GLOBAL SUSTAINABLE ENTERPRISE STANDARD

GLOBAL SUSTAINABLE ENTERPRISE SYSTEM

Handbook GSE-Standard and GSES System

One holistic, verified and accredited standard plus online management platform. Turning your sustainability ratings and governance from a costly burden, into an opportunity.

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                   www.gse-standard.com

REGISTERED TRADEMARKS

Preface

The world has created the Sustainable Development Goals, Standards, Laws and Regulations. All with the intent to make a difference for our planet and its people. Governments and companies need to be compliant and move forward. They want to implement the Global Goals and a Circular Business Model. And, they need to be more transparent every year.

But there's a problem.

For companies, governments and people there's a persistent lack of clarity when it comes to sustainability. There's an overload of complex information and the path to sustainability for a company is not a clear laid out plan. Moreover, sustainability consultants and reporting often are expensive and time-consuming burdens. Companies might not know if they're complaint with sustainability laws. If they're effectively managing opaque supply chains. And, on what areas of sustainability to focus to yield the greatest impact. They might be exposing their business to risk.

It shouldn't be this way - That's why, with a wide range of partners we've started the Global Sustainable Enterprise Standard (GSE-Standard) and its supporting platform GSES System.
We believe data can greatly support and enhance the global conversation on sustainability reporting and progress. And, we're on a mission to turn sustainability reporting and management from a costly and complex burden, into an opportunity.

GSE-Standard is the world's first Meta Standard, unifying every sustainability standard in the world, to measure sustainable performance. Validated through independent partners and accreditation institutions. Combined with the supporting GSES System, it has everything companies and governments need to measure and manage their sustainable performance, supply chains and investments. All in one place. And for a fraction of the cost of other rating, governance and database tools.

The world needs people who want to use their organizations as a way to change the world. This Handbook is created for people who want to know more about GSE-Standard and GSES System. It explains the Standard architecture and the pillars that can be measured. Also, it dives into the process of verifying, auditing and possible certification. Thank you for exploring GSE-Standard and it's supporting platform GSES System.

We're looking much forward to working together to make the biggest possible positive impact on the planet and its people!

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1. GSE-Standard and GSES System

1.1 Changing the world of sustainability reporting

Global Sustainable Enterprise Standard (GSE-Standard) and it's supporting SaaS platform, GSES System, offer you a unique, holistic, verified and accredited approach to sustainability ratings and governance.

GSE-Standard is a sustainable Meta Standard, unifying every sustainability standard in the world. It's validated through independent partners and accreditation institutions.

Combined with the supporting platform GSES System
and the connected GSES Database, it has everything companies and governments need to measure and manage their sustainable performance, supply chains and investments. All in one place.

Two-fold solution
It offers a two-fold solution, together turning sustainability reporting from a costly and complex obligation into an opportunity:

Using data to create a better world together
We believe in the power of data. And, in making a difference together. The Standard is based on the Global Reporting Initiative (GRI) and ISO High Level Structure (HLS) and in compliance with UN

Global Compact, OECD Guidelines and the Responsible Business Alliance. The Standard is open source and managed by a wide international range of experts and stakeholders.

GSE-Standard can be customized to fit both SMEs, corporates and governments. Organizations of all sizes - and their supply chains - have made GSE-Standard and its supporting platform, GSES System, the place to measure and manage their sustainability performance. We are growing every day. Mid 2021 we work with:

35.000+	77	70	6
Organizations	Sectors	Countries	Certifying Bodies

1.2 The House of Sustainability

GSE-Standard consists of several components that together form the 'House of Sustainability'. This model shows how our multi-level, holistic approach works. GSE-Standard measures organizations and their supply chain companies on two levels – combined covering all facets of sustainability:

1. The organizational level (6 pillars)
2. The product/project level (3 pillars)

Each pillar of the House can be measured, verified and certified separately. All components together enable the organization to take steps towards socially responsible and circular entrepreneurship, while at the same time contributing to the realization of the UN Sustainability Goals.

The six pillars on the organizational level (the 'Enterprise Standard') are:
1. Corporate Social Responsibility (CSR)
2. Social Responsible Procurement (SP)
3. CO2 Reduction (CO2)
4. Circular Economy (CE)
5. Health & Safety (HS)
6. Biodiversity (BD)[1]

The three pillars on the product/project level (the 'Footprint Standards') are:
1. Environmental Footprint
2. Health Footprint
3. Circular Footprint

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[1] The Biodiversity pillar is available in a separate addendum to this manual that is published in concept..

The approach includes:
1. The GSE Meta Standard in which existing and new certificates, quality marks and labels for sustainability are laid out.
2. The supply chain analysis on an organizational level.
3. And contribution to the UN Sustainability Goals.

1.3 Six Pillars measure the Organizational Level

Each of the six pillars of the organizational level is connected to the ISO High Level Structure (HLS):
- The pillar Corporate Social Responsibility (CSR) is based on the guideline 'ISO 26000:2010 Corporate social responsibility'.
- The pillar Sustainable Procurement (SP) is based on guideline 'ISO 20400: 2017'.
- The pillar CO2 Reduction (CO2) uses 'ISO 14064-1:2019 and 'ISO 50001: 2018.
- The pillar Circular Economy (CE) is based on (British Standard) 'BS 8001:2017'.
- The pillar Health & Safety (HS) is based on 'ISO 45001:2018'.
- The pillar Biodiversity (BD) is based on the UNDP Standard 1: Biodiversity Conservation and Sustainable Natural Resource Management.

The six pillars allow organizations to check with themselves and their supply chain how well they perform. And, what the improvement areas are. This can be done with self-assessments, and also with external validation.

At a pace that's determined by the organization itself, the organization can work towards scores on all six pillars. If desired, the organization can obtain certification on each pillar. Existing quality marks and certificates can be entered per pillar. They can lead to exemptions within the GSE-Standard and to higher scores. Each pillar at organizational level counts 20% in the overall score. If a pillar is left empty, it still counts in the overall score (0%).

This Handbook explains for each pillar how sustainable performance is measured and what 'burden of proof' is needed to measure the performance. After completing a pillar, the organizations obtain a scorecard with a percentage valuation. Making the performance visible to customers, partners, consumers, NGOs, government, employees and other stakeholders is facilitated via the public database (https://gses-system.com/gse-system-database-portal/).

1.4 Three Pillars measure the Product/Project Level

The lower part of the House of Sustainability is formed by the products and projects (the real 'milestones'): the 'Footprint Standards'. This layer examines where products, projects or raw materials come from. The central question is: how circular, sustainable and healthy is a product/project/raw material?

More information on the Footprint Standards? The Handbook of the generic and overarching Sustainable Footprint Standard is separately available on the GSES-system.com and GSE-standard.com.

1.4 Throughout: Supply chain and stakeholders

The GSE-Standard measures both organizations and their supply chains – both on an organizational and product/project level. Within the Circular Economy, organizations will have to work together to reduce waste and close cycles. The same applies to give substance to the International Social Conditions in value chains, such as observance of human rights, good and safe working conditions and a fair wage. The chain analysis focuses on transparency, performance and cooperation between organizations and stakeholders. For more information, see chapter 3 of this handbook.

1.5 Foundational principles of GSE-Standard

The Standard is based on the Global Reporting Initiative (GRI) and ISO High Level Structure (HLS) and in compliance with UN Global Compact, OECD Guidelines and the Responsible Business Alliance.

The GSE-Standard is an open source in the sense that it is managed by a wide international range of experts and stakeholders from diverse industries, led by the National Sustainability Institute of the Netherlands.

The Standard aims to respond to advances in scientific knowledge and technology, continuously adapting and integrating new findings. Because change is the only constant in today's world. It defines program requirements through a dynamic development process, with ongoing opportunities for stakeholder engagement. And by tapping the expertise of established leaders in science, health, business and operations.

The structure of the six pillars is aligned with the structure of ISO High Level Structure (HLS). This makes it easier to integrate measures in the existing quality management system. The questionnaires of the pillars are in line with ISO HLS as much as possible. This means that organizations that already work with ISO 9001:2015 can provide the burden of proof immediately on various questions.

1.6 Pillar Certificates within GSE-Standard

GSE-Standard comprises on the organizational level of the pillars Corporate Social Responsibility, Sustainable Procurement, CO2 Reduction, Circular Economy, Health & Safety, Biodiversity. Organizations can choose with which of the pillars they want to start. The organization itself determines the pace and degree of completeness in which the framework of GSE-Standard is applied.

Each pillar can be verified to obtain a certificate. To this end, each pillar must meet the benchmark and have a minimum score of 50%. A GSE-Standard pillar certificate, a partial certification, is issued by an independent Certification Institute and is valid for three years.

Organizations are encouraged to continuously implement improvements. For each GSE-Standard pillar for which the organization has obtained a partial certificate, the following applies: "Every 3 years, when the partial certificate is renewed, the score on the pillar must increase by at least 3%."

If this improvement has not been achieved, no new partial certificate will be issued and the score for that pillar will go to zero. This will happen, unless the organization can demonstrate that an increase of more than 3% is not possible.

1.7 SME versus Corporate Assessment

On GSES System, at the organizational level, there are two different scans/assessments: one suited for small and medium sized companies (SMEs – companies with max. 100 fte in the Benelux and max 1000 fte in the rest of Europe) and one for corporates.[2] The metrics that are measured for corporates are similar to the SME Scan - only the question design is different to make it fit for corporates. You can find the complete list of Assessment questions per pillar for Corporates in chapter 11/Appendix 1 and for SMEs in chapter 12/Appendix 2 of this Handbook.

On GSES System both SMEs and corporates can map, validate and certify their sustainable performance with little effort. Organizations can do their assessment online, after which a validation can be done by an independent certifying institution and the score can be published.

1.8 Digital Scorecards: Overview of Sustainable Performance

The overall Scorecard on GSES System provides an overview of all sustainability efforts of an organization. The Scorecard allows organizations - but also customers, partners, governments, NGOs and other stakeholders - to gain insight on its performance, certificates, product footprints and contributions to the SDGs. GSES System offers ESG-rating Scorecards both for the organizational level and for the product/project level. Both for the organization itself and for the supply chain.

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[2] The Assessment questions/Scans belonging to the product-/project level are similar for both SMEs and corporates. More information on these can be found in the separate Handbook focused specifically on the Footprint Standards belonging to the product/project level levels.

Example of Organizational Scorecard:
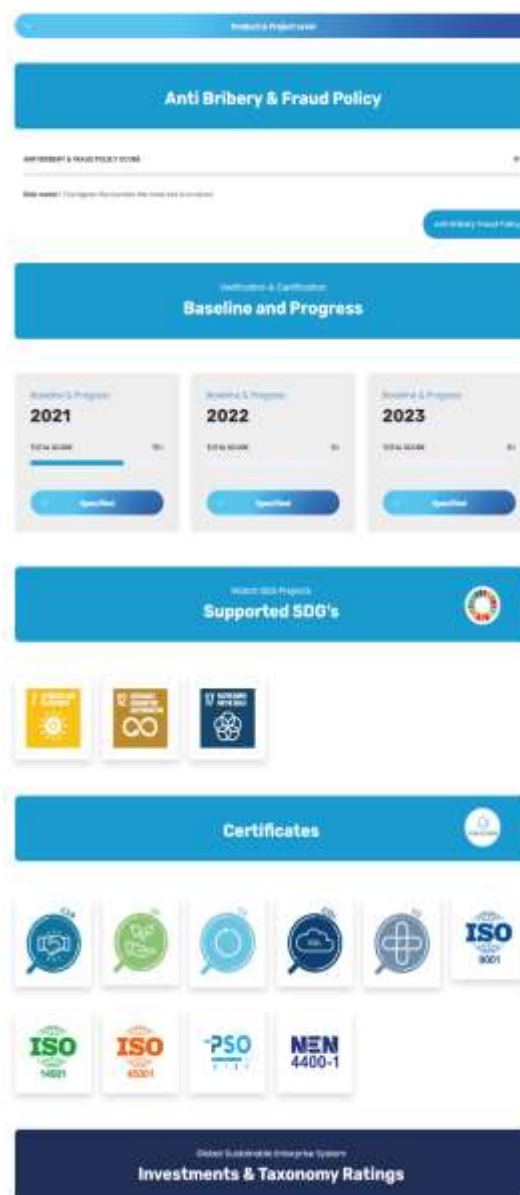
Example of product/project Scorecard:
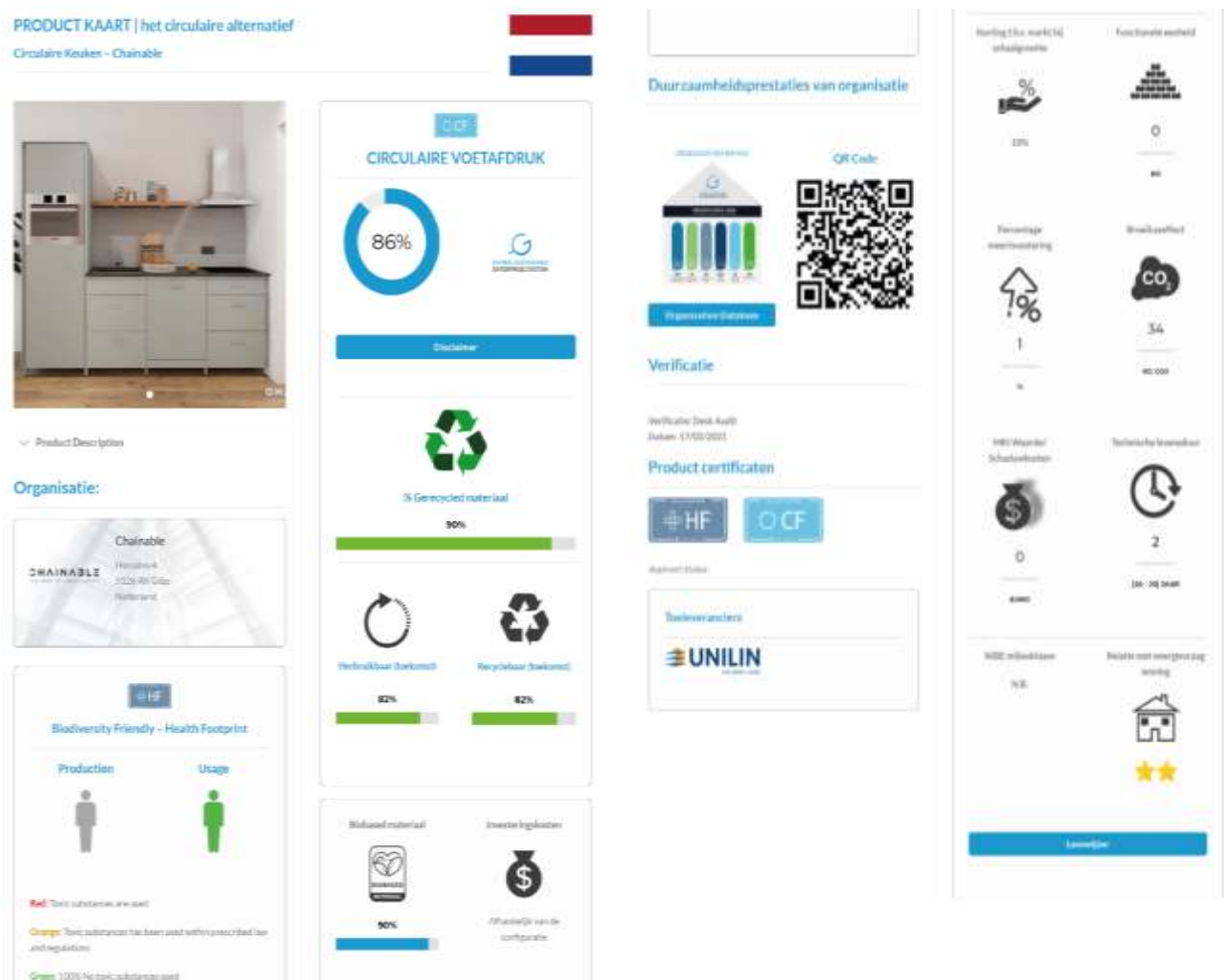
1.9 Existing Labels and Certificates and their Exemptions

Many organizations are already active with sustainability. They have already obtained quality marks and certificates for certain sustainability topics. GSE-Standard is developed in such a way that it offers an overarching scheme. Other relevant certifications and labels in the field of sustainability can increase the scores on the pillars and even count as an exemption for certain GSE-Standard requirements.

If the organization enters an existing certificate or quality mark in the GSES System, the official valid certificate must be provided with a valid certificate number for verification. On the GSES System, participants can upload existing certificates. This can result in exemptions in GSE-Standard and will be recognized on the GSE-Standard Scorecard after validation. In this way, GSES System shows already achieved sustainable milestones.

Overview of first-line exemptions organizational level GSE-Standard:

Overview of first-line exemptions organizational level GSE-Standard related to tourism:

When an organization, based on already obtained certificates, has multiple exemption percentages for one GSE-Standard pillar the highest percentage counts. An example to clarify: if an organization for the GSE-Standard pillar CSR has 1) 30% exemption based on the already obtained ISO 14001

certificate and 2) 20% exemptions based on the already obtained ISO 9001 certificate, the highest exemption score counts. This means the organization receives 30% (and not 50%) of exemption within the GSE-Standard CSR pillar.

A distinction is made between first line and second line exemptions. First line exemptions are validated but don't have an extra audit report. Second line exemptions have both the validation and an audit report belonging to the standard in question (e.g. Ecovadis). Currently the product/project level only has second line exemptions.

Overview of second-line exemptions organizational level GSE-Standard:

Overview of second-line exemptions product/project level GSE-Standard:

ISO 14000

ISO 14000 is a family of standards related to environmental management. It exists to help organizations (a) minimize how their operations (processes, etc.) negatively affect the environment (i.e. cause adverse changes to air, water, or land); (b) comply with applicable laws, regulations, and other environmentally oriented requirements; and (c) continually improve in the above.

ISO 14000 is similar to ISO 9000 quality management (see below) in that both pertain to the process of *how* a product is produced, rather than to the product itself. As with ISO 9001, certification is performed by third-party organizations rather than being awarded by ISO directly. The ISO 19011 and ISO 17021 audit standards apply when audits are being performed.

Percentage of exemptions within the following GSE-Standard pillars based on an ISO 14001 certificate:
- CSR: 30%
- SP: 25%
- CO2: 25%
- CE: 20%

ISO 14064-1

The ISO 14064-1 standard is part of the ISO 14000 series of International Standards for environmental management. The ISO 14064-1 standard provides governments, businesses, regions and other organizations with a complimentary set of tools for programs to quantify, monitor, report and verify greenhouse gas emissions. The ISO 14064-1 standard supports organizations to participate in both regulated and voluntary programs such as emissions trading schemes and public reporting using a globally recognized standard.

Percentage of exemptions within the following GSE-Standard pillars based on an ISO 14064 certificate:
- CO2: 80%
- CE: 10%

ISO 9000-family

The ISO 9000-family of quality management systems (QMS) standards is designed to help organizations ensure that they meet the needs of customers and other stakeholders while meeting statutory and regulatory requirements related to a product or service. ISO 9000 deals with the fundamentals of quality management systems, including the seven quality management principles upon which the family of standards is based.

ISO 9001 deals with the requirements that organizations wishing to meet the standard must fulfil. Third-party certification bodies provide independent confirmation that organizations meet the requirements of ISO 9001.

Level of exemptions GSE-Standard based on an ISO 9001 certificate:
- CSR: 20%
- SP: 15%
- CO2: 15%
- CE: 10%

ISO 50001

ISO 50001 is a specification created by the International Organization for Standardization (ISO) for an energy management system. The standard specifies the requirements for establishing, implementing, maintaining and improving an energy management system, whose purpose is to enable an organization to follow a systematic approach in achieving continual improvement of energy performance. This includes energy efficiency, -security, -use and -consumption. The standard aims to help organizations continually reduce their energy use, and therefore their energy costs and greenhouse gas emissions.

Percentage of exemptions within the following GSE-Standard pillars based on an ISO 50001 certificate:
- CO2: 80%

- CE: 20%
- CSR: 15%

ISO 45001

ISO 45001 is an ISO standard for management systems of occupational health and safety (OH&S), published in March 2018. The goal of ISO 45001 is the reduction of occupational injuries and diseases. The standard is based on OHSAS 18001, conventions and guidelines of the International Labor Organization - including ILO OSH 2001, and national standards. It includes elements that are additional to BS OHSAS 18001 (see below: ISO 45001 changes compared to OHSAS 18001:2007) which it is replacing over a three-year migration period from 2018 to 2021. ISO 45001 also follows the High-Level Structure of other ISO standards like ISO 9001:2015 and ISO 14001:2015 which makes integration of these standards much easier.

Percentage of exemptions within the following GSE-Standard pillars based on an ISO 45001 certificate:
- CSR: 4%
- HS: 80%

OHSAS 18001

OHSAS 18001, Occupational Health and Safety Assessment Series (officially BS OHSAS 18001), was a British Standard for occupational health and safety management systems. Compliance with it enabled organizations to demonstrate that they had a system in place for occupational health and safety. BSI cancelled BS OHSAS 18001 to adopt ISO 45001, which it is replacing over a three-year migration period from 2018 to 2021.

