

NAP monitoring – Glossary for the questionnaire for the 2020 representative survey¹

Question	Term	Definition
General	Human rights	<p>Basic international standards aimed at securing dignity and equality for all. (See: Universal Declaration of Human Rights, International Covenant on Civil and Political Rights, International Covenant on Economic, Social and Cultural Rights.)</p> <p>Human rights are inherent in all mankind, independent of nationality, residence, sex, national or ethnic origin, color, religion, language or other status. The human rights of employees are addressed in particular in the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work: freedom of association and the right to collective bargaining; elimination of forced or compulsory labor; the abolition of child labor and the elimination of discrimination in respect of employment and occupation.</p>
General	Corporate human rights due diligence	<p>Companies are obliged to exercise due diligence in their actions so as to prevent violating the human rights of others or being involved in such violations. The Federal Government's expectations for corporate human rights due diligence are described in Chapter III of the National Action Plan for Business and Human Rights, according to which all enterprises are expected to introduce the process of corporate due diligence described in a manner commensurate with their size, the sector in which they operate, and their position in supply and value chains. These expectations are based on the United Nations Guiding Principles on Business and Human Rights</p>
General	Stakeholders	<p>Stakeholders are “any individual or organization that may affect, or be affected by a company’s actions and decisions.” For example, these could be the company’s employees or suppliers, customers, local communities, trade unions or civil society organizations</p>

¹ Translation courtesy of EY.

Question	Term	Definition
		Source: UN Guiding Principles Reporting Framework and its implementation guidance
General	Companies with an implementation plan	<p>“Companies with an implementation plan” are treated separately for monitoring purposes. This group includes companies that have not fully implemented the NAP requirements on the survey date, but can credibly demonstrate that they will do so by the end of 2020. Such companies use the “comply or explain” mechanism in their answer to the relevant question in the questionnaire to explain that implementation of the defined requirements is planned (temporary status). Affected companies should note that they can provide evidence of the plans indicated in the questionnaire, for example, by sending a document authorized by the management board or an equivalent document. To be assigned to this category, the implementation plans must be sufficiently concrete, credible and suitable for closing the identified gap in implementation by the end of 2020 and all other questions must be answered in line with the abovementioned “compliant” category.</p> <p>Due to the forward-looking nature of implementation, the consortium cannot assign the group of “companies with an implementation plan” to “compliant”/“non-compliant” categories. These companies are presented separately in 2019 and 2020. To determine the actual implementation status at the end of 2020, the service provider will check at the beginning of 2021 whether the planned measures have been implemented. The result of the 2020 survey will be amended accordingly.</p>
1.1.1	Policy statement	<p>A policy statement or public commitment to respect human rights is a “high-level and widely available statement by a company that sets out its intention to respect human rights.”</p> <p>Source: UN Guiding Principles Reporting Framework with implementation guidance</p>
1.2.2	Communication	The communication of the public commitment is making it available to specific target groups in order to inform relevant stakeholder groups of the content of the commitment.
1.2.2	Relevant stakeholder	Relevant stakeholder groups have a contractual relationship or another direct or indirect relationship with

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	groups	the company's business activities and either contribute significantly to the company's human rights risks or could be affected by them.
1.2.2	Potential stakeholders	An individual or a group whose human rights have been or may be affected by a company's operations, products or services or by the company's upstream supplier network.
1.3.1	International human rights reference instruments	International human rights reference instruments include conventions, agreements, declarations and international treaties that address specific human rights. Examples include the right to life, the right to freedom of association and the elimination of compulsory labor. The OECD Guidelines for Multinational Enterprises and the UN Guiding Principles for Business and Human Rights do not address specific rights in need of protection and only indirectly address the topic.
2.1.1	Human rights risks/adverse human rights impact	<p>The human rights risks or the potential adverse (negative) human rights impacts of a company are all risks that could cause their activities to make one or more negative impacts on human rights. "A negative human rights impact occurs when an action removes or reduces the ability of an individual to enjoy his or her human rights." Enterprises can reduce the ability of their employees, contract workers, customers, workers in their supply chains, residents of communities around their operations and the end users of their products and services, among others, to enjoy their human rights. The risk is that business activity – either directly or indirectly – could negatively impact virtually the entire spectrum of internationally recognized human rights.</p> <p>Sources: Frequently Asked Questions about the Guiding Principles on Business and Human Rights (HR/PUB/14/3), UN Guiding Principles Reporting Framework with implementation guidance</p>

