

# Embedding Responsible Business Conduct: Implementing OECD Due Diligence Step 1

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# The DiliCHANCE project

## The Challenge

The European Union perceives due diligence as crucial to its economic and sustainability goals. It is needed to secure critical raw materials, support the green and digital transition, and promote sustainable practices that reduce societal and environmental harm.

## Our Approach

DiliCHANCE improves due diligence in mineral value chains and responsible business conduct by (a) raising awareness and knowledge of human rights and environmental due diligence (HREDD) among corporate actors, (b) identifying gaps in HREDD implementation in policy and industry, (c) enhancing due diligence operations with better tools and new solutions, and (d) promoting multi-stakeholder engagement and capacity building.

for more details please visit

[www.DiliCHANCE.eu](http://www.DiliCHANCE.eu)



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# 1. Introduction

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The OECD Due Diligence Guidance for Responsible Business Conduct provides the internationally recognized reference framework for how enterprises should carry out due diligence to identify, prevent and address adverse impacts on people, the environment and society. It applies to businesses across all sectors, sizes and structures and outlines a six-step process in which Step 1, embedding responsible business conduct (RBC) into policies and management systems, forms the structural foundation for all subsequent stages of due diligence. Without a robust and coherent Step 1, later efforts to identify, mitigate and track risks may become disconnected from decision-making, insufficiently documented or difficult to operationalize.<sup>1</sup>

The OECD emphasizes that its Guidance outlines overarching expectations that must be translated into practical systems and processes that reflect an enterprise's operational context.<sup>2</sup> Many entities face challenges in moving from high-level commitments to practical implementation, particularly when integrating responsible business conduct into existing governance functions, operational procedures and supply chain relationships.

This article therefore focuses on Step 1 of the OECD due diligence framework and provides a practical guide to supporting enterprises in moving from commitment to implementation. It explores how policies, governance structures and internal processes can be aligned to create a coherent internal framework that enables the systematic and measurable integration of responsible business conduct across the organisation and forms the basis for effective due diligence.

These considerations are particularly relevant in high-impact sectors such as the minerals sector, where enterprises often operate complex sites, interact closely with local communities and face heightened environmental and social risks.<sup>3</sup>

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<sup>1</sup> OECD (2018): [OECD Due Diligence Guidance for Responsible Business Conduct](#).

<sup>2</sup> OECD (2018): [OECD Due Diligence Guidance for Responsible Business Conduct](#).

<sup>3</sup> OECD (2016): [OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas](#).

## 2. OECD Step 1: Embedding responsible business conduct

The OECD Guidance for Responsible Business Conduct presents a six-step process for the implementation of due diligence and responsible business practices, as illustrated in Figure 1. Complementing this, the OECD Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas provides a five-step framework tailored to the specific challenges of risk-based due diligence in the minerals sector. Both documents provide a comprehensive foundation that can be used as the basis for developing and implementing an enterprise’s due diligence system.

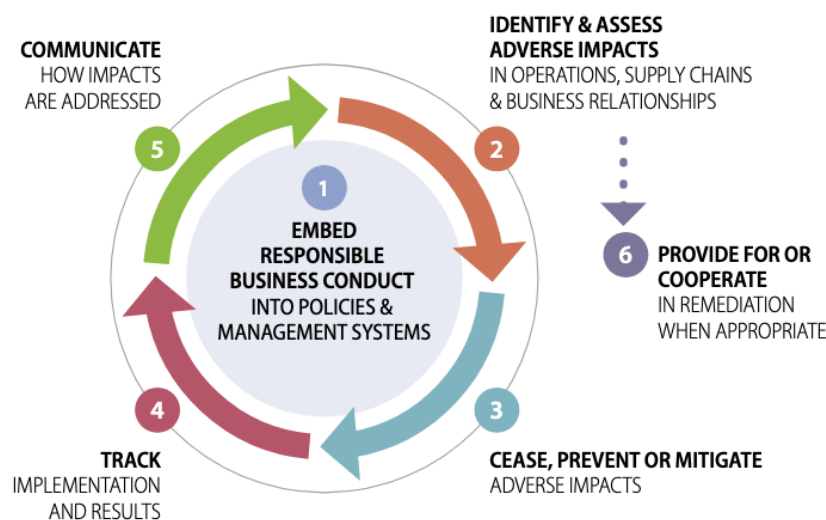


Figure 1: The six steps of the OECD Guidance for Responsible Business Conduct<sup>4</sup>

