

# Sustainability by the numbers – key performance indicators for corporate due diligence

Numbers are important – to **measuring** the implementation of corporate due diligence for respect for human rights and the environment along your entire value chain, as well as **internal monitoring and/or external reporting**. Not every number needs to be communicated to the outside world. In the beginning in particular, you as an SME can focus on making progress measurable and comparable internally.

The following quantitative figures address corporate due diligence processes in the company and supplier management. The list represents an excerpt of possible key performance indicators. These are based in part on internationally recognized reporting standards such as the GRI standards or the DNK criteria. In the following tabular description, key performance indicators based on GRI standards or DNK criteria are marked accordingly.

Also check existing key performance indicators for their usefulness in order to record processes of corporate due diligence. This applies, for example, to key performance indicators on CO2 emissions or resource efficiency, the number of suppliers with environmental or occupational safety management systems, but also key performance indicators on employee satisfaction or the degree of diversity in your company.

## 1. Overview of the key performance indicators

(1) Establishment in the company	
Key performance indicators	Focus
1.1 Training in the company	Company
1.2 Grievances received	Company
1.3 Status of environmental/human rights measures	Company
(2) Supplier management	
Key performance indicators	Focus
2.1 Supplier locations	Suppliers
2.2 Distribution of the purchasing volume	Company
2.3 Supplier categories	Suppliers
2.4 Purchasing volume in terms of environmental/human rights risks	Company
2.5 Valid supplier self-assessments	Suppliers
2.6 Suppliers with an environment or occupational health and safety management system	Suppliers

2.7 Suppliers tested on the basis of environmental/social criteria	Suppliers
2.8 Suppliers without significant environmental/social risks	Suppliers
2.9 Suppliers with ongoing measures	Suppliers
2.10 Suppliers who have completed training	Suppliers
2.11 Suppliers with improved sustainability performance	Suppliers
<b>(3) Topic-specific key performance indicators</b>	
<b>Key performance indicators</b>	<b>Focus</b>
3.1 Incidents of discrimination and corrective actions	Company
3.2 Threats to the right to freedom of association and collective bargaining	Companies / suppliers
3.3 Child labour risk	Companies / suppliers
3.4 Risk of forced or compulsory labour	Companies / suppliers

## 2. Key performance indicators

### (1) Establishment in the company

(See esp. [Phase 3](#) & [Phase 5](#) in the Due Diligence Compass)

<b>1.1 Training in the company</b>	
<b>KPI</b>	Number of employees in the company with training on human rights due diligence (or sustainable procurement, compliance, etc.)
<b>Unit</b>	Specification in amount and %
<b>Tips</b>	In general, your company should strive to train as many employees as possible. This obviously applies to purchasing, but should also be rolled out further.
<b>Indicators</b>	GRI 412-2 employee training on human rights policies and procedures; DNK criterion 17 - human rights

1.2 Grievances received	
<b>KPI</b>	Number of grievances received
<b>Unit</b>	Specification in quantity
<b>Tips</b>	<p>This key figure is primarily about the internal recording and the establishment and improvement of a grievance mechanism. Grievances could be sorted by, for example:</p> <ul style="list-style-type: none"> <li>• Type of receipt (by phone, email, letter, verbally, etc.)</li> <li>• Subject (thematic background to the complaint)</li> <li>• Affected</li> </ul> <p>Origin</p>
<b>Indicators</b>	DNK criterion 17 - human rights

1.3 Status of environmental/human rights measures	
<b>KPI</b>	Target and action plan with status on environmental/human rights measures
<b>Unit</b>	Indication in % of target achievement per defined target
<b>Tips</b>	<p>See environment or sustainability program at ISO 14001/EMAS; the status of the measures there has four levels, for example:</p> <ul style="list-style-type: none"> <li>• In preparation (0%)</li> <li>• In planning (25%)</li> <li>• In progress / implementation (50-75%)</li> </ul> <p>Done / ongoing (100%)</p>
<b>Indicators</b>	DNK criterion 17 - human rights