Percentage of exemptions within the following GSE-Standard pillars based on a OHSAS 18001 certificate:
- CSR: 4%
- HS: 70%

AEO

The AEO Certificate (Authorized Economic Operator) is a certificate that is issued by Customs to companies that are internationally active. An AEO certificate offers companies advantages in international trade. For example, that they are less strictly controlled in cross-border trade, which reduces delays at borders. To obtain the status of Authorized Economic Operator, a company must meet a number of safety criteria. These criteria are based on the Community Customs Code and the corresponding implementing regulations. The extent to which a company receives facilities during an inspection depends on the type of certificate. The certificate is valid within the European Union.

Percentage of exemptions within the following GSE-Standard pillars based on an AEO certificate:
- CSR: 4%
- HS: 100%

NEN 4400-1

The NEN 4400-1 standard contains requirements for testing companies that make staff available, such as employment agencies, payroll companies and construction subcontractors. A check is made as to whether these companies comply with all obligations arising from their business activity. These obligations include correct, timely declaration and payment of payroll taxes and sales tax. And, the administration of employee files and identity documents in accordance with the standards.

The NEN 4400-1 standard was established in 2006 through cooperation between various parties in the flex market, including ABU (with the SFT register), NBBU (with the SVU register), RIA, RIV and the BRO register. The initiative for this standard is in line with the minister's wish to arrive at a single national register (instead of previously five) containing all bona fide temporary staffing and lending companies.

Percentage of exemptions within the following GSE-Standard pillars based on a NEN 4400 certificate:
- CSR: 4%

VCA

The Safety, Health and Environment Checklist Contractors, better known under the acronym VCA, offers a list of points for attention and working methods in the field of safety and health. The VCA helps employees in high-risk work environments (for example construction, petrochemical and offshore industry, electrical engineering and process control) to do their work safer and healthier. With a VCA certificate, professionals and suppliers show that they are aware of the work risks they run during their work.

Percentage of exemptions within the following GSE-Standard pillars based on a VCA 1 certificate:
- CSR: 4%
- HS: 20%

Percentage of exemptions within the following GSE-Standard pillars based on a VCA 2 certificate:
- CSR: 4%
- HS: 20%

The CO2 Performance Ladder

This a certification that gives companies insight into their CO2 footprint, while also helping to prepare and implement an energy reduction program. The CO2 Performance Ladder is based on a number of international standards, such as the Greenhouse Gas protocol, ISO 16001 and ISO 14064. The system combines well with ISO 9001 quality management and/or with ISO 14001 environmental management system.

Percentage of exemptions within the following GSE-Standard pillars based on the certificate CO2 Performance Ladder level 3:

- CO2: 40%
- CE: 10%

Percentage of exemptions within the following GSE-Standard pillars based on the certificate CO2 Performance Ladder level 4:

- CO2: 60%
- CE: 10%

Percentage of exemptions within the following GSE-Standard pillars based on the certificate CO2 Performance Ladder level 5:

- CO2: 80%
- CE: 10%

CSR ('MVO') Performance Ladder

The CSR ('MVO') Performance Ladder is a management system that focuses on the development, implementation and alignment of policy on 33 indicators. These 33 indicators fall into the People, Planet, Profit category. You can think of topics such as discrimination, energy and contributions to the local economy. These indicators focus on the entire operational management of a company. The formulated policy must be coordinated with the stakeholders of the organization.

Percentage of exemptions within the following GSE-Standard pillars based on the certificate CSR Performance Ladder level 3:

- CSR: 60%

Percentage of exemptions within the following GSE-Standard pillars based on the certificate CSR Performance Ladder level 4:

- CSR: 75%

Percentage of exemptions within the following GSE-Standard pillars based on the certificate CSR Performance Ladder level 5:

- CSR: 90%

Prestatieladder Socialer Ondernemen

The 'Prestatieladder Socialer Ondernemen' (PSO) is a science-based measuring and rating instrument connected to TNO, that measures the extent an organization practices socially responsible entrepreneurship - especially focused at the participation and inclusion of vulnerable groups within the organization. The PSO works with direct and indirect contribution to inclusion. Direct contribution

refs to the relative number of challenged people on the pay roll, indirect contribution refers to focussing on inclusion via procurement (e.g. Social Return).

Percentage of exemptions within the following GSE-Standard pillars based on the certificate PSO Ladder level 1:
- CSR: 20%

Percentage of exemptions within the following GSE-Standard pillars based on the certificate PSO Ladder level 2:
- CSR: 45%

Percentage of exemptions within the following GSE-Standard pillars based on the certificate PSO Ladder level 3:
- CSR: 60%

Groenkeur

The Groenkeur assessment directive provides the quality demand for the green sector. Dealing with living materials requires a focused quality management system. The requirements for the Green Label Green Facilities certificate are geared to green providers who are active in the procurement market for municipalities, government and business. The requirements are tailored to work in public greenery. The core of the Groenkeur assessment guideline is an integrated ISO 9001 system with a focus on quality and professional competence. Sustainability has a role in the assessment guideline. Extra attention is paid to securing knowledge, skills and application of laws and regulations.

Percentage of exemptions within the following GSE-Standard pillars based on the Groenkeur certificate:

- CSR:20%

BlueScan

The BlueScan certificate is used by organizations in the offshore and maritime industry. The BlueScan standard is based on the ISO 26000. From the 'MVO Nederland Maritime Network', several top Dutch maritime companies joined forces to make procurement more sustainable. The role of procurement in the maritime sector is ever evolving. The expected lifetime of a product is becoming shorter, while supply chains are becoming less transparent. With the increasing globalization of business, the need has arisen to look beyond cost-saving measurements. Over 80% of CPO's recognize sustainable procurement as a trend.

Percentage of exemptions within the following GSE-Standard pillars based on the Bluescan certificate:
- CSR: 60%
- HS: 60%

- SP: 15%
- CO2: 15%
- CE: 10%

Veiligheidsladder level 5:
The Safety Culture Ladder (SCL) is an assessment method for measuring safety awareness and conscious safe acting (culture & behavior) in companies. The emphasis is on the safety culture. The SCL is intended as a measure to encourage companies and their suppliers to consciously work safely. The higher the safety awareness in an organization, the higher the assigned ladder step.

Percentage of exemptions within the following GSE-Standard pillars based on the Safety Culture Ladder *level 5 certificate:*

- HS: 60%

Sustainable Florist
The Sustainable Florist Certificate shows the sustainability level of florists concerning various aspects of their business: procurement of flowers and plants, waste separation, energy, cleaning, logistics and care for employees.
Percentage of exemptions within the following GSE-Standard pillars based on the Sustainable Florist Bronze level certificate:

- CSR: 20%

Percentage of exemptions within the following GSE-Standard pillars based on the Sustainable Florist Silver level certificate:

- CSR: 35%

Percentage of exemptions within the following GSE-Standard pillars based on the Sustainable Florist Gold level certificate:

- CSR: 60%

Familiy Friendly Enterprise
The Familiy Friendly Enterprise shows that companies recognise the importance of work-life balance of their employees. Attention is paid to working hours and rewards , but also spatial and temporal organization of work, communication policy and management skills, personal development and family services.

Percentage of exemptions within the following GSE-Standard pillars based on the FFE certificate:

- CSR: 20%

Socially Responsible Employer

The Socially Responsible Employer (SRE) certificate is based on the principles and essential contents of the ISO 26000 social responsibility standard, covering the people, planet and profit. Special attention is paid to intergenerational cooperation and work-life balance.

Percentage of exemptions within the following GSE-Standard pillars based on the SRE certificate:

- CSR: 40%

Tourism ecolabels

The GSES Metastandard includes a group of ecolabels for the tourism sector. These are all applicable for hotels, and some also to tour operators. An central standard is the one from the Global Sustainable Tourism Council (GSTC). Many other standards refer to the GSTC. Most standards specify general guidelines for CSR and specific actions for energy and water management. There is generally less attention for procurement and circular economy.

Biosphere Tourism:
- CSR: 24%
- SP: 0%
- CO2: 13%
- CE: 4%
- HS: 2%

Earth Check:
- CSR: 55%
- SP: 2%
- CO2: 40%
- CE: 4%
- HS: 29%

Eco Certification Malta:
- CSR: 69%
- SP: 0%
- CO2: 21%
- CE: 7%
- HS: 29%

Ecotourism Ireland (GTSC):
- CSR: 70%
- SP: 0%

- CO2: 23%
- CE: 7%
- HS: 0%

EMAS:
- CSR: 41%
- SP: 3%
- CO2: 28%
- CE: 25%
- HS: 0%

EU ecolabel:
- CSR: 43%
- SP: 0%
- CO2: 29%
- CE: 22%
- HS: 0%

Green Globe (GSTC):
- CSR: 76%
- SP: 0%
- CO2: 11%
- CE: 7%
- HS: 0%

Green Key (GSTC):
- CSR: 78%
- SP: 28%
- CO2: 30%
- CE: 8%
- HS: 16%

Green Seal:
- CSR: 31%
- SP: 14%
- CO2: 12%
- CE: 7%
- HS: 0%

Green Sign Level 5 (GSTC):
- CSR: 61%
- SP: 25%
- CO2: 23%
- CE: 7%
- HS: 8%

Global Sustainable Tourism Council (GSTC):
- CSR: 70%
- SP: 0%
- CO2: 23%
- CE: 7%
- HS: 0%

Hoteles más Verdes Bronze:
- CSR: 44%
- SP: 5%
- CO2: 3%
- CE: 2%
- HS: 26%

Hoteles más Verdes Silver:
- CSR: 57%
- SP: 5%
- CO2: 3%
- CE: 10%
- HS: 26%

Hoteles más Verdes Gold:
- CSR: 63%
- SP: 5%
- CO2: 13%
- CE: 11%
- HS: 26%

NepCon (GSTC):
- CSR: 77%
- SP: 21%
- CO2: 31%
- CE: 6%

- HS: 0%

Nordic Swan:
- CSR: 18%
- SP: 21%
- CO2: 29%
- CE: 18%
- HS: 0%

TOFTigers PUG Eco-Certification (GSTC):
- CSR: 24%
- SP: 0%
- CO2: 28%
- CE: 7%
- HS: 2%

TourCert (GSTC):
- CSR: 62%
- SP: 12%
- CO2: 28%
- CE: 4%
- HS: 2%

Travelife (GSTC):
- CSR: 24%
- SP: 2%
- CO2: 12%
- CE: 4%
- HS: 10%

On request:
- Actively Green (USA)
- Austrian Ecolabel (AU)
- Ibex Fairstay (CH)
- Luxembourg Ecolabel
- Responsible Tourism Tanzania Eco-Certification

Some important standards are not (yet) valid as an exemption in the GSES, but are mentioned here for sake of completeness.

ISO 27001/NEN7510

ISO 27001 is an international standard on how to manage information security. It details requirements for establishing, implementing, maintaining and continually improving an information security management system (ISMS) – the aim of which is to help organizations make the information assets they hold more secure.
The NEN 7510 is a similar standard for the medical sector.

ISO 22000

ISO 22000 is a standard developed by the International Organization for Standardization dealing with food safety. It is a general derivative of ISO 9000 that specifies the requirements for a food safety management system that involves interactive communication, system management, prerequisite programs and HACCP principles (Hazard Analysis and Critical Control Points).

ISO 55001

ISO 55001 specifies requirements for an asset management system within the context of the organization and can be applied to all types of assets and by all types and sizes of organizations. The standard is aimed at enabling an organisation to obtain value from its assets, and achieve its objectives through the effective and efficient management of its assets.

ISO 14046

The ISO 14046 standard is part of the ISO 14000 series of International Standards for environmental management, dealing with water footprinting. It specifies principles, requirements and guidelines related to water footprint assessment of products, processes and organizations based on life cycle assessment (LCA).

ISAE 3402

The International Standard on Assurance Engagements 3402 (ISAE 3402), titled Assurance Reports on Controls at a Service Organization, is an international assurance standard that describes Service Organization Control (SOC) engagements, which provides assurance to an organization's customer that the service organization has adequate internal controls. These service organizations can be SaaS providers or data centres. The ISAE 3402 ensures proper risk management, information security and anti-fraud measures.

Last but not least, GSES includes the ISO 20400 webtool by the Dutch standard organisation NEN and the most important Dutch platform for procurement professionals, NEVI.

1.10 Validation and certification

Members of GSES System have three options for measuring and validating their performance on the metrics of GSE-Standard.

1. Uncertified member: Meaning the member uses GSES System and GSE-Standard but has not done a desk review and external audit to verify and/or audit the results.

2. Validated member: Meaning the member uses GSES System and GSE-Standard and has passed the desk review (1st phase of becoming a certified member).

3. Certified member: Meaning the member uses GSES System and GSE-Standard and has passed both the desk review and the external audit performed by third party Certifying Institute.

More information on the process of becoming a validated and certified member is found in chapter 10 of this Handbook.

1.11 Certifying Institutions

GSES System and GSE-Standard work with six independent Certifying Institutions. Together they cover the world. See chapter 10 of this Handbook for more information.
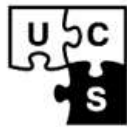
1.12 OECD Anti-Bribery & Fraud policy

The Anti-Bribery & Fraud policy meter of the GSES System is measured based on OECD Guidelines and OECD notifications. If an organization is noticed and reported as corrupt by the OECD contact point, the GSES System adapts the meter on the rating card to a risk level of 100, indicating high risk.

An organization with a positive Anti-Bribery & Fraud Policy meter has its anti-bribery & fraud policy and implementation in place, is never notified by the OECD and is carrying its responsibility on this matter. Companies can also upload their Anti-Bribery & Fraud Policy for display on their rating card. It is also an option to verify the implementation of the policy itself on the platform.

1.13 GSES Social Impact Metric

Social Impact is defined as actively trying to minimize or solve social problems. Social problems concern the wider social system around an organization, e.g. discrimination and oppression. Health & Safety management is excluded from this definition.

The GSES Social Impact Metric is composed of the checkpoints in the CSR and SP pillars concerning:
- Human rights and good labour practice within the organization and in the supply chain.
- Combating corruption, bribery and extortion within the organization and in the supply chain.
- Contributing to socio-economic sustainability via:
  o The provision of training opportunities, through traineeships or the provision of education.
  o Helping people who are distanced from the labour market to gain work experience (social return).
  o Stimulating the regional economy by purchasing as much as possible locally or regionally.
  o Supporting social organisations and charities (e.g. through: sponsorships, voluntary activity or other means).

2. Involving supply chain and stakeholders

2.1 Use GSES System to invite your supply chains and stakeholders

In the GSE House of Sustainability, GSE-Standard and GSE-System the informing, involving and collaborating with stakeholders and supply chains is imbedded in all pillars and levels. The interplay of companies and stakeholders is just too complex for an organization to work alone. To create a more sustainable world, companies and stakeholders need each other.

An organization should maximize its contribution to sustainable development in the value chain, society, environment and economy. Influence can be derived from the ability of the organization to inform, encourage, support and collaborate with stakeholders inside or outside of the supply chain to improve their sustainability performance.

That's why the GSE-System allows organizations who use the system to invite their supply chains and stakeholders. Organizations can choose what pillars plus connected questionnaires they want their invited supply chains and stakeholders to answer. These scores will be included on the organization's Procurement Dashboard.

2.2 Increase transparency

Increasing transparency is a challenge for many organizations and their value chains. What goes well and what doesn't in regards to sustainability? The CSR pillar of the GSE-Standard has identified transparency as a second principle. Transparent information is characterized by its accessibility, reliability, timeliness, accuracy and comprehensibility. The quality and transparency of the information should be coordinated with relevant stakeholders on a regular basis.

2.3 OECD Responsible Business Conduct guideline

The Organization for Economic Cooperation and Development (OECD) issued a new guideline with practical advice for Due Diligence in 2018, called the 'OECD Due Diligence Guidance for Responsible Business Conduct'. The guideline has been adopted by many of the 48 OECD countries and partners.

Public and private organizations should apply this guideline in their supply chains. All pillars from the GSE-Standard are aligned with this OECD due diligence guideline. For more information, please go to: http://www.oecd.org/investment/due-diligence-guidance-for-responsible-business-conduct.htm

3. Advancing the SDGs through GSE-Standard

The 17 Sustainable Development Goals (SDGs) were set forward by the United Nations as part of the 2030 Agenda for Sustainable Development that was adopted by UN Member States in 2015. The SDGs set 169 specific, measurable targets across a wide range of interdependent social, economic and environmental issues ranging from reducing poverty to tackling climate change. Together, the SDGs form a call to action for countries and institutions around the world to partner toward building an equitable society and flourishing planet.

The GSES endorses the 17 SDGs. Moreover, the GSES System helps to integrate the global goals in business processes and contacts with stakeholders in value chains and beyond.

By mapping GSE-Standard pillars to the 17 SDGs, we sought to highlight the multi-faceted impact of the Standard in a global context. Above all, GSE-standard's alignment with the SDGs reinforces the powerful opportunity we all have as global caretakers to catalyze our organizations as mechanisms to create a better world.

The SDGs are as follows:

1. Elimination of all forms of (extreme) poverty
2. End hunger, ensure food security and sustainable agriculture
3. Healthcare for everyone
4. Inclusive, equal and qualitative education for everyone
5. Equal rights for men and women and empowerment of women and girls
6. Clean water and sanitation for everyone
7. Access to affordable and sustainable energy for all
8. Inclusive, economic growth, employment and decent work for all
9. Infrastructure for sustainable industrialization
10. Reduce inequality within and between countries
11. Make cities safe, resilient and sustainable
12. Sustainable consumption and production
13. Tackling climate change
14. Protect and sustainable use of the oceans and seas
15. Protecting ecosystems, forests and biodiversity
16. Promote security, public services and justice for all
17. Strengthen the global partnership to achieve goals

4. Pillar Corporate Social Responsibility (CSR)

4.1 The ISO 26000 CSR Directive as the basis

The CSR pillar from GSE-Standard is based on the international guideline for Social Responsibility of Organizations: ISO 26000:2011.

The GSE-Standard Corporate Social Responsibility (CSR) pillar encompasses all major United Nations standards of conduct. The international CSR guideline has strong connections with the other pillars of GSE-Standard and other instruments such as the GRI Sustainability Reporting Guidelines and the Integrated Reporting Framework.

This CSR pillar gives organizations and their supply chains insight into their CSR performance. It's measured at the organizational and process level.

4.2 CSR Definition

CSR is strategic in nature. It relates to both business operations and business processes and has an impact on the supply chain and society. As defined by ISO 26000, CSR is the responsibility of an organization for the impact of its decisions and activities on society and the environment through transparent and ethical behaviour that:

1. contributes to sustainable development, including health and the well-being of society;
2. takes into account the expectations of stakeholders;
3. is in accordance with applicable laws and international standards of conduct;
4. is integrated throughout the organization and is put into practice in its relations.

These four characteristics of CSR are all focused on action and assurance. Recognizing, acknowledging and providing insight into CSR performance is an important first step in the growth towards being a sustainable organization.

4.3 Context Analysis

Companies and governments are all part of a larger whole. No organization stands alone. There are always customers or members, suppliers and stakeholders. Within the CSR Pillar the context analysis of mapping the environment is the first step. A distinction is made between:

- Issues (both internal and external) and
- Stakeholders (both internal and external).

External issues

External issues have to do with the environment of the organization. For example the value chain (e.g. industry agreements, covenants such as Green Deals, ICSR covenant etc.), government (e.g. laws and regulations, zoning plans etc.), civil society organizations (NGOs e.g. regarding human rights, animal welfare, nature etc.), market-/sector developments (e.g. from fossil to biobased, robot technology etc.), public opinion and media (e.g. driver bonuses), and local communities (e.g. safety, employment, nuisance). The physical environment of the organization also plays a role when it comes to external issues. For example, the effects of an organization on infrastructure, surrounding companies or citizens, nature and the environment and safety. The analysis of this broad range of external issues can provide useful input for prioritizing internal CSR topics in section 3.9.

Internal issues

Internal issues are focused on the organization itself. It's about concepts as corporate culture (openness/transparency, ethics, addressing each other, exemplary behaviour etc.), business resources (real estate, resources, energy consumption, waste, recycling etc.) and employees (internal versus freelance employees, working conditions, equality between men and women, development, training, recruitment etc.).

Internal issues can also relate to norms and values principles for the social responsibility of the organization. For example, there may be an external issue regarding compliance with new laws and regulations. Or an internal issue regarding ethical behaviour.

Stakeholders

One general CSR principle is to respect the interests of stakeholders. In fact, stakeholders play a central role when it comes to the social responsibility of the organization. They are the persons or organizations that have an interest in the decisions and activities of the organization. An organization should identify its stakeholders and be accessible so new stakeholders can also register.

In the context analysis, an initial inventory is made of the requirements, wishes and interests of the various stakeholders. Stakeholder involvement is interwoven as a 'green thread' throughout the entire CSR pillar.

Risk and Opportunity Analysis

Organizations should, related to their CSR Context Analysis, manage their sustainability risks and opportunities. The objective of risk management in the context of CSR is to identify the internal and external risks and opportunities related to the activities of the organization. It aims to create priorities and to manage these risks and opportunities.

This applies not only to the risks and opportunities for the organization itself, but also for the risks and opportunities for society, local environment, economic system, and natural environment. It further includes if stakeholders in the value chain and beyond are able to meet the CSR requirements of laws and regulations, international standards of conduct, industry association agreements and the objectives of the own organization.

