

Finreim & Katalysti

#KIRAriskDD METHOD EXPERT REPORT

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Images

Image 1 An example of the roles of a joint due diligence process in a construction project

I. Foreword

This expert report was born out of a very practical need: sustainability risks related to nature and human rights in the construction supply chains are both **near** and **far**, and current practices do not yet form a common, permanent way in which adverse impacts of raw material chains are identified, prioritised and reduced in a consistent manner. When risk management remains company- and project-specific, the result is easily overlapping work, varying quality and blind spots – especially where the impacts are serious, but information gathering is difficult.

The construction industry is a special case because it is a **project economy**: a single project brings together a large network of main contractors, subcontractors, wholesale chains and manufacturers, whose own upstream often extends to the production and processing of raw materials.

In this structure, the risks are not limited to one company or one building, but even "permeate" several construction projects – in the form of material flows and subcontracting chains.

Some of the risks are concrete and visible in Finland. The expert report highlights, for example, the risks to labour rights related to construction sites and the related service chains – especially labour exploitation in the subcontracting chains of foreign-language workers – as well as the corresponding risks in the completed real estate stock (e.g. cleaning services). Still, the most difficult to detect, but often the most serious, adverse effects are at the beginning of the supply chain.

Research and case evidence support this: the construction and service sectors are internationally recognised high-risk sectors. For example, the ILO sums it up: "Construction is the second-highest-risk sector for forced labour¹ ... with an estimated 4.5 million construction workers in forced labour."² Correspondingly, the UN Global Compact's BHR Navigator points out that the risk can also be realised in the chains of subcontracting and service suppliers (such as cleaning) close to home: "employees of service suppliers (e.g. cleaning, logistics, construction) are at risk of exploitation even in OECD countries."³ These observations are one of the reasons why we need a model that takes into account both "proximity risks" and upstream risk points, and does so in a way that suits the everyday life of a construction project.

At the same time, the operating environment is changing rapidly. European corporate responsibility regulation has put transparency and due diligence procedures in value chains

¹ https://www.ilo.org/sites/default/files/wcmsp5/groups/public/@ed_norm/@ipecc/documents/publication/wcms_586127.pdf

² ILO (2017), pp. 25–26. The ILO points out that 18% of all cases of forced labour are documented in the construction sector. However, it is worth noting that information on the sector was only available in 65% of cases. The purpose of this briefing is to assume that the remaining 35% of cases will be distributed in the same way.

³ <https://bhr-navigator.unglobalcompact.org/issues/forced-labour/>

on the management's agenda, but the final regulatory framework has not been predictable: in spring 2026, Omnibus I ("stop the clock") was adopted and it eases both reporting (CSRD/ESRS) and due diligence obligations (CSDDD). This expert report also directly states what many people recognize from everyday life: progress is inevitably gradual, and not all companies start making comprehensive due diligence process descriptions or extensively investigating their upstream supply chains at the same time. At the same time, more and more companies want to ensure that their operations do not conflict with their sustainability commitments and that reputational risk is identified as a real business risk. That's why this publication focuses on a risk-based and feasible pathway.

Why is this publication made – and for whom?

The purpose of this expert report is to:

- 1) explain the #KIRAriskDD method (theory + application) and its relation to OECD due diligence thinking,
- 2) compile the lessons learned from the piloting on the analysis of supply chain risks and the maturity of sustainability management, and
- 3) proposes a path towards a common, scalable operating model.

The target group is wide: industry associations, companies (developers, construction companies, product and material suppliers), authorities, non-governmental organisations, financiers and owners – practically everyone for whom corporate responsibility and concern for nature and people are part of their work or their own values.

What this is not

This is not a comprehensive scientific meta-analysis, certification standard, or legal guidance. Nor does it promise "absolute certainty". The starting point is honest: in a construction project, "properly performed due diligence is too expensive for a single construction product in a single project". That is why we propose a risk-based operating model that provides sufficient assurance with a reasonable amount of work and directs the assessment to be deepened when indications of negative impacts emerge.

Data and method – in brief

The publication relies on piloting, workshops, data from the control point survey, the OECD framework, and key regulatory and market sources.

Methodologically, the work has been practical development work: the method has been built, tested and refined together with stakeholders – the goal has not been "theoretical perfection", but a usable model for the everyday life of a construction project.

Context of piloting and collaboration

In the spring of autumn 2025, a model for a risk-based and targeted due diligence procedure was implemented with support from the TT Foundation as a common tool for the parties involved in construction projects (#KIRAriskDD). After the theoretical development phase of the method, it was tested in autumn 2025 and winter 2026 in a company-funded pilot. The pressure to develop the methodology originally arose, in particular, from

the disclosure requirements of the CSRD/ESRS₂₀₂₃ and CSDDD value chains, although these obligations have since been significantly eased.

The purpose of the piloting has been to implement the method and to test and develop the control point questionnaire process. The work was carried out together with eleven companies so that each group of three companies had a developer, a construction company and a construction product supplier linked to the actual project. The work took place in pilot-specific work meetings and in joint workshops of all companies. The theoretical part carried out in spring 2025 was funded by the TT Foundation, and the piloting was funded by the participating companies and partly (30%) by the consulting entrepreneurs themselves.

Reliability and limitations – lightly but honestly

The results of the pilot are, above all, **lessons learned and indicative observations**, not universal statements about the entire construction industry. The group of participants in the piloting is likely to represent actors who already have an interest in and ability to engage in sustainability work, which may highlight the functionality of the model in relation to the wider field. In addition, the control point survey is based on the information and documents provided by the respondents; At the project level, it is not realistic to verify all upstream activities on site, and this is not the purpose of the method. Critically, the model is risk-based: we go deeper when risk signals appear, and the most effective actions often require cooperation, not just project-specific efforts.