## (2) Supplier management

(See esp. [Phase 3](#) & [Phase 4](#) in the Due Diligence Compass)

2.1 Supplier locations	
<b>KPI</b>	Distribution of supplier locations
<b>Unit</b>	Specification in amount and %
<b>Tips</b>	<p>These can be assigned, for example, according to:</p> <ul style="list-style-type: none"> <li>• Local / regional supplier locations</li> <li>• Supplier locations in Germany</li> <li>• Supplier locations in the European Union</li> </ul> <p>Supplier locations in other countries / regions (e.g. EMEA – Europe, Middle East and Africa; America; APJ - Asia Pacific Japan)</p>
<b>Indicators</b>	GRI 204: procurement practices, GRI 204-1 share of spending on local suppliers DNK criterion 4 - depth of the value chain

2.2 Distribution of the purchasing volume	
<b>KPI</b>	Regional distribution of the company's direct purchasing volume
<b>Unit</b>	Specification in amount and %
<b>Tips</b>	The production material (including raw materials) can be measured
<b>Indicators</b>	GRI 204: procurement practices; DNK criterion 4 - depth of the value chain

2.3 Supplier categories	
<b>KPI</b>	Suppliers by category
<b>Unit</b>	Specification in amount and %
<b>Tips</b>	<p>These can be categorised, for example, according to:</p> <ul style="list-style-type: none"> <li>• Preliminary products</li> <li>• Materials</li> <li>• Vehicle fleet</li> <li>• Marketing and travel</li> </ul> <p>IT infrastructure</p>
<b>Indicators</b>	DNK criterion 4 - depth of the value chain

### 2.4 Purchasing volume in terms of environmental/human rights risks

<b>KPI</b>	Share of the purchasing volume that was assessed with regard to human rights and environmental risks
<b>Unit</b>	In %
<b>Tips</b>	<p>One goal formulation could be: by 2025, [...] % of the company's relevant purchasing volume is to be assessed with regard to human rights and environmental risks.</p> <p>It makes sense for your company to derive measures from this. One possibility is to develop action plans if there is a need for improvement.</p> <p>The share of the purchasing volume could be broken down according to the regional distribution.</p>
<b>Indicators</b>	GRI 414-1: new suppliers that have been assessed using social criteria; DNK criterion 4 - depth of the value chain, DNK criterion 17 - human rights

### 2.5 Valid supplier self-assessments

<b>KPI</b>	Number of available, valid supplier self-assessments
<b>Unit</b>	Specification in amount and %
<b>Tips</b>	<p>A target formulation could be to increase the percentage of fulfilment over a defined period of time.</p> <p>A similar KPI could be: Number of supplier locations evaluated with sustainability questionnaires.</p>
<b>Indicators</b>	DNK criterion 4 - depth of the value chain

### 2.6 Suppliers with an environmental or occupational health and safety management system

<b>KPI</b>	Number of suppliers with an environmental or occupational health and safety management system
<b>Unit</b>	Specification in amount and %
<b>Tips</b>	<p>Environmental management systems include: EMAS and ISO14001</p> <p>Occupational health and safety management systems include: OHSAS 18001 (ISO 45001)</p>
<b>Indicators</b>	DNK criterion 14 - employee rights

**2.7 Suppliers tested on the basis of environmental/social criteria**

<b>KPI</b>	New suppliers that have been screened using environmental/social criteria
<b>Unit</b>	Specification in amount and %
<b>Tips</b>	A possible measure for the KPI: All new suppliers undergo a supplier evaluation and are comprehensively audited according to an environmental/social standard.
<b>Indicators</b>	GRI 308-1: new suppliers that have been screened against environmental criteria; GRI 414-1: new suppliers screened based on social criteria; DNK criterion 14 – employee rights, DNK criterion 17 - human rights