When properly applied, risk and opportunity management should ensure that significant CSR effects are properly controlled, resources are applied effectively, and decisions and actions taken can be justified.

Risk management includes a risk assessment (identifying, analyzing, evaluating) and treatment. It should be integrated into the management of the organization.

4.4 The Seven CSR Principles

In ISO 26000 there are seven basic principles of social responsibility that serve as an "ethical umbrella" for good governance of any organization. They form a basic attitude when making socially responsible business decisions. These "norms and values" principles must be applied throughout the organization, so not only in management, but also in the workplace.

1. Accountability
2. Transparency
3. Ethical behaviour
4. Respect for the interests of stakeholders
5. Respect for legal order
6. Respect for international standards of conduct
7. Respect for human rights

In addition to these CSR principles, every organization can also use its own principles or core values, so that its own "sound and colour" is formed. If the organization already applies rules of conduct or Codes of Conduct, it makes sense to compare these with these principles and tighten them where necessary.

4.5 The Seven CSR Core Subjects

Building upon the seven basic principles of CSR (see above), ISO 26000 has ordered CSR into seven inter-related core subjects:

1. Management of the organization
2. Human rights
3. Working conditions/labour practices
4. The environment
5. Fair operating practices
6. Consumer issues
7. Involvement with and community development

4.6 Determining Priorities for CSR

The organization is asked to determine the relevance, significance and priority of the CSR topics. To this end, all 37 CSR topics of the seven CSR core themes are run through to determine:

- Which CSR topics are relevant?
- Which relevant CSR topics have a significant impact on stakeholders, society, the environment and the economy?
- What priority is needed for attention and action?

Factors that help determine relevance, significance and priority include:

- Relevance:
  - o Consider factors such as: the degree of connection of the subject with the (core) processes and (core) products/services (the 'core business' of the organization), legislation and regulations requirements, sector-specific agreements, codes of conduct, location and nature of the activities.
- Significance:
  - o Look at the following criteria: the degree of impact on stakeholders, society, the economy and the environment; the potential effect of action, or the lack of action; the level of concern from stakeholders and social expectations.
- Priority:
  - o Include the following considerations: current performance and desired level of ambition; the degree of contribution to the realization of the organizational goals; preventing complicity in adverse effects.

For the prioritized CSR subjects, the organization can determine the order in which it will act, elaborate and implement. General management criteria are taken into account, such as:

- the necessary resources
- costs/investments and any returns
- ease or complexity of execution (prioritizing low hanging fruit)
- the lead time

The organization has to record this prioritization, preferably in a Board decision. It then has to schedule for tackling the prioritized CSR subjects, so that it is clear to everyone on which subjects the organization will work with which time frame. Note that a prioritization is only really of good quality if it is coordinated with the stakeholders involved. Stakeholders can make a CSR topic relevant to the organization and can assess the significance differently.

4.7 CSR in Policies and Objectives

Vision, Mission and CSR
As indicated in the introduction of this pillar: CSR is strategic and affects the core business of the organization: it is ultimately a sustainable strategy. This starts with the vision and mission of the organization. Ideally, this means that:

- the vision shows how the organization views the world and its social responsibility,
- the mission indicates what the organization wants to add to the world.

Policy, Strategy and CSR
It is crucial that CSR is integrated into the management of the organization. An organization has a policy, whether global or detailed, and perhaps also a strategy. What ambitions and goals does the organization pursue with regard to sustainability?

Implementing CSR in the organization is ultimately about integrating CSR into policy, strategy and objectives. This should lead to the inclusion of CSR objectives in, for example, annual plans, department plans, project plans or innovative pilots. This does not alter the fact that some organizations consider it useful - as an intermediate step - to formulate a separate CSR policy first.

Involvement and Facilitation of the Organization
All functional sections (purchasing, development, production, HRM, finance, communication, distribution, sales, services etc.) of the organization must be involved, as well as people from all layers of the organization. Proper prioritization, focus and clear goals help the various sections to include CSR activities in plans and projects.

It is about creating support and awareness at all levels of the organization. Ensuring knowledge and practical information about relevant CSR topics (e.g. about human rights or circularity) is often a first step. The management of the organization must have a thorough understanding of the implications and benefits of CSR.

This may mean that the organization will do different activities (e.g. dealing with waste, equal pay for men and women) differently, or that it will interpret responsibilities and roles differently (e.g. giving budget holders total cost of ownership responsibility).

Communication and CSR
Openness and transparency are very important in CSR. That is why communication plays a major role. Communicating about CSR makes it easier to involve stakeholders and engage in dialogue with them. By communicating openly about its social responsibility, an organization meets the expectations of stakeholders and society.

There are many different ways to communicate about CSR. Think of meetings and conversations with stakeholders, communication with suppliers about CSR in purchasing requirements, customer/consumer information, website, intranet, social media, CSR in magazines or newsletters, advertisements or other public statements to promote sustainability.

In particular, it can be said that communication on sustainable aspects, needs and performance is best integrated into regular contacts with stakeholders.

Communication about CSR is important for many different CSR tasks, including:

- raising awareness both inside and outside the organization of strategies and objectives, plans, achievements and challenges in the field of social responsibility;
- make clear how the organization fulfils its obligations regarding social responsibility and respond to the interests of stakeholders and expectations of society in general;
- providing information on the effects of the organization's activities, products and services, including information on how the effects change over time;
- enabling comparisons with related organizations to encourage improvement in CSR performance;
- being transparent about CSR dilemmas and a possible less outstanding CSR performance.

Communication must, among other things, be comprehensible, accessible and up-to-date. It must respond to the interests of stakeholders, with opportunities for response.

4.8 Integration of CSR in Quality Management System

In addition to the previous section: CSR should also be integrated into the core processes and (daily) working methods of the entire organization. This means realizing a good connection with the (quality) management system of the organization.

Practice shows that existing (certified) approaches for KAM (Quality, Health, Safety, Environment) or QHSE (Quality, Health, Safety & Environment) form an exceptionally good foundation for the integrated CSR approach with the seven CSR core themes. In addition, it may be useful to first try out sustainable innovations as pilots in project form, before embedding them in processes. This should lead to the inclusion of CSR objectives in, for example, annual plans, department plans, project plans or, for example, in innovative pilots for sustainability.

4.9 Measure, Monitor and Certify CSR with GSE-Standard

Based on periodic reviews, an organization should consider ways to improve and measure its social responsibility performance.

The GSE-Standard and its connection platform GSES System offer with its CSR pillar an internationally recognized and independent certification based on ISO 26000. To assess the CSR performance of the organization itself and/or of suppliers, the organization can fill in the online CSR assessment on the platform of GSES System and upload the burden of proof in the 'virtual safe'.

As an organization, you can then request an external audit from an independent Certifying Body and obtain the GSE-Standard CSR certificate based on ISO 26000.

4.10 Relationship of CSR with SDGs

Due to the integral approach of CSR within GSE-Standard CSR Pillar, it is possible to contribute to *all* 17 United Nations goals for sustainable development.

4.11 Assessment questions for SMEs and Corporates

For organizations who want to measure the GSE-Standard pillar CSR, on the platform GSES System two different assessments can be found: one suited for small and medium sized companies (SMEs – companies with max. 100 fte in the Benelux and max 1000 fte in the rest of Europe) and one for

corporates. Both contain the same metrics, only the question design is different – to make is better fit for differently sized companies.

You can find the complete list of Assessment questions for the pillar CSR for corporates in chapter 11.1/Appendix 1 and for SMEs in chapter 12.1/Appendix 2 of this Handbook.

5. Pillar Sustainable Procurement (SP)

5.1 The ISO 20400 Guideline as the Basis

The Sustainable Procurement (SP) or Socially Responsible Procurement (SRP) pillar from GSE-Standard is based is based on the ISO 20400. SP is a theme that plays a prominent role in organizations that develop and implement a sustainable strategy.

The ISO 20400 guideline offers a practical and highly professional approach to help achieve a sustainable strategy on the one hand and to make supply chains more sustainable on the other.

5.2 Sustainable Procurement – Concept and Definition

In ISO 20400 'Sustainable Procurement' is defined as 'purchasing with the most positive environmental, social and economic effects, that are possible throughout the entire life cycle.'

When it to comes to SP, purchasing involves the sustainability aspects associated with the goods and services *and* with suppliers in the supply chain. SP contributes to achieving organizations' sustainability goals and objectives and sustainable development in general.

Sustainable Procurement is a powerful tool for all organizations that wish to behave responsibly and contribute to sustainable development and achieving UN goals for sustainable development. By integrating sustainability into procurement policies and practices, including supply chains, organizations can manage risks and opportunities for environmental, social and economic development.

SP represents an opportunity for organizations to provide more value by improving productivity and assessing value and performance. Also SP enables better communication and encourages innovation between clients, suppliers and stakeholders.

5.3 Explanatory Statement

More and more companies are dependent on having the right raw materials. These will not only be exhausted, but will become more and more expensive in the near future. Raw materials are often extracted in countries with questionable regimes (conflict zones) - something that jeopardizes the reputation of organizations.

Moreover: the Dutch government puts more and more emphasis on the importance of SP. On the 8th of December 2016, the State, Provinces, Water Boards and a large number of municipalities signed the *Manifest Socially Responsible Procurement*. Organizations that want to qualify for a public contract – an opportunity of more than € 73 billion annually in works, supplies and services - have to consider their own sustainable, circular procurement and business process.

Buyers play a key role in the organization when it comes to SP. Buyers can help realize the strategic goals of the organization while at the same time helping to make chains more sustainable. How? By purchasing in a socially responsible manner. They can show what purchasing power means in terms of increasing a positive environmental impact, fair wages, and combating child labour.

5.4 Context Analysis

Issues

Companies and governments are all part of a larger whole. No organization stands alone. There are always customers or members, suppliers and stakeholders. Within the SP Pillar the context analysis of mapping the environment is the first step. A distinction is made between:

- Issues (both internal and external) and
- Stakeholders (both internal and external).

See chapter 4.3 of this Handbook for more information on external and internal issues.

Stakeholders

When it comes to Sustainable Procurement the organization deals with a large number of stakeholders connected to supply chains. Examples are:
- Suppliers, contractors, intermediaries, partners
- Distributors, customers
- Sector and branches
- Governments (laws and regulations and enforcement)

- Citizens and local communities
- NGOs
- Politics

The organization should identify the stakeholders who are directly or indirectly involved in purchasing activities. See the table below as an example of the different types of stakeholders of an organization plus their interests and effects.

Type of stakeholders	Examples of stakeholders	Examples of interests of stakeholders
Internal functions	Management/entrepreneurs	Protect image Improve brand reputation Gain a competitive advantage Support innovation Increase investor confidence
	Purchasing staff	Manage procurement risks (including opportunities) Reduce costs Comply with regulations Support innovation Motivate buyers
	Prescribers	Buy or use goods or services that are more sustainable Ensuring that goods and services are fit for purpose Ensuring that goods are authentic
	Production workers	Meet production schedules Improve efficiency Check the product quality
	Social responsibility/sustainability employees	Improve sustainability performance Support innovation Creating value through social responsibility
	Other internal employees (finances, health and safety, human resources, operational managers, etc.)	Improve health and safety Monitor payment terms Return on investment
Supply chains	Suppliers (layer 1, 2 and further)	Receive fast payment Receive a fair price Gaining insight into customers Obtain fair contract terms Create demand for goods or services that are more sustainable

	Subcontractors/manpower	Receive fair contract terms Get healthy and safe working conditions
	Business relations, consultants	Improve collaboration Innovate Creating mutual benefits
Other stakeholders	Customers, clients and users	Buy or use more durable goods or services
	Local community	Support local employment Promote the creation of wealth and income Enjoy a healthy environment
	Governments, public sector, academic, international bodies	Protect human rights Promote access to essential services Protect the environment Promote joint research
	NGO's	Creating awareness for a more sustainable society
	Unions/workers	Create better working conditions
	Investors, financial sector, credit rating agencies	Limit negative financial effects Reduce uncertainty Support responsible return on investment
	Industry associations	Motivate industrial players Promote good sustainability practices

Trends and developments

In the context analysis, the organization can also pay attention to trends and developments in sustainability, such as:

- Changing government policy: for example the transitions to sustainable energy and to the circular economy.
- Changing regulations: for example mandatory non-financial reporting including human rights.
- Changing government procurement policy: for example the SP manifest in the Netherlands.
- Changing consumer wishes: for example more transparency regarding the true value of sustainability labels and certificates.
- Changing international standards of behaviour: for example updates in the UN Sustainability Goals.
- Economic market forces: for example the fluctuations in availability and price of scarce raw materials.

5.5 Risk and Opportunities Analysis

Organizations should manage their Sustainable Procurement risks and opportunities. Risk management is dynamic and responds to change. The objective of risk management in the context of SP is to identify the internal and external risks and opportunities related to the purchasing activities of the organization. This helps to set priorities and manage these risks and opportunities.

The risks and opportunity analysis includes a risk assessment (identifying, analyzing, evaluating) and treatment. It also includes reflecting on how suppliers across the supply chains are able to meet sustainability requirements – for example those related to monitoring and audits.

5.6 Due Diligence

Due diligence is a specific form of risk assessment to identify and tackle negative CSR effects in chains. This involves proactively identifying, assessing, preventing, limiting and accounting for actual and potential adverse CSR effects.

Sustainable Procurement recognizes that organizations can cause or contribute to adverse sustainability effects by:

- their purchasing practices or the activities of their suppliers, contractors, trading partners, investment companies or intermediaries throughout the entire supply chain;
- designing, purchasing, using or disposing of goods or services by the organization and its supply chains.

Through its purchasing activity, an organization should avoid becoming complicit in the wrongful acts of other organizations that cause adverse sustainability effects. The organization can implement a due diligence process to address and account for adverse effects.

One possibility for elaboration is to include a short risk analysis per issue from the context analysis. It can be shaped like the table below:

Procurement analysis	
Description	**Analysis**
Suppliers component A.	We purchase components based on fossil raw materials from 4 suppliers.
Evaluation	
Risks	1. Customers are becoming more critical of the CO2 footprint of our products. 2. The Circular Economy transition agenda is forcing us to change. 3. The availability of fossil raw materials is decreasing.

Negative effects	1. More CO2 emissions. 2. Recycling is impossible due to the blending of the fossil raw materials. 3. Pollution of nature because fossil plastics are released into the environment.
Opportunities	By applying biobased innovations in collaboration with new suppliers, we can promote circularity, meet customers and guarantee the continuity of raw materials.

5.7 New OECD Due Diligence Guidelines

For the due diligence process of analyzing and addressing negative effects for sustainable development in and outside the value chain, the Sustainable Procurement Pillar of GSE-Standard is in line with the "OECD Due Diligence Guidance for Responsible Business Conduct".

The OECD (Organization for Economic Cooperation and Development) issued this new guideline with practical advice for Due Diligence in 2018.

5.8 The 12 Principles of SP

The ISO 20400 guideline embraces 12 Sustainable Procurement principles, which have been established as follows:

1. Accountability: An organization should be accountable for its own effects on society, the economy and the environment.
2. Transparency: An organization should be transparent in those decisions and activities that have an impact on the environment, society and the economy.
3. Ethical Conduct: An organization should behave ethically and promote ethical conduct throughout its supply chain.
4. Respect for the interests of stakeholders: An organization should respect, consider and respond to the interests of its stakeholders who experience the effects of its purchasing activities.
5. Respect for the Rule of Law and International Standards of Conduct: An organization should strive to be aware of any violations of this at some point in its supply chains.
6. Respect for Human Rights: An organization should respect internationally recognized human rights.
7. Full and fair opportunities: An organization should avoid bias and bias in all purchasing decisions.

8. Innovative Solutions: An organization should seek solutions to meet its sustainability goals and promote innovative procurement practices to promote more sustainable outcomes throughout its supply chain.

9. Focus on Needs: An organization should assess demand, buy only what is needed, and look for sustainable alternatives.

10. Integration: To maximize sustainable outcomes, an organization should ensure that sustainability is integrated into all existing procurement practices.

11. Analysis of costs: An organization should consider the costs that arise over the life cycle, the value for money that is realized and the costs and benefits for society, the environment and the economy as a result of its purchasing activities.

12. Continuous Improvement: An organization should work to continuously improve its sustainability parks and outcomes and encourage organizations within its supply chain to do the same.

In addition to these 12 Sustainable Procurement principles, each organization can also use its own principles. If the organization already applies codes of conduct, it is important to compare these with these principles and tighten them where necessary.

5.9 Drawing up SP Policy

It is important that the Sustainable Procurement policy is consistent with the overall policy of an organization. The involvement of the organization's management is critical for successful Sustainable Procurement practices. Also, it is important that management understands how procurement can support the organization's goals and improve performance. It should be clearly established how accountability for SP performance is provided. See this example of mapping the roles and levels related to the accountability, responsibility and support for SP:
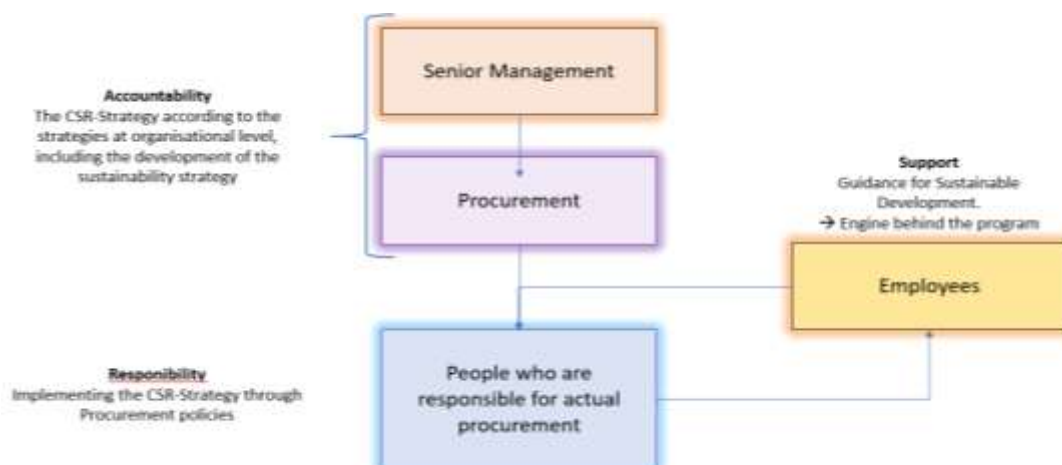
5.10 Facilitate the Purchasing Function

It essential to create the necessary SP-proof preconditions ("enablers") for the purchasing organization and the people who function in it. This helps to make Sustainable Procurement part of the DNA of the organizations culture and processes.

Attention is needed for involving internal and external stakeholders. Internal stakeholders such as budget holders, internal experts, key personnel (e.g. legal, finance, involved management) should understand the reasons for implementing the ISO 20400 and thus Sustainable Procurement. It is important to provide internal stakeholders clarity about the role they play in truly integrating SP into the purchasing process.

Facilitating also implies making relevant SP knowledge and good procurement tools available - for example for the Life Cycle Analysis (LCA) and for cost calculations as the Total Cost of Ownership (TCO) and Life Cycle Costing (LCC).

5.11 Integration of SP in purchasing process

Integrating sustainability into the procurement process involves five steps:

1. Planning: determining a sustainable sourcing strategy;
2. Specifying: determining purchasing specifications based on sustainability criteria;
3. Selecting: choosing a supplier and awarding the contract;
4. Contract management: maintaining the relationship with the supplier and managing the contract with attention to sustainability;
5. Contract assessment and learning: the basis for further improvement of SP performance.

Step 1: Planning

To determine the sourcing strategy it is necessary to:

1. Assess sustainability risks and opportunities
Different goods or services (purchasing categories) and different suppliers can entail different sustainability risks and opportunities. Relevant considerations include technical aspects, the compliance culture, purchasing locations, supply chain structures, with special attention to suppliers below the first layer.

2. Analyzing costs
It is important to take into account all costs that arise during the life of the goods or services. There is a challenge to move from price and Total Cost of Ownership (TCO), to Life Cycle Costing (LCC). The latter also considers capitalized and non-capitalized effects on society, the economy and the environment.

When assessing costs using a LCC approach, the organization should indicate in the procurement documents what data needs to be provided by the tenderers and what method is used to determine the LCC.

3. Analyzing business needs
Analyze whether there are alternative options to deliver the same result in a better way.

4. Analyzing the market
The objective is to obtain a thorough understanding of the existing and future supply market ability to support the sustainable needs of the organization. This while providing the same or an improved level of service, price, functionality and quality. Market analysis allows the organization to gain insight into the sustainability KPIs, lower or increase the level of competition and/or purchasing power of the organization.

The sourcing strategy should further include:

- how sustainability objectives are achieved through the purchasing approach;
- how sustainability requirements are included in the specification, including any go/no go criteria during the pre-qualification or tender phase. Care should be taken to ensure that all suppliers have full and fair competition opportunities;
- how sustainability aspects are included in the draft contract or the draft conditions;
  the importance attached to sustainability in the evaluation criteria, with careful attention to finding the best balance with other criteria such as price or quality;
- expected sustainability benefits, including
  - o   savings over the entire life cycle;
  - o   the effects of the sustainability approach on the project plan and budget.

