

Assessment template for desktop audits

Swedish regions and county councils

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This assessment template is a supporting document for auditors when following up on the contract terms for sustainable supply chains. The template may be used by the auditor or the person performing the audit, as a way to receive guidance in the assessment of the supplier's systems and procedures. The purpose of the template is to standardize the assessment of suppliers nationally in order to ensure that suppliers are assessed equally within the framework of the national collaboration for sustainable public procurement.

The assessment template is intended as a guide and is not exhaustive. Scenarios may appear that are not presented below, and ultimately it is always the auditor who makes the final assessment. In case of doubt, please contact the National Secretariat for Sustainable Procurement:

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Definitions

“Terms and conditions”: The contract terms (§1) that express the responsibility to respect human rights, labour rights, environmental protection and anti-corruption per the following:

- the UN's Universal Declaration of Human Rights;
- the ILO's eight Fundamental Conventions on forced labour, child labour, discrimination and freedom of association, as well as the right to organise (nos. 29, 87, 98, 100, 105, 111, 138 and 182);
- UN Convention on the Rights of the Child, Article 32;
- the worker protection and the working environment legislation that applies in the country where all or parts of the [product/service] is/are produced;
- the employment law, including regulations regarding pay conditions, and the social insurance cover that applies in the country where all or parts of the [product/service] is/are produced;
- the environmental protection legislation that applies in the country where all or parts of the [product/service] is/are produced; and
- the UN Convention against Corruption

Access to production facilities

Requirement

The supplier shall enable the contracting authority to carry out audits at suppliers' and / or subcontractors' facilities to ensure that the supplier fulfils its obligations under paragraphs 1 and 2 and to ensure that the General Terms and Conditions are complied with. During the audit, the supplier shall provide the information and documentation needed to verify compliance with the Basic Terms.

General guidance

The supplier should ensure that the buyer can access production facilities in the supply chain for product(s)/service(s) in order to conduct audits. If the facility is run by a supplier or sub-supplier, factors such as leverage, relations, competition and other may hinder access. This can be taken into consideration when evaluating compliance.

Can the company provide access to its own production facilities, relevant for the products/ services which are subject to the follow-up, should the contracting authority decide to conduct an on-site-audit?

Docs	-		
Compliant	Non-compliant: minor	Non-compliant: major	
The supplier confirms that access can be granted to the company's own facilities upon request.	For example, the supplier confirms that access can be granted to some facilities but not all.	The supplier cannot confirm that access will be granted to the company's own facilities.	

Can the company enable access to suppliers' and sub-suppliers' production facilities, connected to the products/services which are subject to the follow-up, should the contracting authority decide to conduct an on-site-audit?

Docs	The supplier can either present contract terms or other agreements between them and the supplier(s) that ensures access.		
Compliant	Non-compliant: minor	Non-compliant: major	
The supplier confirms that access can be granted to suppliers' or subcontractors' facilities. The supplier can either confirm this for the selected product(s)/service(s) or can show a written procedure that shows that they continuously include this requirement in their contracts. Consideration to leverage and levels of influence may be taken when assessing the supplier's abilities with regards to this question.	For example, the supplier can guarantee access in the first tier but not further upstream in the supply chain. Another scenario may be that the supplier can provide access for some products but not others.	The supplier cannot confirm that access will be granted to the facilities.	

1. Policy commitment

Requirement

The supplier shall have adopted a publicly available policy commitment, approved by senior management, which includes a commitment to respect the terms and conditions.

To comply with the 1st system requirement (policy commitment), the supplier shall have adopted a policy that:

- At least covers the "terms and conditions"
- Is approved by senior management
- Is publicly available, for example at the workplace or on a company website

General guidance question 1.1 – 1.3

The supplier must be fully compliant with all requirements presented through the questions 1.1-1.3. If the supplier does not have a policy commitment at all, and therefore is non-compliant with all below questions, this is to be considered a major non-compliance. If the supplier is compliant with question 1.1 but not 1.2-1.3 this can be considered a minor non-compliance. If the supplier for example has a policy commitment that is approved by senior management and is publicly available, but does not cover all areas of responsibility, this can be either a major non-compliance or minor. This can for example depend on whether the areas that are missing in the policy/policies are especially relevant for the industry in question and its inherent risks, in which case it could be a major deviation against the requirements.