The first step of the OECD Guidance requires to develop a management system that integrates responsible business conduct into everyday decision-making. This step establishes the structural and procedural foundation for all subsequent parts of the due diligence process and ensures that due diligence becomes part of regular business practice rather than an additional or isolated activity<sup>5</sup>. From a measurability perspective, Step 1 determines the governance and process landscape that will later be used to generate, consolidate and review information. It therefore represents the phase during which the foundations for performance tracking and accountability are laid.

<sup>4</sup> OECD (2018): [OECD Due Diligence Guidance for Responsible Business Conduct](#).

<sup>5</sup> OECD (2018): [OECD Due Diligence Guidance for Responsible Business Conduct](#).

OECD (2016): [OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas](#).

In Step 1, enterprises are expected to take the following key actions:<sup>6</sup>

- Devise, adopt and disseminate policies on RBC issues that demonstrate commitment and outline how the enterprise intends to implement due diligence across its operations, supply chain and business relationships.
- Embed defined RBC policies into enterprise's oversight bodies and management systems to ensure that RBC becomes part of regular business processes and internal decision making.
- Incorporate RBC expectations and policies into engagement with suppliers and other business relationships to support alignment across the value chain.

Together, these actions establish the organisational structures, internal alignment mechanisms and communication channels that enable effective due diligence. In practice, this also requires internal steering and accountability mechanisms, such as clear responsibilities, performance monitoring and appropriate incentive structures, to ensure that RBC commitments are effectively implemented and reflected in day-to-day decision-making. They form the essential groundwork upon which the more detailed and operational aspects of due diligence can subsequently build.

To move from these normative expectations to a structured implementation approach, enterprises require a clear analytical framework that enables them to assess existing structures, identify contextual risk exposure and translate commitments into functional processes. The following section develops such a framework for Step 1.

### 3. From concept to practice: Laying the groundwork for implementation

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For the successful integration of Responsible Business Conduct into existing management systems, enterprises must begin with a clear understanding of their current structures, processes and policies. A baseline assessment provides an overview of existing practices, relationships and dependencies and helps identify gaps that may require organisational or procedural adjustments. As part of this process, enterprises should also develop an initial understanding of their potential risk exposure, including relevant stakeholders, geographic contexts, upstream and downstream suppliers and other business relationships. This forms the foundation for embedding RBC considerations into organisational decision-making.<sup>7</sup>

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<sup>6</sup> OECD (2018): [OECD Due Diligence Guidance for Responsible Business Conduct](#).

OECD (2016): [OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas](#).

<sup>7</sup> OECD (2018): [OECD Due Diligence Guidance for Responsible Business Conduct](#).

To support this initial assessment, DiliCHANCE developed the MineralTrail tool that enables organisations to conduct an initial diagnostic self-evaluation of their Responsible Business Conduct practices. As part of this tool, a set of analytical criteria and corresponding guiding questions were derived from the OECD Due Diligence framework to translate its broad expectations into structured self-assessment dimensions for each of the six steps.<sup>8</sup>

Building on this analytical structure, this article focuses exclusively on Step 1 and develops a more detailed framework to support its practical implementation. Table 1 presents the six criteria for Step 1 together with their corresponding guiding questions, which form the analytical basis for the following framework. The following sections build on these six criteria and translate them into key organisational components required for embedding RBC in practice, including status-quo assessment, governance and roles for RBC integration, policy development and integration into internal systems, the integration of suppliers and business relationships, as well as foundations for documentation and measurability.

