowledge the claim; engage independent expert or mediator.
- b. Ensure worker safety (e.g. remove coercive supervisors, change working conditions).
- c. Provide interim relief (e.g. payment of withheld wages, return of documents).

2. Investigation & fact-finding

- a. Conduct credible, transparent investigation (internal + external).
- b. Interview affected workers, stakeholders, and chain actors.
- c. Establish causality, identify who is responsible (supplier, recruiter, intermediary).

3. Corrective action plan & implementation

- a. Require the supplier or actor to craft and commit to a plan (with timelines) to remedy the breach.
- b. May include repayment, compensation to workers, re-hiring under fair conditions, capacity-building.
- c. Adjust business practices (e.g. procurement terms) if they contributed to the abuses.

4. Compensation / restitution

- a. Return of withheld wages, compensation for harms, support for relocation if needed.
- b. Possible support for medical, legal, psychosocial services.

5. Follow-up monitoring / verification

- a. Periodic check-ins, audits, worker interviews.
- b. Use independent third parties to verify compliance.
- c. Disclosure of remediation outcomes (transparency).

6. Prevent recurrence / systemic improvements

- a. Address root causes (e.g. buyer practices, overwork, supplier capacity).
- b. Integrate lessons learned into policies, supplier contracts, procurement practices.

Additional considerations & challenges

- **Liability & contractual relationships:** Companies must assess how much leverage they have over suppliers or intermediaries; contract terms should allow consequences for non-compliance.
- **Balancing continuity and consequences:** Abrupt termination of a supplier may worsen conditions for workers if alternatives are worse — companies must weigh risks carefully.
- **Costs & financial burden:** Remediation can be expensive; budget and plan for it.
- **Transparency and accountability:** Public reporting of remediation, even if partial disclosure, builds trust and accountability.
- **Collaboration:** Sometimes companies may need to work with NGOs, governments, or industry peers to share the burden of remediation, especially in difficult contexts.

Forced labor & modern slavery

Strategic considerations

Strategy	Description / Best Practices	Notes & Challenges
<b>Policies, governance &amp; commitment</b>	Adopt clear human rights / modern slavery policies, supplier codes of conduct, board-level oversight	These must be cascaded to suppliers, not just be statements.
<b>Due diligence and risk assessment / supply-chain mapping</b>	Map all tiers (including minerals, refiners, gemstone trading), assess country / region / actor risk, prioritize high-risk nodes	It's notoriously difficult to get visibility beyond Tier 1 or intermediaries. This requires investment in data collection methods and use chain-of-custody systems, blockchain, certifications, independent auditing, refinery/ source disclosures. Some jewellery brands are able to trace gold to specific mines.
<b>Responsible procurement practices</b>	Adjust buyer behavior — give realistic lead times, fair pricing, stable volumes, avoid last-minute changes	Research shows procurement practices can drive forced labor risk if buyers demand too much.
<b>Supplier capacity-building</b>	Provide training, resources, incentives, audits, technical support for suppliers to meet labor standards	Especially important in weaker jurisdictions or artisanal settings.
<b>Worker voice, grievance channels, worker representation</b>	Ensure workers have safe channels to report abuses, participate in remediation, be consulted	This is a key safeguard so abuses are surfaced early and that claims are verified.
<b>Collaborative &amp; industry-level efforts</b>	Participate in multi-stakeholder initiatives, shared due diligence, coalitions to improve supply-chain norms	Helps spread cost, share intelligence, improve standards.

Resources and Templates

- [Modern Slavery Policy Template | BSR](#)
- [Checklist for procurement teams | BSR \(2023\)](#)
- [Toolkit for suppliers | BSR \(2021\)](#)
- [Principles for Supplier—Buyer Engagement on Forced Labor | BSR & GBCAT \(2025\)](#)
- [Remediation case studies | The Remedy Project](#)



3. DEMYSTIFYING HUMAN RIGHTS DUE DILIGENCE

# 3.3 Step 3: Take Action to Avoid and Address the Impacts Identified

## DESIGN A PLAN

**Design** an action **plan** by drawing from the information obtained on actual and potential adverse impacts, and **prioritize** action for the most significant human rights risks for people and impacts based on severity and likelihood.

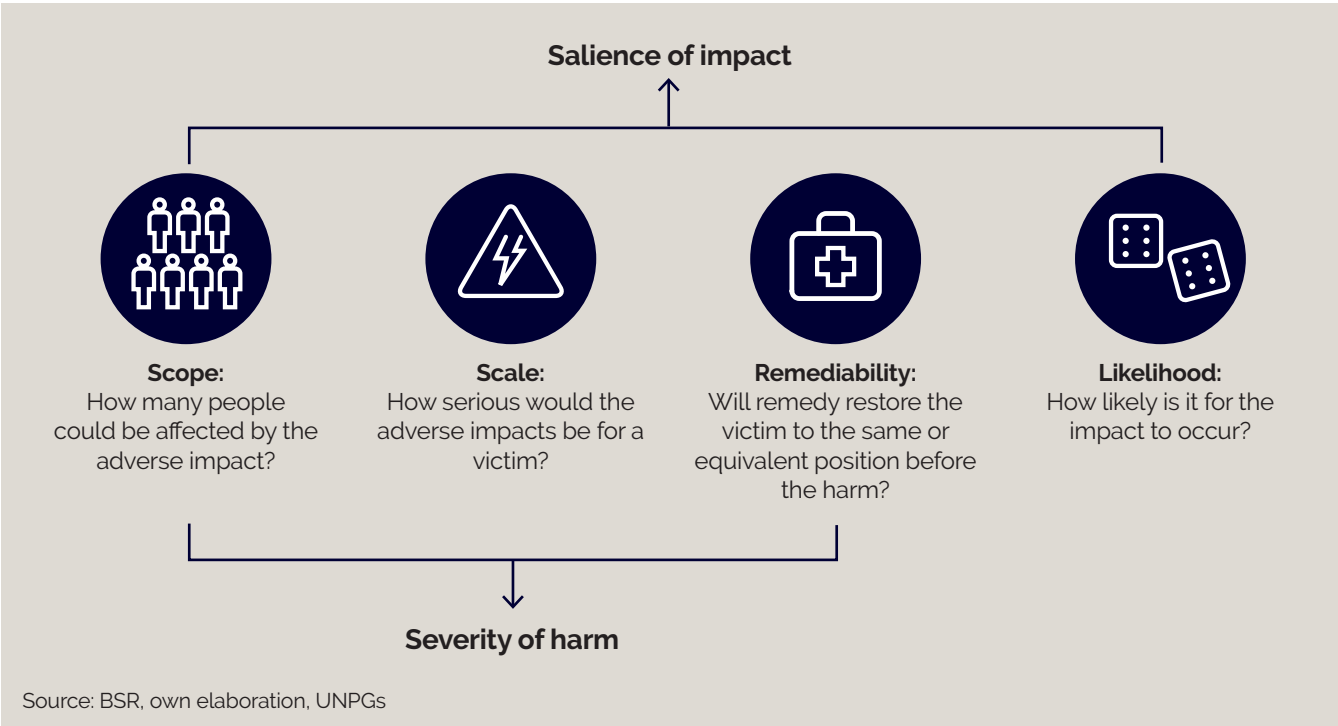
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To integrate your assessment findings and respond to your risk and impacts, you will need to:

- **Assign responsibility** for addressing impacts to the appropriate level and function.