Acknowledgments and roles

A steering group was set up for the project and piloting, which met seven times. The steering group consisted of representatives of the participating companies and representatives of Rakli and RTT. In addition, we would like to thank all the companies and experts who participated in the pilot for their practical contribution: the control point surveys are not filled out "by themselves", but they require connections, motivation, time use and, above all, a desire to make visible things that supply chains are not always used to explaining.

As authors, we are responsible for the content and interpretations of this publication. The steering group has supported the direction and practical implementation of the work.

Date, version and transparency

This release is **version 1.0** (12.3.2026). The document is public and freely readable. Detailed results material has been distributed separately to the participants of the pilot; Its access rights are only available to the participating companies and project consultants. Instead, this expert report has been prepared for public use without any access restrictions other than using the appropriate citation guideline:

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2. Executive summary

The responsibility of construction is not only solved on the construction site. Most of the environmental and human rights impacts and supply risks of materials arise upstream - in the production, processing and logistics of raw materials - where transparency is traditionally weak and influence is dispersed.

The #KIRAriskDD presented in this report is a risk-based model based on OECD due diligence principles, which provides a feasible way to obtain sufficient assurance on the level of upstream risk without the need for a project-specific audit machinery. The method identifies a control point in the supply chain (e.g. a steel or cement plant) and assesses its capabilities with a standardized questionnaire: sustainability management, knowledge of the supply chain down to the source, certifications, and the geographical origin and risk profile of raw materials.

The Omnibus I / "stop the clock" package eased some of the reporting requirements, but in practice strengthened risk-based thinking: due diligence assessments can be targeted at those parts of the value chain where actual and potential adverse impacts are most likely, and the limitation must be based on reasonably available information. This is in line with the basic idea of #KIRAriskDD.

The pilot tested a control point questionnaire in four key material chains (low-carbon concrete, low-carbon steel frame, plasterboard partition and wooden roof element). The key lessons were:

- a) **Feasibility:** Capable operators were typically able to respond to the survey in about 30–60 minutes, which supports the integration of the method into everyday procurement.
- b) **Response coverage and information sharing:** surveys were sent to 11 companies and 8 responses were received; a significant number of respondents allowed the responses to be shared with the companies participating in the pilot or made them available through direct contact.
- c) **The biggest bottleneck:** success is often solved in contact - reaching the right respondent and motivating them at the control point is critical.
- d) **Recycled raw materials:** circular economy does not automatically mean low risk; recycling chains emphasise the "blind spots" of traceability and processes.

The conclusion for the management is twofold. Firstly, #KIRAriskDD works in practice: it provides projects with transparency in line with the principle of proportionality and a clear way of prioritising further studies. Secondly, the model is not scalable through projects alone. Scaling requires a multi-actor initiative that maintains common DD processes, reduces duplicate queries, enables an accumulate knowledge base, and builds legitimacy towards control points.

Recommendation (to the management team/decision-makers):

- a) Decide on the implementation of #KIRAriskDD as a risk-based procurement procedure in the selected material categories and include it as part of the project objectives and procurement requirements.

- b) Commit to launching a multi-actor initiative (Chapter 7): a single rulebook, a governance and financial model, and a phased infrastructure (risk database, shared survey platform, moderation and licensing).
- c) Set success metrics: how many supply chains are analyzed, in which high-risk countries the origin of raw materials is identified, and how often the findings lead to preventive or mitigating actions together with suppliers.

3. Why does the construction industry need to rethink supply chain risk management?

3.1. General

Supply chains in the construction industry are exceptionally complex and decentralised: a single construction project brings together an extensive network of main contractors, subcontractors, wholesale chains and manufacturers of materials and products, whose own upstream often extends to the production and processing of raw materials. In such a structure, responsibility and sustainability risks are not limited to a single company or contractual relationship but are formed in a network-like manner and "permeate" the project – both physically (material and product flow) and organizationally (subcontracting and supplier chains). Therefore, risk management that relies only on individual operators' own procedures or random inquiries is typically not able to cover the whole.

Although the mandatory corporate responsibility regulation and its reporting requirements are in practice primarily targeted at the largest companies, the practical pressure to develop responsibility and due diligence procedures extends to the entire industry. This is due to two mutually reinforcing factors. Firstly, many medium-sized companies set expectations in their strategic goals and values for the wise use of resources, the reduction of pollution and pollution of nature, and respect for labour and human rights. Secondly, the leading actors in the construction project (developers, construction companies, large material suppliers) move requirements down the chain through procurement terms, supplier criteria and customer expectations. Thus, compliance with the "minimum level" no longer determines the practical operating conditions, but competitiveness and the acceptability of operations are increasingly linked to the ability to identify and manage adverse impacts throughout the value chain.⁴

In the construction industry, some of the harmful effects are close and visible. In Finland, a key example is the risks to labour rights related to construction sites and the service chains connected to them, such as labour exploitation, especially in the subcontracting chains of foreign-language workers. In addition, similar risks in the completed real estate portfolio may be linked to, for example, cleaning, restaurant and accommodation services. These "immediate risks" are important for two reasons: (i) they are concrete and verifiable, and (ii) they show that the risks are not theoretical or "distant" but can materialize even in a well-regulated environment.