1.1 Does the company have a written policy commitment in which it commits to respect human rights, labor rights, environmental regulations and anti-corruption?

Docs

The supplier shall present one or several company policy/policies.

Compliant	Non-compliant: minor	Non-compliant: major
The supplier has one or several policy/policies in place covering human rights, labor rights, environmental regulations and anti-corruption. If necessary, ask the supplier to clearly mark the different areas, as these sometimes can be difficult to find. It is important to ensure that all areas of responsibility are covered.	<p>Examples:</p> <ul style="list-style-type: none"> • The supplier has one or several policies in place but not all areas of responsibility are covered • Policies are insufficient (i.e. that only energy is covered in the environmental policy or only discrimination of employees under labour rights) • The practices exist, but they are not defined in a policy format – it could be part of an employee handbook for example (i.e. gift giving, discrimination etc.), which is not a policy as such, but a guideline. 	The supplier does not have any policies in place or major risks associated with the industry are missing from the policy/policies.

1.2 Has the policy commitment been approved by the top management?

Docs

If the policy/policies is/are not signed by management representatives (in which case evidence is collected from these documents), the supplier can for example present documentation in the form of minutes from a management meeting, or a statement from the CEO asserting that the policy is approved.

Compliant	Non-compliant: minor	Non-compliant: major
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The policy/policies has/have been approved by top management.

The supplier says that the policy/policies has been approved by top management but cannot demonstrate it through signature or otherwise.

The policy/policies have not been approved by top management.

1.3 Is the policy commitment publicly available?

Docs

The supplier should present the policy on a website or other type of public channel, through brochures or other publications, or show how it is presented in a reception or other publicly available area.

Compliant

The policy commitment is publicly available.

Non-compliant: minor

The policy commitment is available but not easily accessible for external stakeholders. For example, the policy is available but it is not clear for stakeholders how to get hold of the policy/policies.

Non-compliant: major

The policy commitment is not accessible to external stakeholders.

2. Communicating the policy commitment

Requirement

The supplier shall have adopted procedures to convey the commitment to respect the terms and conditions in its own businesses and in the supply chain.

To comply with the 2nd system requirement (forwarding the policy commitment), the supplier shall

- Communicate its commitment to relevant employees within the company
- In writing communicate the commitment to respect the terms and conditions to business partners (first tier suppliers),
- Explain how it ensures that the terms and conditions are conveyed upstream in the supply chain (beyond first tier)

General guidance question 2.1 – 2.3

The first question under this section regards the company's own employees, while the following two address the company's communication in the supply chain. The questions have no direct connection to each other and can be evaluated separately. However, the supplier must be compliant with all questions to comply with the overall system requirement.

Assessment template questions 2.1 – 2.3

2.1 Has your policy commitment been communicated to all relevant employees involved in the performance of the contract?

Docs

The supplier can for example show screens or walls where information is posted, material that is handed out to employees (such as an employee handbook for example), where information can be found on the company intranet, procedures for newly employed, minutes from trainings, etc.

Compliant

The employees in the organization involved in the performance of the contract have been actively informed about the policy commitment. Note that

Non-compliant: minor

For example, information is available but the employees have not been actively informed about the policy commitment.

Non-compliant: major

No information is available to the employees about the policy/policies or the information is difficult for employees to find

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it is not enough that the information is available to employees, the employees shall be actively informed about the policy/policies through trainings (also online), meetings or similar.

2.2 Does the company have a procedure to in writing communicate the policy commitment to first-tier suppliers?

Docs

The supplier shall present written sections that they include in contracts or appendices (for example signed code of conduct). Does the supplier have a written procedure that informs relevant employees on when to include such contract terms? If possible, ask the supplier to show a supplier contract relevant for the selected products to ensure that the procedure is applied in practice.