- Ensure the **internal decision-making, budgets and oversight** enable effective responses to such impacts.
- **Define appropriate action** depending on the business' relationship to the impacts and the extent of the business' leverage to influence change over these impacts.

It is important to stress though, that in line with the UNGPs framework, action should be prioritized only where it has been established that it is not possible to address all potential and actual adverse impacts immediately. Companies should prioritize action based on risks to the rightsholder, not risk to the business.



## SUPPLY CHAIN

Adverse human rights impacts can occur at any level of the supply chain, **from the first tier of direct or strategic suppliers**, all the way down via multiple layers of sub-suppliers and sub-contractors to those providing the raw material inputs. To fulfil their responsibilities, organizations need to understand human rights risks at all levels of their supply chain.

### What to do

- ✓ Base **your prioritization on the severity of the adverse human rights impact** on stakeholders, independently of the nature of the link between the organization and the impact.
- ✓ **Add commercial information** (for example, volume and value of each supplier or service provider) to your risk assessment to help identify which of your high-risk suppliers you prioritize for the next year/s (your business should decide a suitable timeframe).

- ✓ **Establish processes individually or collaboratively to assess the risk profile of more remote tiers of your supply chain**, including by reviewing existing assessments, and engaging with mid-stream actors and "control points" in the supply chain to assess their due diligence practices.
- ✓ **Exercise leverage** by increasing cooperation with industry peers and key suppliers. If your leverage over a business partner is insufficient to prompt change (for example if the other organization is a much larger organization than yours), combine efforts with others who might have the same interests, but always within the boundaries of anti-trust and competition laws.





3. DEMYSTIFYING HUMAN RIGHTS DUE DILIGENCE

INSIDER TIPS

SMEs/Starters:

- When introducing the topic of human rights in your company and to your own employees, **use vocabulary which is familiar to your teams**: talk about fairness, respect, corporate values, integrity, health and safety, product security or being a responsible employee. Use short introductory videos on business & human rights providing visuals of relevant affected groups/ examples of human rights impacts relevant to your sector can also help you make the topic more tangible for your colleagues (see Resources below).
- **SMEs** do not generally have the market power to influence their business relationships by themselves. Enterprises can seek to overcome these challenges and **collaborate at an industry or multi-industry level as well as with relevant stakeholders throughout the due diligence process** to share knowledge, increase leverage and scale-up effective measures. Cost sharing is often a benefit to sector collaboration and can be particularly useful for **SMEs**.
- Use **Google alerts** or similar internet services to identify emerging human rights risks for own operations and key high-risk suppliers.

For More Advanced Companies:

- **Include human rights criteria in performance incentives and/or sanctions** for staff members. For example, bonuses for production line supervisors can be made dependent on a reduction in the number of work-related injuries.
- For your suppliers registered on Sedex, information will already be available as part of the Sedex Radar risk assessment and **Sedex Self-Assessment Questionnaire**.
- **Engage with your suppliers** to support them in making changes over time in specific areas and offer training and capacity building.

Further Resources

- [Sedex](#)
- [Ethical Trade and Human Rights Self-Assessment Questionnaire for Suppliers | Stronger Together](#)

3.4 Step 4: Enable Remedy for Those Affected

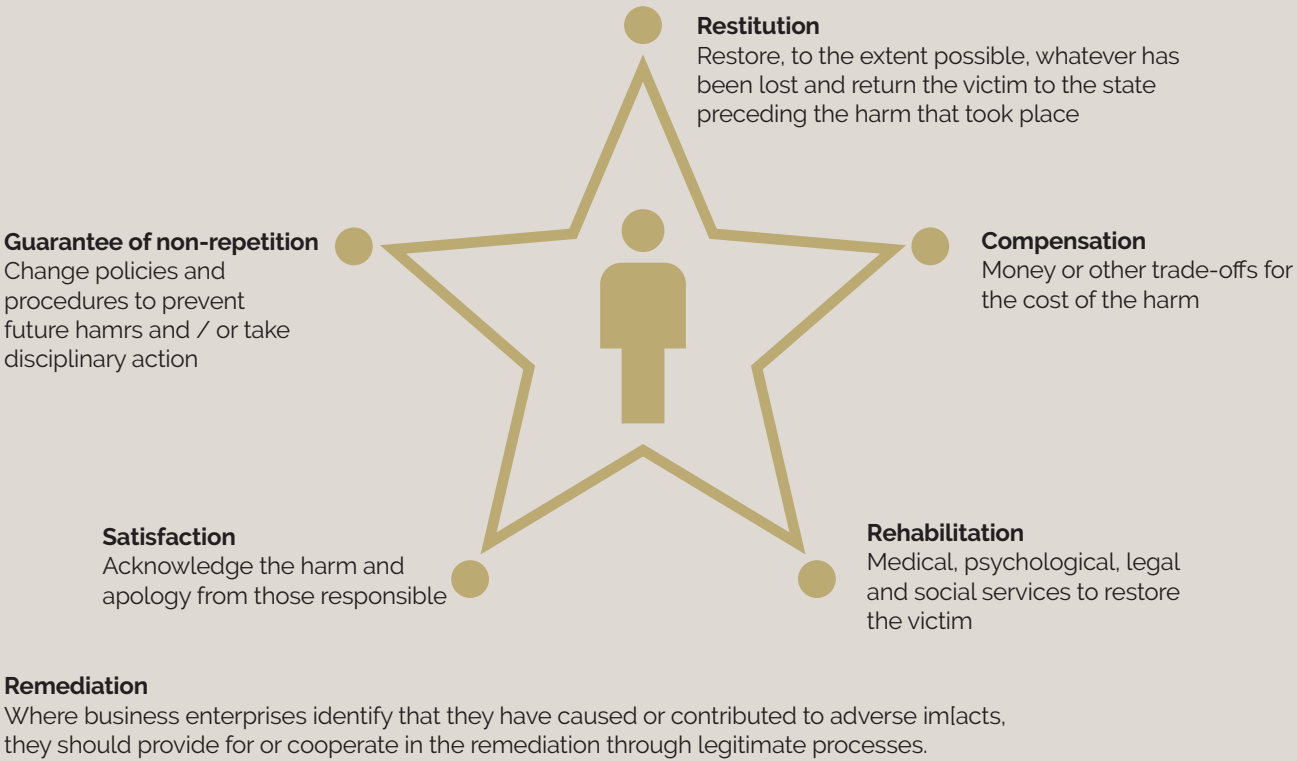
CONTEXT

One critical component of implementing due diligence in line with the UNGPs is providing effective remedy to redress human rights impact a company may have caused or contributed to or might be directly linked to.