*Table 1: OECD Step 1 – Key questions and contextual and organisational considerations<sup>9</sup>*

Criterion	Key questions
<b>1.1 Develop and disseminate a public commitment for responsible business conduct</b>	Does your enterprise have a publicly available commitment to responsible business conduct that covers key areas such as human rights, environmental protection, and labour standards?
<b>1.2 Assign senior management and board level responsibilities</b>	Has your enterprise assigned responsibility for responsible business conduct at senior management or board level?
<b>1.3 Develop incentives for employees and business units</b>	Does your enterprise have incentive mechanisms in place to promote responsible business conduct among employees and business units?
<b>1.4 Incorporate RBC into engagement with suppliers and other business relationships</b>	Does your enterprise incorporate responsible business conduct requirements into engagement with suppliers and other business relationships?
<b>1.5 Integrate RBC into org. structures, procedures, management systems and decision-making</b>	Has your enterprise integrated responsible business conduct into organizational structures, procedures, management systems, and decision-making processes?
<b>1.6 Provide sufficient financial and human resources for RBC</b>	Does your enterprise allocate sufficient financial and human resources specifically for responsible business conduct activities?

<sup>8</sup> [Welcome to Your Guided Due Diligence Journey | DiliCHANCE](#)

<sup>9</sup> OECD (2018): [OECD Due Diligence Guidance for Responsible Business Conduct](#).

### 3.1. Status-quo and assessment matrix

Table 2 translates the diagnostic structure outlined in Table 1 into an operational assessment matrix. It enables enterprises to map the Step 1 criteria against existing functions, governance structures and management processes, thereby identifying gaps and concrete integration points. For each criterion, the matrix links organisational entry points with illustrative indicators, supporting companies in developing tailored KPIs and embedding RBC into day-to-day decision-making. Rather than prescribing fixed metrics, it serves as a structured starting framework from which more detailed planning, performance tracking and implementation activities can evolve.

Table 2: Status-quo assessment matrix for embedding RBC into management systems. Source: own compilation based on OECD (2018), OECD (2016), United Nations (2011) and Shift (2021)<sup>10</sup>

Business function	Existing systems / processes	Potential RBC entry points	Operational assessment questions	Illustrative KPIs and metrics
<b>Criterion 1.1: Develop and disseminate a public commitment for RBC</b>				
Governance & Strategy	<ul style="list-style-type: none"> <li>○ Corporate strategy</li> <li>○ Code of Conduct</li> <li>○ Public ESG commitments</li> </ul>	<ul style="list-style-type: none"> <li>○ Integrate RBC into strategy documents</li> <li>○ Ensure public accessibility</li> </ul>	<ul style="list-style-type: none"> <li>○ Is RBC clearly reflected in formal policy documents and strategic objectives?</li> <li>○ What RBC-related systems, policies or initiatives already exist within the enterprise?</li> <li>○ Where do gaps appear when comparing existing systems to OECD expectations and regulatory requirements?</li> </ul>	<ul style="list-style-type: none"> <li>○ Frequency of policy review and update</li> <li>○ Number of strategic documents referencing RBC</li> </ul>

<sup>10</sup> OECD (2018): [OECD Due Diligence Guidance for Responsible Business Conduct](#).

OECD (2016): [OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas](#).

Shift (2021): Leadership & Governance Indicators of a rights respecting culture. [Leadership & Governance Indicators](#).

United Nations (2011): [Guiding Principles on Business and Human Rights](#).