Compliant

The supplier forwards the requirement to respect the fundamental provisions presented in the policy commitment to their suppliers through contract terms, a signed code of conduct or similar. The supplier does not have to forward the requirements to all suppliers involved in the performance of the contract, but should then demonstrate how requirements are included based on risk.

Non-compliant: minor

For example, the supplier communicates a responsibility to respect the terms and conditions verbally or through more informal channels such as emails or similar.

Non-compliant: major

The supplier does not forward any requirements.

2.3 Does the company communicate the policy commitment upstream in the supply chain, i.e. beyond the first tier of the supply chain?

Docs

The supplier shall present the wording included in contracts or similar that ensure that requirements are being forwarded.

Compliant

The supplier includes in their contract terms, code of conduct, or similar (depending on answer on 2.1) that their suppliers are required to, in their turn, forward the same or similar requirements to their suppliers.

Non-compliant: minor

The supplier has communicated verbally or through other informal channels to their suppliers that requirements should be forwarded in the supply chain.

Non-compliant: major

The supplier does not require from its suppliers to forward the requirements further out in the supply chain.

3. Division of responsibility

Requirement

The supplier shall have appointed a person at the management level with overall responsibility for compliance with the terms and conditions.

In order to comply with the 3rd system requirement (division of responsibility) the supplier shall:

- have appointed one or more persons at the managerial level ultimately responsible for ensuring compliance with the Terms and Conditions,
- have defined what the responsibility entails.

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General guidance question 3.1

The requirement aims to ensure that the supplier has appointed the responsibility at the management level in the company. It is also important that the supplier has defined what the responsibility entails, to ensure that it is not just a figure position. The information will also be useful for the county council/region in case a situation occurs with regards to the contractual terms, the code of conduct for suppliers, or other sustainability-related issues.

Has the company appointed one or more persons at the managerial level who is responsible for compliance with the policy commitment?

Docs

The supplier shall present a governance structure or organizational structure, explaining the most senior level of accountability for ensuring compliance with the policy commitment. The supplier should also show a role description showing which management position that holds the responsibility and what the responsibility entails.

Compliant

The supplier provides contact details to the person/persons responsible for compliance with the policy commitment and can demonstrate that the responsibility includes all areas covered by the requirements, including human rights, labor rights, environmental protection and anti-corruption. The person should hold a position at the managerial level within the company. The supplier can refer to a responsible person at the local level and the global level, or only at the local level (only global level is not sufficient).

Non-compliant: minor

For example, the responsibility does not cover all areas of responsibility, or the responsibility is not at the appropriate level within the company.

Non-compliant: major

No responsible person at the managerial level has been appointed.

4. Risk analysis

Requirement

The supplier shall have adopted procedures to regularly carry out risk analyses, i.e., identify and prioritize current and potential risks for deviations from the terms and conditions, including a mapping of the supply chain with attention to high risk activities.

To comply with the 4th system requirement (risk analysis), the supplier shall:

- Account for the identified risks for the selected goods or services
- Map the supply chain with specific regards to high risk operations,
- Explain how current and potential risks in the supply chain are continuously identified
- Explain how risks are prioritized based on severity

General guidance question 4.1 – 4.3

In question 4.1, the supplier is requested to present the risks for a selected product, product category or service. Here, the company is simply asked to present the risk, and not the method through which the risks were identified. This – i.e. the method through which the company identifies risk- is asked for in question 4.2. In questions 4.3 the supplier is asked to present how they ensure that they focus on the most salient risks, i.e. by which factors they prioritise risk. The questions are interlinked, and a non-compliance in questions 4.2 and 4.3 can therefore lead to a non-compliance in question 4.1. Similarly, if the risk analysis in question 4.1 is insufficient, this can mean that the procedure in question 4.2 is not efficient in practice or is unsatisfactory. The purpose of questions

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4.2 and 4.3 is to evaluate whether the risk analysis presented in 4.1 is a trustworthy one, i.e. whether the risks have been identified through a proper and relevant, purposeful and proportionate procedure.