Whether provided by the state or non-state company mechanisms, a remedy process should restore the rightsholder to the status they held preceding the harm and should be agreed upon and discussed with affected rightsholders.

Elements of effective remedy

Restores the victim to the status preceding the harm that was done



What to do

In providing remedy, a company should:

- ☒ **Secure internal support** and funding for taking remedial action.
- ☒ **Monitor the effectiveness of those actions**, learn from your successes and challenges and give feedback internally to staff and management.
- ☒ **Document remedy plans** in an accessible format to help the organization move forward. The actions taken will be determined by the risks that you are trying to reduce, and the root causes that you have identified.



3. DEMYSTIFYING HUMAN RIGHTS DUE DILIGENCE

SUPPLY CHAIN

Where an organization has not contributed to an adverse human rights impact, but that impact is nevertheless directly linked to its operations, products, or services by its business relationship with another entity, a company will have to determine the degree of action by defining and working collaboratively with other stakeholders.

Steps that your company can take to exert leverage include:

- **Supplier engagement** and support.
- **Commercial influence** – using terms of tenders, contracts, or joint venture agreements to set human rights standards, using audits and other assessments to ensure standards are implemented and using purchasing decisions to encourage suppliers to meet human rights standards.
- **Business influence** – improving standards and business practices of suppliers through training, integrating international or industry standards into negotiations and ensuring a consistent message about human rights to supply chain partners from everyone in the company.
- **Increase leverage** by collaborating with business partners – working with industry peers to establish common requirements for suppliers, and engaging with industry peers who may face similar supply chain issues to share lessons learned and identify possible solutions.
- **Exercise leverage** through working with government, NGOs, civil society and trade unions to gather information on human rights risks and resolve human rights impacts.
- **Expand leverage** through multi-stakeholder collaboration – developing shared standards for suppliers through multi-stakeholder initiatives, working with multiple stakeholders to address systemic issues



INSIDER TIPS

- For risks that you have contributed to, consider the steps that can be taken **to cease or prevent any potential impacts** or look at how to use leverage to encourage suppliers to take steps to reduce any remaining impacts.
- For risks you are linked to, look at how leverage can be used to encourage suppliers to take steps and/or collaborate with others to prevent or reduce impacts.
- Ensure that all **workers on your site can raise issues and concerns** about their own working conditions or those of colleagues with managers. Establish mechanisms to hear from workers on a regular basis and ensure they are in contact with local authorities who can support them if any severe human rights violations are found.
- **SMEs should focus on cascading human rights due diligence from corporate action** and preventing human rights risks occurring in their own operations, by introducing policies and procedures to reduce the risks of potential cases of forced labor particularly risks of forced labor and by formalizing relationships with labor providers and auditing them on a regular basis.

Further Resources

- [Phase 4: Impact Mitigation and Management | The Danish Institute for Human Rights](#)
- [Phase 4: Impact Mitigation and Management: Human Rights Impact Assessment Guidance and Toolbox | The Danish Institute for Human Rights \(2020\)](#)
- [Practical Definitions of Cause Contribute, and Directly Linked to Inform Business Respect for Human Rights. Discussion Draft | Enodo Rights \(2017\)](#)
- [Human Rights Due Diligence and Remedy Guidance | M&S \(2021\)](#)



3. DEMYSTIFYING HUMAN RIGHTS DUE DILIGENCE

3.5 Step 5: Track Your Progress

CONTEXT

To ensure effective management of your responses to potential and actual negative human rights impacts, it is important to be able to efficiently track and record action, whether and how a potential negative impact was prevented, or a situation was mitigated or remedied for concerned individuals.

Measurement is a key step in any management process and forms the basis of continuous improvement. Tracking and monitoring will help your organization monitor human rights risks profile, comply with existing laws, operate effectively, and report externally. This may require using both quantitative and qualitative performance indicators to measure such actions.



OWN OPERATIONS

What to do:

- ✓ **Start by determining what information is already being collected** about workers in your own operations including audit findings, health and safety and human resource indicators, for example, working hours, working recruitment fees, demographics, number of reported health and safety incidents and accidents, overtime hours.
- ✓ **Determine how to collect that information**, where it is stored and who it is reported to.
- ✓ **Identify gaps in the information you have**, for example data broken down by gender or outcomes of training activities or action plans to address audit findings.

In monitoring progress, include the following:

- ✓ **Management systems** – how human rights are reflected in company policies, due diligence mechanisms and grievance mechanisms.
- ✓ **Progress against action plans** – whether you have achieved the actions you planned to take in identifying, preventing, and mitigating your human rights risks.
- ✓ **Impact on workers** – it is critical that indicators show whether the steps you are taking have had a positive impact on workers in your own operations and supply chains. Measuring the impact on workers in your supply chains may be difficult initially but should be included in your longer-term plans. Remember that workers are not a single homogenous group, and you should aim to understand the different impacts that your actions have on women workers, migrant workers, disabled workers, indigenous and minority ethnic groups.

SUPPLY CHAIN

What to do:

Similarly, as a company would do for its own operations:

- ✓ Identify what information you are collecting about your ethical trade activities, and responsible sourcing.
- ✓ Identify how often you are collecting that information, where it is stored and who it is reported to.
- ✓ **Identify the information you are collecting about workers in your high-risk Tier 1** supply chains, for example audit findings and indicators.
- ✓ Establish a **centralized system for tracking your human rights impact**.
- ✓ Set up a system to communicate and exchange information with suppliers (newsletter, meetings in person, virtual meetings, site visits, website, intranet for the more **advanced** companies).
- ✓ **Analyze and follow up on your due diligence performance** across your entire supply chain.
- ✓ Integrate relevant indicators in existing quality management or environmental performance tracking systems, and use surveys of consumers', customers', or suppliers' perceptions.

In your tracking and monitoring, include the following:

- ✓ **Management systems** – how human rights are reflected in company policies, supplier codes, procurement rules, purchase (or distribution) contractual clauses and terms and conditions.
- ✓ **Progress against action plans** – whether you have achieved the actions you planned to take in identifying, preventing, and mitigating your human rights risks.
- ✓ **Impact on suppliers** – the inclusion of human rights and HRDD when engaging with suppliers and contractors.
- ✓ **Projects** – the impact of projects you are involved in in specific countries or industries.