This ensures realistic and affordable sustainability requirements. Requirements that are considered in addition to those traditionally addressed in a procurement plan - including specification, options analysis, demand planning, risk and opportunity analysis, market analysis and early market involvement.

Step 2: Specifying

After a decision has been made on the procurement strategy, the sustainability KPIs should be established and documented. Examples are a draft contract, briefing, scope of work or the establishing of pre-qualification KPIs.

Some of these criteria apply directly to goods or services that are purchased. Other requirements may apply to the production and process methods used to provide goods or services. And others apply to the supplier organization itself.

It is important to ensure that the sustainability KPIs are realistic, objective and verifiable. If, for example, supply chain due diligence makes clear that human rights are violated for a purchasing category, it should be clear 1) what should be done by whom and 2) who bears the costs for what.

The organization can apply different types of requirements:

- physical or descriptive requirements: specify a characteristic of goods or services.
- performance requirements: define the performance standards to be met by the goods or services, including a definition of how goods or services are to be delivered in order to maximize social and environmental impacts related to future performance.
- functional requirements**:** define the proposed function that the required goods or services must fulfil.

Requirements can be:

- minimum: when the requirements define the minimum levels of acceptable performance which actively exclude unwanted properties;
- optional: when the requirement define preferred sustainability solutions. In this case, they should relate to evaluation criteria used for rewarding performance that exceeds minimum standards.

Labels and Certifications
Evaluation of the SP of on organization involve activities as reviewing documentation, testing, inspections, audits, certification, management systems, assessments, sustainability claims, labels and statements.

These activities may be performed by an independent external agency or organization (third party), an external agency on its behalf (second party), or the supplier or its representative (first party). When defining the evaluation procedure for each requirement, the organization should identify which activities should be performed and by whom.

The evaluation procedure can be carried out in the context of pre-qualification or as a step in the tender process. After the contract has been awarded, additional ongoing evaluation should take place in accordance with the plan established within the tender.

The Footprint Standard of the GSE Metastandard is a good instrument organizations can use to determine procurement requirements.

Step 3: Selecting

The organization should assess whether the supplier is able to contribute to the SP criteria and expectations of the organization through the delivery of goods or services. This usually involves a pre-qualification or a tender procedure.

The main differences between the pre-qualification and a tender procedure are:

- Pre-qualification: usually focuses on the supplier's overall ability to deliver expected outcomes, including sustainability outcomes;
- Tender procedure: usually focuses on the supplier's capacity and commitment to meeting detailed and specific requirements, including sustainability requirements, for goods or services.

When selecting suppliers, the organization should ensure that all legal requirements (e.g. public procurement regulations) are met. Also, open and fair competition between potential suppliers should be promoted. Attention has to be paid to ethics, respect for (intellectual) property, transparency of the entire selection process, and the (dis)qualification of suppliers.

Various public and private organizations have the ability to negotiate after evaluating the tender. This phase represents a risk of reduced sustainability commitments from the supplier(s), and may provide an opportunity to improve supplier engagement. If negotiation of contractual commitments is not possible, a more informal approach can be helpful in persuading suppliers to join sustainability initiatives.

After the negotiations have been concluded, the contract should be formally awarded to the supplier. Suppliers that are not selected should be notified, explaining why their offer does not meet qualifications including SP.

Step 4: Contract Management

A contract management plan should be established to reflect SP objectives and relevant KPIs. Appointing a contract manager from the purchasing organization is important to monitor the supplier's progress and SP performance. This includes management of the supplier relationship, performance of the contract, use of a contract management plan, performance management, joint initiatives between customer and supplier, and managing supplier errors and the end of the contract.

If changes are required during the performance of the contract, they should be addressed through a formal change management approach. Performance management is not a one-way street. ISO 20400 encourages an open and transparent way of managing SP performance, improving procurement performance.

Step 5: Contract assessment and learning

The purchasing organization should regularly review the contract during its term and after its termination. This is essential to ensure that the lessons learned over the life of the contract can be shared. Also it helps to achieve continuous improvements - realizing a better sustainability performance.

The basis for improving and learning about SP is laid by defining SP criteria in the specifications. Assessment for each sustainability requirement should be possible through an evaluation procedure described by the organization in the tender documents.

Controlling performance over the life of a contract requires that:
- the organization informs suppliers how they are evaluated (KPIs, validation or audit conditions);
- suppliers are able to provide feedback.

The performance and results achieved are input for adjusting the sustainability ambitions and the SP purchasing policy. In this way, the steps of this SP pillar can be repeated. Because socially responsible purchasing is a continuous process of improving and setting ambitions.

5.12 Relationship of SP Pillar and SDGs

The GSE-Standard Sustainable Procurement Pillar, with its 12 core themes, is able to contribute to *all* UN goals for sustainable development (SDGs).

5.13 Assessment questions for SMEs and Corporates

For organizations who want to measure the GSE-Standard pillar SP, on the platform GSES System two different assessments can be found: one suited for small and medium sized companies (SMEs – companies with max. 100 fte in the Benelux and max 1000 fte in the rest of Europe) and one for corporates. Both contain the same metrics, only the question design is different – to make is better fit for differently sized companies. You can find the complete list of Assessment questions for the pillar SP for corporates in chapter 11.2/Appendix 1 and for SMEs in chapter 12.2/Appendix 2 of this Handbook.

6. Pillar CO2 Emissions

6.1 ISO 14064-1 and ISO 50001 as the Basis

The CO2 pillar of GSE-Standard is for the most part based on ISO 14064-1:2019 and ISO 50001:2018.

The GSES CO2 pillar standard further contains specific requirements for reporting and verification of the organization's greenhouse gas (GHG) emissions.

Each organization is responsible for a certain amount of greenhouse gas emissions (either direct or indirect). And each organization will be affected by climate change in some way. There are implications for organizations in terms of 1) minimizing their own GHG emissions (limitation) and 2) planning to prepare for a changing climate (adaptation).

With a growing world population and general increase in prosperity, the risk of a further increase in CO2 emissions is big. The Paris Climate Agreement was signed in 2015; this set the goal of limiting global warming to well below 2 degrees Celsius. To reach this goal it is pivotal that we look at our energy consumption, means of transport, eating habits and (business) traveling – to name a few.

6.2 Scope-analysis of CO2 Emissions

Insight is required to reduce the organization's CO2 emissions. Starting with a scope analysis enables the organization to map its current 'greenhouse gas footprint'.

The emission flows can be divided into three different scopes:
1. Scope 1: these are direct emissions; emissions as a result of activities within the organization itself. This includes diesel generators, fuel consumption such as petrol, diesel and gas, heating installations, but also coolant in cooling equipment.
2. Scope 2: these are indirect emissions; the emissions are generated elsewhere. Examples of this are purchased electricity consumption, air travel or fuel consumption of rental cars.
3. Scope 3: this concerns indirect emissions that are generated in the supply chain.

See the figure below to explain the three types of scope for greenhouse gas emissions:
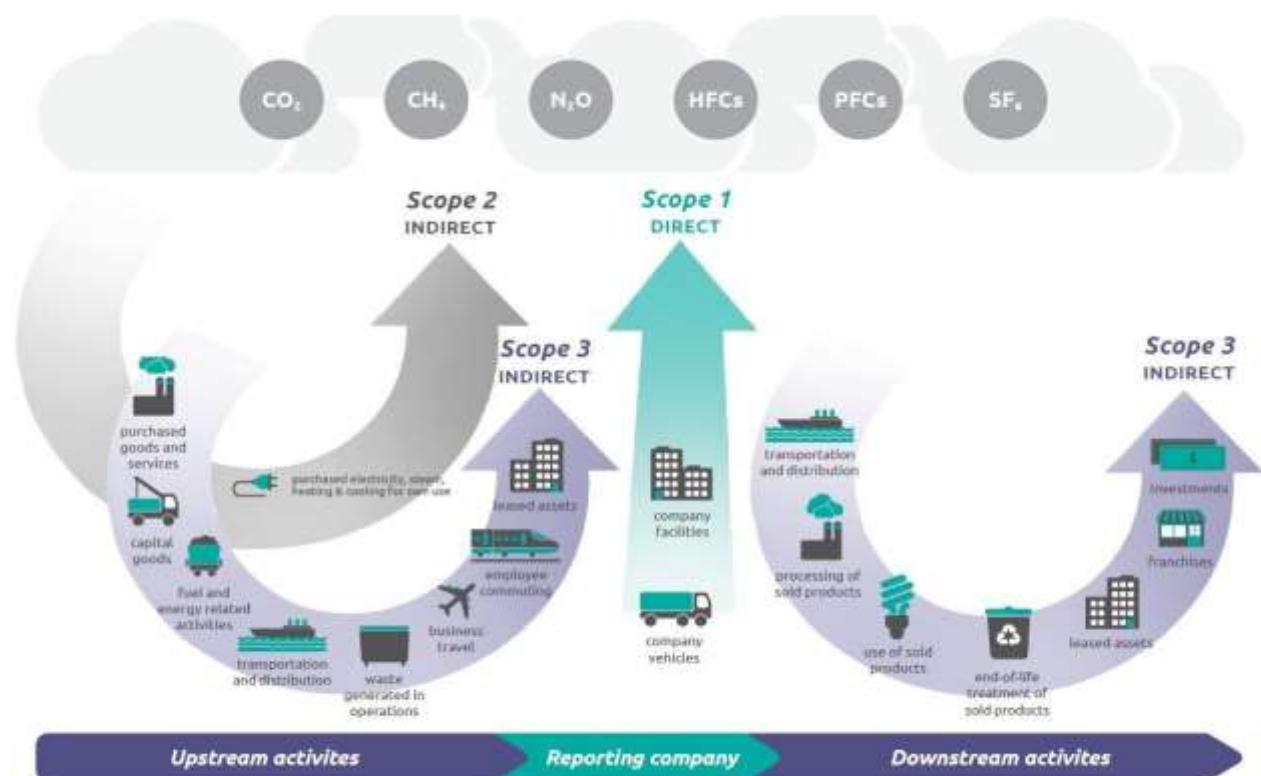
6.3 Closer Look at Energy Consumption: Trias Energetica

After the organization has gained insight into the status of current greenhouse gas emissions, the objectives and measures can be determined. The 'Trias Energetica' is a good strategy for determining effective energy-saving measures.

The Trias Energetica is a triangle that consists of three integrated parts:

a. Limit energy consumption
b. Use sustainable energy
c. Use fossil fuels efficiently

The scope analysis of the greenhouse gas emissions, including the Trias Energetica, is a tested tool to help limit energy consumption. To start, focus the measures on the largest emission flow and try to structurally reduce energy consumption in this category. Then see if it is possible to switch completely to green energy. The organization may still have some fossil energy sources, such as fuel for the fleet. Try to use it as efficiently as possible.

6.4 Context Analysis

The environment plays an important role when it comes to reducing greenhouse gas emissions. For a detailed description of the structure and content of the Context Analysis, see section 4.3 of this Handbook. For service organizations important CO2 stakeholders often include their own employees. Conducting dialogues with win-win possibilities for employees and organization are a great enabler of change. An example is reducing car use by offering employees a kilometre-bicycle allowance.

The table below shows possible organizational themes, issues and measures for reducing CO2:

Core themes, topics (issues) and possible measures for reducing CO2 emissions		
Core theme	**Topics (Issues)**	**Measure**
1. Building adjustments	Better insulation	Apply insulation to the cavity walls
	Boiler	Make an inventory of whether the boilers can also be replaced by other heating sources such as Heat/Cold exchangers
	Solar panels	Calculate whether your building is suitable for installing solar panels.
	Windows	Replace windows with (triple) double glazing
2. Energy consumption	Light	Do not leave the light on unnecessarily
	Heating	Turn the heating down during the day and on economy mode when you leave the building
	Working from home	Encourage working from home or teleconferences
3. Eat consciously	Local consumption	Make arrangements with local farmers for the supply of fruit and vegetables and other products
	Less meat	Enter 1 meat-free day (or many days!) a week in your company restaurant
4. Travel consciously	Car use	Encourage riding a bicycle or using public transport over taking the car.
	Air travel	Encourage teleconferences instead of taking the plane to meet colleagues or partners abroad.

6.5 Step-by-step CO2 Reduction

Step 1: Awareness through inventory

Before the organization can start to reduce CO2 emissions, a good evaluation of the current situation in the form of a baseline measurement is necessary. Matters that the organization must have an answer to if it wants to implement a CO2 emission reduction policy include:

- Which properties and business activities does the organization want to reduce?
- What emission flows exist within these entities?
- What is the mutual relationship when it comes to CO2 emissions?
- Which flows could yield a possible reduction relatively quickly?

When the organization has insight into the emission flows, it is possible to find out where the largest footprint is placed for each emission flow. Business operations might be able to work on this short, medium and long term.

Step 2: Design strategy plus targets

Draw up an energy plan. What can the organization do to reduce its emission flows? Target prioritized reduction goals - in absolute or relative numbers, cautious or bold. Mark a spot on the horizon. And, record these targets, for example in a Management Board decision.

Step 3: Realize and manage your objectives

While implementing the measures to reach targets, it's good practice to measure and monitor the results. Check regularly if the measures work as expected and make adjustments if necessary.

6.6 Relationship of CO2 Reduction Pillar with the 17 SDGs

By working on the GSE-Standard Pillar Reducing CO2 emissions, the organization can contribute to the realization of the following SDGs: 7, 11, 12, 13, 17.

6.7 Product/project level: Environmental Footprint Standard

This whole chapter and Handbook focusses on the top half of the GSE-Metastandard 'House of Sustainability'; it's aimed at the organizational level. The lower half of the GSE-Metastandard 'House of Sustainability' focuses on the product-/project level. It consists of three pillars; the Environmental Footprint, Circular Footprint and Health Footprint.

The Environmental Footprint is relevant for companies who want to measure their CO_2 & LCA (Life Cycle Analysis) on a product-/project level. More information on this and the other two Footprint Standards? The Handbook of the generic and overarching Sustainable Footprint Standard is separately available on the GSES-system.com and GSE-standard.com.

6.8 Assessment questions for SMEs and Corporates

For organizations who want to measure the GSE-Standard pillar CO_2 Reduction, on the platform GSES System two different assessments can be found: one suited for small and medium sized companies (SMEs – companies with max. 100 fte in the Benelux and max 1000 fte in the rest of Europe) and one for corporates. Both contain the same metrics, only the question design is different – to make is better fit for differently sized companies.

You can find the complete list of Assessment questions for the pillar CO_2 Reduction in chapter 11.3/Appendix 1 and for SMEs in chapter 12.3/Appendix 2 of this Handbook.

7. Pillar Circular Economy (CE)

7.1 BS 8001:2017 as the basis

In absence of an international ISO standard for Circular Economy, the Circular Economy pillar of GSE Standard is based on the BS 8001:2017 'Framework for implementing the principles of the circular economy in organizations - Guide, British Standards Institution (BSI), 2017'.

There are various areas of interest for the circular economy:

- **Raw materials, materials and components:** by reusing (raw) materials and components that come back from the own or other value chain(s) as much as possible, the use of 'virgin' materials and thus the depletion of scarce raw materials can be greatly reduced.
- **Waste:** waste from own production processes or from other organizations, with new collaborations or innovations, can often be used for recycling (be it down-cycling, or up-cycling). This prevents exhaustion or possible burning of raw materials.
- **Production processes:** optimizing production processes can contribute to reducing the use of (raw) materials. The more efficient the processes, the less failure and waste. Using a method like Lean Six Sigma could help the organization to optimize its processes.
- **Packaging:** an important point of attention in many business models for the circular economy is the handling of packaging.
- **Business models:** various business models have now been developed to help the organization determine its strategy.

7.2 Six principles

BS 8001:2017 distinguishes six principles of the circular economy that are important for the organization:

1. **System thinking:** applying a holistic approach to understanding how individual decisions and activities interact within the broader system of which they are part.
2. **Innovation:** continuous innovation to create value by enabling sustainable management of resources through the design of processes, products/services and business models.

3. **Stewardship:** managing the direct and indirect effects of the decisions and activities within the broader system, of which one is part.
4. **Cooperation:** internal and external cooperation through (in)formal arrangements to create shared value.
5. **Value optimization**: to keep all products, components and materials at their highest value and use at all times.
6. **Transparency:** being open about decisions and activities that affect the ability to transition to a more circular and sustainable state of operation and being willing to communicate these in a clear, accurate, time-bound, fair and complete manner.

7.3 Ellen MacArthur Foundation

Much pioneering work in framing the concept of Circular Economy has been done by the Ellen MacArthur Foundation. Their 'Butterfly-model' as a model for the Circular Economy is widely known:
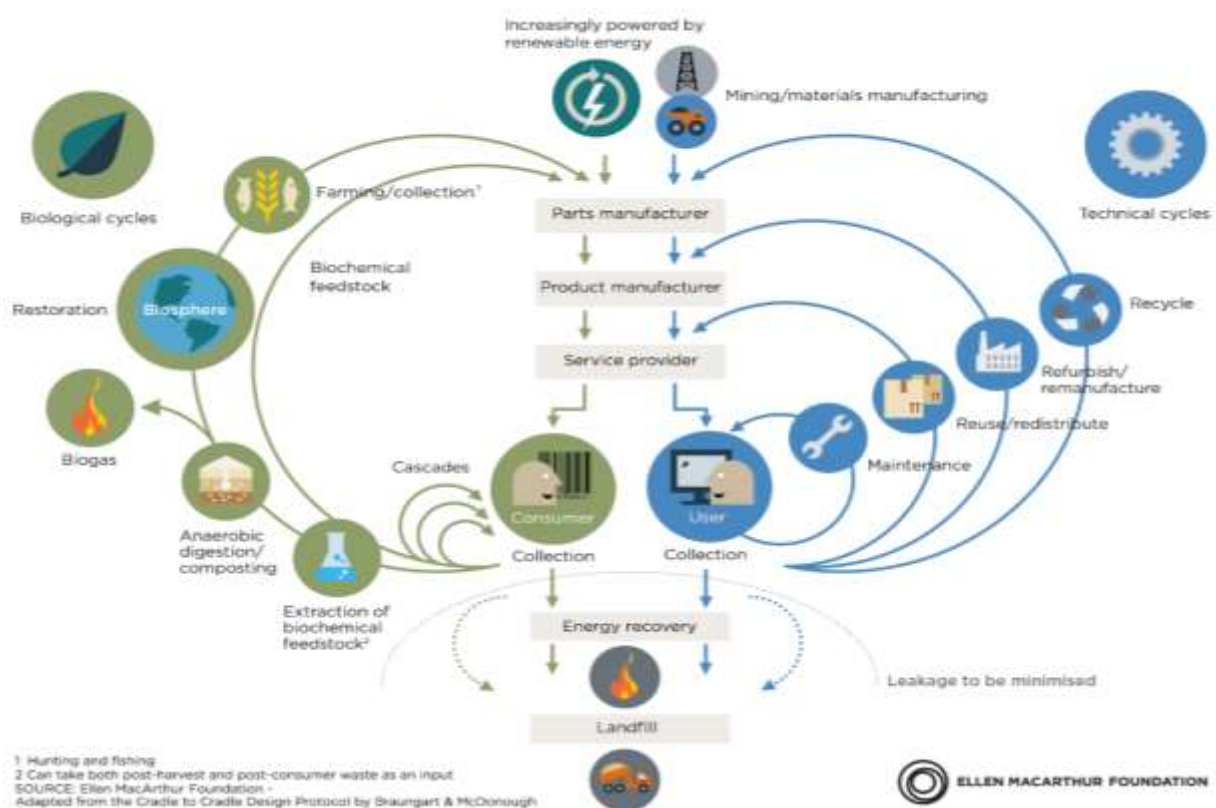
Circular economy is based on organizing cycles in which products and materials are reused and raw materials retain their value for as long as possible. A circular economy seeks to rebuild 'capital', whether this is financial, manufactured, human, social or natural. Aim is to ensure an ongoing flow of goods and services.

The Butterfly Model tries to illustrate this continuous flow. A flow of technical and biological materials through the so-called 'value circle'. The model effectively captures the ongoing (re)use of materials, nutrients, components, and products, whilst adding an element of financial value. The butterfly model has been adapted to water management, to underline the importance of circular management of water systems.

7.4 Context Analysis

The environment plays an important role when it comes to applying circularity in organizations. For a detailed description of the structure and content of the Context Analysis, see section 4.3 of this Handbook.

Several European countries and regions have developed action plans for implementing a circular economy. Companies have to be aware of these. A company's own ambitions and plans should be synchronized with regional or national agenda. If a region or country doesn't have such an agenda, the Sustainable Development Goal 12 "Ensure sustainable consumption and production pattern" can apply   as   guideline.

7.5 Opportunities of implementing a CE-business model

Many current business models are insufficient to achieve the transition towards a circular economy. This while implementing a business model that includes the circular economy offers organizations substantial opportunities. Accenture estimated in 2015 that the value of implementing a circular economy is $4.5 trillion for businesses globally. Circular economy in organizations equals:

- **More sales:** by deploying new technologies (or by using a new combination of existing technologies) new product-market combinations can be developed. Also, completely new markets can be created.
- **More value:** by reusing (or selling) materials, nutrients, components, and products.
- **Less risk:** by becoming less dependent on the international market for materials.
- **Reduced costs**: by taking products back at the end of their life cycle and by using less water and energy in the production process, significant savings can be made. The application of Lean techniques can also ensure that less material is thrown away during the production process.