It is vital to ensure that the supplier has included the entire supply chain when identifying risk, both upstream and downstream. The means through which the supply chain is mapped and risk identified, however, can vary. This is addressed through question 4.1.2, where the supplier is asked to explain how the supply chain has been mapped. Also, as supply chains can be extremely complex on a global scale, the supplier may identify main processes in the supply chain on which it focuses its risk analysis. It is important however that the processors/tiers where risk is high are included in the analysis. For example:

A wholesaler of IT knows that the producer of the PC in question, that is being followed up, has manufacturing in China. The wholesaler knows the exact name and location of this factory and conducts regular audits at this site. They know that in this factory specifically there have been some incidents of labour rights violations and therefore the factory is confirmed high risk. Further upstream in the supply chain, the supply chain becomes very complex as many components are added to the computer. However, the supplier can identify some main components that can be of certain risk, such as electronics and plastics. Although the exact source of the components is not known, a risk analysis can be conducted and appropriate measures can be taken to increase risk awareness (and to manage risk). For example, in electronics, it is widely known that conflict minerals may be used. Conflict minerals are most commonly sourced from central Africa. Knowing this, there are several measures the supplier can take, based on the information at hand.

Example of risk analysis confirmed/unconfirmed risk

The figure below is an illustration of a fictive risk analysis. The figure merely aims at exemplifying a risk analysis consisting of confirmed risk, unconfirmed risk and actions that can be taken to increase risk awareness.

Supply chain: main processes/tiers	Known risk	Potential/ unconfirmed risk	Actions to manage risk/ increase risk awareness
Waste/recycle Supplier		Illegal dumping	Take over ownership of recycling services or audit recycling services
Use Brand owner		User risks	(risk management)
Market access Wholesaler	Laws, regulations, distribution		(risk management)
Packaging/transportation Brand owner	Emissions, materials Transportation		Compliance monitoring
Final assembly 1st tier suppliers	Audits have shown labour rights violations		Compliance monitoring
Component manufacturing 2nd tier suppliers		Risk & location unknown: potential risks include human- and labour rights violations, environmental risk and anti- corruption risk	Tracking the supply chain step by step; increased collaboration and transparency in the supply chain; industry initiative
Plastics Sub-tier			
Electronics Sub-tier			
Oil, coal... Raw material		Risk known, sources unknown; conflict minerals (risks: human rights...); oil extraction (env. risk)	Join industry initiatives identifying/addressing risk in high risk areas; promote certified plastics/ explore sustainable alternatives
Minerals Raw material			

Supporting questions that can help the auditor through this evaluation are:

- Has the company identified risk for its own operations, including those production facilities that fall under the jurisdiction of the parent company, the Group, etc.?
- Has the company assessed if any of its business partners or other suppliers/actors in the supply chain is at risk of violating any of the fundamental rights and responsibilities?
- Are there any known commodity risks for the product in question?
- Has the company assessed potential stakeholders that could be impacted by the company's activities or its business partners'/suppliers' activities' as a result of the performance of the contract?
- Does the company collaborate with business partners or other external stakeholders in identifying risks in the supply chain relevant for the performance of the contract?
- If the company focuses on focal geographies for its risk analysis, through which sources does it determine the risk for those focal geographies?
- Does the company have a procedure to stay informed about relevant legislation in the countries where production is located?

4.1 Has the company identified any risks within its own operations and/or the supply chain for the product(s)/service(s) which are subject to the follow-up (see page 1)?

Docs The supplier shall be able to present a conducted risk analysis for the product(s)/product category/service in question. Make sure to ask/check when the risk analysis was last updated to ensure its relevance. The risk analysis should be written.