A Note on Audits:

**Audits are traditionally used to track the implementation** and results of due diligence practices in the supply chain. However, **research has found that traditional auditing processes are insufficient** to detect human rights impacts. Audits can serve as a tool for identifying current shortfalls in standards, but they are only a snapshot in time.

**Some organizations have shifted their emphasis away from relying on compliance auditing towards more collaborative approaches**, such as working with suppliers to assess gaps, build capacity, and incentivize sustainable improvements. Other organisations use audits that are specifically focused on human rights to monitor compliance with their human rights provisions and codes of conduct.



3. DEMYSTIFYING HUMAN RIGHTS DUE DILIGENCE

CASE STUDY

Pandora

Going Beyond Audits

Challenge

Pandora wanted to better understand the impact of the pandemic on working conditions in its supply chain.

Approach

In 2022, Pandora conducted COVID-19 recovery visits at a range of Chinese, Thai and Indian direct product and indirect suppliers. It contracted a third-party to conduct interviews with management and workers, as well as documentation reviews. By placing more emphasis on root cause analysis and worker interviews and using an interpreter to facilitate interviews with migrant workers in their own language, Pandora uncovered issues that were not highlighted in standard audits.

The approach taken put supplier partnership and collaboration at the forefront, and put worker experience at the heart of the assessment:

- Management was engaged from start to finish, with open two-way communication channels.
- Consultants who conducted the assessments were equipped to understand why management systems sometimes do not deliver for workers.



- Impacts were explained to management with recommendations on how to re-engage workers and improve welfare at work.
- Two-person teams, consisting of a highly skilled auditor and an expert worker interviewer, were deployed. This approach allowed for 25% more time being spent with workers than during a typical audit assessment.
- Interviewers focused on workers' stories, their backgrounds, their decisions and their lives rather than just moving through a checklist of questions.
- The post-assessment action plans were realistic and included step-by-step improvements that could be introduced over time.

Learning and Next Steps

The assessment underscored the importance of identifying the root causes of issues by conducting a more in-depth investigation compared to traditional audits. It also highlighted the importance of spending more time speaking to workers to understand their experiences.

Here are some of the actions Pandora is taking to improve its audit program based on the learnings:

- Changing audit body provider to ensure more focus on root cause analysis.
- More holistic supplier engagement before and after audits to ensure suppliers know what to expect, support on remediation and embed a continuous improvement culture.
- Increased focus on higher risks, for example increasing the audit days to conduct a specialized migrant worker assessment where appropriate.

INSIDER TIPS

- Businesses with strong tracking and measurement systems typically align their KPIs and metrics with existing reporting standards or sustainability frameworks such as the [Global Reporting Initiative \(GRI\) human rights assessment](#) (e.g., GRI standard 412), the [UNGPs Reporting Framework](#), or emerging reporting standards such as the [European Sustainability Reporting Standards \(ESRS\)](#).

Common KPIs used to track human rights performance typically include the following:

- **Publicly available human rights policy commitments** that are relevant to own workers, value chain workers, communities, and consumers (ESRS)
- **Total number and percentage** of operations that have been subject to human rights reviews or human rights impact assessments, by country (GRI)
- **Number of severe human rights issues and incidents connected to the company** in the reporting period and incidents where the undertaking has played a role in securing remedy for those affected (ESRS)
- **Percentage of employees trained during the reporting period** in human rights policies or procedures relevant to the business.

WJI 2030 Insight

- To streamline existing and emerging reporting requirements on human rights and ensure that members communicate transparently on their progress against a set of common indicators, WJI 2030 in partnership with ESG Book launched a reporting framework for its membership.
- The framework launched in early 2025 includes relevant KPIs and metrics aligned with the WJI 2030 minimum requirements, industry priorities, and relevant reporting standards and frameworks.

Further Resources

- [Progress Reporting Tool | Stronger Together](#)
- [Beyond Audits: Six Ways to Manage Human Rights Risks in Supply Chains | BSR \(2022\)](#)



3. DEMYSTIFYING HUMAN RIGHTS DUE DILIGENCE

3.6 Step 6: Report and Communicate

CONTEXT

This step is about **communicating relevant information on your due diligence policies, processes, and activities to identify and address actual and potential adverse impacts** – including your findings from these activities – with all relevant internal and external stakeholders.

What to Do

- ✓ Reporting should be **meaningful / detailed** enough, while ensuring adequate protection of private or commercial information.
- ✓ Meet **legal and certification reporting requirements** and share findings from reporting. If you participate in national or international initiatives such as the UN Global Compact or the Ethical Trading Initiative, you are already expected to report on a number of criteria. Information about your human rights vision and strategy can be integrated into these other reporting mechanisms.
- ✓ If you are an **SME**, you may choose to communicate informally by including the information in regular meetings and discussions with employees, suppliers, customers, or community representatives.
- ✓ More **advanced** or large companies should preferably do it by way of formal, publicly available reporting.
- ✓ Where applicable, **relevant information should be included in annual reports, corporate social responsibility, or sustainability reports.**
- ✓ **Advanced** companies or those with high risks may consider developing ad hoc HRDD public report.
- ✓ Be **transparent, sincere, and accurate** with your findings. Do not overstate the scope of due diligence undertaken or understate the potential adverse human rights impacts identified.
- ✓ To improve corporate buy-in, **consider asking for feedback and engage core functions** with the human rights due diligence approach.
- ✓ **Communicate with suppliers on progress achieved** in implementing human rights strategies and due diligence and gather feedback on their challenges.
- ✓ Hold **meetings with your Tier 1 suppliers** to share feedback from public reports on challenges and successes in human rights due diligence.
- ✓ **Communicate your progress publicly** for stakeholders including investors, consumers, and civil society. It is good practice to report on action to prevent and address human rights impacts should at least once a year.
- ✓ In addition to an annual report, share relevant information through **industry forums and events.**

INSIDER TIPS

- Consider **meeting and consulting with affected stakeholders** or their representatives as a core element of your communication approach.
- **Independent verification** or endorsement of human rights reporting and the inclusion of comments from affected individuals can strengthen your communication's content and credibility.