7.6 Eight phase framework for Circular Economy

The flexible eight-phase framework from BS 8001:2017 can help the organization to implement the principles of the circular economy. The organization can develop a roadmap for continuous, transformative improvement. In practice, in the eight-phase framework, the organization will move back and forth between phases as their level of circularity develops. An organization can choose in which phase it wants to enter, depending on the different levels of circularity of the chosen activities.

The eight stages are:

1. **Framing:** this phase corresponds to the steps for context analysis and awareness.
2. **Scoping:** this focuses on a clear vision, ambition and goals, demarcation, a roadmap and the installing of a multi-functional team or working group.
3. **Idea generation:** involving internal and external stakeholders to discuss ideas and options, prioritizing options and setting goals. The result from this phase is strongly influenced by the strength of the multi-functional team and the ability to think 'out of the box'. Designers of products or services should always be involved.
4. **Feasibility study:** this phase is about determining and conducting feasibility studies for the options chosen. This may include activities such as involving knowledge institutes, market research, supplier research, new value propositions for customers, a new revenue model, investigating the reliability of delivery, carrying out (mini) pilots, testing, technical analyzes, and Life Cycle Analyzes (LCAs).
5. **Business case:** this phase is about drawing up one or more business cases. This can involve customers and suppliers, operation, it, logistics, finances, and legal. When complete, the business case(s) can be reviewed and adjusted where necessary.
6. **Piloting and prototyping:** this phase focusses on the execution of the business case by experimenting, piloting and prototyping. The results are input for adjustments to the business case.
7. **Delivery and implementation:** this is the exciting phase of roll-out the successful smaller pilots. Now it becomes clear if the designed process, prototypes and cooperation with suppliers also work on a larger scale.
8. **Monitoring, evaluation and reporting:** this phase corresponds to the steps of ISO 9001:2015, where the organization can best choose a "positive" approach for the evaluation. The possibility of 'failure' and the modus of continuous learning are embraced.

7.7 Business models for Circular Economy

BS 8001:2017 suggests various business models for organizations who want to adopt a circular business model:

1. **Demand management:**
   - This model is based on direct customer-orders and can lead to less redundancy and surplus products.
2. **Dematerialisation:**
   - Replacing physical goods, services and/or infrastructure with digital services. For example virtual reality travel/games, digital education and care services, paperless offices, digital tickets and the wide range of software products relating to basically any industry.
3. **Lifetime extension and reuse:**
   - Offering easier to repair or upgrade parts of (modular) products and, in doing so, extending the product life cycle.
   - Facilitating reuse with attractive pricing - with or without repair or refurbishment.
   - Giving products a new life by reassembling and upgrading.
4. **Recovery of secondary raw materials and by-products:**
   - Restoration of secondary (raw) materials and components (including recycling); optimizing value by creating new products from used materials, by-products and recycling from open or closed cycles.
   - Return of used materials and products for a fee to the producer.
5. **Product as a service:**
   - The producer remains the owner of the product. The customer purchases/leases a service instead of buying a product.
6. **Sharing economy/platforms:**
   - The sharing economy can take the shapes of goods and services shared for free or against a limited fee business-to-business, business-to-consumer, consumer-to-consumer or joint purchases. Sharing platforms help in creating the open marketplace for these 'borrowed' products and services.

7.8 Circular Revenue and Water Circularity: CTI and Circulytics

The Circular Economy Pillar includes two methods for quantifying circularity based on material flows on the organizational level: Circular Revenue and Water Circularity, according to the WBCSD CTI Framework, and Circulytics, respectively. In the Appendices, we show how these are included.

We refer to the report 'Circular Transition Indicators V2.0' for a full description of the CTI methodology. For Circulytics, we refer to the website of the Ellen MacArthyr Foundation: https://www.ellenmacarthurfoundation.org/resources/apply/circulytics-measuring-circularity/resources

7.9 Relationship of CE Pillar with SDGs

By working on the Circular Economy Pillar (and Circular Footprint Pillar on the product/project-level) of GSE-Standard, the organization can contribute to the realization of the following SDGs: 6, 9, 11, 12 and 17.

7.10 Product/project level: Circular Footprint Standard

This whole chapter and Handbook focusses on the top half of the GSE-Metastandard 'House of Sustainability'; it's aimed at the organizational level. The lower half of the GSE-Metastandard 'House of Sustainability' focuses on the product-/project level. It consists of three pillars; the Environmental Footprint, Circular Footprint and Health Footprint.

The pillar Circular Economy of GSE Standard is closely connected to the Circular Footprint pillar. To get a good grip of the level of circularity of an organization and its supply chain, the project/project-level of the Circular Footprint pillar can be connected to the organizational level of the Circular Economy pillar. Together they give the complete overview of the level of circularity.

The Circular Footprint pillar of GSE-Standard is based on the method 'Circular Indicators - An Approach to Measuring Circularity' of the Ellen MacArthur Foundation and the 'Material

Reutilization' of Cradle to Cradle and goes a step further. It takes scalability, production of waste, recycle content and biobased raw material flows into account. The Circular Footprint pillar is applicable to projects, products, ships and buildings.

More information on this and the other two Footprint Standards needed? The Handbook of the generic and overarching Sustainable Footprint Standard is separately available on the GSES-system.com and GSE-standard.com.

7.11 Assessment questions for SMEs and Corporates

For organizations who want to measure the GSE-Standard pillar CE, on the platform GSES System two different assessments can be found: one suited for small and medium sized companies (SMEs – companies with max. 100 fte in the Benelux and max 1000 fte in the rest of Europe) and one for corporates. Both contain the same metrics, only the question design is different – to make is better fit for differently sized companies. You can find the complete list of Assessment questions for the pillar CE for corporates in chapter 11.4/Appendix 1 and for SMEs in chapter 12.4/Appendix 2 of this Handbook.

8. Pillar Health & Safety (HS)

8.1 ISO 45001 Standard as the basis

The GSE-Standard Health & Safety (HS) pillar is based on the international standard ISO 45001:2018 'Occupational health and safety management systems - Requirements with guidance for use'.

An organization is responsible for creating safe and healthy working conditions for its employees - and for others who may be affected by a company's activities. This responsibility includes promoting and protecting physical and mental health.

The introduction of a management system for safe and healthy working conditions aims to prevent work-related injuries and health problems and continuously improve its Health & Safety performance.

The Health & Safety pillar of GSE-Standard also integrates aspects of health and safety as employee welfare. The pillar does not address topics such as product safety, material damage or environmental impact – aside from the health and safety risks these topics might expose employees and relevant stakeholders to.

8.2 Context Analysis

The environment plays an important role when it comes to applying safe and healthy working conditions in organizations. For a detailed description of the structure and content of the Context Analysis, see section 4.3 of this Handbook.

Examples of external issues for HS include:
● the cultural, social, political, legal, financial, technological, economic and natural environment;
● the market competition, whether international, national, regional or local;
● the introduction of new (sub)contractors, suppliers, partners and providers and of new technologies, legislation and professions;
● the introduction of new knowledge of products and their impact on health and safety.

Examples of internal issues for HS include:
- the introduction of new products, materials, services, tools, software, spaces and equipment;
- the culture in the organization;
- the form and scope of contractual relationships, including outsourced activities;
- (changing) working time arrangements and working conditions;

Consultation and participation of employees

The organization is advised to set up, implement and maintain a Health & Safety (management) system for consultation and participation of employees at all applicable levels and in all applicable functions. This system must also involve employee representatives in the phases of development, planning, implementation, evaluation performance, and improvement process of the (management) system.

This means that, regarding the Health & Safety (management) system, the organization must:
1. Consult employees for determining applicable control measures for outsourcing, purchasing and contractors;
2. Consult employees for the determining of competence requirements, training needs and evaluating, the what and how of communication, investigating incidents and deviations, and identifying corrective measures.
3. Provide mechanisms, time, training and resources necessary for consultation and participation;
4. Provide timely access to clear, understandable and relevant information about the management system;
5. Identify and remove/minimize obstacles or barriers to participate. Obstacles and barriers may include not responding to employee input or suggestions, language or literacy barriers, retaliation or threats of retaliation, and policies or practices that discourage or penalize employee participation.

Employee consultation implies two-way communication that involves dialogue and exchange. Consultation involves providing the information necessary for employees in a timely manner. It is recognized that providing free training for employees and training during working hours can, where possible, remove important barriers to employee participation.

Consultation and participation of other stakeholders

In addition to consulting employees, the following stakeholders may be relevant to consult in the Health & Safety (management) system:
- Legislative and regulatory authorities (local, regional, state/provincial, national or international);
- Parent organizations;

- Suppliers, contractors and subcontractors;
- Employee- and employers organizations/unions;
- Owners, shareholders, clients, visitors, the local community and general public;
- Customers, medical and other community services, media, science, business associations and NGOs;
- Health and safety organizations and healthcare professionals.

Involvement of Management

The management must demonstrate leadership and involvement with regard to the Health & Safety (management) system for consultation and participation by:

- Taking overall responsibility and declaring themselves fully accountable for the prevention of work-related injuries and health problems, as well as providing safe and healthy workplaces and activities.
- Ensuring that the responsibilities and powers for relevant roles within a Health & Safety (management) system are assigned and are communicated at all levels of the organization.

8.3 Risks and Opportunities Analysis

Risks: Hazard Identifications (for more info, see 7.5 and 7.6)

While ISO 45001 does not address product safety for end users of products, hazards to employees arise during the manufacture, construction, assembly or testing of products should be considered when it comes to Health and Safety. Hazards can be physical, chemical, biological, psychosocial, mechanical, electrical, or based on movement and energy.

When identifying hazards, the organization should consider:

- Routine and non-routine activities and situations;
- Human factors as human capabilities and limitations;
- Information on tools, machines, systems, activities and the environment for safe, comfortable use by people;
- Potential emergencies and unplanned or unscheduled situations requiring an immediate response (e.g. a workplace machine catching fire);
- Changes in knowledge and information about hazards or new hazards.

The organization must identify, implement and maintain one or more ongoing and proactive hazard identification processes. The processes must take into account:

1. How work is organized, social factors (including workload, working time, retaliation, harassment and bullying), leadership and organizational culture;
2. Routine and non-routine activities and situations, including hazards arising from:

      a. Infrastructure, equipment, materials, substances and physical conditions at the workplace;

      b. The design, research, development, testing, production, assembly, construction, services, maintenance and disposal of products and services;

3. Relevant past incidents, inside or outside the organization, including emergencies and their causes;

4. Possible emergencies;

5. People, also taking into account:

      a. People who have access to the workplace and their activities, including employees, contractors, visitors and others;

      b. People in the vicinity of the workplace who may be affected by the activities of the organization;

6. Other factors, including:

      a. The design of work areas, processes, installations, machinery/equipment, operating procedures and work organization, including adaptation to the needs and capabilities of employees;

      b. Situations that occur in the vicinity of the workplace and that are caused by work-related activities under the authority of the organization;

      c. Situations not under the authority of the organization which occur in the vicinity of the workplace and that can cause injuries and health problems to people at the workplace.

Examples of opportunities to improve the HS-performance include:
- Inspection and audit functions;
- Work hazard analysis and task-related assessments (task risk analysis);
- Alleviating monotonous work or potentially dangerous work;
- Work permits and other recognition schemes and management methods;
- Investigations into incidents or deviations and following improvements;
- Ergonomic and other injury prevention related assessments;
- Redesigning processes or replacing machines and installations;
- Benchmarking the organization's own previous performance against that of other organizations.

Legal Requirements
The organization should identify and implement legal and other requirements that apply to its hazards and HS risks (including opportunities) in a HS management system. The organization itself must ensure that it has access to this information. The organization must maintain documented information on legal and other HS requirements and ensure that it is updated when changes occur.

8.4 Reducing HS-risks

Based on the risk analysis (see 7.3) the organization must establish, implement and maintain process (es) for hazard removal and mitigation of HS risks. It can use the hierarchy of controls below:

- Removing the danger;
- Replacing dangerous processes, actions, materials or equipment by less dangerous alternatives;
- Applying technical control measures and organizing work differently;
- Applying organizational control measures, including training;
- Use of adequate personal protective equipment.

Examples of measures that can be implemented at any level are:

- Replacement: For example by tackling HS risks at their source and adapting to technical progress.
- Control measures and/or work reorganization: For example by separating people from danger; implement collective security measures (e.g. electrical disconnection, shielding of moving parts, ventilation systems); tackling mechanical operations; reduce noise; organize work differently so people do not have to work alone, avoid unhealthy working hours and workload.
- Organizational control measures including training: For example by conducting periodic inspections of safety equipment; providing training to prevent bullying and harassment; managing health and safety coordination related to the activities of subcontractors; administering a health or medical surveillance program for employees identified to be at risk (e.g. related to hearing, hand-arm tremors, respiratory, skin or exposure).
- Personal protective equipment (PPE): For example by providing personal protective equipment such as adequate clothing and instructions.

8.5 Health and Safety policy

The management must establish, implement and maintain a Health and Safety policy that:

1. Contains a commitment to providing safe and healthy working conditions. These should prevent work-related injuries and health problems appropriate to the purpose, size and context of the organization and the specific nature of its HS risks and - opportunities;
2. Provides a framework for setting the HS objectives;
3. Contains a commitment to comply with legal and other requirements regarding HS;

4. Includes a commitment to eliminate hazards and reduce HS risks;
5. Includes a commitment to continuously improve the HS management system;
6. Includes a commitment to consultation and participation of employees and relevant stakeholders.
7. Is communicated within the organization and appropriately available to stakeholders.

8.6 Facilitating the organization

Awareness, culture, the right competencies and resources and communication contribute to the right behaviour in order to work safely and healthy at all times.

Culture
A culture that supports an organization's HS management system is largely established by its management. It's the product of individual and group values, attitudes, management practices, perceptions, competences and activity patterns. All together they determine the style and competence of its HS management system.

An important way in which management demonstrates leadership is by encouraging employees to report incidents, hazards, risks and opportunities. Employees should be able to report dangerous situations, so that measures can be taken. They should be able to report their concerns to the responsible authorities, without fear of termination, disciplinary action or similar retaliation.

Awareness
Healthy and safe working conditions require constant attention from all managers, employees and relevant stakeholders. This means that they are regularly made aware of:

●   The HS policy and HS objectives;
●   Their contribution to the effectiveness of the HS management system, including the benefits of improved HS performance;
●   The (possible) consequences of not meeting the requirements of the HS management system;
●   Incidents and the results of investigations relevant to them;
●   Identified HS hazards, risks and measures prevent to them.

Competencies
In order to be able to apply a healthy and safe working in practice, specific competences are sometimes required. Applicable actions can be for example: providing training or hiring or contracting experts. Regarding competencies the organization must pay attention to:

1. Determining the necessary competence of employees who influence or are likely to influence HS performance;
2. Ensuring that employees are competent (including the ability to identify hazards) based on appropriate education, training and/or experience;
3. Taking actions to acquire and maintain the necessary competence and evaluate the effectiveness of the actions taken;
4. Keeping appropriate documented information as evidence of competence.

Resources
The organization must identify and make available the resources and tools necessary to design, implement, maintain and continuously improve the HS management system. It is important that the organization and people are quickly informed of (potential) dangers and have the right resources to respond quickly.

Communication
Health and safety are such important topics that communication plays an important role in the GSE-Standard HS pillar. The organization should take diversity aspects (e.g. gender, language, culture, literacy, disability) into account when matching communication to the needs of the target groups. It should also ensure that the visions of internal and external stakeholders are taken into account when determining communication processes.

8.7 Purchasing and HS

GSE-Standard Sustainable Procurement (SP) pillar
The organization must establish, implement and maintain processes to control the procurement of products and services to ensure compliance with its HS management system. The GSE-Standard SP pillar, which is based on the international ISO 20400 Corporate Social Responsibility guideline, offers the organization a professional approach for this.

The procurement process should be used to identify, assess and eliminate hazards and reduce HS risks. These risks can be related to for example products, hazardous materials or substances, raw materials, equipment or services *before* they are introduced into the workplace.

The organization can also use the GSE-Standard SP pillar to help guarantee the HS performance of contractors in the workplace. This can be done by defining pre-qualification criteria, taking into account health and safety performance. Or by setting minimum requirements for following safety and health training.

Dealing with contractors

Assigning activities to contractors does not relieve the organization of its responsibility with regard to the healthy and safe working conditions. The organization must ensure that contractors and their employees meet the requirements of its HS management system. In the purchasing process (es) of the organization, HS criteria must be established and applied for selecting contractors.

The organization must coordinate its procurement processes with its contractors to identify hazards and manage HS risks. This can be related to activities and actions of:

- The contractors that influence the organization;
- The contractors that influence other stakeholders in the workplace;
- The organization that affect the employees of the contractors.

Responsibility for outsourced functions and processes remains with the organization (ISO 45001). The organization must ensure that outsourced functions and processes are controlled. Outsourcing arrangements have to be in accordance with legal and other requirements and with achieving the intended results of the HS management system.

Potential emergencies

The organization must establish, implement and maintain the necessary processes to prepare and respond to potential emergencies, including:

- Organized follow-up on emergencies, including the provision of first aid;
- Training for organized follow-up;
- Periodic testing and practicing of the organized follow-up.

Tasks, roles and responsibilities should be clear to all involved. The organization should maintain documented information about the processes and plans for responding to potential emergencies. Also, it should evaluate the communication and collaboration of the organization with contractors, emergency services, government agencies and any local authorities.

8.8 Evaluation of HS-performance

The organization must establish, implement and maintain processes for monitoring, measuring, analyzing and evaluating performance.

Monitoring and measuring:

The organization must establish:

1. What needs to be monitored and measured, including:
   a. The extent to which legal and other requirements are met;
   b. Its activities and actions related to identified hazards, risks and opportunities;
   c. Progress towards achieving the organization's HS objectives;
   d. The effectiveness of operational and other management measures;
2. The methods of monitoring, measuring, analyzing and evaluating performance to achieve valid results;
3. The criteria against which the organization will evaluate its HS performance;
4. When to monitor and measure;
5. When the results of the monitoring and measurement must be analyzed, evaluated and communicated.

Evaluating compliance

The organization must establish, implement and maintain a process for evaluating compliance with legal and other requirements.

Internal audits and management assessment

The organization must conduct internal audits at scheduled intervals to obtain information on the HS management system. In addition, management must review the organization's HS management system at planned intervals to ensure continued suitability, adequacy and effectiveness. They must communicate the relevant results of internal audits and management reviews to employees and, if applicable, relevant stakeholders.

8.9 Dealing with and improving after incidents

Reporting and investigating incidents without delay can make it possible to eliminate hazards as quickly as possible and minimize HS risks. It can prevent an accumulation of incidents. And, it helps the organization to continuously improve its HS performance.

Reporting and investigating incidents

When an incident or anomaly occurs, the organization must respond in a timely manner. It should take measures to control and correct the anomaly and address consequences. Involving employees and other relevant stakeholders is important. Aim is that the incident or deviation does not repeat itself and does not occur elsewhere.

Employees should be involved in:
- Investigating the incident or assess the deviation;
- Identifying the causes of the incident or deviation;
- Determining whether similar incidents or deviations have occurred before.

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Corrective measures must be adequately identified, tested and implemented. A clear and structured working method such as incident management, problem management and change management is advised for good control. If necessary, changes should be made to the HS management system.

Continuous improvement

Learning from mistakes, (near) error situations and unhealthy effects is an important aspect in the continuous improvement of the HS management system. The organization should involve the employees as much as possible; they can provide input for new improvements. Documenting (un)successful improvement actions is important.

8.10 Relationship of HS Pillar with SDGs

By working on the Health & Safety Pillar of GSE-Standard, the organization can contribute to the realization of the following SDGs: 3, 4, 5, 6, 8, 10, 17.

8.11 Product/project level: Health Footprint Standard

This whole chapter and Handbook focusses on the top half of the GSE-Metastandard 'House of Sustainability'; it's aimed at the organizational level. The lower half of the GSE-Metastandard 'House of Sustainability' focuses on the product-/project level. It consists of three pillars; the Environmental Footprint, Circular Footprint and Health Footprint.

The Health Footprint is relevant for companies who want to measure health on a product-/project level. More information on this and the other two Footprint Standards? The Handbook of the generic and overarching Sustainable Footprint Standard is separately available on the GSES-system.com and GSE-standard.com.

8.12 Assessment questions for SMEs and Corporates

For organizations who want to measure the GSE-Standard pillar HS, on the platform GSES System two different assessments can be found: one suited for small and medium sized companies (SMEs – companies with max. 100 fte in the Benelux and max 1000 fte in the rest of Europe) and one for corporates. Both contain the same metrics, only the question design is different – to make is better fit for differently sized companies.

You can find the complete list of Assessment questions for the pillar HS for corporates in chapter 11.5/Appendix 1 and for SMEs in chapter 12.5/Appendix 2 of this Handbook.

9. Pillar Bio-Diversity (BD)

9.1 UNDP Standard and ISO High Level Structure as the basis

The GSE-Standard for Bio-Diversity is based on the UN Guidance Note on Standard 1: Biodiversity Conservation and Sustainable Natural Resource Management. As yet, there are no internationally accepted certifiable standards available for managing biodiversity on the organizational level, comparable to ISO standards.