Compliant	Non-compliant: minor	Non-compliant: major
<p>The company states the risks of the most severe negative impacts that the company's activities or business relationships (supply chain) can cause, contribute to or be linked to. To determine whether the company's risk analysis encompasses the most severe impacts, the auditor should look at whether risks throughout the entire supply chain are reflected. It is also important that the auditor determines whether the risk analysis reflects generally known severe risks (based on established sources) for that specific industry/commodity (can be based on publicly available information on risks for that specific commodity/industry, experts, NGO:s, stakeholders). It is important to ensure that all areas of the terms and conditions (human rights, labour rights, environmental protection and anti-corruption) have been considered in the analysis. Whether the supplier is compliant on question 4.1 will also depend on the answers to questions 4.2-4.4.</p>	<p>The company is for example partly compliant if it conducts risk analyses but the risk analysis has not taken into consideration the entire supply chain or the most severe risks.</p> <p>Another scenario can be that the supplier has conducted an analysis with regard to for example labour right risks and environmental risk but not human right risks or corruption risk.</p>	<p>The supplier does not conduct risk analyses or the methodology to conduct risk analyses is unsatisfactory (see question 4.2). If the supplier is not fully transparent about the risks, this can also be considered a major non-compliance.</p>

4.1.1 Has the company mapped the supply chain in order to identify the risks you have presented in question 4.1?

Docs This can be presented by the supplier in a written form or can be presented through interview. It is important however that the supplier can explain the measures that are being taken to increase traceability and thereby risk awareness, in cases where the supply chain is not entirely mapped. This course of action can be in the form of a written procedure, minutes from meetings with suppliers, contract clauses, or other. Depending on the circumstances, an oral presentation of the measures that are being taken can also be sufficient. It is however important to ensure that the supplier does not renounce from the responsibility to identify risk, because they cannot map the supply chain in its entirety. The supplier has a responsibility to be aware of the risks associated with the products they provide and should therefore strive towards full risk awareness.

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Compliant	Non-compliant: minor	Non-compliant: major
<p>The supplier can be compliant regardless of whether it says that the supply chain is fully mapped or partly mapped. The auditor's assessment should be based on whether the company's efforts are reasonable considering its prerequisites and/or influence. The severity of the risks in the supply chain will also be a factor in the assessment, as the supplier in some cases will be required to have mapped facilities where risk is especially high in order to be able to manage risk.</p> <p>In some cases, the supply chain may be very complex and it therefore might be difficult for the supplier to map all subcontractors. In these cases, the auditor should evaluate whether the company has mapped the main processes/tiers of the supply chain, with specific consideration to those tiers where severe risk is severe.</p> <p>In order to be compliant, the supplier shall showcase the steps that are being taken to continuously increase traceability in the supply chain.</p>	<p>The supplier may be partly compliant in cases where the company has only mapped parts of the supply chain and cannot provide any action plan on how traceability is being increased.</p> <p>Another scenario may also be that the supplier's initiatives for increasing transparency are insufficient with regards to influence and leverage.</p>	<p>The supplier is non-compliant if it has not mapped the supply chain and cannot show any measures taken or any planned activities to increase transparency and risk awareness.</p> <p>Another scenario may be that the supplier has not mapped tiers where severe risk is prevalent.</p>

4.2 Does the company have a general procedure to identify risk of violation of human rights, labor rights, environmental protection and anti-corruption in your own operations and in the supply chain?

Docs

The supplier should be able to present a written procedure for identifying risk, where key factors to determine risk are shown. The procedure should also state the responsible person for identifying risk, as well as when risk analyses should be conducted and how often. If the supplier does not want to show the actual procedure it can be presented through a power-point presentation or similar (however, full transparency shall be encouraged).

Compliant	Non-compliant: minor	Non-compliant: major
<p>To be compliant, companies' risk analysis should encompass:</p> <ol style="list-style-type: none"> A. All types of risks (covered by the terms and conditions) including human rights, labor rights, environmental protection and anti-corruption. B. Not only their activities but the entire supply chain and any other business or entity that is directly linked to their operations, products or services. Including the entire supply chain means identifying the tiers in the supply chain where risk is most severe, regardless of where in the supply chain the risk is. C. The individuals or groups that may be impacted as a result of these activities and relationships, including the company's own employees and contract workers as well as employees and contract workers of companies that contribute to the performance of the contract. The identification of risk should also include other 	<p>For example, the company is partly compliant if</p> <ul style="list-style-type: none"> - It has a process for identifying risk that encompasses certain risks but not all (for example, risk to the environment and labour right violations but not human rights or anti-corruption). - it has a procedure for identifying risk in the first tier(s) in the supply chain, but not the entire supply chain. - It conducts risk analyses at a certain point but does not have a procedure to continuously collect new information about risk. - Has not delegated the responsibility to conduct risk analyses within the company. 	<p>The supplier has no procedure for identifying risk, or the procedure is insufficient.</p>

groups that are directly affected by the company's own activities or its business relationships. Some groups may be particularly vulnerable to impacts in certain circumstances, for instance, indigenous peoples, children, women or ethnic groups.