Further Resources

- [UNGPs Reporting Framework | Shift \(2016\)](#)
- [10 keys to effectively communicating human rights | Europa \(2018\)](#)

Image courtesy of Andre Messika Ltd



3. DEMYSTIFYING HUMAN RIGHTS DUE DILIGENCE

# 3.7 Spotlight: HRDD in Conflict-Affected and High-Risk Areas (CAHRAs)

"Conflict-affected and high-risk areas" (often abbreviated CAHRAs) are those geographic areas where the baseline conditions for human rights are especially fragile or volatile. In line with [OECD](#) and [EU definitions](#), such zones include places with ongoing armed conflict, fragile or post-conflict transition areas, or areas characterized by institutional weakness, political instability, insecurity, weak governance, social unrest, or widespread human rights abuses. These contexts differ from "ordinary" high-risk supply chains because the [probability, magnitude, and complexity of rights violations tend to be much greater](#), and the dynamics of conflict can amplify or transform risks in unpredictable ways.

## Why Companies Need Heightened HRDD in These Contexts

Because CAHRAs are inherently more volatile and dangerous, conventional human rights due diligence (HRDD) is often insufficient. In these settings, companies not only risk contributing to human rights abuses, but can also inadvertently exacerbate conflict dynamics, become complicit with armed actors, or be drawn into illegitimate power structures. [Guidance developed by the UNDP](#) highlights that the higher the risks, the more rigorous and context-sensitive the processes must be.

Moreover, in CAHRAs, [vulnerabilities are often magnified](#): [marginalized](#) groups are less able to speak up, grievance mechanisms may not function, security forces may be abusive or corrupt, and local institutions may not be reliable or impartial. As a result, failure to deploy heightened HRDD can lead to severe reputational, legal, and financial risks for companies — including complicity allegations, consumer backlash, or disruptions to operations.

## Conducting Heightened HRDD: Key Steps

Heightened HRDD (hHRDD) builds on standard HRDD (as per the UN Guiding Principles and OECD frameworks) but adds additional layers and adaptations tailored to conflict settings. Some core steps and enhancements include:

### 1 Scoping / Trigger Assessment

- Determine whether a location qualifies as a CAHRA (using publicly available risk maps, country lists, conflict indices such as INFORM Risk index, Global Peace Index, or OECD States of Fragility, etc.).
- Identify "red flags" or triggers (e.g., when suppliers or minerals originate or transit through zones of known conflict, or when suppliers might have ties to armed actors).
- Establish a lens of "vulnerability" and sensitivity: which groups are especially exposed (women, Indigenous peoples, children), and how conflict dynamics may intersect with human rights risks.

### 2 Conflict-Sensitive Risk Assessment & Mapping

- Understand not just what human rights risks exist, but how business operations may interact with the conflict dynamics (i.e. could your presence shift local power balances or enable armed actors?).
- Use both macro- and micro-level data, including local sources (civil society, conflict analysts, humanitarian actors), to detect rapidly changing risk trends.
- Focus efforts where the scale, severity, or remediability of risk is greatest.

### 3 Design and Implement Risk-Response / Mitigation

- Decide how to act on the risks: prevent, mitigate, or—in extreme cases—exit or suspend operations in a given area.
- Apply leverage: use contractual clauses, capacity-building support for suppliers, more frequent monitoring, or collaborative initiatives.
- Establish or adapt grievance mechanisms that are safe, accessible, credible, and conflict-sensitive, paying attention to how people may fear reprisals in conflict zones.
- Integrate remediation planning: be ready to remedy harms the company caused or contributed to, even in conflict zones.

### 4 Tracking, Monitoring, and Adaptive Change

- Use real-time or frequent monitoring and early warning systems to detect shifts in conflict or human rights conditions.
- Review and update mitigation measures as conditions evolve.

### 5 Communication and Reporting

- Be transparent (to the extent safe) about how decisions are made, and how risks are addressed or why certain actions (like withdrawal) might be necessary.
- Engage with affected stakeholders (directly or via proxies) to validate findings, understand perspectives, and maintain trust.
- In some cases, engage higher-level actors including security providers or even armed actors (with caution and under strict guidelines) to clarify responsibilities, provided there is no legitimization of abuses.

### 6 Capacity, Institutionalization, and Exit Strategy

- Embed the hHRDD process in the company's governance, training, budgeting, and decision-making systems.
- In worst-case scenarios, plan and signal clear exit strategies if mitigating risks becomes untenable.

## Heightened HRDD in the Watch & Jewellery Supply Chain

The watch and jewellery sector relies on materials such as gold, platinum, and gemstones that often originate from CAHRAs where governance systems may be fragile and social or economic instability can heighten human rights risks. Because of the complex and multi-tiered nature of these supply chains, achieving full traceability can be challenging. Implementing heightened HRDD helps companies identify, prevent, and mitigate potential risks related to labor conditions, community impacts, and conflict financing, while also enabling constructive engagement with suppliers and local stakeholders to strengthen responsible practices.

Increasing expectations from consumers, investors, and regulators make robust due diligence a strategic and ethical imperative. Applying hHRDD demonstrates a company's commitment to responsible sourcing, transparency, and continuous improvement, supporting compliance with frameworks such as the [OECD Minerals Guidance](#) and the CSDDD. For watch and jewellery businesses, adopting a proactive and collaborative approach to hHRDD contributes to more resilient, transparent, and sustainable supply chains and helps foster stability and respect for human rights in complex operating contexts.



3. DEMYSTIFYING HUMAN RIGHTS DUE DILIGENCE

CASE STUDY

# WJI 2030 Member Case Study

## Identification of Human Rights Risks Through the Supply Chain

Following a corporate-wide human rights risk assessment of operations and value chains, a member company recognized that strengthening the risk prioritization of its salient human rights impacts in the supply chain was a key component to enable meaningful due diligence in line with UNGPs and OECD guidelines.

This was particularly relevant for the identification of risks for raw materials, including in countries that may be classified as 'conflict affected and high-risk areas' (CAHRAs).

With the support of BSR, the company adapted the [KUMI CAHRA Mapping Tool](#) to create a strategic framework designed to streamline human rights due diligence by assessing sourcing countries and focusing the attention to specific areas of concern.

On a methodological point of view, the tool adopted by the company evaluates, on one hand, the **risk level of sourcing countries** through parameters such as country risk (CAHRA Map), indicating the degree of risk from CAHRA 4 (very high) to NOT CAHRA (very low). It further delves into the **salience of human rights impacts** providing an overall understanding of the human rights landscape in each country; on the other hand, the tool analyzes the **company's leverage** in the value chain, evaluating the extent of influence a company can exert. It also considers the **organizational structure of the value chain**, assessing its complexity.

Through the [KUMI CAHRA Mapping Tool](#), four critical indicators are utilized to identify high-risk areas within sourcing countries, thus allowing a more granular and tailored intervention at country-level: **conflict; governance and corruption; slavery; mineral flows within a country**, uncovering potential human rights abuses associated with mineral extraction and trade.

In sum, by combining the above evaluation criteria with in-depth analysis of specific risk indicators, this approach is helping the company make informed decisions on which supply chains addressing first and fostering responsible practices within complex and fragmented supply chains.