At the same time, the most difficult to detect, but often the most serious risks to nature and people, as well as the actual adverse effects, are located at the beginning of supply chains. The raw material chains of construction products can extend to mining and refining stages, where risks are linked to, for example, the availability and quality of water, local environmental and health impacts, and legal impacts on communities. When, for example, water pollution or water stress undermines the health and living conditions of local

⁴ Publications of the Ministry of Economic Affairs and Employment • Enterprises • 2023:38 OECD Guidelines for Multinational Enterprises on Responsible Business Conduct

residents, the effects are simultaneously environmental and human rights issues – and they can remain completely invisible in the decision-making process of a construction project unless an upstream due diligence procedure is built in a systematic way.⁵

The current state can be described as the fact that the management of sustainability risks in the construction industry's supply chains is still too focused on individual documents (e.g. supplier instructions), contract terms or chained "source mapping" surveys, where the quality of information deteriorates as the chain lengthens and responsibility becomes blurred from one step to the next. This has also been observed in #KIRAriskDD development work: information on the origin of materials and raw materials and the ability to assess the risk level upstream are inadequate, and at the same time, the need for concrete methods is obvious.

A key structural problem is that Finland does not yet have an established, permanent and shared process for identifying, prioritizing and reducing the adverse impacts related to the raw material chains of construction materials and products in a consistent manner. When risk management remains company- and project-specific, overlapping work, varying quality and blind spots inevitably arise – especially where the impacts are serious, but information gathering is difficult. This leads to the need to renew risk management towards a model that (i) focuses on the riskiest raw materials and parts of the chain, (ii) identifies the actors with the best visibility and influence upstream, and (iii) supports a commensurate, comparable, and repeatable approach.⁶

3.2. Upstream risks (nature, human rights, climate)

The construction industry's most significant impacts on nature and human rights are not only generated at construction sites or in direct subcontracting, but often at the beginning of the value chain – especially in the production of raw materials, mining and processing. This upstream is characterized by a long supply chain, a large number of layers of operators, mixing of material flows and a lack of transparency. In these circumstances, adverse impacts can be both severe and difficult to detect, as decision-making in a construction project takes place far away from the places and people affected.

The final report of the **#KIRAriskDD specification phase**⁷ has compiled upstream adverse effects on an example level, which illustrate the nature and frequency of the risks: contamination of drinking water linked to the mining of aluminium bauxite (e.g. Alumina bauxite). Brazil), copper mining in indigenous areas (e.g. Brazil). Chile), the origin of chromium related to steel alloying elements (e.g. South Africa), as well as the risks of child labour and forced labour related to the production of building stones (e.g. China, India, Vietnam). In addition, the report highlights special issues in the value chains of the green transition: the connection of battery minerals (e.g. cobalt) to the Congo (through

⁵ OECD (2023), Handbook on Environmental Due Diligence on Mineral Supply Chains, OECD Publishing, Paris,

⁶ #KIRAriskDD | Preliminary material for the joint workshop of the pilot companies 26.2.2026

⁷ #KIRAriskDD results report 11.6.2025; M.Sc. (Tech.) Petri Suutarinen, M.Sc. (Econ.) Vesa Ilmarinen

intermediate stages), and the suspicions of forced labor in the production of polysilicon for solar panels in China's Uyghur regions.

Upstream adverse impacts are often of a 'dual nature': the environmental impact is simultaneously linked to the human rights dimension. For example, water pollution and water pollution are not just environmental risks but can weaken the health and livelihoods of local communities. Similarly, forced labour and child labour are human rights violations, but they often also involve broader social and environmental dimensions (e.g. weak regulatory oversight, poverty, conflict dynamics). The significance of these risks will increase as the material needs of the construction sector are increasingly linked to the green transition and critical minerals: the report describes that metals and green transition minerals used in construction also involve environmental, labour and human rights risks, and mentions, for example, bauxite, copper, chromium, natural stones, cobalt and polysilicon.

Understanding the effects of upstream also requires considering the geopolitical and trade policy dimension. One example is the risk of sanctions and concealment of origin, where the flow of steel products to Europe can pass through intermediary countries. The #KIRARiskDD material concretizes this by examining the import of steel products from Turkey and Russia's role in the flows to Turkey (based on Trade Map/ITC sources) and by explicitly asking "whether Russian steel comes to Finland through Turkey".

A key practical problem is the creation and transmission of information: the harmful effects of upstream often only become visible when they are documented by NGOs or the media. The final report states that in some cases, the cases raised by the media and NGOs – and the resulting reputational damage – have activated companies. This is directly linked to companies' incentives: when adverse effects become concrete in the public eye, the risk is not only "compliance", but also a rapidly realized reputational risk and a weakening of trust capital, which has also been identified in materials describing the motivators of developers and the industry.

At the same time, the realities of construction projects must be acknowledged. An audit that extends to upstream mines or processing plants is typically not a realistic approach for an individual project: the final report sums this up by stating that "properly performed due diligence is too expensive for a single project for a single construction product." The preface to the final report emphasizes the need to find a balance between sufficiently good risk identification and the practical realities of construction projects.

This leads to a methodological requirement: managing upstream adverse impacts requires a risk-based and relative approach, going deeper into the value chain when indications of adverse impacts emerge. This principle is also enshrined in the objectives of the #KIRARiskDD method: the method must be feasible with a reasonable amount of work and risk-based (a more thorough assessment deeper into the value chain only when there are indications of negative impacts).

The development of the regulatory environment also points in the same direction: in connection with the Omnibus I / "stop the clock" package, it has been emphasised that it is

appropriate for companies to focus their due diligence assessments on those parts of the value chain where actual and potential adverse environmental and human rights impacts are most likely. At the same time, the delimitation and deepening of the value chain is expected to be based on "reasonably available information".

