

Survey to review progress in implementing  
corporate due diligence in the field of human rights described in the  
German National Action Plan (NAP) on Business and Human Rights 2016-2020  
(monitoring)

**FREQUENTLY ASKED QUESTIONS**  
**ABOUT THE QUESTIONNAIRE (as of 4 March 2020)<sup>1</sup>**

We will do our utmost to support you in responding to this questionnaire.

The Business and Human Rights Helpdesk is happy to answer your questions about the NAP and NAP monitoring, including the questionnaire. All questions and data received will be treated confidentially.

The Business and Human Rights Helpdesk is provided by the Federal Government free of charge through the Agency for Business & Economic Development (Agentur für Wirtschaft und Entwicklung, AWE) as part of the National Action Plan on Business and Human Rights.

Email	Telephone	Online
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Moreover **two free webinars** are planned to further supplement the guidance for responding to this questionnaire. These are scheduled for **16 March** and **8 April**. More information on the webinars will be available on the Helpdesk website shortly.

**The Federal Foreign Office, the owner the monitoring procedure, has compiled the following information.**

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<sup>1</sup> Translation courtesy of EY.

## General information on monitoring and the survey

### 1. What is the aim of the survey?

The aim of the monitoring process is to make available a comprehensive evaluation of the progress made in implementing human rights due diligence by German-based businesses in 2019 and 2020. In addition, qualitative statements should be made on the substantive depth of implementation, the challenges faced and the costs arising for businesses.

### 2. What does the survey cover?

The review covers the five core elements of due diligence in the field of human rights in accordance with chapter III of the NAP.

This means that it examines whether the following are in place:

- (1) a human rights policy statement;
- (2) a procedure for the identification of actual and potential adverse impacts on human rights (risk analysis);
- (3) measures to prevent potentially adverse impacts and reviews of the effectiveness of these measures;
- (4) reporting; and
- (5) a grievance or complaints mechanism.

You can download a PDF version of the NAP via the following link: <https://www.auswaertiges-amt.de/blob/610714/fb740510e8c2fa83dc507afad0b2d7ad/nap-wirtschaft-menschenrechte-engl-data.pdf>

Go to the end of this document for further information about the five core elements.

### 3. Who is being surveyed?

The group evaluated in the monitoring process comprises all for-profit enterprises based in Germany with more than 500 employees. In the case of corporate groups, the consolidated number of employees is the relevant figure.

In 2019 and 2020, a representative sample will be generated randomly from the population, stratified by sector and company size. The necessary company data will be sourced from the Bisnode business database. For the 2020 survey, approximately 2,200 companies will be included in the sample.

### 4. Who is carrying out the survey?

The German Federal Foreign Office commissioned the audit firm Ernst & Young GmbH (EY) to carry out the monitoring in collaboration with adelphi Consult GmbH, Systain Consulting GmbH and focusright GmbH. Below, these project partners are also referred to as the 'consortium'.

### 5. Can the sample include individual companies from a group? Why might more than one company within the same group be included in the sample?

The total group being evaluated, and thus the sample, are made up of companies at the level of their individual legal entity. Consequently, all group companies with more than 500 employees may potentially form part of the random sample, as well as the parent company itself (in which case the consolidated number of employees applies). Please note that the questionnaire is to be completed by each company included in the sample, even if this means that more than one company within a group takes part in the survey. The reason for adopting this approach is that the requirements of the NAP apply to all enterprises in Germany regardless of their corporate structure.

→ See also **question 20** for more details on how to complete the questionnaire in a group relationship.

## **6. Is it possible for companies to participate in NAP monitoring twice?**

Based on statistical probability, it is possible that a company will be included in both the 2019 and 2020 survey. It is important that these companies take part in the 2020 survey as well since this will help obtain a clear picture of the status of implementation of human rights due diligence for the duration of the NAP.

## **Completing the questionnaire**

### **7. How is the questionnaire organised?**

The questionnaire is broken down into seven parts. First we would like you to answer general questions about your company, for example the number of employees and the sector of the economy to which it belongs. These details are needed to check the plausibility of the content you provide in the rest of the questionnaire. There then follow questions on the five individual core elements. The questionnaire ends with a few concluding questions (including challenges faced in the field of human rights due diligence). The questionnaire has a navigation bar to help you switch to the introductory question in each section quickly, after you have started answering questions in that section.