Currently, an ISO standard for biodiversity is being developed. Until its formal publication, the GSE-pillar aligns with the UN standard just mentioned and the ISO High Level Structure.

9.2 Contents of the GSE pillar on Bio-Diversity

An organization must draw up a policy plan for or including biodiversity, with attention for the relationship between biodiversity and the organization's vision, mission and strategy. The plan should state concrete goals for improving biodiversity, and mention the importance of identifying and involving internal and external stakeholders in the policy and actions for biodiversity. Attention must be paid to the importance of identifying the direct impacts of the organization on biodiversity as well as the indirect impacts via the supply chain and customer base.

Where an organization is purchasing primary production (especially but not exclusively biofuel, food and fibre commodities) that is known to be produced in regions where there is a risk of significant conversion of natural and/or critical habitats, systems and verification practices will be adopted as part of the organization's ESMS to evaluate its primary suppliers. The systems and verification practices will (i) identify where the supply is coming from and the habitat type of this area; (ii) provide for an ongoing review of the organization's primary supply chains; (iii) limit procurement to those suppliers that can demonstrate that they are not contributing to significant conversion of natural and/or critical habitats (this may be demonstrated by delivery of certified product, or progress towards verification or certification under a credible scheme in certain commodities and/or locations); and (iv) where possible, require actions to shift the organization's primary supply chain over time to suppliers that can demonstrate that they are not significantly adversely impacting these areas. The

ability of the organization to fully address these risks will depend upon the organization's level of management control or influence over its primary suppliers.

The management must be committed and show leadership with regard to biodiversity. Organization should make an inventory of all actual and potential adverse effects on biodiversity of the organization and its supply chain, and aim to prevent and limit negative impacts.

In the GSE standard, attention is paid to active involvement in biodiversity action for specific geographical areas, the adoption of specific and suitable supporting tools for managing biodiversity and impacts on biodiversity (e.g. education, impact assessment), and to communication about biodiversity with various stakeholders. Furthermore, organizations are asked to show the percentage of their turnover created by selling products or services that are demonstrably beneficial for biodiversity, and the degree to which they have implemented conditions relating to biodiversity into contracts with suppliers and supply chain audit effort. They are also asked to show other specific measures and projects for improving biodiversity, e.g. . projects to improve biodiversity on the company sites or in the public space.

The GSE pillar on biodiversity checks of biodiversity impacts are in fact measured, monitored and assessed with specific, suitable and quantitative targets for:
•   Company sites/terrains, according to the IPC method.
•   Direct company impacts resulting from company processes
•   Impacts in the supply chain
Last but not least, organizations must show that they draw conclusions from the biodiversity assessment and work towards continuous improvement on the basis of the assessment.

The pillar on Bio-Diversity is the same for Corporates and SME's. You can find the complete list of Assessment questions for the pillar BD in a separate publication.

9.3 Relationship of the Biodiversity Pillar with SDGs

By working on the Bio-Diversity Pillar of GSE-Standard, the organization can contribute to the realization of the following SDGs: 2, 6, 12, 13, 14, 15, 17.

10. Certification in accordance with GSE-Standard

10.1 Certifying Bodies and Institutes

A Certification Body (CB) or Certification Institute (CI) is a conformity assessment body that is authorized by the Scheme Manager to carry out an audit (GSES Assessment). The CI or CB has to be GSES accredited. An overview of the accredited CIs or CBs is available on the Scheme Manager's website www.gse-standard.com.

Requirements for CIs or CBs
In order to be accredited for the performance of certification activities of the GSE-Standard, the Sustainable Footprint Standard included, a CI or CB must comply with ISO 17021-1 'Conformity assessment - Requirements for institutions that carry out audits and certification of management systems'.

Additional prerequisites such as mandatory GSE-Standard Auditor Training for all CBs are included in the Scheme Administrator Agreement. Further requirements are agreed and described in the agreement between the CI and Scheme Manager.

Requirements for Auditors
With regard to the auditors to be deployed, reference is made to Chapter 7 of ISO 17021. In addition to the necessary audit capabilities, auditors deployed by the CIs or CBs must have demonstrable knowledge of the GSE-Standard and GSES System. Also a GSES auditor certificate is required.

10.2 Initial assessment, reassessment and a special audit

A certification or audit in accordance with the GSES System is called a GSES Assessment. After a successful GSES Assessment, the company will receive a GSES Certificate and score for the pillar concerned. Also, it receives a score on the overall GSE-Standard.

The GSES System distinguishes between an initial assessment, reassessment and a special audit:

Initial GSES Assessment (ISO 17021-1):
An initial GSES Assessment is carried out at a company. Based on a successful assessment a GSES CSR/SP/CO2/CE/HS/BD Certificate for the organizational level or a CF/EF/HF Certificate for the product/project level is awarded with pillar scores. When scores on the GSES System increase the organization has the option to request a new initial assessment from the CI or CB.

Reassessment (ISO 17021-1):
A reassessment is the assessment 3 years after the initial GSES Assessment.

Special audit (ISO 17021, §9.5):
A CI or CB must perform an additional interim investigation/special audit if:

- the CI or CB has been informed of significant shortcomings by the Scheme Manager or another (interested) party.
- there are signals that prompt the CI or CB to doubt the proper implementation of the sustainability policy.

A special audit does not always have to be carried out at the location of the certified organization. The CI or CB can in some cases reach an opinion by requesting relevant information.

Assessment within three months
The company has a maximum of 3 months to take additional/corrective measures and/or supply missing documents. This is the case if during the GSES Assessment deviations were found or insufficient points were obtained (less than 50 per pillar) to continue the existing level. If the company exceeds these 3 months, in the case of an initial assessment, a completely new initial assessment must be performed. If the period of 3 months in an annual assessment and reassessment is exceeded, the certificate is suspended and a certificate with a percentage score may be issued, on which the company does meet the requirements.

10.3 Assessment guidelines

Every organization that wants to be certified for the GSE-Standard or the Sustainable Footprint Standard, evaluates the functioning of the GSE-Standard in its company. If the organization believes it has reached a certain level, they can offer the evidence collected online to a CI or CB for assessment.

With each GSES Assessment the CI or CB checks: the organization's boundaries and company size and whether the company meets the requirements of the GSE-Standard or the Sustainable Footprint Standard.

The assessment for certification by an independent CI or CB must be carried out in accordance with the ISO 17021 (Chapter 9) guideline, in short:

- Reporting: in accordance with ISO 17021 (section 9.1.10), the CI or CB must draw up a written report for each audit.
- Database: the CI or CB must keep a database with information about the audits performed (ISO 17021 section 9.9).

- On site audit: the performance of an assessment by the CI or CB must include at least one onsite audit day by the CI or CB. A GSES Assessment based on a desk review alone is insufficient to issue a certification. Desk review alone is sufficient for the document validation.
- Complaints procedure: the CI or CB has a complaints procedure.
- Deviations: during the assessment the auditor identifies the deviations from the requirements and the consequences, and the need for additional information or documents and evidence.

If there is any doubt about the assessment of an individual requirement, the CI or CB may carry out further research to arrive at a decision.

Maximum and proportional scores
The maximum (intermediate) score per requirement is indicated in the audit checklists. This score can only be awarded if the relevant requirement has been fully and demonstrably met.

If a requirement is partially met, the CI or CB must assign a proportional score that, in its opinion, corresponds to the degree to which it has demonstrably been met. GSE-Standard uses linear interpolation, rounded to whole points. If, for example, 40% of the requirements have been met on the basis of expert judgment from the CI or CB, the CI or CB will award 40% of the maximum (interim) score.

Role external advisor during GSES Assessment
It does not demonstrate a sustainable awareness of the company when an external adviser speaks on behalf of the company during the assessment. The role of an external consultant during the assessment should therefore be limited to the passive role of promotor. The company itself is active and a spokesperson.

10.4 GSES Certificate

In the case of a positive GSES Assessment, a CI or CB issues a GSES Certificate on which all pillars are depicted with the score achieved. A review is positive when a company meets:

- the general requirements of the GSES System;
- the minimum requirements for each pillar with at least 50 points per pillar that the organization wishes to certify.

The CI or CB issues the GSES Pillar Certificate to the organization. Scheme managers will receive a copy of the certificate. Also in case of changed data on the certificate such as changes of level, company size or version number, the organization or CI must report this to the Scheme Manager and a new GSES Certificate is issued. The CB also informs the Scheme Manager of all cases of terminated certificates.

Validity of GSES Certificate

The company receives a GSES Certificate after a successful initial assessment or reassessment. The GSES Certificate is valid for three years from the date of issue.

The GSES Certificate is only valid if the company pays the required annual contribution for use of the GSE-Standard and the associated platform GSES System (see gses-system.com for more information).

In the event of payment errors, the Scheme Manager has the right to remove the company's company page from the website and platform. As a result, a positive annual assessment is not feasible because the company does not comply with the mandatory internet publication. The Scheme Manager will inform the treating CI or CB about this.

Design GSES Certificate

Request sample certificates via the contact form on the website gses-system.com.

10.5 Harmonization

Harmonization topics are discussed in the Board of Experts meetings and submitted to the Board of Experts for adoption. Adopted harmonization decisions will be published on the website of GSES System no later than 20 days after adoption by the Board of Experts.

10.6 Explanation of Attendance

The GSES System Scheme Manager may decide to attend GSES Assessments to assess whether the Certification Scheme is working and effective. During the attendance the Scheme Manager fulfills the role of observer. This means that the Scheme Manager does not interfere with the assessment performed by the CI or CB. This does not prevent the Scheme Manager from exchanging information with the CI or CB auditors, requesting explanations, etc.

11. Appendix 1: Assessments for Corporates

11.1 Assessment questions Corporate Social Responsibility

General information:

- The GSE-Standard Corporate Social Responsibility certificate starts at 50% of the points.
- The maximum number of points that can be obtained for this pillar is 160 (equalling 100% pillar score).
- The Assessment consists of both mandatory, partially mandatory and optional checkpoints. Cumulative, in the Corporate Social Responsibility Pillar, 74 points are mandatory (indicated in **bold text**).
- When an organization can prove that a checkpoint is not relevant or applicable to their sector or specific situation, they will be exempted from this checkpoint. Checkpoints that are only relevant for producers are already indicated in the table.
- This pillar accounts for 20% in the overall score of the GSE-Standard.
- To apply for a GSES Corporate Social Responsibility certificate an external validation performed by an independent certification body can be scheduled via www.gses-system.com.

Nr	Checkpoint	Points
	Context	
1.	The organization has made an inventory of internal and external issues in relation to CSR.	10
	a. internal issues	2
	b. external issues, related to the surrounding socio-economical system	3
	c. external issues, related to the value chain	5
	Context analysis	
	Stakeholders	
2.	The organization has made an inventory of various stakeholder groups and their preferences and requirements in relation to CSR.	10
	a. employees	1
	b. clients / customers	3
	c. suppliers, contractors, intermediaries, partners	4
	d. sectors, branches	1
	e. NGOs, governments, politics	1

	Stakeholder analysis	
	Risk and opportunities	
3.	The organization has made an analysis of internal and external issues, opportunities and risks	10
	a. internal issues and risks	2
	b. internal opportunities	3
	c. external issues and risks, including the value chain	2
	d. external opportunities, including the value chain	3
	Risk and/or opportunity analysis	
	Leadership	
4.	**The management is committed and shows leadership with regard to CSR.**	10
	Management statement / interviews	
	Planning	
5.	The organization has policies and objectives for CSR.	10
	a. CSR is set out in the policy or a separate CSR policy has been drawn up	2
	b. a materiality analysis has been made for the various issues, risks and opportunities	2
	c. concrete targets have been set for CSR	3
	d. CSR performance indicators (KPIs) have been established in order to manage the CSR SMART objectives	3
	Company policy plan / CSR policy	
	Planning	
6.	In the policy plan, vision and/or on the website the organization explicitly focusses on:	10
	a. involving the stakeholders (the people that are influenced and/or have influence on the policy and its execution) in their policy on sustainability, CSR and/or circular economy policy	2
	b. continuously improving the sustainability of the business operations	2
	c. innovation of the products and services aimed at sustainability and/or circularity	2
	d. applying a life-cycle approach to get a picture of the total cost of usage and the impact of the products/services on people and the environment	2
	e. communicating about sustainability, CSR and/or circular economy with the stakeholders	1

		f. adherence to CSR principles accountability and transparency	1
		Company policy plan / webpage / stakeholder meeting reports	
		Planning	
7.		In the policy plan, vision and/or on the website the organization explicitly focusses on the following aspects of CSR:	10
		a. human rights in the value chain	2
		b. labour practices in the value chain	2
		c. environment	2
		d. fair business practices	1
		e. consumer issues	1
		f. local communities and social contribution	2
		Company policy plan / webpage	
		Support	
8.		In the organization, CSR is implemented and supported in various ways:	20
		a. a practical action plan for CSR that is regularly reviewed and updated	4
		b. a CSR management system	4
		c. one or more CSR related certificates (e.g. ISO 14001, Fair Trade Standard)	2
		d. CSR training and education of employees	2
		e. actively involving the employees in the implementation of the CSR policy	2
		f. CSR responsibilities are defined within the company documents	4
		g. the CSR documents (policy, report, certifications, etc.) can be found on the company website	2
		Company actionplan, minimum: company impacts per theme / certificates / stakeholder docs / interviews / communication docs / year reports / website / blog / company action plan / webpages / stakeholder meeting reports	
		Operation	10
9.		Within the boundaries of the organization the following aspects of human rights and good labour practice are implemented:	
		a. no child labour that deviates from national laws ánd ILO standards (e.g. that prevents children from going to school)	2
		b. equal opportunities for and non-discrimination of women and minorities	2
		c. workers are not hindered in any way in their freedom of association and the right to collective bargaining	2

	d. working in safe, fair and reasonable working conditions (incl. no forced labour)	2
	e. fair wages that allow for a standard of living in which housing, food, education and health care is affordable	2
	Code of Conduct / interviews	
	Operation	
10.	Harmful effects on the environment are prevented or limited in the organization.	10
	a. preventing and limiting emissions of greenhouse gases (CO2, methane, etc.)	1
	b. phasing out hazardous (toxic) or suspicious substances as described in a management and/or action plan (PRODUCT)	2
	c. increasing the use of ecologically sound products (raw materials, food, cleaning products and pesticides) as described in a management and/or action plan	2
	d. air and/or water treatment plants at production sites (PRODUCT)	2
	e. measures to limit the impact on the natural environment, including marine, freshwater and/or terrestrial ecosystems and biodiversity and to repair any damage (PRODUCT)	2
	f. setting up and managing the company sites according to a Biodiversity Action Plan	1
	Chemical management plan, ref 14001 / procurement policy / prod. Cert. / emission plan / biodiversity management plan /	
	biodiversity action plan BAP	
11.	Harmful effects on water systems are prevented or limited in the organization.	5
	a. preventing over-exploitation of the regional or local water system, thus protecting local and regional ground water levels (PRODUCT)	2
	b. preventing eutrophication (through emission of nitrogen and phosphorus) and pollution of water systems (through emission of e.g. heavy metals and organic compounds), thus protecting water quality	3
	Water management plan, ref 14001 / procurement policy / prod. Cert. / emission plan / biodiversity management plan /	
	Operation	
12.	The organization has a code of conduct or similar document that sets out standards for fair business practices with regard to:	10
	a. combating corruption, bribery and extortion	2
	b. responsible political engagement	2

	c. ensuring fair competition	2
	d. respect for property rights	2
	e. transparency	2
	Code of Conduct / interviews	
	Operation	
13.	The organization ensures the safety and health of the end users of their products/services through:	5
	a. designing the products/services according to predefined standards for health and safety	3
	b. easily available instructions for safe and healthy use	2
	Webpage / brochures and / or manuals	
	Operation	
14.	The organization contributes to socio-economic sustainability.	10
	a. the provision of training opportunities, through traineeships or the provision of education	3
	b. helping people who are distanced from the labour market to gain work experience (social return)	3
	c. stimulating the regional economy by purchasing as much as possible locally or regionally	2
	d. supporting social organisations and charities (e.g. through: sponsorships, voluntary activity or other means)	2
	Education policy / HR policy / procurement policy / various proofs of support	
	Evaluation	
15.	**CSR performance is measured, monitored and assessed with quantitative targets.**	10
	CSR report	
	Improvement	
16.	**The organization draws conclusions from the CSR assessment and works towards continuous improvement on the basis of the assessment.**	10
	CSR report	

11.2 Assessment questions Sustainable Procurement

General information:

- The GSE-Standard Sustainable Procurement certificate starts at 50% of the points and has a separate valuation percentage.
- The maximum number of points that can be obtained for this pillar is 165 (equalling 100% pillar score).
- The Assessment consists of both mandatory, partially mandatory and optional checkpoints. Cumulative, in the Sustainable Procurement Pillar, 72 points are mandatory (indicated in **bold text**).
- When an organization can prove that a checkpoint is not relevant or applicable to their sector or specific situation, they will be exempted from this checkpoint. Checkpoints that are only relevant for producers are already indicated in the table.
- This pillar accounts for 20% in the overall score of the GSE-Standard.
- To apply for a GSES Sustainable Procurement certificate an external validation performed by an independent certification body can be scheduled via www.gses-system.com.

Nr.	Checkpoint	Points
	Context	
1.	The organization has made an inventory of internal and external issues concerning SP	10
	a. internal issues	2
	b. external issues, related to the surrounding socio-economical system	3
	c. external issues, related to the value chain	5
	Context analysis	
	Stakeholders	
2.	The organization has made an inventory of various stakeholder groups and their preferences and requirements in relation to SP.	10
	a. employees	1
	b. clients / customers	3
	c. suppliers, contractors, intermediaries, partners	4
	d. sectors, branches	1
	e. NGOs, governments, politics	1
	Stakeholder analysis	

	Risk and opportunities		
3.	The organization has made an analysis of internal and external issues, opportunities and risks	10	
	a. internal issues and risks	2	
	b. internal opportunities	3	
	c. external issues and risks, including the value chain	2	
	d. external opportunities, including the value chain	3	
	Risk and/or opportunity analysis		
	Leadership		
4.	**The management is committed and shows leadership with regard to SP.**	10	
	Management statement / interviews		
	Planning		
5.	The organization has drawn up a policy plan for SP, while focusing on:	10	
	a. involving stakeholders in the policy on SP	1	
	b. continuously improving the sustainability of procurement	2	
	c. the sustainability and/or circularity of the 1st tier suppliers	2	
	d. communicating about sustainability, SP and/or circular economy with suppliers and customers	1	
	e. adherence to SP principles like accountability, transparency and fairness	2	
	d. adherence to SP principles like a focus on needs, innovation and life cycle costing	2	
	Procurement policy / stakeholder report / procurement policy / supply chain mapping / communication proofs		
	Support		
6.	In the organization, SP is implemented and supported in various ways:	10	
	a. a practical action plan for SP that is regularly reviewed and updated	2	
	b. an SP management system	2	
	c. SP training and education of employees	2	
	d. SP responsibilities are defined within the company documents	2	
	e. SP tooling is made available	2	
	Company actionplan / stakeholder docs / interviews / communication docs / year reports / website / webpages / stakeholder meeting reports / SP tools		

	Operation	
7.	The organization prevents and limits the actual and potential adverse effects of the organization as an integral part of decision-making and risk management with regard to:	20
	a. human rights in the chain	6
	b. labour practices in the chain	6
	c. environmental effects in the chain	4
	d. preventing the supply of goods or services from conflicted- or politically unstable areas (e.g. conflict minerals)	4
	Summary of potential negative effects per SP theme and necessary actions	
	Operation	
8.	The organization has drawn up a code of conduct or a similar document, focusing on:	10
	a. ethical conduct in the organization and promoting it in their supply chains	5
	b. respect for legal order and international standards of conduct	5
	CoC or similar / list of applicable law & regs	
	Operation	
9.	Conditions relating to human and labour rights are built into contracts with suppliers.	10
	a. no child labour	2
	b. freedom of speech	2
	c. equal opportunities for and non-discrimination of women and minorities	2
	d. freedom of association and the right to collective bargaining	2
	e. working in safe, fair and reasonable working conditions (incl. no forced labour)	2
	Procurement conditions / interviews / ILO etc.	
	Operation	
10.	The following conditions for the safety and health of employees are incorporated in contracts with suppliers:	10
	a. quantitative targets have been defined for safety and health	2
	b. there is an effective complaints hotline	2
	c. there are general safety protocols and training courses	2
	d. exposure to harmful substances is prevented by specific protocols (PRODUCT)	4
	Procurement conditions	

	Operation		
11.	Harmful emissions are prevented or limited by the organizations 1st tier suppliers according to reduction plans for their most important impacts (e.g. CO2, chemicals).	10	
	Supplier assessments		
	Operation		
12.	Conditions relating to biodiversity are built into contracts with suppliers, aiming to first avoid, then minimize, if necessary mitigate and (when impacts still remain) offset adverse impacts on marine, freshwater and/or terrestrial ecosystems.	10	
	Procurement conditions / FSC / OKOTEX / GOTS etc.		
	Operation		
13.	Conditions relating to protection of local and regional water systems are built into contracts with suppliers, aiming to first avoid, then minimize, if necessary mitigate and (when impacts still remain) offset adverse impacts (PRODUCT).	5	
	Procurement conditions / ref ISO 46001 / Cradle to Cradle / GOTS etc.		
	Operation		
14.	Conditions relating to fair business practices are built into contracts with suppliers, with respect to:	10	
	a. combating corruption, bribery and extortion	2	
	b. responsible political engagement	2	
	c. ensuring fair competition	2	
	d. respect for property rights	2	
	e. transparency	2	
	Procurement conditions		
	Evaluation		
15.	**SP performance is measured, monitored and assessed with quantitative targets.**	10	
	CSR/procurement report		
	Improvement		
16.	**The organization has draws conclusions from the SP assessment and works towards continuous improvement on the basis of the assessment.**	10	

	CSR/procurement report	

11.3 Assessment questions CO2 Reduction

General information:

- The GSE-Standard CO2 Reduction certificate starts at 50% of the points and has a separate valuation percentage and associated ranking.
- The maximum number of points that can be obtained for this pillar is 160 (equalling 100% pillar score).
- The Assessment consists of both mandatory, partially mandatory and optional checkpoints. Cumulative, in the CO2 Reduction Pillar, 69 points are mandatory (indicated in **bold text**).
- When an organization can prove that a checkpoint is not relevant or applicable to their sector or specific situation, they will be exempted from this checkpoint. Checkpoints that are only relevant for producers are already indicated in the table.
- This pillar accounts for 20% in the overall score of the GSE-Standard.
- To apply for a GSES CO2 Reduction certificate an external validation performed by an independent certification body can be scheduled via www.gses-system.com.