However, risk-based approach does not mean just "collecting findings", but an operating logic of how to react to findings. The OECD Handbook on Environmental Stewardship of Minerals emphasises practical monitoring and data assurance by combining supplier-reported information with third-party assessments, stakeholder dialogue, desktop research and collaborative models to reduce duplication of assessments and reporting fatigue among suppliers.

The OECD data also states that independent community monitoring requires funding and capabilities, which are often not sufficiently available. This underlines the need to build a model suitable for the construction industry, in which "on-site" verification is replaced and supplemented with targeted information gathering, control point and influence logic, and cooperation structures.

3.3. Regulatory pressure and market expectations

In recent years, European corporate responsibility regulation has acted as a key external driver that has put the transparency and due diligence procedures of value chains on the agenda of corporate management. At the same time, the regulatory framework has been exceptionally dynamic: in spring 2026, the EU's Omnibus I ("stop the clock") package was finally approved by the Council, and it brings significant easing to both sustainability reporting (CSRD/ESRS) and corporate responsibility due diligence obligations (CSDDD).⁸

Change in reporting pressure (CSRD/ESRS).

Omnibus I narrows the scope of the reporting obligation and postpones deadlines. According to the "stop the clock" policy, reporting will be postponed until 2028 for those actors who were not part of the first CSRD wave. In addition, the regulation includes facilitations related to the collection of value chain data, such as the so-called "value chain cap", which limits the possibilities to require companies with fewer than 1,000 employees to carry out a more extensive sustainability statement than the voluntary SME standard. This is an essential signal for the construction industry, as procurement is carried out extensively in the SME supplier field.

Change in due diligence obligations (CSDDD): strengthening of risk-based approach, reduction of frequency.

Omnibus I also narrows the scope of the CSDDD and delays its implementation: Member States will have to transpose the Directive nationally by July 2028, with obligations due to enter into force the following year; The annual reporting requirement will take place for the financial year 2030.

⁸ Business Notice, 24 February 2026 EU rubber stamps CSRD/CSDDD simplifications

In terms of content, the key change is that companies can more clearly **target** due diligence assessments to those operations and parts of the supply chain where actual and potential adverse environmental and human rights impacts are most likely, and that the delimitation of the value chain must be based on "reasonably available information". At the same time, the frequency of the review cycle will become less frequent: the obligation to assess due diligence measures will change from 12 months to every five years.

From the perspective of the construction industry, this has a twofold effect. On the one hand, the "easing" of regulatory pressure may weaken the short-term incentive to carry out continuous and cyclical due diligence, especially in those organisations where the work is still taking shape. On the other hand, the strengthening of risk-based allocation is in line with the practical realities of construction: it is not realistic to audit upstream operators "on site" in individual projects, but a targeted procedure is needed with a reasonable amount of work.

Market expectations and the steering effect of the "client's negotiating power".

According to the final report, in any case, regulation alone does not guide sustainability management in the construction industry, but motivation is increasingly sought from other sources. Key drivers include risk management (especially reputational risk), stakeholder expectations (e.g. consumers and young people), social and moral norms – based on international treaties that are binding on states. In addition, sustainability is guided by the need to renew the strategy to correspond to the changing operating environment. The major players will act as trendsetters, and the availability and conditions of financing will become a key external steering mechanism. This supports the observation that the greatest practical pressure for transparency in value chains arises where decisions are made on investments and procurement criteria – i.e. the party exercising "decision-making power" can formulate expectations at the value and target level, thus creating a multiplier effect throughout the supply chain.

Impact on procurement processes

Construction projects are project-specific in nature and vary in duration. Therefore, due diligence procedures must be anchored in everyday procurement in practice: supplier pre-selection, approval/rejection and the contract phase form the natural point at which due diligence is done "onboarding" and then the procedure is maintained on a risk-based basis (e.g. according to material changes, new risk signals or material categories). This is also an answer to why a mere fixed-term review (e.g. every 5 years) is not enough for the risk profiles of construction projects: risks can change quickly between projects, which requires event-based "trigger" criteria. This is also one of the reasons for the risk-based logic of the #KIRAriskDD method.

Conclusion on drivers

With the Omnibus I package, the immediate "compulsory" nature of regulation will decrease for many operators, but the need to manage the harmful effects of upstream will not disappear. On the contrary, market-based expectations, financing conditions and reputational risk constitute a practically crucial steering mechanism in the construction

industry, and therefore the industry needs methods that make risk-based due diligence feasible within procurement processes – not only for reporting, but to reduce actual adverse impacts.

3.4. Why Current Tools Aren't Enough

Sustainability management in the construction industry's supply chains currently typically relies on two tools: (i) **contractual guidance** (Supplier Code of Conduct) and (ii) **survey-based information gathering** (source mapping, tier-I supplier surveys). These are important starting points, but they alone are not enough to reduce the adverse impacts upstream – especially when the risks and actual harms are located far from the project, behind several intermediaries.

1) The "Code of Ethics" is easily left at the level of principles without the process described.

The Supplier Code of Conduct often includes references to international norms and principles and an obligation to maintain appropriate due diligence processes; a breach can be defined as a material breach of contract. However, this is a **normative framework** by nature, not an operational model. If a company does not have a due diligence procedure described in writing (what is done, when, who responds, how to react to findings), the guidelines easily become a "goal declaration", the implementation of which is difficult to assess and manage.

2) Contractual influence does not carry upstream – "broken phone"

Supply chains are multi-generational and branched, which is why contractual guidance in practice does not extend to the risk points of the supply chain. The final report summarises the problem: contractual influence does not extend very far, and the sustainability requirements agreed with the tier-I partner lose their effectiveness and concreteness. This can also be seen in everyday "source mapping" chains, where questions are gradually transferred from the developer to the main contractor, subcontractor, wholesaler and further towards the beginning of the raw material ("Mining?") – at the same time, both the quality of the information and the interpretation of the requirements may change.