While adopting this methodological framework for risk prioritization, a more dynamic collaboration across sustainability and purchasing teams was also achieved in the evaluation of findings.

Ultimately, the design of a risk prioritization tool not only contributed to enhance intra-departmental collaboration but helped generating internal efficiency and tailored approach to due diligence.



Photo © Monica Vinader

## Further Resources

- [Business in Conflict-Affected and High-Risk Contexts | BSR \(2021\)](#)
- [Rapid Human Rights Due Diligence During Political and Armed Conflict: A Business Response to Ukraine | Blog | Sustainable Business Network and Advisory Services | BSR \(2022\)](#)
- [Human rights due diligence in conflict affected settings | International Alert \(2021\)](#)
- [Red flags and conflict-affected and high-risk areas | OECD](#)
- [OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas | OECD](#)
- [Conflict Affected and High-Risk Areas \(CAHRAs\) | Responsible Minerals Initiative](#)
- [Operating in conflict-affected and high-risk areas | twentyfifty \(2023\)](#)
- [Heightened Human Rights Due Diligence for Business in Conflict-Affected Contexts: A Guide | UNDP \(2022\)](#)



# 4. Frequently Asked Questions

**Q What is a human rights assessment?**

**A** A human rights assessment identifies and prioritizes actual and potential adverse human rights impacts and makes recommendations for appropriate action to address those impacts. A human rights assessment can take many forms, but has the following key features:

- All Human Rights: A review of all internationally recognized human rights as a reference point since companies may potentially impact virtually any of these rights.
- Stakeholder Engagement: Meaningful consultation with potentially affected groups, other relevant stakeholders, and credible independent experts.
- Vulnerable Groups: Identifying whose rights may be adversely impacted, paying special attention to any particular human rights impacts on individuals from groups or populations that may be at heightened risk of vulnerability or marginalization.
- Appropriate Action: Identifying appropriate action to avoid, prevent, mitigate, or remedy actual and potential adverse human rights impacts.

A human rights assessment identifies and prioritizes risks to people (i.e., risks to rightsholders) rather than risks to the business (i.e., risks to enterprise value creation).

**Q What are the risks associated with human rights assessments being required by law?**

**A** Companies and business leaders are facing some of the most significant changes to regulatory requirements concerning just and sustainable business. Yet, there is a risk that companies will seek a narrow focus on compliance, risk-averse actions, and overly cautious communications and stifle efforts aimed at more ambitious and meaningful human rights due diligence. However, the absence of consistent and structured human rights due diligence at companies today means that regulation is merited. The task ahead—with a key role played by the Chief Sustainability Officer (CSO)—is to ensure that both the spirit and the letter of the laws are followed, and that ambition is not sacrificed to achieve compliance. Companies are expected to stay focused on actions that will be considered credible, not merely compliant.



4. FREQUENTLY ASKED QUESTIONS

**Q Is a human rights assessment the same as human rights due diligence?**

**A** No, a human rights assessment is only one part of human rights due diligence. According to the UNGPs, human rights due diligence has four elements:

- **Assessment:** Assessing actual or potential adverse human rights impacts with which the company may be involved.
- **Action:** Taking appropriate action to avoid, prevent, mitigate, and / or remedy actual or potential adverse human rights impacts identified in assessments.
- **Tracking:** Tracking the effectiveness of the company's response to human right impacts, including via qualitative and / or quantitative indicators and feedback from stakeholders.
- **Communications:** Communicating externally in a form and frequency such that the company's approach can be effectively evaluated.

**Q What is the difference between a human rights assessment and a human rights audit?**

**A** A **human rights assessment** is a forward-looking, risk-based process that identifies and evaluates how a company's activities may impact people's rights, emphasizing stakeholder engagement and alignment with the UN Guiding Principles on Business and Human Rights.

In contrast, a **human rights audit** is a compliance-focused review that verifies adherence to specific standards or codes through site inspections and documentation checks. Assessments explore broader systemic issues and recommend mitigation strategies, while audits measure conformity and identify corrective actions—making the two approaches complementary tools within a company's human rights due diligence process.

**Q What does “salience” mean?**

**A** In human rights due diligence, salience refers to identifying and prioritizing the most severe potential or actual human rights impacts associated with a company's activities or business relationships. Rooted in the UN Guiding Principles on Business and Human Rights, it focuses on the risks to people, not the business, and is determined by factors such as the scale, scope, and irremediability of harm. Salient issues—like forced labor, child labor, or serious health and safety risks—are those that warrant the most urgent attention and resources to prevent or address significant negative impacts on individuals.

**Q Can human rights be embedded in enterprise risk assessment?**

**A** Human rights assessments can be included within broader enterprise risk assessments and risk management systems, provided it goes beyond identifying material risks to the company and includes risks to people as well.

The emerging concepts of “double materiality” (the notion that companies should report on matters that influence enterprise value and matters that affect wider society) and “dynamic materiality” (the notion that the relative materiality of an issue may change over time) make it likely that the connectivity between enterprise risk assessment and human rights assessment will grow over time.

**Q How can a business address groups that may be particularly vulnerable to adverse impact?**

**A** Some groups may face increased risks of negative impact from business activities. Those that are already marginalized or excluded in society, as is often the case for women, minorities, migrants, persons with disabilities or indigenous peoples, may be more vulnerable to adverse impact or may experience impact differently. Other groups, such as children, may also be vulnerable in certain circumstances and require different protection. The UNGPs explicitly state that the principles should be implemented in a non-discriminatory manner, with particular attention given to the rights and needs of individuals from such groups.

**Q What if a potential adverse impact cannot be prevented or adequately mitigated? should a company terminate its relationship with a supplier/partner?**

**A** If a potential adverse impact could not be prevented or adequately mitigated, the company would be required **to refrain from entering into new or extending existing relations with the partner in connection to or in the value chain of which the impact has arisen**. In addition, where the law governing the relationship entitles the company to do so, it would be required to take the following actions:

- **Temporarily suspend commercial relations** with the partner in question, while pursuing prevention and minimization efforts, if there is a reasonable expectation that these efforts will succeed in the short term.
- **Terminate the business relationship with respect to the activities concerned** if the potential adverse impact is severe.

There is an **exception for regulated financial undertakings** that provide credit, loan, or other financial services, which would not be required to terminate their contracts if this would reasonably be expected to cause substantial prejudice to the counterparty. Under the Directive, Member States would be required to provide for the availability of an option to terminate the business relationship in contracts governed by their laws.



# 5. Tools & Resources

## 5.1 Glossary of Human Rights Terms

Technical human rights language is used in this Navigator. The following glossary provides a common understanding of key terms.