**2.8 Suppliers without significant environmental/social risks**

<b>KPI</b>	Number of suppliers who do not show any significant risks after checking for environmental/social criteria
<b>Unit</b>	Specification in amount and %
<b>Tips</b>	For this key figure, the results of the risk analysis should be used to determine which suppliers do not have any significant risks (see <a href="#">toolkit 2 "Risk Analysis Tool"</a> ).  One goal formulation could be: In 2021, [...] % of all audited suppliers show no significant human rights or environmental risks.  The goal should be to continuously increase the number.
<b>Indicators</b>	DNK criterion 14 – employee rights, DNK criterion 17 - human rights

**2.9 Suppliers with ongoing measures**

<b>KPI</b>	Number of suppliers with ongoing measures
<b>Unit</b>	Specification in amount and %
<b>Tips</b>	The goal should be to continuously increase the number.
<b>Indicators</b>	DNK criterion 4 - depth of the value chain, DNK criterion 17 - human rights

**2.10 Suppliers who have completed training**

<b>KPI</b>	Number of suppliers who have received training
<b>Unit</b>	Specification in amount and %
<b>Tips</b>	One goal formulation could be: The company works to ensure that [...] % of suppliers have improved their sustainability performance in a follow-up assessment.
<b>Indicators</b>	DNK criterion 4 - depth of the value chain

**2.11 Suppliers with improved sustainability performance**

<b>KPI</b>	Proportion of suppliers who have improved their sustainability performance in a follow-up assessment
<b>Unit</b>	In %
<b>Tips</b>	One goal formulation could be: The company works to ensure that [...] % of suppliers have improved their sustainability performance in a follow-up assessment.
<b>Indicators</b>	DNK criterion 4 - depth of the value chain

**(3) Topic-specific key performance indicators**

**3.1 Incidents of discrimination and corrective actions**

<b>KPI</b>	Number of incidents of discrimination and corrective actions taken
<b>Unit</b>	Specification in amount and %
<b>Tips</b>	In addition, the status of the incidents (in progress, countermeasures planned/initiated) should be disclosed.
<b>Indicators</b>	GRI 406-1 Incidents of discrimination and actions taken; DNK criterion 16 - qualification

**3.2 Threats to the right to freedom of association and collective bargaining**

<b>KPI</b>	Number of establishments and suppliers where the right to freedom of association and collective bargaining could be threatened
<b>Unit</b>	Specification in amount and % and type of business premises
<b>References</b>	GRI 407: Freedom of association and collective bargaining, GRI 407-1: Establishments and suppliers that may threaten the right to freedom of association and collective bargaining; DNK criterion 14 - employee rights

**3.3 Child labour risk**

<b>KPI</b>	Establishments and suppliers at significant risk of child labour incidents
<b>Unit</b>	Specification in amount and %
<b>References</b>	GRI 408: Child labour, GRI 408-1: Facilities and suppliers at significant risk of child labour incidents; DNK criterion 17 - human rights

**3.4 Risk of forced or compulsory labour**

<b>KPI</b>	Establishments and suppliers at significant risk of incidents of forced or compulsory labour
<b>Unit</b>	Specification in amount and %
<b>References</b>	GRI 409: Forced and compulsory labour, GRI 409-1: Establishments and suppliers at significant risk of incidents of forced or compulsory labour; DNK criterion 17 - human rights

**3. Sources**

You can find more information on the above key performance indicators in the following guides, brochures, reporting standards and sustainability reports:

- [Shift \(2016\), Doing Business with Respect for Human Rights – A Guidance Tool for Companies](#)
- [Umweltbundesamt \(2017\), Schritt für Schritt zum nach haltigen Lieferkettenmanagement - Praxisleitfaden für Unternehmen](#)
- Report Standards: [GRI Standards](#) and [DNK Criteria](#)
- Sustainability reports from companies, e.g. [BASF](#) and [DKB](#)