3) Diligence "culminates in surveys in everyday life" – but the surveys are fragmented and overlapping.

The project results directly state that in practice, due diligence in companies is often carried out through various surveys, and that it is common practice for the same actor to receive several surveys with slightly different contents, which can map out the same issue in different ways; Facilitating this has been presented as a common wish. Fragmentation creates three problems: (i) suppliers are subjected to a "load of queries", (ii) a lot of material is created for subscribers but poor comparability, and (iii) information is not accumulated into cumulative learning, but remains company- and project-specific.

4) The realities of a construction project: "too little time, too many requirements" – and the end result can be paper without improvements.

A construction project is not a factory: thousands of products are used in large projects, and estimating all supply chains is not realistic. When there is too little time left for

procurements, data collection is often done in a hurry and in a survey-like manner. This easily leads to a situation that the data aptly describes: "paper is created, not improvements" – surveys produce documentation, but not necessarily conclusions or a chain of influence for the development of supply chain sustainability.

5) *Simply looking at the tier-1 level does not hit the risk score.*

Even if the due diligence obligation (or the company's own practice) is mainly limited to direct suppliers, the impact will be incomplete if sufficient information is not available on the background of tier-1 suppliers: in this case, the impact of due diligence does not extend to the risk points of the supply chain and "true responsibility" is not achieved. This is the core problem of managing adverse effects upstream.

Conclusion: do we need a common model and a multi-actor initiative?

Existing tools are important, but they are easily left at two extremes: either **in general principles** (Code of Conduct) or **in administrative data collection** (surveys), without creating sufficient leverage to reduce harmful effects. The material also highlights a line of solution: the possibilities of an individual company to prevent or reduce the harmful effects of the upstream are limited in practice, which requires organised cooperation (see chapter 7 of the document, which deals with the establishment of a possible multi-actor initiative).

The key task of such cooperation is to harmonise the questions and reduce the overlapping burden so that the information is accumulated into an accumulative and comparable common knowledge base (e.g. a common form and assessment tool). Above all, cooperation builds the bargaining power and influence needed to address the root causes of the harmful effects that are most difficult to prevent or prevent altogether.

4. #KIRAriskDD – a new approach

4.1.A model based on the OECD's DD principles

#KIRAriskDD is a due diligence procedure based on OECD guidelines applied to the Finnish real estate and construction sector to manage the environmental and human rights risks of building materials. The basic logic of the method is **risk-based**: it focuses the work on those raw materials, countries and points in the supply chain where the severity and/or probability of adverse impacts is the highest.

In the OECD Due Diligence framework, due diligence is not a single audit or survey, but an **ongoing management process** that proceeds through six stages: (1) anchoring sustainability principles and management systems, (2) identifying and assessing actual and potential adverse impacts, (3) eliminating, preventing and mitigating harm, (4) monitoring implementation and results, (5) communicating how impacts will be managed, and (6) offsetting/corrective actions when the company has caused or contributed to the harm.⁹

The OECD stresses that, despite the risk-based approach, prioritisation is not carried out arbitrarily: the extent of due diligence is adjusted **to the nature, severity and likelihood of the harm**, and the entire six-step process is built on this prioritisation (scoping → in-depth assessments → response → monitoring and reporting). For this reason, the #KIRAriskDD method is explicitly defined as a "risk-based and targeted" due diligence procedure that is intended to be carried out at the construction project level as part of the procurement.

In the context of the construction industry, the OECD's idea that due diligence extends **beyond the first supplier level to the value chain** and requires practical means for traceability and the identification of upstream operators is also essential. This leads to #KIRAriskDD's key design principle: a construction project should not aim to "measure a mine" but ensure that there is an actor in the supply chain who has the ability and obligation to do this systematically – and that the project has a practical, verifiable way of assessing this capability.

Conclusion

The #KIRAriskDD method aims to (i) identify significant adverse impacts and risk signals upstream with a reasonable amount of work, (ii) target further investigation and enhanced due diligence to the raw materials and parts of the chain where the severity and likelihood of risk are the highest, and (iii) above all, create a path for addressing the impacts – i.e. prevent, reduce and, if necessary, eliminate adverse impacts (alone or together, by building influence). The objectives of the method also emphasise the lightening of the reporting burden and the creation of industry-wide tools for influencing the transparency of value chains.¹⁰

⁹ OECD (2023), Handbook on Environmental Due Diligence in Mineral Supply Chains, OECD Publishing, Paris

¹⁰ Appendix I: Illustration of the #KIRAriskDD method

4.2. Control point thinking

The OECD's mineral supply chain due diligence approach identifies "key points of transformation" in supply chains (e.g. smelters and refineries) that play an exceptional role: they have both **visibility** to upstream suppliers and leverage in relation to suppliers. The OECD specifically describes these as "**control points**" and notes that downstream companies can take advantage of the visibility and influence of control points by ensuring that control points do their own due diligence, allowing risks to be addressed even at "remote" levels of the supply chain.

#KIRAriskDD apply this logic to construction. According to the definition of the final report, a **control point** is a point/actor in the supply chain where the company has the opportunity to **influence the risks and/or obtain sufficient information about them**; it must be close enough to the construction project to be contacted, but at the same time it must have knowledge and influence over the sources of the supply chain.¹¹ In practice, the control point can be, for example, a steel or cement factory, a refiner or another manufacturer of intermediate products that knows the chains of origin of critical raw materials and is able to guide its suppliers.