Criterion 1.2: Assign senior management and board level responsibilities				
Governance & Strategy	<ul style="list-style-type: none"> <li>○ Corporate governance structures</li> <li>○ Management review processes</li> </ul>	<ul style="list-style-type: none"> <li>○ Include RBC objectives and KPIs in management reviews</li> <li>○ Establish formal board-level oversight and reporting lines</li> </ul>	<ul style="list-style-type: none"> <li>○ How deeply are RBC and sustainability embedded in the corporate culture, and how strong is top-management commitment?</li> <li>○ Is responsibility for RBC formally assigned and regularly reviewed at board level?</li> <li>○ How effectively do governance structures (e.g. committees, review cycles) support cross-functional coordination?</li> </ul>	<ul style="list-style-type: none"> <li>○ RBC targets in strategic plans</li> <li>○ Number of board reviews on RBC</li> <li>○ Board-level awareness and competence on RBC issues (e.g. training hours, self-assessment, ...)</li> </ul>
Criterion 1.3: Develop incentives for employees and business units				
Human Resources	<ul style="list-style-type: none"> <li>○ Employee onboarding</li> <li>○ Training systems</li> <li>○ Performance appraisals</li> </ul>	<ul style="list-style-type: none"> <li>○ Add RBC and sustainability modules to training</li> <li>○ Link incentives to RBC behaviour</li> </ul>	<ul style="list-style-type: none"> <li>○ Are employees aware of RBC expectations?</li> <li>○ Are RBC expectations reflected in performance targets or incentives?</li> <li>○ Are monitoring mechanisms or indicators in place to track whether expectations are met?</li> </ul>	<ul style="list-style-type: none"> <li>○ Numbers or percentage of employees trained on RBC and due diligence policies and/or total training hours</li> <li>○ Number of managers with RBC-related performance targets</li> </ul>
Criterion 1.4: Incorporate RBC into engagement with suppliers and other business relationships				
Procurement & Supply Chain	<ul style="list-style-type: none"> <li>○ Supplier code of conduct</li> <li>○ Qualification</li> <li>○ Supplier onboarding</li> </ul>	<ul style="list-style-type: none"> <li>○ Include RBC clauses in contracts</li> <li>○ Conduct supplier risk assessments</li> </ul>	<ul style="list-style-type: none"> <li>○ Are suppliers evaluated against RBC criteria?</li> <li>○ How complex is the supply chain? Is the material flow and supplier chain traceable?</li> </ul>	<ul style="list-style-type: none"> <li>○ % of contracts with RBC clauses</li> <li>○ % of assessed or trained suppliers</li> </ul>

	<ul style="list-style-type: none"> <li>○ Audit process</li> </ul>	<ul style="list-style-type: none"> <li>○ Screen suppliers for exposure to Conflict-Affected and High-Risk Areas (CAHRAs) and ASM-related risks</li> </ul>	<ul style="list-style-type: none"> <li>○ What level of leverage exists over suppliers?</li> <li>○ Does the enterprise operate in, source from or have business relationships in Conflict-Affected and High-Risk Areas (CAHRAs)?</li> <li>○ Does the enterprise interact with artisanal or small-scale mining (ASM) in its area of influence, and how are related risks considered?</li> </ul>	<ul style="list-style-type: none"> <li>○ Number of reported incidents, grievances or adverse media concerning suppliers or business relationships</li> </ul>
<b>Criterion 1.5: Integrate RBC into organisational structures, procedures, management systems and decision-making</b>				
<b>Risk Management</b>	<ul style="list-style-type: none"> <li>○ Enterprise risk register (company-wide list of identified risks)</li> <li>○ Internal control system</li> </ul>	<ul style="list-style-type: none"> <li>○ Add social/ environmental risks to risk register</li> <li>○ Include sector-specific risks (e.g. CAHRA exposure, security-related risks, ASM-related risks)</li> </ul>	<ul style="list-style-type: none"> <li>○ Is there an existing risk assessment process?</li> <li>○ Which key risks have been identified?</li> <li>○ Are RBC risks formally documented and reviewed?</li> </ul>	<ul style="list-style-type: none"> <li>○ Number of RBC risks in risk register</li> <li>○ Frequency of risk review</li> <li>○ Number of documented CAHRA or ASM risk entries</li> </ul>
<b>Operations/Productions</b>	<ul style="list-style-type: none"> <li>○ Quality, environment, OHS systems (ISO 14001, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>○ Integrate RBC criteria into operational procedures and site-level audits</li> </ul>	<ul style="list-style-type: none"> <li>○ Are RBC aspects included in operational procedures and site reviews?</li> <li>○ Do internal guidelines (e.g. HR, Compliance, Procurement) already address aspects of RBC?</li> <li>○ What mechanisms exist for engaging with local communities, indigenous peoples or other affected rightsholders at site level?</li> <li>○ How are security arrangements organised, particularly at mining sites where interactions with public or private security forces are common</li> </ul>	<ul style="list-style-type: none"> <li>○ Number of operational sites covered by certified management systems integrating defined RBC criteria</li> </ul>