Term	Definition
<b>CAHRAs</b>	A Conflict-Affected and High-Risk Area (CAHRA) is a geographic area where armed conflict, widespread violence, or other risks of harm to people are present or imminent, leading to potential violations of international law and human rights. Such areas may be characterized by political instability, weak governance, or systemic human rights abuses that heighten the risk of adverse impacts linked to business activities.
<b>Child Labor</b>	Child labor refers to work performed by children that is mentally, physically, socially, or morally dangerous and interferes with their schooling or development. It includes all forms of slavery, trafficking, forced labor, and hazardous work by anyone under 18 years old.
<b>Corporate Responsibility to Respect</b>	The UNGPs state that business has a 'corporate responsibility to respect human rights' and at a high-level, defines this as, "Business enterprises should respect human rights. This means that they should avoid infringing on the human rights of others.
<b>Due Diligence</b>	An ongoing risk management process companies should deploy to identify and assess human rights impacts; integrate and act on the findings; track effectiveness; and communicate results.
<b>Forced Labor</b>	Forced labor is any work or service exacted from a person under threat or coercion and for which the person has not offered themselves voluntarily. It includes practices such as debt bondage, human trafficking, and withholding of wages or identity documents.
<b>FPIC</b>	FPIC is the right of Indigenous peoples to give or withhold consent to projects that may affect their lands, territories, or resources. It must be obtained freely, in advance of project approval, and based on full disclosure of information in a culturally appropriate manner.
<b>Grievance Mechanism</b>	A process through which a human rights grievance can be raised (including anonymously), assessed, investigated, and responded to, without retaliation or fear of retaliation.



5. TOOLS & RESOURCES

Term	Definition
Human Rights	The idea of human rights is simple and powerful: people have a right to be treated with respect and dignity. Human rights are inherent in all humans, no matter their nationality, residence, ethnicity, race, gender, sexual identity religion, language, or other status.
Human Rights Impact Assessment (HRIA)	An HRIA is a process for identifying, understanding, and evaluating actual and potential human rights impacts of a company's activities or business relationships. It helps businesses prevent, mitigate, and account for human rights risks, consistent with the UNGPs.
Leverage	Leverage refers to the ability of a company to influence the actions of another entity that is causing or contributing to adverse human rights impacts. It can stem from contractual relationships, commercial influence, or the company's public voice and partnerships.
Remedy	Remedy is both the process of providing remedy for a negative human rights impact and the substantive outcomes that can counteract, or make good, the negative impact. The role of the company in remedy is often defined by how connected it is to the human rights impact – did it cause, contribute or was it linked to the harm?
Rightsholders	In general terms, all human beings are rightsholders, under the Universal Declaration of Human Rights. For companies, they are individuals or social groups that have particular entitlement in relation to a companies' value chain, e.g., own employees, supply base workers, distribution base workers, patients, caregivers, local communities.
Salience	Under the UNGPs, salience refers to the human rights at risk of the most severe negative impacts through a company's activities or business relationships. It focuses on risks to people – based on the potential scale, scope, and irremediability of harm – rather than risks to the business itself.
Severe Human Rights Impact	A severe human rights impact is one that causes grave harm to individuals or communities, affects a large number of people, or cannot be remedied easily. Severity is assessed by the scale, scope, and irremediability of the harm, guiding companies in prioritizing their human rights due diligence.
Supply Chain	A supply chain refers to the sequence of processes and entities involved in producing and delivering a product or service, from raw materials to the final consumer. It focuses primarily on the upstream network of suppliers and subcontractors that contribute to production.

Term	Definition
UNGPs	In 2011, the United Nations Guiding Principles on Business and Human Rights (UNGPs) were unanimously adopted by the United Nations Human Rights Council. Drafted in consultation with business, civil society groups, and governments, the UNGPs are the authoritative global standard on business and human rights.
Universal Declaration of Human Rights	The Universal Declaration of Human Rights (UDHR) is a foundational United Nations document adopted in 1948 that sets out the fundamental rights and freedoms to which all people are entitled, regardless of nationality, race, or status. It establishes a common standard of dignity, equality, and justice, forming the basis for international human rights law and subsequent treaties.
Value Chain	The value chain encompasses the full range of activities and relationships through which a company creates value—from raw material sourcing to end use and disposal. It includes both upstream (e.g., suppliers) and downstream (e.g., distributors, customers) relationships.
Vulnerable Groups	While all human beings are "rightsholders", some groups or individuals face specific hurdles in relation to the enjoyment of rights – these are identified as potentially 'vulnerable groups', e.g., children, women, migrant workers, persons with disabilities, indigenous peoples.



5. TOOLS & RESOURCES

5.2 SME and Human Rights Due Diligence Checklist

**SMEs** make up the vast majority of businesses across the world and provide around 50% of total employment globally. The also play a critical role in the watch & jewellery industry, particularly when it comes to respecting human rights. The following checklist outlines key considerations and tips for **SMEs** when it comes to conducting HRDD in line with the UNGPs.

Step in HRDD Process	Top tips for SMEs	Questions to consider
<b>STEP 1: Commit to respect human rights and embed the commitment in your business</b>	<div><input type="checkbox"/> Express your commitment to human rights verbally or in writing, depending on the size of your business.</div> <div><input type="checkbox"/> If you have a website, publish your commitment in line with UNGPs.</div> <div><input type="checkbox"/> Allocate the necessary internal capacity &amp; governance.</div> <div><input type="checkbox"/> Integrate your commitment into other policies or systems and communicate to relevant parties.</div>	<div>• How do we want to express our commitment to human rights?</div> <div>• Which employee / department leads on and oversees our human rights commitment?</div> <div>• What policies and processes do we need to update?</div> <div>• Who needs to be informed of our commitment (e.g., employees, business partners, other rightsholders, etc.)?</div>
<b>STEP 2 Identify your human rights risks – actual and potential.</b>	<div><input type="checkbox"/> Map out your operations and value chain, including main business activities and relationships from raw materials, manufacturing, and logistics through to delivery of the product or service to the customer.</div> <div><input type="checkbox"/> Consider which groups of people could be affected along this simplified value chain, and how their rights could be impacted.</div> <div><input type="checkbox"/> Start with your Tier 1 suppliers and key raw materials and expand your assessment over time.</div> <div><input type="checkbox"/> Understand whether existing systems such as risk management system, EHS processes, or supply chain management systems detect human rights risks.</div> <div><input type="checkbox"/> Seek external advice as relevant.</div>	<div>• What does our supply chain look like?</div> <div>• Who are our rightsholders? How could our operations, products, services, or business relationships impact their rights?</div> <div>• What are the actual and potential human rights that may be affected?</div> <div>• Do we have existing systems in place that may already detect human rights risks?</div> <div>• Can I draw on any external resources (e.g., industry HRIAs) or experts (e.g., NGOs, industry initiatives) that may help me understand my impacts better?</div>