The process of identifying risk shall include:

- D. Engagement with internal and external stakeholders and/or collection of information about risks from established sources
- E. Continuous collection of information to stay informed about risk within specific industries, relating to specific products, or for focal geographies
- F. A division of responsibility to ensure that risk analyses are carried out continuously
- G. Information on when analyses should be conducted.

In cases where risk analyses are conducted at the global level, the auditor should, in addition to the above-stated information, ensure that there are regular and established flows of information between the global level within the company and the local level, ensuring that information about risk for those product that are sold to the county councils/regions is collected and handled by the contracting party.

4.3 Does the company have a general procedure to prioritize risks of violations of human rights, labor rights, environmental protection and anti-corruption in your own operations and in the supply chain?

Docs

The supplier shall present a written procedure for prioritizing risk, where key factors to determine the most severe negative impacts are presented.

Compliant

The company has a procedure to prioritize the potential negative impacts that would be most severe. To be compliant, the procedure for prioritizing risk should be in line with an international recognized framework such as the UN guiding principles on business and human rights or similar. Prioritization can be done according to several aspects, for example:

- how grave the impact would be;
- how widespread the impact would be;
- how difficult it would be to correct the impact;
- Their relative likelihood

Non-compliant: minor

For example, the supplier has a focus on the most severe risks but does not have a systematic way to ensure that actions are focused on the most severe negative impacts. The supplier may also for example focus on the most severe impacts in one area (for example labour rights) but not other areas (for example corruption).

Non-compliant: major

The supplier has no procedure to ensure that it focuses on the most severe negative impacts or risks.

5. Monitoring compliance

Requirement

The supplier shall have adopted procedures to continuously monitor compliance with the terms and conditions.

To comply with the 5th system requirement (monitoring compliance), the supplier shall:

- Present the activities that have been undertaken to identify risk in the own operations and the supply chain for the selected products/services
- Present how compliance is being monitoring systematically in the own operations as well as in the supply chain, for example how selection of supplier and sub-suppliers is done based on risk

General guidance question 5.1 – 5.2

The first question under this section addresses actual risk management for a product/service. Question 5.2 aims at exploring the supplier's rationale for managing risk, to ensure that the company will continuously manage and monitor risk in the supply chain. The two questions are interlinked and should be assessed simultaneously. The first question shows whether and how the supplier applies the procedure in practice. The second question addresses the supplier's overall procedures and certifies continuity and pro-activeness.

Assessment template questions 5.1 – 5.2

5.1 Is the company actively managing the identified risks presented in your answer to question 4.1?

Docs

The supplier shall present what activities have been conducted/are planned for the product(s)/service(s) in question. The supplier can for example present audit reports, protocols from trainings or minutes from meetings. They can also show an activity log or a plan for future activities. In some cases, the supplier may be able to present an action plan without having a written document (for example, smaller suppliers). Can the supplier give any specific examples that illustrate how each salient issue, identified for the selected product(s)/service(s), is being monitored efficiently?

Compliant

The supplier shows a clear action plan for managing/monitoring compliance for the selected products. The activities that the supplier conducts may vary depending on the type of risk and where in the supply chain the risk is high. Preferably, the supplier shows reports, protocols or minutes from conducted activities. To be compliant, the action plan/conducted activities should reflect the risk level of the product(s)/service(s). The activities shall be conducted/directed towards those tiers where high risk has been identified, regardless of where in the supply chain this is.

The supplier may be compliant despite the fact that no activities have been conducted for the selected products/services. In this case, the supplier shall be able to demonstrate why efforts

Non-compliant: minor

A minor non-compliance scenario can for example be that the supplier manages/monitors some risks but not others. Another scenario is that the supplier has established a plan for monitoring compliance but has not yet conducted any activities.