<p>Compliance &amp; Ethics</p>	<ul style="list-style-type: none"> <li>○ Anti-corruption policy</li> <li>○ Whistle-blowing channel</li> </ul>	<ul style="list-style-type: none"> <li>○ Integrate RBC-related grievance procedures and early-warning systems</li> </ul>	<ul style="list-style-type: none"> <li>○ Are grievance mechanisms known, accessible and accepted by employees, suppliers and affected stakeholders?</li> <li>○ Are site-level grievance mechanisms documented and trusted?</li> </ul>	<ul style="list-style-type: none"> <li>○ Number of RBC-related complaints</li> <li>○ Resolution rate</li> <li>○ Percentage of employees or stakeholders aware of grievance mechanisms (e.g. survey results)</li> </ul>
<p>Reporting /Data Management</p>	<ul style="list-style-type: none"> <li>○ ESG Reporting</li> <li>○ Sustainability data systems</li> </ul>	<ul style="list-style-type: none"> <li>○ Add RBC indicators to data collection and dashboards</li> </ul>	<ul style="list-style-type: none"> <li>○ Which existing metrics support RBC monitoring?</li> <li>○ Are RBC data collected across departments?</li> </ul>	<ul style="list-style-type: none"> <li>○ Coverage of RBC metrics across departments</li> <li>○ Percentage of reports or datasets including RBC-related indicators</li> </ul>
<p><b>Criterion 1.6 – Provide sufficient financial and human resources for RBC</b></p>				
<p>Finance &amp; Organisational Planning</p>	<ul style="list-style-type: none"> <li>○ Budget/work-force planning</li> <li>○ Resource allocation processes</li> </ul>	<ul style="list-style-type: none"> <li>○ Allocate dedicated RBC budget</li> <li>○ Define staffing responsibilities</li> </ul>	<ul style="list-style-type: none"> <li>○ Are sufficient financial resources allocated?</li> <li>○ Are sufficient personnel assigned?</li> <li>○ Which departments are critical interfaces for RBC implementation?</li> </ul>	<ul style="list-style-type: none"> <li>○ Annual budget allocated to RBC activities (absolute amount and as % of total organisational or functional budget)</li> <li>○ Number of FTEs assigned to RBC responsibilities</li> </ul>

## 3.2. Governance and roles for RBC integration

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The status-quo matrix highlights departments and functions that play an essential role in embedding RBC across the organisation. Effective implementation requires clear responsibilities, defined oversight functions and strong alignment among these actors. Typically, the board of directors or equivalent governing body provides oversight, approves RBC policies and ensures that expectations are clearly communicated internally and externally. Depending on the organisational structure, supervisory or other control bodies may also play an important role in providing oversight and ensuring accountability. Senior management translates these commitments into strategies and operational priorities and is responsible for coordinating across departments and overseeing progress.<sup>11</sup>