The operational core of the control point approach is a **standardized control point survey**¹². In the #KIRAriskDD specification phase, the method is described in such a way that the operator with the best view upstream of the raw material is identified, and information is requested from this actor through a standardized questionnaire that protects trade secrets but provides a sufficient picture of the sustainability of the supply chain. At the same time, the aim of the method is to lighten the work of both the questioner and the respondent: a common survey and knowledge base improve comparability and save resources, and the information accumulated through control points supports learning and the development of risk management in the entire field.

The link between the control point questionnaire and the risk-based approach is done in #KIRAriskDD in two ways:

- a) Risk material/risk country allocation. It is not appropriate to carry out the procedure for every material, but to focus on the materials with the highest risk and assess the risk on the basis of, for example, whether the country of origin of the import or (more importantly) the country of origin of the raw material is a risk country.
- b) Risk Country Index (prototype). In the project, a country risk index was compiled as a prototype, in which the risk levels of approximately 200 countries were combined on the basis of several international benchmark indices, verified violations and import statistics from Finnish Customs; The index is intended to be a practical tool for the preliminary identification of supply chains that require due diligence. At the same time, the terminology of the final report defines a "high-risk country" as a country in which operating or acquiring is associated with an increased sustainability risk and whose classification is based on, among other things, the level

¹¹ #KIRAriskDD results report 11.6.2025; M.Sc. (Tech.) Petri Suutarinen, M.Sc. (Econ.) Vesa Ilmarinen

¹² Appendix 2: The principle of the control point inquiry

of environmental protection, the human rights and labour law situation, and the ability to implement legislation.

An essential clarification (which brings realism to the method) is that the observation of risk countries is a **signal**, not an automatic judgment: according to the final report, simply avoiding risk countries is not appropriate, because there may also be "good mines" in risk countries. Therefore, control point thinking emphasizes (i) the control point's own level of care, (ii) traceability and origin information, and (iii) how the control point uses its influence over suppliers – not just a "country stamp".¹³

4.3. What distinguishes this from a traditional audit?

#KIRAriskDD is not a "new auditing standard", but a **model for organising supply chain due diligence for a construction project**. The difference from traditional auditing can be summarised in three points.

1) Object: management system and traceability, not technical measurement of the mine

A traditional audit often targets a specific site (e.g. mine, factory) and checks compliance in the field. #KIRAriskDD, on the other hand, assumes that it is essential for a construction project to ensure that the control point company in the supply chain has anchored due diligence in management, identifies risks and is able to demonstrate traceability and upstream operators. This is in line with the OECD's step I expectation: systems and controls as well as transparency (incl. traceability/chain of custody or identification of upstream actors) are a basic prerequisite for due diligence.

2) Division of roles: an audit can take place, but it is not duplicated in the project

In the OECD's control point thinking, the role of control points is precisely that they can use their leverage and visibility upstream; Downstream operators, in turn, can take advantage of this by ensuring the existence and quality of the control point's own care. This allocation of "responsibility and capability" is critical for a construction project, because according to the final report, properly performed due diligence is too expensive for a single construction product in a single project. The control point model is explicitly defined to enable "due diligence with reasonable effort" as part of the procurement.

3) The end result: from "paper" to the chain of effects (cease–prevent–mitigate–remedy)

Traditional auditing easily produces a point-by-point observation ("compliance/non-compliance"). The OECD's risk-based due diligence, on the other hand, emphasises responsiveness and influence: harm must be stopped, prevented and mitigated, and in business partnerships, the key means are built and use leverage and continue the relationship in a controlled manner during mitigation measures. #KIRAriskDD's control point survey and shared knowledge base are designed to do just that: not only to identify risks, but to create a viable basis for continuous monitoring, comparability and shared learning – i.e. that the findings systematically lead to mitigation and prevention actions.

¹³ Appendix 3: General body of the control point questionnaire

5. Key results of the pilot

This chapter describes the key lessons learned from the #KIRAriskDD pilot, especially from the perspective of supply chain transparency. The aim of the pilot was to test the control point questionnaire in practice and to ensure that the method provides sufficient assurance in the construction project with a reasonable amount of work¹⁴.

5.1. Limitation of the piloting and target materials

The theoretical starting point of the method directs attention to risk materials for which research and case evidence indicate increased risks to nature, labour rights and human rights (e.g. copper, aluminium, steel alloys and green transition minerals – and perhaps surprisingly also construction wood). Against this background, several high-risk material categories were also examined in the piloting preparation: e.g. aluminium balcony glazing systems, aluminium façade systems, copper electrical wiring, solar panels, real estate batteries and building stone. However, participation in these cases did not materialise although several experts from construction product companies using raw materials had a clear interest in the pilot, the companies' headquarters did not ultimately give permission to participate in the reasonably priced pilot.

5.2. What do we learn from supply chain transparency?

The key finding of the pilot was that the largest and most capable supply chain actors were able to produce responses to control point surveys quite efficiently: the response time was typically about 30–60 minutes. This supports the basic premise of the method, according to which a control point survey can lighten the workload of both the requester and the respondent when the question framework is mutually agreed upon, and the knowledge base is uniform.

At the same time, the pilot confirmed the practical core of the control point model: the project actors do not "audit the well" but seek sufficient assurance that the control point (and its upstream suppliers) has due diligence procedures, traceability and operating methods that can be relied on. In the method's training and support material, this is also linked to the procurement process: the survey can be carried out during the supplier selection phase or during the project with a long-term supplier.

The questions did not require externally verified information, but respondents were offered the opportunity to attach URL links to documents or online sources that can be used to assess the reliability of the answer.

