

Consultancy for conducting a mapping of HRDD-related legal reporting requirements to Fair Wear's monitoring and accountability system

1. Introduction

In the European Union, the Corporate Sustainability Reporting Directive (CSRD) obliges large companies to report about their Human Rights Due Diligence (HRDD) measures from 2025 onwards. In addition, the Corporate Sustainability Due Diligence Directive (CSDDD) obliges very large companies to ensure that they address (potential) adverse impacts of their actions. In Germany, the first annual due diligence reports are due in early 2024 based on the reporting obligation in the Lieferkettensorgpflichtgesetz (LkSG).

For Fair Wear to support our member companies in meeting these reporting requirements, we aim to offer tailored content on the measures, improvements and impact made in their supply chains within the scope of Fair Wear.

2. Background

Given that tracking progress and communication with stakeholders as integral parts of the HRDD process, it becomes critical to have adequate measures for data collection, reporting, and publication. To this end, Fair Wear is developing a HRDD management, monitoring and accountability system to facilitate companies in the human rights due diligence, via the so called HRDD Facilitation Hub.

Fair Wear would like the HRDD Hub to also facilitate companies' with having greater transparency on due diligence measures, challenges, and improvements in their supply chains. To support this, Fair Wear needs an in-depth review and mapping of current HRDD-related legal reporting requirements, paying attention to reporting requirements on human rights and their alignment to the information available on the HRDD Hub and the publicly available Brand Performance Check.

This review is part of a work package for accurate and consistent data gathering, analysis, and reporting on HRDD measures in supply chains, which seeks to advance the needs and expectations of our member companies.

3. Objective

Main research question:

“Within Fair Wear's scope, what are the corporate reporting requirements on HRDD (and respective metrics) set out in current legal and soft-law frameworks, and how do they align (or not) with the available information in the HRDD Hub and the Brand performance check?”

The ultimate outcome of this review is to ensure that Fair Wear's HRDD Hub and Brand Performance Check are fit for purpose. The analysis will assess whether they:

- Are aligned with these legal reporting requirements,
- Bring additional information about human rights measures and improvements in supply chains,
- Raise Fair Wear's credibility as a partner in mandatory HRDD and demonstrate that meaningful HRDD is taking place in member companies' supply chains.

4. Methodology

The selection of legal corporate reporting requirements to include in this review will be discussed and decided during the initial inception phase with Fair Wear, drawing on the consultancy's experience and HRDD expertise. That said, it is expected that at a minimum the following will be reviewed as a starting point:

- German Supply Chain Law (LkSG)
- Corporate Sustainability Reporting Directive
- Corporate Sustainability Due Diligence Directive

The review would likely be conducted through a thorough literature review of the relevant legislative reporting frameworks and requirements.

Following the review, a systematic comparison, mapping similarities, overlaps and significant differences between the HRDD Hub metrics and Brand Performance Check indicators vis a vis the legal reporting frameworks should follow.

Finally, if information is lacking, a recommendation for incorporation should be made. To assess alignment with HRDD Hub metrics and Brand Performance Check indicators, the consultancy will naturally have to gain a deep understanding of the Fair Wear's approach and monitoring and accountability system. This could imply internal document review as well as a limited set of key stakeholder interviews and focus group discussions.

The consultant is invited to specify more details on their preferred methodological approach in their proposal.

5. Milestones and Deliverables

Deliverables:

- A detailed inception presentation, specifying the regulatory frameworks that will be reviewed, the proposed analysis grid applied and a tentative outline of the final report.
- A concise final report of no more than 20-30 pages (plus annex), which summarizes the reporting requirements in relevant HRDD frameworks and how Fair Wear's monitoring and accountability system can contribute to these and any recommendations for improvement.
- A visual framework showing the relationship between HRDD Hub metrics and Brand Performance Check indicators and legal HRDD reporting requirements.
- A final presentation of the contents of the analysis as presented in the report.

Milestones:

- Kick-off: June 2024
- Inception presentation: Early June 2024

- Midterm report: Early August 2024
- Final report: End of September 2024
(including voluntary standards for SME's and sector standards as set by EFRAG, dependent on EFRAG's timeline)
- Presentation and discussion: End of September 2024

6. Qualifications of the consultant

- Fluency in English both written and spoken; Fluency in German is a plus
- Existing research experience including knowledge of qualitative data collection and analysis methods as well as conceptual skills needed for research design
- Proven experience of conducting analysis of legal requirements, ideally with a professional background in legal studies
- Proven professional experience within the thematic context of Human Rights Due Diligence
- Ability to present information concisely and clearly
- Understanding of Fair Wear's approach

7. Application process

Deadline to submit a proposal is Thursday the 15th of May. We will invite 3 consultants for an online presentation.

Please send the application to:

Jesse Bloemendaal - bloemendaal@fairwear.org

Rosan van Wolveren - vanwolveren@fairwear.org

Interviews are planned for Tuesday 21st of May.

If you have further questions, you can contact above persons.