Nr.	Checkpoint	Points
	Context	
1.	The organization has made an inventory of internal and external issues concerning CO2	10
	a. internal issues	2
	b. external issues, related to the surrounding socio-economical system	3
	c. external issues, related to the value chain	5
	Context analysis	
	Stakeholders	
2.	The organization has made an inventory of various stakeholder groups and their preferences and requirements in relation to CO2.	10
	a. employees	1
	b. clients / customers	3
	c. suppliers, contractors, intermediaries, partners	4
	d. sectors, branches	1
	e. NGOs, governments, politics	1
	Stakeholder analysis	
	Risk and opportunities	

3.	The organization has made an analysis of internal and external issues, opportunities and risks	10
	a. internal issues and risks	2
	b. internal opportunities	3
	c. external issues and risks, including the value chain	2
	d. external opportunities, including the value chain	3
	Risk and/or opportunity analysis	
	Leadership	
4.	**The management is committed and shows leadership with regard to CO2**	10
	Management statement / interviews	
	Planning	
5.	The organization is focused on climate and CO2, the organization:	10
	a. has formulated policies for climate and reducing greenhouse gas emissions (CO2, methane, nitrous oxide, etc.).	2
	b. involves their employees in their greenhouse gas policy	2
	c. has a plan to eventually do as much as possible in a CO2-neutral way	2
	d. has established quantitative targets against which actions and results in terms of the reduction of greenhouse gas emissions will be assessed	2
	e. communicates with their suppliers and customers about greenhouse gas and climate emissions	2
	CO2 strategy / management plan / various docs	
	Support	
6.	The organization has made a scope analysis and calculated their company's CO2 footprint in:	10
	a. Scope 1 (emissions as a result of activities within the organization itself)	2
	b. Scope 2 (emissions from purchased electricity consumption, air travel or fuel consumption of rental cars)	3
	c. Scope 3 (emissions that are generated in the supply chain)	5
	CO2 footprint report	
	Support	
7.	In the organization, CO2 management is implemented and supported in various ways:	10
	a. a practical action plan for CO2 that is regularly reviewed and updated	4

	b. a CO2 management system	2
	c. training and education of employees in CO2 management and tooling	4
	Action plan / certificates/ interviews, examples of tool	
	Operation	
8.	The organization reduces CO2 emissions from their building(s), and – if applicable - site(s)/factories, fleet and vehicle fleet.	10
	Total CO2 emissions reduction of organization compared to 3 years ago:	
	<10% = 1 points	
	<15% = 3 points	
	<20% = 5 points	
	<25% = 7 points	
	<30% = 9 points	
	<35% = 10 points	
	CO2 reports	
	Operation	
9.	**The organization uses renewable energy produced from wind or sun, produced by themselves or purchased with guarantees of domestic origin.**	10
	Energy contract	
	Operation	
10.	The organizations share of their electricity consumption that they generate themselves is:	10
	<100%->90% = 10 points	
	<90%->80% = 9 points	
	<80%->70% = 8 points	
	<70%->60% = 7 points	
	<60%->50% = 6 points	
	<50%->40% = 5 points	
	<40%->30% = 4 points	
	<30%->20% = 3 points	
	<20%->10% = 2 points	
	<10%->0% = 1 points	
	Energy use and production tables	

		Operation	
11.		The proportion of our CO_2 emissions from energy use, mobility and transport that is compensated for is (scope 1 and 2, explain):	10
		<100%->90% = 10 points	
		<90%->80% = 9 points	
		<80%->70% = 8 points	
		<70%->60% = 7 points	
		<60%->50% = 6 points	
		<50%->40% = 5 points	
		<40%->30% = 4 points	
		<30%->20% = 3 points	
		<20%->10% = 2 points	
		<10%->0% = 1 points	
		Energy use tables and compensation calculations and contract	
		Operation	
12.		The organization has a plan to maximize the compensation of CO_2 emissions in scope 1, 2 and 3 (explain how)	10
		Compensation plan / CO_2 management/ action plan	
		Operation	
13.		The organization is:	20
		Energy-neutral =10 points	
		Energy-neutral and energy-generating = 20 points	
		Tables with energy consumption and production and/or compensation contract	
		Operation	
14.		The organization encourages parties in their value chain to reduce CO_2 emissions:	10
		a. subcontractors / suppliers	4
		b. customers	2
		c. peers	2
		d. companies in their region	2
		Proof of initiatives and programs	

	Evaluation	
15.	**CO2 performance is measured, monitored and assessed with quantitative targets.**	10
	CSR/CO2 reports	
	Improvement	
16.	**We draw conclusions from the CO2 assessment and work towards continuous improvement on the basis of the assessment.**	10
	CSR/CO2 report	

11.4 Assessment questions Circular Economy

General information:
- The GSE-Standard Circular Economy certificate starts at 50% of the points and has a separate valuation percentage and associated ranking.
- The maximum number of points that can be obtained for this pillar is 175 (equalling 100% pillar score).
- The Assessment consists of both mandatory, partially mandatory and optional checkpoints. Cumulative, in the Circular Economy Pillar, 74 points are mandatory (indicated in **bold text**).
- When an organization can prove that a checkpoint is not relevant or applicable to their sector or specific situation, they will be exempted from this checkpoint. Checkpoints that are only relevant for producers are already indicated in the table.
- This pillar accounts for 20% in the overall score of the GSE-Standard.
- To apply for a GSES Circular Economy certificate an external validation performed by an independent certification body can be scheduled via www.gses-system.com.

Nr.	Checkpoint	Points
	Context	
1.	The organization has made an inventory of internal and external issues concerning Circular Economy.	10
	a. internal issues	2
	b. external issues, related to the surrounding socio-economical system	3
	c. external issues, related to the value chain	5

	Context analysis	
	Stakeholders	
2.	The organization has made an inventory of various stakeholder groups and their preferences and requirements in relation to Circular Economy.	10
	a. employees	1
	b. clients / customers	3
	c. suppliers, contractors, intermediaries, partners	4
	d. sectors, branches	1
	e. NGOs, governments, politics	1
	Stakeholder analysis	
	Risk and opportunities	
3.	The organization has made an analysis of their environment and they know:	10
	a. what their options are for creating a system around a product/service in which the value of materials is retained as much as possible	2
	b. which partners are needed for a system around a product service in which the value of materials is retained as much as possible	2
	c. what the techniques and/or innovations are that are needed for this	1
	d. what the (im)possibilities offered by legislation and regulations are	1
	e. which movements and risks in the market are relevant for creating a system around a product/service in which the value of materials is retained	1
	f. which opportunities exist for subsidies and funds for the creation of more circular products and/or services	1
	g. the extent to which residual waste is produced by us and in the chain (suppliers and customers) that cannot be recovered	2
	Risk and/or opportunity analysis	
	Leadership	
4.	**The management is committed and shows leadership with regard to Circular Economy.**	10
	Management statement / interviews	
	Planning	

5.	The organization has policies and objectives for Circular Economy	10
	a. CE is set out in the policy or a separate CE policy has been drawn up	2
	b. concrete targets have been set for CE	4
	c. CE performance indicators (KPIs) have been established in order to manage the CE SMART objectives	4
	Company policy plan / CE policy	
	Planning	
6.	In their current business plan, and vision documents and/or on their website, the organization shows that they are implementing aspects of the Circular Economy in production, service and/or procurement.	10
	a. system thinking, and long term thinking in the direction of system change	1
	b. collaboration in the chain focused on circularity	1
	c. innovation and redesign of products and/or services	2
	d. new business models focused on value retention	1
	e. taking responsibility for the life cycle of materials	2
	f. high-quality reuse and recycling of products and materials	2
	g. renewable materials	1
	Company policy plan, or webpage	
	Support	
7.	In the organization, the Circular Economy is implemented and supported in various ways:	10
	a. a practical action plan for CE that is regularly reviewed and updated	2
	b. a CE management system	2
	c. training and education of employees in CE management and tooling	2
	d. management supports the organization and encourages them to persevere and come up with new ideas if the results are disappointing	2
	e. the organization is already active in one or more pilots so as to experiment with CE	2
	Dialogue reports / KPI's in CE plan / evaluation reports / management statement / pilot proofs	
	Operation	
8.	The organization is cooperating with the follwing stakeholders to implement the Circular Economy.	10
	a. clients / customers	4

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	b. suppliers, contractors, intermediaries, partners	4
	c. sectors, branches	1
	d. NGOs, governments, politics	1
	CE meeting reports with chain parties	
	Operation	
9.	In the organization, the following waste is separated and recycled:	5
	a. plastic	1
	b. organic waste	1
	c. metal	1
	d. chemical / hazardous waste	1
	e. e-waste (e.g. PC's)	1
	Waste management plan / Pictures of waste bins on site	
	Operation	
10.	The organization innovates by developing sustainable and circular products and/or services and in doing so they observe the following:	10
	a. the creation of ecological and social added value	1
	b. the option of implementing the functionality of a product or service in a different way	2
	c. the replacement of toxic, scarce and/or critical substances and materials	1
	d. designs for high-quality reuse, extension of life span (repair, reuse, re-manufacture, refurbish, re-purpose)	2
	e. more efficient products/services, with less environmental damage during use	1
	f. using recycled materials (including water) for production and/or services	1
	g. apply high-quality recycled materials or components in production and/or service provision	2
	Innovation plans / concrete examples	
	Operation	
11.	There is room in their financial structure and procurement practice for:	10
	a. a higher purchase price for circular options	4
	b. the use of a total cost of usage/ownership calculation	3
	c. spending money over a longer period of time instead of all at once	3
	Financial policy	

	Operation		
12.	The organization supplies (as suppliers of products) and/or uses (as suppliers of services) products and/or services according to the principles of circular economy:	10	
	a. modular and/or easy to repair products	1	
	b. use bio-based materials from sustainably managed areas that do not compete with food production	1	
	c. use recycled substances and materials in products	1	
	d. apply high-quality reused parts in products (re-manufacture)	1	
	e. supply high-quality reused products (refurbish)	1	
	f. applying pay per use, lease and/or buy back contracts	1	
	g. assuring the recycling of materials after use	2	
	h. assuring the reuse of products and/or parts after use	2	
	Portfolio		
	Operation		
13.	The organization takes structural (at least once a year) actions to make their chain circular by:	10	
	a. holding meetings with parties in the chain	3	
	b. the implementation of concrete projects	5	
	c. evaluating the results of the projects	2	
	Meeting reports / certificates / contracts / concrete examples		
	Operation		
14.	What is the percentage of the Circular Revenue for the company or business unit assessed, as calculated with the CTI Revenue method?	20	
	<100%->90% = 20 points		
	<90%->80% = 18 points		
	<80%->70% = 16 points		
	<70%->60% = 14 points		
	<60%->50% = 12 points		
	<50%->40% = 10 points		
	<40%->30% = 8 points		
	<30%->20% = 6 points		
	<20%->10% = 4 points		
	<10%->0% = 2 points		
	Turnover figures in relation to the business models / CTI Revenue Calculations and Material Flow analyses		

	Alternatively, also the Circulytics Method can be used	
14.	What is the percentage of the Circular Revenue for the company or business unit assessed, as calculated with the Circulytics method?	10
	<100%->90% = 10 points	
	<90%->80% = 9 points	
	<80%->70% = 8 points	
	<70%->60% = 7 points	
	<60%->50% = 6 points	
	<50%->40% = 5 points	
	<40%->30% = 4 points	
	<30%->20% = 3 points	
	<20%->10% = 2 points	
	<10%->0% = 1 points	
	Turnover figures in relation to the business models / Circulytics Calculations and Material Flow analyses	
	Operation	
15.	What is the Water Circularity percentage of the company or business unit assessed, as calculated with the CTI Water Circularity method?	10
	<100%->90% = 10 points	
	<90%->80% = 9 points	
	<80%->70% = 8 points	
	<70%->60% = 7 points	
	<60%->50% = 6 points	
	<50%->40% = 5 points	
	<40%->30% = 4 points	
	<30%->20% = 3 points	
	<20%->10% = 2 points	
	<10%->0% = 1 points	
	CTI Water Circularity Calculations and Water Flow analyses	
	Alternatively, also the Circulytics Method can be used	

15.	What is the Water Circularity percentage of the company or business unit assessed, as calculated with the Circulytics method?	10
	<100%->90% = 10 points	
	<90%->80% = 9 points	
	<80%->70% = 8 points	
	<70%->60% = 7 points	
	<60%->50% = 6 points	
	<50%->40% = 5 points	
	<40%->30% = 4 points	
	<30%->20% = 3 points	
	<20%->10% = 2 points	
	<10%->0% = 1 points	
	Circulytics Water Circularity Calculations and Water Flow analyses	
	Evaluation	
16.	**CE performance is measured, monitored and assessed with quantitative targets.**	10
	CE report	
	Improvement	
17.	**The organization draws conclusions from the CE assessment and works towards continuous improvement on the basis of the assessment.**	10
	CE report	

11.5 Assessment questions Health and Safety

General information:
- The GSE-Standard Health and Safety certificate starts at 50% of the points and has a separate valuation percentage.
- The maximum number of points that can be obtained for this pillar is 140 (equalling 100% pillar score).
- The Assessment consists of both mandatory, partially mandatory and optional checkpoints. Cumulative, in the Health and Safety Pillar, 64 points are mandatory (indicated in **bold text**).

- When an organization can prove that a checkpoint is not relevant or applicable to their sector or specific situation, they will be exempted from this checkpoint. Checkpoints that are only relevant for producers are already indicated in the table.
- This pillar accounts for 20% in the overall score of the GSE-Standard.
- To apply for a GSES Health and Safety certificate an external validation performed by an independent certification body can be scheduled via www.gses-system.com.

Nr.	Checkpoint	Points
	Context	
1.	The organization has made an inventory of internal and external issues concerning Health and Safety (H&S).	10
	a. internal issues	2
	b. external issues, related to the surrounding socio-economical system	3
	c. external issues, related to the value chain	5
	Context analysis	
	Stakeholders	
2.	The organization has made an inventory of various stakeholder groups and their preferences and requirements in relation to H&S.	10
	a. employees	4
	b. clients / customers	2
	c. subcontractors	2
	d. Other stakeholders with regard to H&S. E.g. legislative and regulatory authorities, suppliers, workers' and employers' organisations, HS-care professionals.	2
	Stakeholder analysis	
	Risk and opportunities	
3.	The organization has made an inventory of the H&S risks and opportunities (E.g. on aspects such as: physical, chemical, biological, psychosocial, mechanical, electrical, movement, energy) for:	10
	a. employees	2
	b. subcontractors	2
	c. temporary workers	2
	d. apprentices	2
	e. other internals who are involved	1
	f. the environment	1

	Risk and/or opportunity analysis	
	Leadership	
4.	**The management is committed and shows leadership with regard to H&S.**	10
	Management statement / interviews	
	Planning	
5.	The organization has policies and objectives for H&S.	10
	a. H&S is set out in the policy or a separate H&S policy has been drawn up	3
	b. a H&S management system has been set up	2
	c. concrete targets have been set for H&S	3
	d. H&S performance indicators (KPIs) have been established in order to manage the H&S SMART objectives	2
	H&S policy plan	
	Support	
6.	The organization consults and involves H&S employees in a structured manner and informs other stakeholders.	10
	a. there are mechanisms, time, training and resources for employee consultation and participation	2
	b. offering employees timely access to clear, comprehensible, relevant information about H&S	2
	c. non-managerial employees are consulted when establishing the H&S policy	1
	d. obstacles and barriers to employee participation are identified, removed or minimised	1
	e. non-managerial employees are involved in establishing competence requirements, training needs, training and evaluating training	2
	f. offering timely access to clear, comprehensible and relevant information about H&S to the other stakeholders, such as ...…	2
	Description of process / concrete examples / consultation reports / explanation with concrete examples	
	Support	
7.	The organization has made an inventory of:	10
	a. the information on tools, machines, systems that can promote safety (PRODUCT)	2
	b. potential emergency situations (unplanned or unscheduled situations) that require an immediate response	2

	c. opportunities for improving H&S-related performance for employees, contractors, temporary employees and other internal stakeholders	2
	d. opportunities for improving H&S-related performance for the environment (PRODUCT)	2
	e. legal and other requirements applicable to its hazards and H&S risks (including opportunities)	2
	Inventory	
	Support	
8.	The management ensures that the responsibilities and competencies for relevant roles within a HS management system are assigned and communicated at all levels within the organisation.	5
	Definition of roles and responsibilities for H&S at all levels of the organisation	
	Support	
9.	The organization makes specific H&S-related tools available to employees in order to better integrate HS in processes and projects.	5
	Summary of specific HS-related tools	
	Operation	
10.	The organization fosters awareness and support among employees with regard to H&S and the importance that the organization attaches to this:	20
	a. management create a culture that protects employees from reprisals	4
	b. employees are given the opportunity to attend additional information sessions or training courses on H&S-related topics that are relevant to them	4
	c. the organization involves all divisions in the integration of H&S	4
	d. the organization has set up clear contact points if employees want to look up H&S-related information	4
	e. information employees can make an active contribution to the content of H&S-related communication	4
	Specific communication (newsletters, intranet etc) / management decision / management confirmation / specific info sessions / consultation reports with various divisions / memo's etc. / H&S-related input by employees	
11.	The organization regularly communicates about H&S with external parties.	10
	a. contractors, relevant suppliers and visitors	5

	b. external other stakeholders, e.g. legislative and regulatory authorities, suppliers, (sub)contractors, workers' and employers' organisations, HS-care professionals.	5	
	Communication messages contractors, suppliers, visitors / H&S-related communication with other stakeholders		
	Operation		
12.	The organization proactively deals with H&S hazards through:	10	
	a. constantly identifying (new) H&S hazards (PRODUCT)	2	
	b. focusing on hazards related to social factors	1	
	c. design control measures or reorganization of work to eliminate hazards (PRODUCT)	2	
	d. provision of free personal protective equipment (PPE) and instructions for the use and maintenance of the PPE (PRODUCT)	2	
	e. contingency plans and training for emergency situations	2	
	f. periodic exercises and/or tests to simulate potential emergency situations	1	
	Hazard identification and notification process description		
	Evaluation		
13.	**H&S performance is measured, monitored and assessed with quantitative targets.**	10	
	Evaluation reports		
	Improvement		
14.	**The organization draws conclusions from the H&S assessment and works towards continuous improvement on the basis of the assessment.**	10	
	Evaluation reports		

12. Appendix 2: Questionnaires Pillar Assessments for SMEs

12.1 Assessment questions Corporate Social Responsibility

General information:
- The GSE-Standard Corporate Social Responsibility certificate starts at 50% of the points. The organization itself can choose what checkpoints it wants to reach in order the meet the 50 points certificate benchmark.
- The maximum number of points that can be obtained for this pillar is 94 (equalling 100% pillar score).
- This pillar accounts for 20% in the overall score of the GSE-Standard.
- When an organization can prove that a checkpoint is not relevant or applicable to their sector or specific situation, they will be exempted from this checkpoint. Checkpoints that are only relevant for producers are already indicated in the table.
- To apply for a GSES Corporate Social Responsibility certificate an external validation performed by an independent certification body can be scheduled via www.gses-system.com.