If you have not answered 'yes' to the initial questions on each core element, you are not required to answer the subsequent detailed questions (they will also not appear). In every other respect, each company taking part in the survey receives the same questionnaire.

### **8. Whom can I contact if I have technical questions or problems with the questionnaire?**

For technical questions: Please send a short email with your question or a description of the problem to [nap.monitoring@de.ey.com](mailto:nap.monitoring@de.ey.com). We will get in touch with you as soon as we can.

For content-related questions: If you have any questions about the content of the questionnaire or would like general advice on the NAP, you can contact the NAP Helpdesk at the Agency for Business & Economic Development (see **question 32**). The NAP Helpdesk offers individual, confidential advice.

E: [naphelpdesk@wirtschaft-entwicklung.de](mailto:naphelpdesk@wirtschaft-entwicklung.de)

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I: <https://wirtschaft-entwicklung.de/wirtschaft-menschenrechte/> (in German)

### **9. How should I fill in the questionnaire? What should I enter if none of the response options apply to my company?**

Most of the questions can be answered by clicking on one or more of the alternative response options. Options which rule out all of the other responses to the same question have a round button [●]. Options which permit multiple responses to the same question have a square button [].

Almost all of the questions offer you the possibility of providing more detailed answers as free text, in addition to or instead of the set responses. This is especially useful in cases where the available response options do not match your company's actual circumstances. Some questions include a request for you to insert a link to further documents in the free text box. The purpose of this is to verify the plausibility of your answers.

It is important to complete the questionnaire truthfully and as transparently and comprehensibly as possible. The consortium will use various mechanisms to check the plausibility of the entries. The aim is for the evaluation to produce realistic findings on the progress in implementing the core elements of human rights due diligence in Germany.

**10. Is it compulsory to enter a response in the free text boxes? Is there a minimum or maximum number of characters for text in these boxes?**

Some questions require a response in the form of free text. If you do not provide this obligatory response, a message will appear. For other questions it is up to you whether to add a free text response. We expressly recommend that you answer these questions in detail since it helps us to evaluate the content of the responses better. It is expected that the information will be understandable and plausible, and can be evaluated. The responses are not limited to a specific number of characters.

**11. Why are some questions followed by a message that the information requires further explanation? ('comply or explain')**

If this message appears in a green box, the 'comply or explain' mechanism takes effect. This mechanism is an important element for depicting the appropriateness requirement of the NAP in monitoring. It gives the participating companies the opportunity to provide a coherent explanation of why certain requirements have not been met. If coherent explanations are provided, the aspect surveyed can be classified as not decision-useful for the company or the answer can be deemed to be sufficient. The form and content of every explanation will therefore be examined to ascertain whether the company can be deemed to be compliant for specific questions and contexts.

If you use this option you should pay attention to the following aspects when wording your response, otherwise it will not be possible to evaluate the information:

- **Specificity:** The content of the information should relate specifically to the respective NAP requirement and the feature underlying it.
- **Relevance:** The information should relate to the company's specific actions regarding the respective NAP requirement; general, non-company-specific information should be avoided.
- **Completeness:** The reasons for a NAP requirement not being implemented must be fully explained, to enable the project team to evaluate the substance of the matter. General statements such as 'no resources' or 'not relevant' are not admissible.
- **Equivalence:** If a company implements NAP requirements using equivalent approaches, you must explain what these are. The reasoning comprises two dimensions: 1) a clear indication that a NAP requirement has been implemented in a different way; and 2) the nature of this alternative form of implementation.
- **Context:** If information relates to a specific time and/or geographical area, the context must be indicated.

It is not mandatory to enter an explanation under the 'comply or explain' mechanism. That said, the survey team would like to encourage all participating companies to make use of this opportunity. The details provided here yield valuable additional information for monitoring which is then incorporated in the presentation of results (in anonymised form).

Since data is evaluated within the survey team in anonymised form wherever possible, please also enter information that you consider obvious or clearly evident under 'comply or explain'.

**12. How much time should I schedule for completing the questionnaire?**

There is no simple answer to this question, as it greatly depends on how each company is organised and how complex it is.