Non-compliant: major

The risks are not being managed.

have been prioritized elsewhere based on risk. This shall be showcased throughout questions 5.2 & 5.3.

5.2 Does the company have general procedures for monitoring compliance with your policy commitment in your own operations as well as in the supply chain?

Docs

The supplier shall present a written procedure for managing/monitoring risk, where information on when, where and how often activities are conducted is presented. In some cases, suppliers may have different procedures for different parts of the operations (own brand/branded products) or different procedures for own operations and the supply chain. The auditor should ensure that all available documents are reviewed. If the supplier does not want to show the actual procedure it can be presented through a power-point presentation or similar (although full transparency shall be encouraged)

Compliant

To be compliant, companies' processes to manage/monitor risk should include:

- When and where activities are conducted based on risk
- Which types of activities that are carried out in different scenarios (self-assessments, audits, capacity-building, partnerships, industry initiatives, dialogues, multistakeholder initiatives). The nature and extent of the activity should reflect the risk level that has been identified

The type of activity that is carried out can depend on the circumstances. For example, the level of transparency/the level of maturity in the industry, the amount of leverage or the relations to actors in the supply chain may affect which activities are suitable to undertake. Note that a lack of leverage does not mean that the supplier does not have to monitor and manage risk, but it might have an impact on the type of activities that are carried out.

The supplier shall demonstrate how the activities that are being undertaken achieves the purpose of mitigating risk. The supplier should be able to demonstrate examples of outcomes, i.e. that the activities are efficient in mitigating set risks (can be showcased through question 5.1)

It is quite common that suppliers (specifically wholesalers) manage risk in their first tier, and then puts the responsibility on first tier suppliers to manage risk in the rest of the supply chain. If this is the case, the supplier shall have a clear procedure to collect information from first tier suppliers about their risk monitoring activities and strategies. The supplier will also need to map this against their own risk analysis to ensure that all risks are cared for. The supplier may need to do additional monitoring. It is important for the

Non-compliant: minor

The supplier may for example have a minor non-compliance if there is a procedure in place that needs updating. For example, the supplier may have a procedure that does not fully ensure that severe risks are being managed. Furthermore, the supplier may apply the procedures on some products but not others.

It is not enough for the supplier to only monitor first tier suppliers. If this is the case, this should be considered as a minor or major non-compliance.

Another scenario may be that the activities that are being undertaken are not efficient in practice. It may also be that the supplier has conducted activities sporadically and does not have a systematic way to address risk.

Non-compliant: major

The supplier does not have a procedure for managing or monitoring risk.

It is not enough for the supplier to only monitor first tier suppliers. If this is the case, this should be considered as a minor or major non-compliance.

auditor, in these cases, to look at the flow of information between the company and the supplier to ensure that the contracting party takes ownership of the risks and of the risk mitigation processes.

In cases where risk management is managed at the global level, the auditor should, in addition to the above-stated, ensure that there are regular and established flows of information between the global level within the company and the local, ensuring that the local office, i.e. the contractual party, is aware of the risk management activities that are being undertaken for the products delivered to Swedish regions and county councils.

6. Managing deviations

Requirement

The supplier shall have adopted procedures to immediately take measures to prevent and mitigate non-compliances from the Terms and Conditions, as well as making corrections once non-compliances have occurred.

To comply with the 6th system requirement (managing deviations) the supplier shall:

- Present if any non-compliances have occurred for the selected products during the period of the contract (or otherwise) and if yes, explain how these have been managed,
- Present how deviations are being managed systematically in the own operations as well as in the supply chain, with consideration to the character and severity of the non-compliance.