To support coordination across functions, enterprises may establish a task force or cross-functional steering group composed of key departments. Such a group can facilitate the allocation of responsibilities, promote collaboration and ensure that diverse perspectives are reflected in the management system. The composition and size of this group will depend on the entity's scale, complexity and existing management structures. In addition, the integration of external stakeholder perspectives should be considered either within or alongside the steering group. This may include consultation with employer organisations, industry associations, NGOs or affected rightsholders. In mineral sector entities, particularly mining operations, functions such as community relations, environmental management, health and safety and security typically represent core internal stakeholders for RBC integration due to their role in managing site-level impacts and engagement with local communities. Their inclusion ensures that operational insights are incorporated and strengthens the legitimacy of the implementation process.<sup>12</sup>

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<sup>11</sup> OECD (2018): [OECD Due Diligence Guidance for Responsible Business Conduct](#).

<sup>12</sup> United Nations Office of the High Commissioner for Human Rights (2012): [The Corporate Responsibility to Respect Human Rights: An Interpretive Guide](#).

Shift (2021): Leadership & Governance Indicators of a rights respecting culture. [Leadership & Governance Indicators](#).

OECD (2018): [OECD Due Diligence Guidance for Responsible Business Conduct](#).

AWE (2020): [10 Practical Tips on human rights due diligence in core business operations](#). [Agentur für Wirtschaft und Entwicklung](#).

OECD (2016): [OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas](#).

Figure 2 illustrates the governance structure and functional roles described above, highlighting the distribution of oversight, strategic coordination, operational implementation and stakeholder-related information and feedback mechanisms within the organisation.

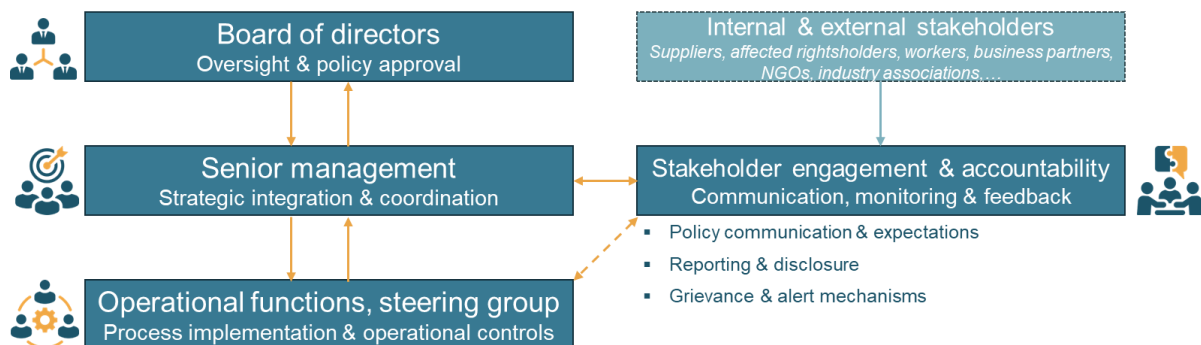


Figure 2: Governance roles and organisational interfaces for RBC integration; Own illustration based on OECD (2018)

As part of establishing effective governance structures, enterprises should also ensure that accessible grievance and alert mechanisms are in place. Such mechanisms enable workers, suppliers and affected stakeholders to raise concerns, provide early insights into potential risks, and offer an important channel for feedback that supports both implementation and accountability within the management system.<sup>13</sup>

Another key success factor is the allocation of sufficient resources by top management. This includes not only the availability of qualified personnel and adequate time, but also the financial capacity to conduct training, build expertise and maintain accountability mechanisms.<sup>14</sup>

### 3.3. Policy development and integration into internal systems

Based on the initial status-quo assessment and the governance structures defined in Section 3.2., identified gaps can be addressed either by integrating RBC considerations into existing policies or, where necessary, by developing additional policies. Integrating RBC into established policy frameworks promotes coherence and ensures that responsibilities remain embedded within familiar organisational processes.