**13. When and how will the consortium approach the companies included in the sample for the 2020 survey?**

The companies included in the sample will receive a **letter** from EY on or after **2 March 2020** which will be addressed to the company's management. It will include an invitation to participate and background information on NAP monitoring and will be accompanied by a **letter from Federal Foreign Minister Heiko Maas** emphasising, on behalf of the Interministerial Committee on

Business and Human Rights, the importance of participation from the perspective of the Federal Government. The letter contains a reference to an **email** which will be sent out to the company at the same time as the letter and which will contain a link to the online questionnaire. The letter from EY includes the **address** of the **link** so that the online questionnaire can also be accessed independently of the email. The email to the company will be sent by [nap.monitoring@de.ey.com](mailto:nap.monitoring@de.ey.com) and have the subject line 'National Action Plan on Business and Human Rights Monitoring – Link to Survey'. It will normally be addressed to a publicly available, central company email address (e.g., [info@...](mailto:info@...)). If EY has a dedicated company email address (of an office or contact responsible for NAP monitoring) and is permitted to use this address under data protection law, EY will send the email with the link to the online questionnaire to this address. Companies can send a dedicated email address (of an office or contact responsible for NAP monitoring) to EY by sending an email to [nap.monitoring@de.ey.com](mailto:nap.monitoring@de.ey.com). Companies can also use this address to inquire whether they will be included in the 2020 survey.

From 30 March, companies included in the sample that have not yet opened the questionnaire will be reminded by telephone and by letter to participate in the survey before the deadline of 24 April 2020.

NAP monitoring is performed on an anonymised basis. Neither the Federal Government nor the public receive information about the companies included in the sample. The data will be retained by the consortium conducting the survey.

#### **14. What is the deadline for completing the questionnaire?**

The deadline for completing the questionnaire is 24 April 2020. This gives companies around eight weeks to formulate their responses.

#### **15. What happens if I do not submit the questionnaire by the deadline?**

On 30 March 2020, a written reminder will be sent to all companies that have not started the survey. The consortium partners will also start making contact by telephone from this date. Limited extensions to the deadline can be granted on request.

If the questionnaire is not submitted before the deadline despite multiple reminders, the company will be classed as a 'non-responder'. If the overall response rate is too low, ultimately it will not be possible to reach a statistically representative conclusion as to the progress in implementing the NAP, and the core objective of monitoring will not be achieved.

#### **16. Can the questionnaire be divided up within the company? Can more than one person work on the questionnaire (at the same time)?**

It is perfectly possible to involve a number of people from different departments within the company, and indeed the survey team expressly recommends this, as it can help to ensure that the information is complete and soundly based.

The link to the questionnaire can be shared within the company for that purpose, enabling more than one person to work on the questionnaire at the same time. We must point out, however, that the link to the questionnaire is not subject to user restrictions, so take care when choosing who to share it with. The entire questionnaire, in German and English, is also available for downloading on <http://www.diplo.de/nap-monitoring> and <https://wirtschaft-entwicklung.de/wirtschaft-menschenrechte> in PDF or Word and can be shared within the company by that means.

#### **17. Must the questionnaire be completed in one session, or can I pause it?**

The entries are automatically saved when you click from one page of the questionnaire to the next. You can then close the browser. When you open the link the next time, you will be returned to the point where you last stopped working on the questionnaire. If two users are working on the same question simultaneously, the most recent change is saved in each case.

## **18. Can I change my answers later?**

No, once the questionnaire has been submitted, no subsequent changes can be made. We therefore recommend that you carefully check the entries once again before submitting the questionnaire.

## **19. Can the (completed) questionnaire be printed out?**

No, the online questionnaire cannot be exported, nor can it be printed in its entirety. However, the whole questionnaire including the response options is available as a separate Word or PDF file on the website of the NAP Helpdesk (in German and soon also in English): <https://wirtschaft-entwicklung.de/wirtschaft-menschenrechte>

## **20. How should the questionnaire be completed where there is a parent company and subsidiary relationship within a group? Can the questionnaire also be completed by the parent company?**

One person at the contacted (subsidiary) company must be responsible for completing the questionnaire and subsequently submitting it. The substance of the responses to the questions must be based solely on the perspective of the contacted (subsidiary) company.

People at group (parent-company) level can be involved; the survey team expressly recommends that they should be. This makes sense especially when certain human rights due diligence processes and/or measures are managed at group level and also apply to the subsidiary company. These processes/measures can be incorporated in the responses to the questionnaire provided they are applicable to the contacted subsidiary or are implemented within the subsidiary. On the other hand, processes/measures that are implemented only in certain parts of a group and do not relate to the contacted (subsidiary) company must not be specified by the latter in the questionnaire.

If more than one company within a group is included in the sample, we ask all of these companies to complete the questionnaire in accordance with the principles set out above. This may mean that more than one company specifies the same processes/measures (inasmuch as they apply across the group) in their questionnaires.

