

Original wording of G1-2

Disclosure Requirement G1-2 – Procurement management

17. **The undertaking shall provide information about its procurement-practice related impacts.**
18. The objective of this disclosure requirement is to provide an understanding of the undertaking's management of its procurement process including fair behaviour with suppliers.
19. The disclosure required under paragraph shall include the following information:
- (a) Its strategy with respect to procurement, in the context of the risks of the supply chain specifically and sustainability generally;
 - (b) Whether and how its practices, support its management of its impacts, risks or opportunities as well as transparency;
 - (c) How its practices deal with vulnerable suppliers and the channels for undertakings in its value chain to communicate concerns or complaints;
 - (d) Whether its practices include a focus on locally based suppliers;
 - (e) Whether its practices have been evaluated or screened using social and environmental criteria, and if so, the label of such certification;
 - (f) Whether it has a code of conduct for its supply-side contractual partners;
 - (g) Where applicable, the percentage of its supply-side contractual partners which have signed its code of conduct;
 - (h) Whether it has established an ESG ranking for its supply-side contractual partners; and
 - (i) The rationale and methodology for tracing the source, origin, or production conditions of raw materials and production inputs purchased, if applicable.
20. For purposes of this standard, procurement management include at least the following:
- (a) Activities to avoid or minimise the impacts of disruptions to its supply chain;
 - (b) Its main communication and relationship management targets and actions; and
 - (c) How the outcomes of these practices are evaluated.

Updated paragraph 19 (Tracked changes):

19. The disclosure required under paragraph shall include the following information:
- (a) Its strategy with respect to procurement, in the context of the risks of the supply chain specifically and sustainability generally;
 - (b) ~~Whether and how~~ How its practices, including activities to avoid or minimise the impacts of disruptions to its supply chain, support its management of its impacts, risks or opportunities as well as transparency;
 - (c) How its practices deal with ~~vulnerable suppliers~~ SMEs and the channels for undertakings in its value chain to communicate concerns or complaints;
 - (d) Whether its practices include a focus on locally-based suppliers;
 - (e) Whether its practices have been evaluated or screened using social and environmental criteria, and where applicable, the labels of certifications obtained ~~if so, the label of such certification;~~
 - (f) Whether it has a code of conduct for its supply-side contractual partners;
 - (g) Where applicable, the percentage of its supply-side contractual partners which have signed its code of conduct;
 - (h) Whether it takes into account social and environmental criteria for the selection of ~~has established an ESG ranking for~~ its supply-side contractual partners;
 - (i) Details about the undertaking's practices implemented to support SMEs and improve their social and environmental performance; and
 - (j) The rationale and methodology for tracing the source, origin, or production conditions of raw materials and production inputs purchased, if applicable.

Updated paragraph 19 (clean):

17. The disclosure required under paragraph shall include the following information:

- (a) Its strategy with respect to procurement, in the context of the risks of the supply chain specifically and sustainability generally;
- (b) How its practices, including activities to avoid or minimise the impacts of disruptions to its supply chain, support its management of its impacts, risks or opportunities as well as transparency;
- (c) How its practices deal with SMEs and the channels for undertakings in its value chain to communicate concerns or complaints;
- (d) Whether its practices include a focus on locally-based suppliers;
- (e) Whether its practices have been evaluated or screened using social and environmental criteria, and where applicable, the labels of certifications obtained;
- (f) Whether it has a code of conduct for its supply-side contractual partners;
- (g) Where applicable, the percentage of its supply-side contractual partners which have signed its code of conduct;
- (h) Whether it takes into account social and environmental criteria for the selection of its supply-side contractual partners;
- (i) Details about the undertaking's practice implemented to support SMEs and improve their social and environmental performance; and
- (j) The rationale and methodology for tracing the source, origin, or production conditions of raw materials and production inputs purchased, if applicable.