5.3. Response Coverage and Knowledge Sharing Practices

In the pilot, control point questionnaires were sent to a total of ten companies, and eight received responses by the deadline. On the one hand, this indicates that the method works well (the majority responded), but on the other hand, it also indicates that getting

¹⁴ Appendix 4: Objectives of the piloting

answers is not "automatic" without active project-specific ownership: the client organisations continued to "hunt" for the missing answers.

With regard to data sharing, the pilot developed a workable principle: some of the responses could be shared directly with all participants, while in some cases the detailed responses required a separate contact with the respondent (e.g. some of the responses for a low-carbon steel frame and the OSB as a whole). At the same time, the workshop material¹⁵ specifies that the question frames and answers will be distributed to the participants so that the original answers are submitted in PDF format only if the respondent (control point company) allows it.

5.4. The biggest practical bottleneck: reaching the right respondent

A recurring practical lesson of the pilot was that the limitation of transparency is not always in the content, but in the contact: the survey often has to be delivered to the "right person" at the control point for the answer to take place. This is also supported by the material, which states that the ability of even large control point companies to serve the Finnish construction industry is small, and it is not always possible to get answers from a single project.

The method responds to this structurally: the control point questionnaire has a separate motivation section in which the construction project describes what the questionnaire is related to and why it is important to respond to it. Based on the pilot, this "motivational layer" should be treated as a critical part of success – not just a cover letter. To support this, we need the bargaining power of contracting and procurement personnel as well as active follow-up monitoring, even at the level of the managing directors of companies if necessary. According to the pilot's experiences, the most effective communication is from procurement to the supplier's sales staff, who in turn motivate their organisation's experts to respond to the survey.

5.5. Recycled raw materials: circular economy does not automatically mean low risk

During the pilot, it was observed that the use of recycled raw materials is growing rapidly and their supply chains may differ from "traditional" mining chains in terms of both control mechanisms and requirements. This type of finding is in line with the OECD Environmental Stewardship Guide for Mineral Chains: secondary materials (recycling) can also present their own, even "blind spot" risks, such as air/land/water contamination, worker exposure to hazardous substances, and unclear origins that can allow maliciously mined material to be "washed" for recycling.

The conclusion from the pilot's point of view is that transparency and responsibility should not be assumed in the case of recycled materials, but the assessment requires equally risk-

¹⁵ #KIRAriskDD for continuous operations ADVANCE MATERIAL | 2nd joint workshop 23.2.2026

based due diligence (including ensuring that the material is genuinely recycled and that the risk profile of the recycling process is known).

5.6. Interpretation of results and limitations

When interpreting the results of the pilot, it is important to consider the possible **selection effect**: it is likely that supply chains with relatively good due diligence and reporting capabilities participated in the testing of the method. This does not diminish the value of the pilot – on the contrary, it helps to calibrate the usability of the method and shows that a common control point survey can be carried out with a reasonable amount of work. At the same time, it defines the core challenge of the next stage of development: how to take the model to supply chains where the ability or willingness to respond is weaker and where the most effective measures to reduce adverse impacts are often located.

5.7. What does this mean for scaling the control point model?

The transparency observations of the pilot suggest that the control point model is **technically and time-wise feasible** (responding to the surveys is possible in a reasonable time), but its scaling does not happen "by itself" through individual construction projects. The mere fact that several overlapping surveys accumulate for the same actor has been identified as a bottleneck in everyday life, and the need for a common model has been repeatedly raised. On the other hand, the feedback received from the pilot shows that when a question framework is perceived as relevant, it can be answered relatively lightly (in about 30–60 minutes). The question of scaling is therefore not primarily about the "functionality" of the form, but about **the structures and incentives that** can be used to make the model widely used, permanently and effectively.

(1) Scaling requires standardisation and a common knowledge base – otherwise the load will increase, not the impact.

#KIRARiskDD's basic idea is that a "jointly agreed survey and knowledge base" improves comparability, saves resources and enables joint learning for the entire industry. This is also a direct answer to the problem of the current situation, where due diligence in practice "culminates in a wide range of inquiries" and the same operator receives several requests with different contents. In practice, scaling means that control point queries (and its material-specific sections) must be harmonized so that the control point company can answer once and the information serves several construction projects.

(2) Scaling is not only possible at the tier-1 level: the impact on the supply chain is diluted unless risk scores are reached.

The report explicitly states that the positive impact on the supply chain is mitigated if the focus is only on the tier-1 level: contractual influence does not extend far, and requirements lose their effectiveness and concreteness in the chain. For the same reason, the possible "tier-1 limitation" of the due diligence obligation alone does not solve the problem: if information is not obtained even from the background of the first-level partners, the impact of due diligence does not extend to the risk scores of the supply chain, and

"true responsibility" is not achieved. A scalable solution requires a mechanism that brings upstream visibility and leverage within the reach of project actors.

(3) Scaling requires a "third level" actor: a multi-actor initiative that maintains, curates and enables influencing.

Both the results report and the pilot-to-continuous data build scaling specifically on **the multi-actor initiative**: the aim is to harmonise risk analysis questionnaires in accordance with the principles of the OECD control point model and to collect, analyse and moderate the responses of the control points for the use of Finnish construction projects. However, the answers have not yet been verified in the early stages. The multi-actor initiative's to-do list places particular emphasis on the creation of a cumulative database, the moderation of information and the authorisation of sharing, as well as due diligence in competition law. This "institutional layer" is key, because scaling is not just about sending surveys, but about continuous maintenance: there are annual changes in risk countries, certificates and material-specific requirements, and the method requires raw material-specific versions.

(4) Scaling requires a centralized contact channel and legitimacy towards the control points.