If several companies belonging to your group are included in this year's sample and their responses in the online questionnaire are identical, you may complete the questions on the implementation of human rights due diligence for only one of these companies and have the survey team copy these responses over for the other companies (see question 0.10). You can use this option if more than three companies of the same group have been included in the sample.

## **21. What role do the various stages of the value chain play in the questionnaire?**

One of the requirements in the NAP is that companies must take account of all relevant value chain stages and business units when implementing human rights due diligence. The questionnaire therefore asks, with an eye to the value chain, whether appropriate mitigation measures have been derived from the analysis of potentially adverse impacts on human rights. Possible human rights risks may differ between the individual stages of the value chain in particular. For this reason, at certain points the questionnaire refers to the various stages of the value chain or business units.

One of the aims of the NAP is that a company should be aware of the possible impacts and address these in an adequate manner (depending on its size, the industry in which it operates and its position in the supply and value chains). When performing the risk analysis and choosing suitable remedial measures, it must also be borne in mind whether (potential) impacts are directly caused by the company, whether the company contributes to the impacts or whether the company is indirectly associated with the impacts.

## **22. Why are so many details required in the risk analysis?**

According to the NAP, determining potentially adverse impacts on human rights (risk analysis) forms the basis for identifying appropriate measures to prevent or mitigate these impacts. The

structure of the questionnaire and the underlying requirement framework follow the same logic. The results of the risk analysis are thus very important when it comes to assessing the responses to other questions. The survey team therefore requires general information about the identified risks in order to check the plausibility of the corresponding entries. For this reason we ask that you also answer the follow-up questions to question 2.3.1 (At which stages of the value chain have you identified potential adverse impacts on human rights?).

Please note that we first ask about the scope of the risk analysis. This is followed by questions about the findings of the risk analysis and finally a few details about how it was carried out.

### **23. What should I do if I don't understand a question, response option or term?**

These FAQs and the online questionnaire itself contain explanations for many terms. In some places, there are also links to further information in a glossary. The explanations of the terms can also be downloaded from this site. If you have questions about the subject matter, you can call or send an email to the Federal Government's NAP Helpdesk. The NAP Helpdesk can provide confidential and individual advice.

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### **24. How do the requirements of the NAP relate to the requirements of the CSR Directive Implementation Act (CSR-RUG by its German acronym)?**

The German Government's expectations regarding human rights due diligence in accordance with the NAP apply to all companies. However, this monitoring process covers only companies based in Germany with more than 500 employees. In contrast, the scope of application of CSR-RUG is limited to public interest companies (i.e. capital market-oriented companies, banks and insurance companies) with more than 500 employees.

The key difference between the requirements is that the NAP describes legally non-binding expectations on the part of the German Government concerning the processes of human rights due diligence in companies, whereas CSR-RUG contains legal provisions governing the drafting and content of a non-financial statement in the context of management reporting by companies. The information in the non-financial statement may take account of 'respect for human rights', provided that this information is required 'for understanding the course of business, the business results, the position of the company and the impacts of its activity on the [non-financial] aspects [listed in CSR-RUG]'. This materiality reservation applying to reporting under CSR-RUG does not form part of the process requirements of the NAP. Companies should be aware of potentially adverse impacts of their business activity on human rights (irrespective of the consideration of materiality according to CSR-RUG) and address these impacts in an appropriate manner. Individual points in the findings from a materiality analysis can be incorporated into human rights due diligence processes. A blanket reference to human rights not being material to the company as a finding of a materiality analysis (for example according to CSR-RUG, but also GRI) will not be considered sufficient, for instance as part of a response to 'comply or explain'.

### **25. Why do you ask for contact information in the concluding questions?**

The monitoring procedure includes the provision that participating companies will be contacted by the survey team after the questionnaire has been filled in if the self-disclosure contains details that are not considered plausible. Contradictory information can have an impact on the assessment. Any companies to which this applies will be asked follow-up questions over the telephone, when they have the opportunity to explain and clear up the identified contradictions. The brief telephone interviews can only result in an improvement of the assessment – there will be no retrospective downgrading.

You will only be contacted by the survey team if the team has found contradictory responses. By answering the questionnaire truthfully, and carefully reviewing your entries, you will minimise the probability of producing contradictory information. It goes without saying that your contact data will be used solely for the purpose of carrying out the monitoring and that your responses in the

conversations will be treated confidentially and anonymised during the evaluation (see also **questions 27ff**).