<sup>13</sup> OECD (2017): [OECD Due Diligence Guidance for Meaningful Stakeholder Engagement in the Extractive Sector](#).

OECD (2018): [OECD Due Diligence Guidance for Responsible Business Conduct](#).

OECD (2016): [OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas](#).

<sup>14</sup> United Nations Office of the High Commissioner for Human Rights (2012): [The Corporate Responsibility to Respect Human Rights: An Interpretive Guide](#).

OECD (2025): [Measuring the Uptake and Impact of Due Diligence for Responsible Supply Chains](#).

While the OECD assigns risk assessment to Step 2, due diligence should not be interpreted as a linear sequence.

When updating or developing policies, it is essential to consider the actual and potential risks an entity may face. While the OECD assigns risk assessment to Step 2, due diligence should not be interpreted as a linear sequence.

Effective policies require an understanding of risks, yet the governance structures and responsibilities defined in Step 1 are what enable a systematic assessment of those risks. In practice, the two steps develop in parallel and are mutually reinforcing.<sup>15</sup>

The following guiding questions can support the formulation or revision of policies<sup>16</sup>:

- Does the policy align with recognised conventions, norms and regulatory expectations?
- Is it relevant to the entity's operations, context and sphere of influence?
- Is the policy consistent across the organisation and coherent with other internal policies?
- Does it consider the perspectives of internal and external stakeholders, including affected rightsholders?
- Should sector-specific guidelines or additional standards be taken into account?

To enable implementation, policy commitments must be translated into practical procedures. This involves clarifying how different departments integrate RBC expectations into their daily activities. Human resources may incorporate RBC responsibilities into onboarding or training, while procurement might embed RBC expectations into supplier qualification and contract documentation. The steering group should coordinate these adjustments to ensure alignment across functions.<sup>17</sup>

Effective internal communication and capacity-building further strengthen implementation. Regular communication, accessible guidance materials and targeted training help employees understand their responsibilities and support consistent application across the organisation. As highlighted in Section 3.2, ongoing engagement with stakeholders such as rightsholders, employee representatives, business partners or civil society organisations enhances the relevance of internal policies and supports alignment with external expectations.<sup>18</sup>

<sup>15</sup> OECD (2025): [Measuring the Uptake and Impact of Due Diligence for Responsible Supply Chains](#).

<sup>16</sup> Business Leaders Initiative on Human Rights (2006): [A Guide for Integrating Human Rights into Business Management](#).

<sup>17</sup> OECD (2018): [OECD Due Diligence Guidance for Responsible Business Conduct](#).

Business Leaders Initiative on Human Rights (2006): [A Guide for Integrating Human Rights into Business Management](#).

OECD (2016): [OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas](#).

<sup>18</sup> OECD (2018): [OECD Due Diligence Guidance for Responsible Business Conduct](#).

OECD. (2017): [OECD Due Diligence Guidance for Meaningful Stakeholder Engagement in the Extractive Sector](#).

## 3.4. Supplier and business relationship integration

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In addition to internal implementation, enterprises must integrate RBC into their supplier networks and broader business relationships. For entities operating in the minerals sector, business relationships extend beyond suppliers to include contractors, security providers, transporters, local authorities and community partners, particularly in the context of mining projects, where complex site-level operations require close interaction with a wide range of stakeholders. This requires not only communicating expectations but also seeking input from these partners to ensure that roles and responsibilities are clearly understood. Embedding RBC requirements into contractual documents, supplier codes of conduct or other written agreements provides a strong foundation for alignment across business relationships.<sup>19</sup>

