

RBC Reporting Guideline and Format

Part of the RBC due diligence reporting workshop

IRBC agreement Floriculture and FSI
May 2022

1. Introduction

Participants of the International Responsible Business Conduct (IRBC) Agreement Floriculture and members of the Floriculture Sustainable Initiative (FSI) focus on improving due diligence in their supply chains. In this framework they requested Sustainable Supply Chain Consultants (SSC-Consultants) to provide a workshop on RBC due diligence reporting including a short RBC due diligence reporting guideline and format with a recommendation on how to approach this matter. The elements of the RBC due diligence reporting guideline and format have been discussed during the workshop.

With the guideline and format, as well as the workshop, we aim to contribute to a better understanding of RBC reporting in the context of due diligence. Additionally, we see it as an invitation to start, or to further develop RBC reporting by individual companies and the sector.

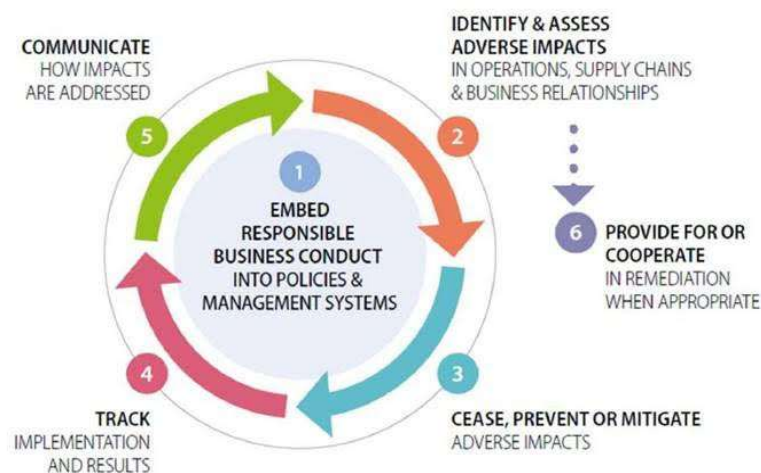
In this document the issues regarding reporting as mentioned in the [OECD Due diligence guidance for Responsible Business Conduct](#) (OECD DD guidance, 2018) and [OECD Guidelines for Multinational Enterprises](#) (OECD MNE, 2011) are described. These issues answer two questions:

- 'What type of content should I include in my RBC report?' and
- 'What should I take into account with regard to the form of my RBC report?'

These issues form a RBC guideline for reporting for a company, in the context of due diligence.

2. RBC due diligence reporting

'Reporting' is, as part of 'Communication', the fifth step in the due diligence cycle.



It is almost the last step, and provides transparency on results of the former steps in the cycle to the public. Communication can be done in several ways, including personal meetings and presentations, but based on the choice of the partners in the IRBC Agreement Floriculture the focus in this document is on reporting.

3. Guideline

Contents of a RBC report

10 Issues

In a RBC report the following 10 issues should be included:

- RBC policies
- Information on measures taken to embed RBC into policies and management systems
- The enterprise's identified areas of significant risks (*in your supply chain)
- The significant adverse impacts or risks identified, prioritised and assessed (*in your supply chain)
- The prioritisation criteria
- The actions taken to prevent or mitigate those risks
- Including, where possible, estimated timelines and benchmarks for improvement of their outcomes
- Measures to track implementation and results

- The enterprise's provision of remediation, (*the grievance mechanisms which provide access to remedy in your supply chain)
- The enterprise's co-operation in any remediation

The mentioned issues are extracted from the OECD DD guidance (P33).

* For better understanding, SSC-Consultants made some additions between brackets.

Please note, with regard to reporting, especially the target group 'impacted or potentially impacted rights holders' need to be informed on information that is relevant to them, 'in particular when relevant concerns are raised by them or on their behalf' (OECD DD guidance, p. 33)

Additional issues:

Based on the OECD MNE guidelines (chapter III disclosure, p. 27-28) we can conclude that the following additional issues are also recommended to be included in a RBC report:

- Indication of Business conducts used
- Internal audits, risk management and/or legal compliance systems
- Information on relationships with workers and other stakeholders

Please note, for publicly traded enterprises other IRBC issues (particularly in the governance field) are mandatory to report on. (See: OECD MNE, chapter III disclosure, p. 27).

Form

With regard to the form, or the way you present your report, it is important to take into account the following communication principles:

- Who is the audience?
- How can the audience access information?
- What barriers in accessibility might exist for certain marginalised or vulnerable groups?
- What is the capacity of the audience (language, literacy, location, time, availability, technical competence)
- Are there privacy or safety issues?
- What have (potentially) impacted stakeholders and rights holders indicated they find important and useful in terms of information content and methods of information sharing?

(The mentioned points are directly based on the OECD DD guidance, p. 85)

In the two OECD guidelines no specific requirements regarding length or specific form are included. So it could be presented on a website, in blogs, in words and/or in infographics.

The frequency of publication may also vary: annually, or more frequently, e.g. monthly, quarterly or after a specific event -whatever suits the company best.

4. Format for your report

Based on the guideline and the practical themes that play a role in the floricultural sector, the following structure can be used for your RBC report:

Strategy

1. RBC policies
2. Information on measures taken to embed RBC into policies and management systems, including business conducts used and internal audits, risk management and/or legal compliance systems
3. Information on relationships with workers and other stakeholders and how they are involved in RBC in your supply chain
4. The enterprise's identified areas of significant risks in your supply chain
5. The significant adverse impacts or risks identified, prioritised and assessed in your supply chain
6. The prioritisation criteria
7. The enterprise's provision of remediation and the grievance mechanisms which provides access to remedy in your supply chain
8. The enterprise's co-operation in any remediation

Approach and results

9. The actions taken to prevent or mitigate those risks, including where possible estimated timelines and benchmarks for improvement of their outcomes
10. Measures to track implementation and results

Consider reporting your approach and its results per topic/theme:

Social:

Human rights, e.g.

- Forced labour and child labour
- Discrimination
- Rights of freedom of association and collective bargaining
- Land rights

Employment and industrial relations

- Fair remuneration, living wage and benefits
- Precarious employment/job security
- Decent working hours
- Occupational safety and health
- Special protection for young men and women workers

Environmental, e.g.:

- Impact and use of crop protection products
- Climate
- Responsible use of water

Economic, e.g.:

- Ethical business behaviour
- Consumer interests

Make sure to also include your performance regarding quantitative Key Performance Indicators.