**26. How will the data be evaluated? Will the participating companies be rated?**

The information you provide in the online questionnaire will be evaluated by the survey team within the consortium. The data will be evaluated using customary scientific and statistical methods. Company-related data shall of course be subject to strict confidentiality (see **questions 27ff**).

For most of the questions in the questionnaire, before the survey was launched a requirement framework was defined according to which the status of each company's implementation of the NAP will be evaluated. The framework is essentially based on the core elements of human rights due diligence described in the NAP. There are two types of requirements: a general requirement framework that applies to all companies, and a requirement framework that depends on the company's risk disposition.

For further information about the evaluation system, please refer to the 2018 Interim Report (section 4). The Interim Report is available via the following link: <http://www.diplo.de/nap-monitoring>; and <https://wirtschaft-entwicklung.de/wirtschaft-menschenrechte> (full report available in German only, summary in English)

**27. How do you prevent the use of insider information within the consortium in the course of evaluation?**

The evaluation is carried out according to scientific criteria. This means that the evaluation (especially of the information provided in the free text boxes) must be performed in a neutral manner. Individuals who are familiar with a company because of personal or business relations reaching beyond the monitoring process will therefore not be given the task of evaluating that company. Instead, the company will be evaluated by a different partner in the consortium.

**28. Will participating companies find out whether they have met the NAP requirements after the evaluation? Will companies receive feedback about their evaluation?**

As the goal of the monitoring process is to obtain an overall picture of how German companies are implementing human rights due diligence obligations, and given the strict anonymisation of the surveys and their findings, the companies will not receive any feedback from the survey team about their individual results. However, participating companies will receive a general (anonymised) benchmark analysis (i.e. a summary evaluation of all participating companies) after the end of the monitoring process.

The 2019 Interim Report with the aggregated results is publicly available at (<http://www.diplo.de/nap-monitoring>), and thus also accessible to the participating companies.

## **Collection and use of data**

**29. How are the companies' data and information generally handled?**

Monitoring is carried out on a strictly anonymous and confidential basis. The names of the companies randomly included in the samples will not be disclosed, either publicly or to the client (the Federal Foreign Office).

The companies' data and information will be processed in conformance with current legislation on data protection and the protection of confidential corporate information, and the findings will be presented in anonymised form. The collected data is subject to the General Data Protection Regulation and will be protected by EY by means of appropriate technical and organisational measures.

The monitoring process does not include publishing assessments of whether individual companies have complied with the process of human rights due diligence. Aggregated figures on the



achievement of compliance among the sample surveyed and projections for the pool of companies as a whole will be published in the presentation of results of the 2019 and 2020 monitoring process. In addition, figures on compliance by sub-groups will be published, broken down by sector or company size, for example. It will be impossible to draw conclusions about individual companies from these reports.

**30. How and where will the companies' responses and data be stored?**

The server where the data is stored is located in Frankfurt. German data protection laws apply there. In accordance with the EY Records Retention Global Policy, the data will be deleted after seven years.

**31. Who will have access to the data?**

The German Government pledges that the companies will enjoy absolute anonymity and confidentiality for their data and information. The names of the participating companies will be known only to project members within the commissioned consortium and will not be disclosed to the German Government or any other stakeholders. The same applies to the information provided by the companies in the online questionnaires and to findings obtained in stages 2 to 4 from callbacks with entrepreneurs and stakeholders. See also the response to question 32.

**32. How will sensitive data be protected and publication of information be prevented?**

No sensitive personal data (for instance data relating to health, political opinions or sexual orientation) are collected through the online questionnaire. We ask you to refrain from entering any such data in the online questionnaire.

The evaluations will be submitted to the client in anonymised and aggregated form, in accordance with current legislation on data protection and the protection of business secrets. It will not be possible to draw conclusions about the behaviour of individual companies. Accordingly, it will not be possible to trace good or poor levels of compliance to individual companies. The data collected are subject to the General Data Protection Regulation and EY has taken appropriate measures to protect such data.

No assessments of whether individual companies have complied with human rights due diligence obligations will be published in connection with monitoring. Aggregated information on the achievement of compliance within the sample surveyed and projections for the total pool will be published in the presentations of results of the 2019 and 2020 monitoring process. Additionally, the results of specific sub-groups, e.g., industries or company sizes, may be published. No conclusions about individual companies will be able to be drawn from these presentations.