General guidance question 6.1 – 6.2

The first question is asked with the purpose of finding out if any non-compliances have been identified for the selected products/services. This question is closely linked to question 5: if the supplier has conducted monitoring activities appropriately, then the supplier will be compliant regardless of whether non-compliances have been found or not. If, however, the supplier states that they have not identified any non-compliances, and there are risks according to question 4.1., this might lead the auditor to go back and question the procedure for monitoring risk. If the supplier states that non-compliances have been identified, they should also state or give examples of how these were managed and whether remedy was provided. This then leads to the second question, where the general procedure for managing non-compliances is asked for. This information is important to the buyer to know what actions will be taken in case violations occur in the supplier's own operations or in the supply chain. Depending on the severity of the violation, what is the supplier's course of action? Do the measures differ depending on where in the supply chain the violation occurs? Is the company prepared to provide remedy to those affected?

Assessment template questions 6.1 – 6.2

6.1 Have any deviations from the policy commitment occurred during the contract(s) period and if so, how were they managed?

Docs

The supplier can show audit reports, minutes from meetings, incident records, training protocols, or similar.

Ett samarbete mellan Sveriges landsting och regioner _____

Stockholm • Uppsala • Sörmland • Östergötland • Jönköping • Kronoberg • Kalmar • Blekinge • Skåne • Halland • Västra Götaland
Värmland • Örebro • Västmanland • Dalarna • Gävleborg • Västernorrland • Jämtland • Västerbotten • Norrbotten • Gotland

Compliant	Non-compliant: minor	Non-compliant: major
<p>Either the supplier presents impacts that have occurred in which case they should:</p> <ul style="list-style-type: none"> - Present what actions have been taken to rectify the situation and potentially provide remedy to those impacted or <p>the company has not identified any severe impacts in which case they shall:</p> <ul style="list-style-type: none"> - Showcase that they have taken adequate measures that would allow them to find non-compliances, had there been any (go back to requirement 5) 	<p>A minor non-compliance scenario can for example be that the supplier has identified violations but has not taken adequate measures to manage and remedy those violations (can also be a major non-compliance).</p> <p>If the supplier states that no non-compliances have been found and the auditor concludes that this is due to insufficient monitoring of risks, a non-compliance will be filed under the 5th requirement (i.e. not under requirement 6).</p>	<p>The supplier is aware of major non-compliances in its own operations or the supply chain but has not taken any action to correct, contribute or remedy the violation.</p>

6.2 Does the company have a general procedure for managing deviations in its own operations and in the supply chain?

Docs	<p>The supplier shall present a written procedure for managing deviations. In some cases, suppliers may have different procedures for different parts of the operations (own brand/branded products) or different procedures for own operations and the supply chain. The auditor should ensure that all available documents are reviewed. The procedure should, unless there are special circumstances, be written.</p>
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Compliant	Non-compliant: minor	Non-compliant: major
<p>To be compliant, the company's processes to manage non-compliances should include information on which actions the company will undertake if a violation should occur, including:</p> <ul style="list-style-type: none"> - How the severity of the non-compliance will affect the course of action (is there a special procedure for zero-tolerance violations?) - Whether the procedure differs depending on where it is occurring (own operations/1st tier/supply chain) and if yes, how (for example how will the company act if a non-compliance is detected further upstream in the supply chain? Deviations that the company has contributed to or is linked to?) - Responsible person - Expected timelines <p>It is important that the procedure addresses the issue and those stakeholders affected by the deviation, and not only addresses internal company-specific matters.</p>	<p>The supplier may for example have a minor non-compliance if there is a procedure in place but that is insufficient. For example, the supplier may have one procedure regardless of the nature of the violation (for example, there is no specific procedure for zero-tolerance deviations). Another scenario may be that the supplier has a procedure that is not written down.</p> <p>Another scenario may be that the procedure does not include information on what the company does in cases where non-compliances are detected further upstream in the supply chain.</p> <p>The supplier may have procedures in place to handle deviations relating to for example quality. The process for managing deviations may be linked to this process, but has to be adapted to the specific issues at hand.</p>	<p>The supplier does not have a procedure for managing deviations in its own operations or in the supply chain. If the supplier has a procedure for managing deviations in its own operations but not in the supply chain, this should still be considered a major non-compliance.</p> <p>The supplier may have procedures in place to handle deviations relating to for example quality. The process for managing deviations may be linked to this process, but has to be adapted to the specific issues at hand.</p>