Basic pre-qualification processes and initial screenings of suppliers can support the identification of potential risk areas and create a first level of assurance. Similar to internal training and capacity building, business partners should be provided with appropriate guidance, training opportunities or resources to help them understand and act in accordance with relevant RBC policies. Strengthening the capabilities of suppliers and business partners should generally be prioritised, as collaboration often provides a more effective and sustainable basis for risk mitigation than the premature termination of relationships. Additional assurance mechanisms, such as independent third-party audits of suppliers and business partners or participation in recognised industry or multi-stakeholder assurance programmes, may further support the verification of compliance with RBC expectations.<sup>21</sup> Further, business partners should be informed about available grievance channels, such a hotline, third-party online platform or email address<sup>20</sup>. Enterprises may encourage or support the development of supplier-level mechanisms where appropriate.<sup>21</sup>

Many enterprises face challenges due to limited leverage or complex, multi-tier supply chains. These challenges may include limited visibility over upstream actors, difficulties in assessing and validating risk information, fragmented communication across supply chain tiers and a reduced ability to influence suppliers or drive improvements. Such constraints should be acknowledged and proactively managed. Depending on the context, this may include strengthening collaboration with business partners, participating in industry initiatives or multi-stakeholder programmes, and engaging with employer organisations, NGOs or sector platforms to increase collective leverage. Where risks cannot be effectively mitigated, enterprises may also consider structural adjustments to their supply chains, such as reducing the number of intermediaries, exploring alternative sourcing regions or identifying substitute products or materials with lower human rights or environmental risks. However,

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<sup>19</sup> OECD (2018): [OECD Due Diligence Guidance for Responsible Business Conduct](#).

OECD (2016): [OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas](#).

Business Leaders Initiative on Human Rights (2006): [A Guide for Integrating Human Rights into Business Management](#).

Global Business Initiative on Human Right. (2025): [What "good" looks like - Embedding Human Rights in Governance Processes](#).

<sup>20</sup> ICAT Initiative for Climate Action Transparency (2020): [Stakeholder Participation Guide](#).

<sup>21</sup> OECD (2018): [OECD Due Diligence Guidance for Responsible Business Conduct](#).

OECD (2016): [OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas](#).

Business Leaders Initiative on Human Rights (2006): [A Guide for Integrating Human Rights into Business Management](#).

OECD (2025): [Measuring the Uptake and Impact of Due Diligence for Responsible Supply Chains](#).

disengagement should generally be considered only as a last resort after reasonable efforts to prevent or mitigate adverse impacts have been undertaken. These measures do not replace later risk assessment steps but can contribute to a more robust and manageable foundation for due diligence.<sup>22</sup>

## 3.5. Documentation and measurability foundations

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To ensure that the implementation of RBC policies can be followed and consistently applied across the organisation, it is important to establish basic documentation and measurability structures alongside the steps described above. These elements help create transparency in how policies, procedures and expectations are rolled out and ensure that information relevant for oversight is systematically captured. This includes defining which information should be documented and assigning responsibilities for maintaining these records within relevant departments, ensuring consistency and structured information flows across the organisation.<sup>23</sup>

Enterprises may also establish simple, practical indicators that reflect the progress of embedding RBC into internal systems and business relationships. Examples include the number of updated policies, the share of employees reached through training, or the proportion of supplier contracts incorporating RBC clauses. These initial indicators help capture early implementation progress and may build on the functional indicators already outlined in the status-quo assessment matrix in Table 2.<sup>24</sup>

By establishing documentation and measurability structures early in the process, enterprises create a strong foundation for monitoring and continuous improvement of RBC performance.

## 4. Conclusion

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Embedding Responsible Business Conduct into policies and management systems forms the foundation of the OECD due diligence process and determines the quality and effectiveness of all subsequent steps. This requires an assessment of existing structures, the definition of clear governance roles, the integration of RBC into internal procedures and business relationships, and the early establishment of documentation and measurability structures. Together, these elements create a coherent and operational framework that supports meaningful risk identification, mitigation and monitoring. Implementing Step 1 in this way enables due diligence to become an integrated and data-informed management practice rather than a stand-alone activity.

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<sup>22</sup> OECD (2018): [OECD Due Diligence Guidance for Responsible Business Conduct](#).

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