Step in HRDD Process	Top tips for SMEs	Questions to consider
<b>STEP 3 Take action to avoid and address the risks you identify</b>	<div><input type="checkbox"/> Assign responsibility to employee or function to address identified impacts.</div> <div><input type="checkbox"/> Use language and concepts to describe human rights that are accessible to staff / business partners.</div> <div><input type="checkbox"/> Conduct or identify publicly available trainings on human rights where necessary.</div> <div><input type="checkbox"/> Engage with business partners on human rights impacts. Where leverage is small, collaborate at an industry or multi-industry level as well as with relevant stakeholders throughout the due diligence process to share knowledge, increase leverage, share costs, and scale up effective measures.</div> <div><input type="checkbox"/> Use Google alerts or similar internet services to identify emerging human rights risks for own operations and key high-risk suppliers.</div>	<div>• Which employee / department leads on and oversees our human rights work? Is internal collaboration needed?</div> <div>• What is the level of awareness of human rights within our company? Do we need to build capacity?</div> <div>• Which business partners / suppliers do we need to engage?</div> <div>• Do we have leverage to ensure that our suppliers / business partners mitigate the risks identified? Do we need to partner?</div>
<b>STEP 4 Enable remedy for those affected</b>	<div><input type="checkbox"/> Introduce policies and procedures to reduce identified risks in own operations.</div> <div><input type="checkbox"/> Consider whether regular audits or engagements with high-risk business partners / suppliers are should be implemented (e.g., third-party labor agencies).</div> <div><input type="checkbox"/> Put in place a complaints or grievance mechanisms. If too costly to establish one on your own, consider external providers.</div> <div><input type="checkbox"/> Open dialogue with rightsholders that may be affected by your operations and business relationships.</div>	<div>• Which policies need to be updated to mitigate and remediate identified impacts?</div> <div>• Do we need to monitor our business relationships more closely and formally?</div> <div>• What complaints or grievance channels exist? Are they effective? How do we handle grievances?</div> <div>• Do we engage with rightsholders in a meaningful way?</div>



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Step in HRDD Process	Top tips for SMEs	Questions to consider
<b>STEP 5 Track your progress</b>	<div><input type="checkbox"/> Track basic metrics to assess whether your efforts are effective in addressing identified impacts.</div> <div><input type="checkbox"/> Evaluate outcomes of your complaints or grievance mechanism.</div> <div><input type="checkbox"/> Seek rightsholder feedback.</div>	<div>• Are we effectively mitigating and remediating identified impacts?</div> <div>• Can we draw on existing systems to track our progress (e.g., OHS system, etc.)?</div>
<b>STEP 6 Report &amp; Communicate</b>	<div><input type="checkbox"/> Show how your company is mitigating human rights impacts via formal or informal communication channels.</div> <div><input type="checkbox"/> Consider integrating your human rights efforts into existing reports (e.g., CSR report, annual report, etc.)</div> <div><input type="checkbox"/> Include information in regular meetings and discussions with employees, suppliers, customers, or community representatives,</div> <div><input type="checkbox"/> Publish a brief statement on your website or on social media channels as relevant.</div>	<div>• How do we want to communicate about our human rights efforts?</div> <div>• Who do we need to communicate to and why?</div> <div>• Are there existing reports or disclosures we can integrate human rights into?</div>

Sample Questions to Consider in the HRDD Process

	Business area	Sample questions to consider	Sample human rights at risk
OWN OPERATIONS	<b>Recruitment</b>	<div>• Do we consider only experience and competencies relevant to the job advertised?</div> <div>• Are our hiring and recruitment practices equitable or do we discourage certain populations from applying?</div> <div>• Is our stance on discrimination clear?</div> <div>• How do we store personal information of applicants?</div>	<div>• Right to non-discrimination</div> <div>• Right to work</div> <div>• Right to privacy</div>
	<b>Employment practices &amp; compensation</b>	<div>• Do we provide a workplace that promotes respect and prevents discriminatory practices?</div> <div>• Do we pay employees' wages fairly, timely, and regularly?</div> <div>• Do we support employees' rights to freedom of association?</div> <div>• Do we have channels in place to allow employees to report any incidents or grievances without fear of retaliation and in an anonymous fashion?</div>	<div>• Right to equal pay for equal work</div> <div>• Right to non-discrimination</div> <div>• Freedom of association</div>
	<b>Occupational health &amp; safety</b>	<div>• Do we train employees on workplace health and safety?</div> <div>• Do employees operate heavy machinery or are exposed to harmful substance?</div> <div>• Do we regularly conduct assessments to ensure that our workplace is adequate and functional so as to reduce potential accidents?</div>	<div>• Right to a safe and healthy work environment</div>



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	Business area	Sample questions to consider	Sample human rights at risk
OWN OPERATIONS	Product marketing & sales	<ul style="list-style-type: none"><li>• Do we ensure non-discrimination in our marketing practices?</li><li>• Do we market to children?</li><li>• How do our products impact the rights of our consumers?</li><li>• Do we collect and store consumer information in a way that ensures their privacy?</li></ul>	<ul style="list-style-type: none"><li>• Right to privacy</li><li>• Right to physical and mental health</li></ul>
	Supplier screening	<ul style="list-style-type: none"><li>• Does the supplier/business partner have in place a publicly available commitment to human rights and/or non-discrimination?</li><li>• What is the composition of the supplier's workforce? Are employees directly employed or contracted?</li><li>• What are the working conditions and compensation practices like?</li><li>• Does the supplier/business partner have a grievance mechanism in place</li></ul>	<ul style="list-style-type: none"><li>• Right to equal pay for equal work</li><li>• Right to non-discrimination</li><li>• Abolition of child labor / forced labor</li></ul>
	Purchasing practices	<ul style="list-style-type: none"><li>• Do you place tight deadlines on your suppliers / business partners or do you forecast purchases and volumes in an adequate manner?</li><li>• Do you pay your suppliers/ business partners in an adequate / timely manner?</li></ul>	<ul style="list-style-type: none"><li>• Right to rest and leisure</li></ul>
	Contextual risk	<ul style="list-style-type: none"><li>• Does the supplier/business partner operate in conflict-affected or high-risk contexts?</li><li>• Does the supplier/business partner have a strong stance against child and forced labor?</li><li>• Does the supplier/business partner interact with government/ contracted security forces?</li><li>• Who are the rightsholders and vulnerable groups in this context (e.g., women, children, people with disabilities, elderly, etc.)?</li></ul>	<ul style="list-style-type: none"><li>• Right to life, liberty and security of the person</li></ul>

5.4 References

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5. TOOLS & RESOURCES

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