**33. Can a company decline to take part in monitoring?**

Answering the monitoring questionnaire that you have been sent is voluntary. By not answering the questionnaire you decline to participate.

In the National Action Plan, the German Government communicates its expectation that all companies meet their human rights due diligence obligations. This is also linked to the expectation that companies provide information about progress in implementation of their human rights due diligence obligations in the context of the monitoring process. The informative value of monitoring increases with the number of participating companies. Conversely, a high number of non-participants will have a negative effect on the informative value of monitoring. As the findings of the company surveys will be published in strictly anonymised form, no disadvantages will accrue to companies as a result of participating in monitoring.

**About the core elements**

**34. Core element 1 – Policy statement**

A policy statement is a publicly available statement issued by a company at the highest level that sets out its intention to respect human rights.

*The NAP calls for companies to draw up a policy statement, taking international reference instruments into account, to communicate the statement internally and externally and to revise it regularly. It should be adopted by the senior management of the company. The policy statement can be part of an existing document.*

### **35. Core element 2 – Procedures for the identification of actual and potential adverse impacts on human rights (risk analysis)**

A risk analysis is a process or number of processes designed to identify and assess potential adverse impacts on human rights (human rights risks) in a company's value chain. The nature and depth of the risk analysis may vary from one part of the company to another and in relation to various stages of the value chain. The risk analysis serves to identify parts of the value chain where the risk of adverse impacts on human rights is most significant.

When stating the results of the risk analysis, please indicate what risks were identified in gross terms, i.e. before taking account of any risk-reduction measures.

*The NAP calls for the establishment and implementation of a procedure that 'serves to identify, to prevent or to mitigate potentially adverse effects of corporate activity on human rights.' In this regard, the NAP demands the consideration of potentially adverse impacts on human rights as a continuous task that accompanies work processes and is performed with a sectoral focus. The procedure must take account of direct risks (generated by the enterprise itself) and indirect risks (for example through contractual relations with suppliers) as well as impacts 'connected indirectly with the enterprise through its business relations, its business activity or its products or services even though no direct contractual relationship exists, for example in situations involving numerous intermediary dealers.' Where risks are especially high there is provision for an in-depth review with the involvement of potentially affected parties and recourse to external expertise (see the Glossary for a definition of risks).*

### **36. Core element 3 – Measures and effectiveness tracking**

In order to address (potentially) adverse human rights impacts, it is necessary to take measures to prevent, mitigate and, if required, remedy them. The choice of measures and their adequacy depend on whether the company generates (potentially) adverse impacts itself or contributes indirectly to them via the upstream or downstream value chain.

*The third core element in the NAP comprises 'measures to ward off potentially adverse impacts and review of the effectiveness of these measures.' On the basis of the results of the (risk) analysis, measures should be identified and incorporated into corporate processes. In addition, companies should define where the competence lies for reviewing the effectiveness of the relevant measures (at regular intervals). If necessary, companies should also increase the effectiveness of remedial measures in cooperation with other actors.*

### **37. Core element 4 – Reporting**

Communication and reporting of the company's own human rights due diligence activities to stakeholders outside the company, for instance in reports, written statements or on websites. Reporting on human rights may be incorporated into other forms of reporting by the company (for example as part of the management report).

*The fourth core element is reporting. According to the NAP, enterprises should keep information at their disposal and communicate it, where appropriate, to external recipients in order to demonstrate that they are aware of the actual and potential impact of their corporate activity on human rights and are taking appropriate steps to address the situation. Furthermore, especially enterprises whose business activity poses a particularly high risk of adverse impacts should issue regular external reports.*

### **38. Core element 5 – Grievance mechanism**

The term grievance mechanism in this context refers to a routine, non-state procedure by means of which grievances about possible human rights violations can be brought forward in connection with the company. Grievance mechanisms support the identification of a company's potentially adverse human rights impacts and make it possible for grievances, once identified, to be addressed. A grievance mechanism need not be restricted to matters concerning human rights; it can also be used for other aspects (such as general compliance).

*The NAP calls for companies to establish their own grievance procedures or to play an active part in external procedures in order to identify adverse impacts at an early stage, and to review their effectiveness regularly. While the mechanisms should be structured to match the respective target group, all should be designed to 'ensure that they provide a fair, balanced and predictable procedure', are accessible to all those who might be affected, comply with international human rights standards and thus provide maximum transparency.*