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2.1.1	Risk analysis	<p>Risk analysis refers to one or more processes to identify and evaluate the potential negative human rights impacts (human rights risks) in the value chain of the company. The nature and depth of the risk analysis may differ according to the business division and the various phases of the value chain. Risk analysis also serves to determine areas in the value chain where the risk of negative human rights impacts is most significant.</p> <p>For the results of the risk analysis, please indicate which risks were identified on a gross basis – that is, without taking risk-mitigating measures into account (questions 2.3.1-2.3.5).</p>
2.1.1	Operations	<p>Operations or business activities are everything that a company does in the course of fulfilling the strategy, purpose, objectives and decisions of the business. This may include activities such as mergers and acquisitions, research and development, design, construction, production, distribution, purchasing, sales, provision of security contracting, human resource activities, marketing, conduct of external/government relations including lobbying, engagement with stakeholders, relocation of communities, social investment and the activities of legal and financial functions, among others.</p>
2.2.1	Value chain	<p>A company's value chain encompasses all activities associated with company products or services that convert input into output by adding value. It includes the company's own business activities as well as entities with which it has a direct business relationship, entities in the upstream supply chain (up to raw material procurement) and customers, project partners and if applicable, downstream waste disposal services. Support functions such as investment and financing activities are also part of the value chain.</p>
2.3.2 and 2.6.1	Particularly high risk//particularly negative human rights impact	<p>A negative human rights impact that is especially severe due to the degree of impact on human rights, the number of affected or potentially affected people or the low possibility of remediation. Particularly high human rights risks are identified independently of the company's ability to influence them and can form a basis for deciding which areas of the value chain to prioritize by taking measures to prevent or</p>

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		mitigate human rights violations.
2.4.1	Prioritization	The risk analysis should identify the areas requiring an in-depth examination. This is especially necessary when the risk of negative impacts on the human rights of specific groups is particularly high and more detailed information is required to be able to take measures. The identified problem areas should therefore be prioritized. The risk of particularly negative impacts arises, for instance, in cases with many potential affected persons and/or where the potential impacts would have severe, inestimable or irreversible consequences. Dialog on the ground with the (potential) affected persons and the inclusion of internal and external expertise in the field of human rights should be part of the in-depth examination.
2.6.1	In-depth examination Human rights impact assessment	The in-depth examination (e.g., human rights impact assessment) is a process that focuses on the especially severe human rights impacts. The in-depth examination serves to identify the impacts more precisely and gain a better understanding of them, thus helping to derive appropriate measures. The process enables all relevant human rights aspects, their causes and affected groups, and the company's own contributions to human rights threats to be identified.
3.1.1	Measures	It is necessary to take appropriate measures to prevent, mitigate and, if required, remediate (potential) negative human rights impacts. The choice of measures and their appropriateness depend on whether the company causes (potential) negative impacts itself or contributes to such impacts indirectly through the upstream and downstream value chain.
3.2.2	Training	Training comprises all measures for disseminating information to employees on the company's stance on human rights, human rights topics relevant to the company and the operational implementation of human rights due diligence, and supports the implementation of human rights due diligence.
3.2.3	Reparation	Reparation or remediation refers to both the process of providing remedy for a negative human rights

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		<p>impact and the substantive outcomes that can counteract, or make good, the negative impact. These outcomes may take a range of forms such as a restitution of rights, rehabilitation, financial or non-financial compensation, punitive sanctions (such as a fine) or prevention (for example injunctions or or guarantees of non-repetition).</p> <p>Where the following responses differ depending on the various stages of the value chain, you may document this in the free text field.</p>
3.4.1	Effectiveness checks	Effectiveness checks or tracking tell companies whether their human rights measures are on target, that is, whether they are an effective response to the identified human rights impacts and are being implemented in the best way possible to drive continuous improvement. Effectiveness checks also enable companies to measure the success of the measures taken against the targets.
4.1.1	Documentation	The company has internal documentation of all relevant information on the company's activities in human rights due diligence. The information can be made available to interested stakeholders at short notice if required. It is assumed that any publication of this information (e.g., as part of corporate reporting) means that it is also documented.
4.2.1	External communication//reporting	Communication of and reporting on the company's own human rights due diligence activities to external stakeholders, e.g., in reports, written statements or on websites. Reporting on human rights can be part of other company reports (e.g., as part of a management report).
4.2.4	Suitably formulated for the addressees	The reported information is made available in a form and manner that is usable, understandable and accessible for relevant stakeholders.
5.1.1	Complaints mechanism	Here, the term "complaints mechanism" refers to a routine, non-public procedure in which complaints about potential breaches of human rights in connection with the company can be lodged. Complaints

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		mechanisms help identify a company's potential negative human rights impacts and enable any irregularities to be addressed. A complaints mechanism does not have to be restricted to human rights aspects. It can be used for other aspects as well (e.g., general compliance).
5.2.3	Fair, transparent, balanced and calculable	A clear procedure for addressing complaints is provided – with a foreseeable time frame for each stage of the procedure as well as clarity on the types of process and outcome available and means of monitoring implementation. This ensures that aggrieved parties have reasonable access to information, advice and expertise to engage in a complaints procedure on fair, informed and respectful terms. The parties involved in a complaints procedure are kept informed about its progress on an ongoing basis.
5.2.4	Check of effectiveness	Checking effectiveness is aimed at establishing whether the complaints mechanism can actually be used by (potentially) affected parties as intended and whether the reports received as part of this procedure can be used to mitigate (potential) negative impacts on human rights and enhance human rights due diligence processes.