Nr.	Checkpoint	Points
	Plan	
1.	In the policy plan, vision and/or on the website the organization explicitly focusses on:	10
	a. identifying and involving the stakeholders (the people that are influenced and/or have influence on the policy and its execution) in their policy on sustainability, CSR and/or circular economy policy	2
	b. continuously improving the sustainability of the business operations	2
	c. innovation of the products and services aimed at sustainability and/or circularity	2
	d. applying a life-cycle approach to get a picture of the total cost of usage and the impact of the products/services on people and the environment	2
	e. communicating about sustainability, CSR and/or circular economy with the stakeholders	2
	Company policy plan / webpage / stakeholder analysis	
	Plan	
2.	In the policy plan, vision and/or on the website the organization explicitly focusses on the following aspects of CSR:	10
	a. human rights in the value chain	2

	b. labour practices	2
	c. environment	2
	d. fair business practices	1
	e. consumer issues	1
	f. local communities and social contribution	2
	Company policy plan / webpage	
	Do	
3.	In the organization, CSR is implemented and communicated in various ways:	10
	a. a practical action plan for CSR that is regularly reviewed and updated	2
	b. a materiality analysis	1
	c. one or more CSR related certificates (e.g. ISO 14001, Fair Trade Standard)	1
	d. actively informing the outside world about the CSR policy	2
	e. actively involving the employees in the implementation of the CSR policy	1
	f. CSR responsibilities are defined within the company documents	1
	g. the CSR documents (policy, report, certifications, etc.) can be found on the company website	1
	h. actively involving our employees in the decision-making on CSR	1
	Company action plan, minimum: company impacts per theme / certificates / stakeholder docs / interviews / communication docs / year reports / website / blog / company action plan / webpages / stakeholder meeting reports	
	Do	
4.	Within the boundaries of the organization the following aspects of human rights and good labour practice are implemented:	10
	a. no child labour that deviates from national laws ánd ILO standards (e.g. that prevents children from going to school)	2
	b. equal opportunities for and non-discrimination of women and minorities	2
	c. workers are not hindered in any way in their freedom of association and the right to collective bargaining	2
	d. working in safe, fair and reasonable working conditions (incl. no forced labour)	2
	e. fair wages that allow for a standard of living in which housing, food, education and health care is affordable	2
	Code of Conduct / interviews	
	Do	
5.	Harmful effects on the environment are prevented or limited in the organization.	10
	a. preventing and limiting emissions of greenhouse gases (CO_2, methane, etc.)	1

	b. phasing out hazardous (toxic) or suspicious substances as described in a management and/or action plan (PRODUCT)	2
	c. increasing the use of ecologically sound products (raw materials, food, cleaning products and pesticides) as described in a management and/or action plan	2
	d. air and/or water treatment plants at production sites (PRODUCT)	2
	e. measures to limit the impact on the natural environment, including marine, freshwater and/or terrestrial ecosystems and biodiversity and to repair any damage as much as possible (PRODUCT)	2
	f. setting up and managing the company sites according to a Biodiversity Action Plan	1
	Chemical management plan, ref 14001 / procurement policy / prod. Cert. / emission plan / biodiversity management plan /	
	biodiversity action plan BAP	
	Do	
6.	The organization has a code of conduct or similar document that sets out standards for fair business practices with regard to:	10
	a. combating corruption, bribery and extortion	2
	b. responsible political engagement	2
	c. ensuring fair competition	2
	d. respect for property rights	2
	e. transparency	2
	CoC	
	Do	
7.	The organization ensures the safety and health of the end users of their products/services through:	4
	a. designing the products/services according to predefined standards for health and safety	2
	b. easily available instructions for safe and healthy use	2
	Webpage / brochures and / or manuals	
	Do	
8.	The organization contributes to socio-economic sustainability.	10
	a. the provision of training opportunities, through traineeships or the provision of education	3
	b. helping people who are distanced from the labour market to gain work experience (social return)	3

	c. stimulating the regional economy by purchasing as much as possible locally or regionally	2
	d. supporting social organisations and charities (e.g. through: sponsorships, voluntary activity or other means)	2
	Education policy / HR policy / procurement policy / various proofs of support	
	Check	
9.	CSR performance is measured, monitored and assessed with quantitative targets.	10
	CSR report	
	Act	
10.	The organization draws conclusions from the CSR assessment and works towards continuous improvement on the basis of the assessment.	10
	CSR report	

12.2 Assessment questions Sustainable Procurement

General information:
- The GSE-Standard Sustainable Procurement certificate starts at 50% of the points. The organization itself can choose what checkpoints it wants to reach in order the meet the 50 point certificate benchmark.
- The maximum number of points that can be obtained for this pillar is 110 (equalling 100% pillar score).
- When an organization can prove that a checkpoint is not relevant or applicable to their sector or specific situation, they will be exempted from this checkpoint. Checkpoints that are only relevant for producers are already indicated in the table.
- This pillar accounts for 20% in the overall score of the GSE-Standard.
- To apply for a GSES Sustainable Procurement certificate an external validation performed by an independent certification body can be scheduled via www.gses-system.com.

Nr.	Checkpoint	Points
	Plan	
1.	The organization has drawn up a policy plan for SP, while focusing on:	10
	a. identifying and involving stakeholders in the policy on SP	2
	b. continuously improving the sustainability of procurement	3

	c. the sustainability and/or circularity of the 1st tier suppliers	3	
	d. communicating about sustainability, CSR and/or circular economy with suppliers and customers	2	
	Procurement policy / stakeholder report / procurement policy / supply chain mapping / communication proofs		
	Do		
2.	The organization prevents and limits the actual and potential adverse effects of the organization as an integral part of decision-making and risk management with regard to:	20	
	a. human rights in the chain	6	
	b. labour practices in the chain	6	
	c. environmental effects in the chain	4	
	d. preventing the supply of goods or services from conflicted- or politically unstable areas (e.g. conflict minerals)	4	
	Summary of potential negative effects per SP theme		
	Do		
3.	The organization has drawn up a code of conduct or a similar document, focusing on:	10	
	a. ethical conduct in the organization and promoting it in their supply chains	5	
	b. respect for legal order and international standards of conduct	5	
	CoC or similar / list of applicable law & regs		
	Do		
4.	Conditions relating to human and labour rights are built into contracts with suppliers.	10	
	a. no child labour	2	
	b. freedom of speech	2	
	c. equal opportunities for and non-discrimination of women and minorities	2	
	d. freedom of association and the right to collective bargaining	2	
	e. working in safe, fair and reasonable working conditions (incl. no forced labour)	2	
	Procurement conditions / interviews / ILO etc.		
	Do		

5.	The following conditions for the safety and health of employees are incorporated in contracts with suppliers:	10
	a. quantitative targets have been defined for safety and health	2
	b. there is an effective complaints hotline	2
	c. there are general safety protocols and training courses	2
	d. exposure to harmful substances is prevented by specific protocols (PRODUCT)	4
	Procurement conditions	
	Do	
6.	Harmful emissions are prevented or limited by the organizations 1st tier suppliers according to reduction plans for their most important impacts (e.g. CO2, chemicals).	10
	Supplier assessments	
	Do	
7.	Conditions relating to biodiversity are built into contracts with suppliers, aiming to first avoid, then minimize, if necessary mitigate and (when impacts still remain) offset adverse impacts on marine, freshwater and/or terrestrial ecosystems (PRODUCT).	10
	Procurement conditions / FSC / OKOTEX / GOTS etc.	
	Do	
8.	Conditions relating to fair business practices are built into contracts with suppliers, with respect to:	10
	a. combating corruption, bribery and extortion	2
	b. responsible political engagement	2
	c. ensuring fair competition	2
	d. respect for property rights	2
	e. transparency	2
	Procurement conditions	
	Check	
9.	SP performance is measured, monitored and assessed with quantitative targets.	10
	CSR/procurement report	

	Act	
10.	The organization has draws conclusions from the SP assessment and works towards continuous improvement on the basis of the assessment.	10

12.3 Assessment questions CO2 Reduction

General information:
- The GSE-Standard CO2 Reduction certificate starts at 50% of the points. The organization itself can choose what checkpoints it wants to reach in order the meet the 50 point certificate benchmark.
- The maximum number of points that can be obtained for this pillar is 120 (equalling 100% pillar score).
- When an organization can prove that a checkpoint is not relevant or applicable to their sector or specific situation, they will be exempted from this checkpoint. Checkpoints that are only relevant for producers are already indicated in the table.
- This pillar accounts for 20% in the overall score of the GSE-Standard.

Nr.	Checkpoint	Points
	Plan	
1.	The organization is focused on climate and CO2, the organization:	10
	a. has formulated policies for climate and reducing greenhouse gas emissions (CO2, methane, nitrous oxide, etc.).	2
	b. involves their employees in their greenhouse gas policy	1
	c. has calculated their company's CO2 footprint	2
	d. has a plan to eventually do as much as possible in a CO2-neutral way	2
	e. has established quantitative targets against which actions and results in terms of the reduction of greenhouse gas emissions will be assessed	2
	f. communicates with their suppliers and customers about greenhouse gas and climate emissions	1
	CO2 strategy / management plan / various docs	
	Do	
2.	The organization reduces CO2 emissions from their building(s), and – if applicable - site(s)/factories, fleet and vehicle fleet.	20

	Total CO2 emissions reduction of organization compared to 3 years ago:	
	<10% = 3 points	
	<15% = 6 points	
	<20% = 9 points	
	<25% = 12 points	
	<30% = 15 points	
	<35% = 18 points	
	CO2 reports	
	Do	
3.	The organization uses renewable energy produced from wind or sun with guarantees of domestic origin.	10
	Energy contract	
	Do	
4.	The organizations share of their electricity consumption that they generate themselves is:	10
	<100%->90% = 10 points	
	<90%->80% = 9 points	
	<80%->70% = 8 points	
	<70%->60% = 7 points	
	<60%->50% = 6 points	
	<50%->40% = 5 points	
	<40%->30% = 4 points	
	<30%->20% = 3 points	
	<20%->10% = 2 points	
	<10%->0% = 1 points	
	Energy use and production tables	
	Do	
5.	The proportion of our CO2 emissions from energy use, mobility and transport that is compensated for is (scope 1 and 2, explain):	10
	<100%->90% = 10 points	
	<90%->80% = 9 points	
	<80%->70% = 8 points	
	<70%->60% = 7 points	
	<60%->50% = 6 points	

	<50%->40% = 5 points	
	<40%->30% = 4 points	
	<30%->20% = 3 points	
	<20%->10% = 2 points	
	<10%->0% = 1 points	
	Energy use tables and compensation calculations and contract	
	Do	
6.	The organization has a plan to maximize the compensation of CO2 emissions in scope 1, 2 and 3 (explain how)	10
	Compensation plan / CO2 management/ action plan	
7.	The organization is:	
	An Energy-neutral organization =10 points	
	An Energy-neutral and energy-generating organization = 20 points	20
	Tables with energy consumption and production and/or compensation contract	
	Do	
8.	The organization encourages parties in their value chain to reduce CO2 emissions:	10
	a. subcontractors	4
	b. customers	2
	c. peers	2
	d. companies in our region	2
	Proof of initiatives and programs	
	Check	
9.	CO2 performance is measured, monitored and assessed with quantitative targets.	10
	CO2 reports	
	Act	
10.	We draw conclusions from the CO2 assessment and work towards continuous improvement on the basis of the assessment.	10

	CO2 reports	

12.4 Assessment questions Circular Economy

General information:

- The GSE-Standard Circular Economy certificate starts at 50 points. The organization itself can choose what checkpoints it wants to reach in order the meet the 50 point certificate benchmark.
- The maximum number of points that can be obtained for this pillar is 125 (equalling 100% pillar score).
- When an organization can prove that a checkpoint is not relevant or applicable to their sector or specific situation, they will be exempted from this checkpoint. Checkpoints that are only relevant for producers are already indicated in the table.
- This pillar accounts for 20% in the overall score of the GSE-Standard.
- To apply for a GSES Circular Economy certificate an external validation performed by an independent certification body can be scheduled via www.gses-system.com.

Nr.	Checkpoint	Points
	Plan	
1.	In their current business plan, and vision documents and/or on their website, the organization shows that they are implementing aspects of their Circular Economy.	10
	a. system thinking, and long term thinking in the direction of system change	1
	b. collaboration in the chain focused on circularity	1
	c. innovation and redesign of products and/or services	2
	d. new business models focused on value retention	1
	e. taking responsibility for the life cycle of materials	2
	f. high-quality reuse and recycling of products and materials	2
	g. renewable materials	1
	Company policy plan, or webpage	
	Plan	
2.	The organization has made an analysis of their environment and they know:	10
	a. what their options are for creating a system around a product service in which the value of materials is retained as much as possible	2

	b. which partners are needed for a system around a product service in which the value of materials is retained as much as possible	2
	c. what the techniques and/or innovations are that are needed for this	1
	d. what the (im)possibilities offered by legislation and regulations are	1
	e. which movements and risks in the market are relevant for creating a system around a product service in which the value of materials is retained	1
	f. which opportunities exist for subsidies and funds for the creation of more circular products and/or services	1
	g. the extent to which residual waste is produced by us and in the chain (suppliers and customers) that cannot be recovered	2
	Context analysis	
	Do	
3.	In the organization, the following waste is separated and recycled:	5
	a. plastic	1
	b. organic waste	1
	c. metal	1
	d. chemical / hazardous waste	1
	e. e-waste (e.g. PC's)	1
	Waste management plan / Pictures of waste bins on site	
	Do	
4.	The organization innovates by developing sustainable and circular products and/or services and in doing so they observe the following:	10
	a. the creation of ecological and social added value	1
	b. the option of implementing the functionality of a product or service in a different way	2
	c. the replacement of toxic, scarce and/or critical substances and materials	1
	d. designs for high-quality reuse, extension of life span (repair, reuse, re-manufacture, refurbish, re-purpose)	2
	e. more efficient products/services, with less environmental damage during use	1
	f. using recycled materials for production and/or services	1
	g. apply high-quality recycled materials or components in production and/or service provision	2
	Innovation plans / concrete examples	
	Do	

5.	The organization shows effort to improve and learn with respect to CE, as illustrated by:	10
	a. our dialogue with suppliers, business partners, buyers, knowledge institutes or other stakeholders to promote Circular economy	2
	b. the quantitative targets that we have established on the basis of which actions and results in the terms of Circular economy are assessed	2
	c. our plan to increase the circularity of our products and/or services	2
	d. management supports the organization and encourages them to persevere and come up with new ideas if the results are disappointing	2
	e. the organization is already active in one or more pilots so as to experiment with CE	2
	Dialogue reports / KPI's in CE plan / evaluation reports / management statement / pilot proofs	
	Do	
6.	There is room in their financial structure and procurement practice for:	10
	a. a higher purchase price for circular options	4
	b. the use of a total cost of usage/ownership calculation	3
	c. spending money over a longer period of time instead of all at once	3
	Financial policy	
	Do	
7.	The organization supplies (as suppliers of products) and/or uses (as suppliers of services) products and/or services according to the principles of circular economy:	10
	a. modular and/or easy to repair products	1
	b. use bio-based materials from sustainably managed areas that do not compete with food production	1
	c. use recycled substances and materials in products	1
	d. apply high-quality reused parts in products (re-manufacture)	1
	e. supply high-quality reused products (refurbish)	1
	f. applying pay per use, lease and/or buy back contracts	1
	g. assuring the recycling of materials after use	2
	h. assuring the reuse of products and/or parts after use	2
	Portfolio	
	Do	

8.	The organization takes structural (at least once a year) actions to make their chain circular by:	10
	a. holding meetings with parties in the chain	3
	b. the implementation of concrete projects	5
	c. evaluating the results of the projects	2
	Meeting reports / certificates / contracts / concrete examples	
	Do	
9.	What percentage of the goods or products produced/sold have been demonstrably taken up by means of a circular business model (refurbish, re-use, deposit, redesign, recycling, etc.) in the past reporting year?	20
	<100%->90% = 20 points	
	<90%->80% = 18 points	
	<80%->70% = 16 points	
	<70%->60% = 14 points	
	<60%->50% = 12 points	
	<50%->40% = 10 points	
	<40%->30% = 8 points	
	<30%->20% = 6 points	
	<20%->10% = 4 points	
	<10%->0% = 2 points	
	Turnover figures in relation to the circular business models, e.g. CTI or Circulytics assessment	
	Do	
10.	What is the Water Circularity percentage for the company or business unit assessed, as calculated with the CTI Water Circularity method?	10
	<100%->90% = 10 points	
	<90%->80% = 9 points	
	<80%->70% = 8 points	
	<70%->60% = 7 points	
	<60%->50% = 6 points	
	<50%->40% = 5 points	
	<40%->30% = 4 points	
	<30%->20% = 3 points	
	<20%->10% = 2 points	
	<10%->0% = 1 points	

		CTI Water Circularity Calculations and Water Flow analyses	
		Alternatively, also the Circulytics Method can be used	
10.		What is the Water Circularity percentage of the company or business unit assessed, as calculated with the Circulytics method?	10
		<100%->90% = 10 points	
		<90%->80% = 9 points	
		<80%->70% = 8 points	
		<70%->60% = 7 points	
		<60%->50% = 6 points	
		<50%->40% = 5 points	
		<40%->30% = 4 points	
		<30%->20% = 3 points	
		<20%->10% = 2 points	
		<10%->0% = 1 points	
		Circulytics Calculations and Water Flow analyses	
		Check	
11.		CE performance is measured, monitored and assessed with quantitative targets.	10
		CE report	
		Act	
12.		The organization draws conclusions from the CE assessment and works towards continuous improvement on the basis of the assessment.	10
		CE report	

12.5 Assessment questions Health & Safety

General information:
- The GSE-Standard Health & Safety certificate starts at 50% of the points.
- The maximum number of points that can be obtained for this pillar is 90 (equalling 100% pillar

score).

- When an organization can prove that a checkpoint is not relevant or applicable to their sector or specific situation, they will be exempted from this checkpoint. Checkpoints that are only relevant for producers are already indicated in the table.
- This pillar accounts for 20% in the overall score of the GSE-Standard.
- To apply for a GSES Health & Safety certificate an external validation performed by an independent certification body can be scheduled via www.gses-system.com.

Nr.	Checkpoint	Points
	Plan	
1.	The organization has an inventory of groups' preferences and requirements in relation to H&S.	10
	a. employees	6
	b. clients / customers	2
	c. subcontractors	2
	Overview of preferences and requirements of stakeholders	
	Plan	
2.	The organization has policies and objectives for H&S.	10
	a. H&S is set out in the policy or a separate H&S policy has been drawn up	3
	b. A H&S management system has been set up	2
	c. Concrete targets have been set for H&S	3
	d. H&S performance indicators (KPIs) have been established in order to manage the H&S SMART objectives	2
	H&S policy plan	
	Do	
3.	The organization consults and involves H&S employees in a structured manner and informs other stakeholders.	10
	a. there are mechanisms, time, training and resources for employee consultation and participation.	2
	b. offering employees timely access to clear, comprehensible, relevant information about HS	2
	c. non-managerial employees are consulted when establishing the H&S policy	1
	d. obstacles and barriers to employee participation are identified, removed or minimised.	1
	e. non-managerial employees are involved in establishing competence requirements, training needs, training and evaluating training	2

	f. offering timely access to clear, comprehensible and relevant information about H&S to the other stakeholders, such as	2
	Description of process / concrete examples / consultation reports / explanation with concrete examples	
	Do	
4.	The organization has made an inventory of the H&S risks and opportunities (E.g. on aspects such as: physical, chemical, biological, psychosocial, mechanical, electrical, movement, energy) for:	10
	a. employees	2
	b. contractors	2
	c. temporary workers	2
	d. apprentices	2
	e. other internals who are involved	1
	f. the environment	1
	Risk inventory	
	Do	
5.	The organization has made an inventory of:	10
	a. the information on tools, machines, systems that can promote safety (PRODUCT)	2
	b. potential emergency situations (unplanned or unscheduled situations) that require an immediate response	2
	c. opportunities for improving H&S-related performance for employees, contractors, temporary employees and other internal stakeholders	2
	d. opportunities for improving H&S-related performance for the environment (PRODUCT)	2
	e. legal and other requirements applicable to its hazards and H&S risks (including opportunities)	2
	Inventory	
	Do	
6.	The organization fosters awareness and support among employees with regard to H&S and the importance that the organization attaches to this:	10
	a. management is committed and shows leadership with regard to H&S	2
	b. management create a culture that protects employees from reprisals	2
	c. employees are given the opportunity to attend additional information sessions or training courses on H&S-related topics that are relevant to them	1

		d. the organization involves all divisions in the integration of H&S	1
		e. the organization has set up clear contact points if employees want to look up H&S-related information	2
		f. information employees can make an active contribution to the content of H&S-related communication	2
		Specific communication (newsletters, intranet etc) / management decision / management confirmation / specific info sessions / consultation reports with various divisions / memo's etc. / H&S-related input by employees	
		Do	
	7.	The organization proactively deals with H&S hazards through:	10
		a. constantly identifying (new) H&S hazards (PRODUCT)	2
		b. focusing on hazards related to social factors	1
		c. design control measures or reorganization of work to eliminate hazards (PRODUCT)	2
		d. provision of free personal protective equipment (PPE) and instructions for the use and maintenance of the PPE (PRODUCT)	2
		e. contingency plans and training for emergency situations	2
		f. periodic exercises and/or tests to simulate potential emergency situations	1
		Hazard identification and notification process description	
		Check	
	8.	H&S performance is measured, monitored and assessed with quantitative targets.	10
		Evaluation reports	
		Act	
	9.	The organization draws conclusions from the H&S assessment and works towards continuous improvement on the basis of the assessment.	10
		Evaluation reports	

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Thank you!

Thank you for reading this far. Let's together change the world of sustainability reporting and governance, turning it into a powerful opportunity for growing your business.

We're looking much forward to working together to make the biggest possible positive impact on the planet and its people.

Need more information? Please visit GSES-System.com and GSE-Standard.com. Or, contact us through info@gses-system.com.