As stated in section 5.4, the main practical bottleneck of the pilot was reaching the correct respondent at the control point. To scale, the model needs a contact channel and a way of working that makes responding to the control point a normal activity - not an occasional project-specific exception.

Therefore, a centralised and identifiable channel is needed (e.g. a shared survey and authorisation tool as a service) that takes care of information sharing, moderation, authorisation and compliance principles. At the same time, the OECD framework and the common rules of the multi-actor initiative act as legitimacy towards control points: it is not a question of individual customer preference, but of risk-based due diligence.

(5) Scaling also means an impact path: from findings to measures, alone and together.

The core of scalability is not just transparency, but the ability **to stop, prevent or mitigate** adverse impacts (through procurement criteria, collaboration initiatives and influence building).

In this respect, the multi-actor initiative is more than just information management: in the advance material, it is described as a whole in which a rulebook and a governance and financial model are built, checkpoint surveys are maintained and developed, and a platform is created for the handling of risks and incidents, as well as for the creation and management of initiatives.

This is the "other side of scaling": a common knowledge base creates the conditions for joint negotiation and influence where the opportunities for an individual project to address the root causes are limited.

(6) The results of the pilot give a mandate to continue: there is a demand for a continuous model.

The From Piloting to a Continuous Model material state that the piloting companies want the work to continue (9/11 companies in the vote). This is an essential starting point for

scaling: the model has an "ownership" and a need for use at an early stage, which enables the transition from a pilot to a continuous operating model and preparation for scaling.

In practice, the pilot's conclusion on scaling can be summarized as follows: **the control point model can only be scaled if it is institutionalized into a common, maintained, and moderated operating model** that (i) reduces the overlapping query load, (ii) enables upstream risk score information and leveraging, and (iii) produces a systematic path from findings to mitigation actions and joint influencing.

6. What does this mean for the construction industry?

For the construction industry, #KIRAriskDD means, above all, **a new division of labour and a common model of work**: due diligence is no longer just a matter of individual company reporting or contract appendices, but **a joint, step-by-step process of the project parties**, in which information and influence are combined "vertically" upstream of the project. This is a significant change from the current situation, where diligence "culminates in a variety of inquiries in everyday life" and the same actor receives overlapping requests.

It is also realistic to assume that progress will be **gradual**: not all companies will start filming their due diligence processes or their upstream supply chains at once – especially in a situation where EU regulation has been eased and the political climate is volatile. That is why the core idea of #KIRAriskDD (a risk-based model implemented with reasonable work) has been built in such a way that it can be launched **through spearhead companies and practical projects** and gradually expand into a common industry capability.

6.1. For the developer

The developer's role is to **set the direction and ensure the level of sustainability targets**, not to do technical upstream analytics.

- d) **Threshold and legitimacy for the project**: The developer makes it visible that the environmental and human rights impacts of the materials are essential in the project and that they are part of the requirements of the procurement and implementation – not just general "value statements". This is anchored to the project's goals and initial data so that it guides the planning, procurement and implementation in practice. At least in the early stages, the requirements are primarily **goal-oriented** (not sanctioned) in nature, and their purpose is to create a common minimum level for the actual project and a clear mandate for risk-based due diligence.
- e) **Values → available information**: The developer's task is to work with the project's experts to transform the values and goals into initial information for the project, which the designers and the developer consultant can use in the plans and contract documents.
- f) **Approval and guidance**: The developer participates in the review of the risk analysis (carried out by the main contractor) and approves its basic guidelines – and supports corrective/preventive measures if necessary.
- g) **Continuous and effective**: If an impact arises that cannot realistically be corrected at the project level, the developer's role is to raise the matter to a "higher level" (multi-stakeholder initiative/joint development forum) and/or update the procurement principles for the future.

For the developer, the benefit is practical: it gets sufficient certainty for project-specific decision-making on a risk-based basis, without having to try to build the mining or processing chains' own auditing capabilities. This also responds to #KIRAriskDD's original problem definition: "properly performed due diligence is too expensive for a single construction product in a single project".

6.2. To the construction company (main contractor)

In the model, the main contractor is **the engine of the risk analysis and the implementer of the procurement phase**.

- h) **Targeted risk analysis of the plans:** The lead contractor conducts a targeted risk analysis based on the plans before the start of the work – using research data, case information and material choices for the project.
- i) **Integration of the procurement phase:** The lead contractor utilizes ready-made control point queries (if they have already been made) and makes the necessary supply chain-specific clarifications. The goal is that the surveys are not "always reinvented", but that they develop and repeat.
- j) **Interpretation → proposals for measures:** The lead implementer analyses the responses and makes proposals for possible further measures (further clarifications, clarifications, mitigation/prevention measures).
- k) **Corrective and preventive actions during the project:** The lead implementer initiates the actions during the project together with others (and documents).
- l) **Selection moments:** If the adverse effect is difficult to remedy or prevent, the lead implementer will bring the matter to the multi-actor initiative or realistically assess the avoidance of the supply chain in the future.

6.3. For product and material suppliers

The product and material supplier is the **bearer of influence** in the model: it is best able to both reach the control point and take the requirements upstream.

- a) **Motivation and contact channel to the control point:** The supplier works with the main implementer towards the control point and uses its own negotiating power to get answers. According to the lessons learned from the pilot, this is a critical success factor (the right answering machine, the right language, the right sender, and, if necessary, a second round of calls).
- b) **Responsibility "trickles" upstream:** Even if the risk analysis is done together, the practical actions (policies, certifications, traceability, supplier requirements) are often the ones that the product/material supplier and its upstream partners have the best ability to influence.
- c) **Reporting and communication:** The supplier communicates the success of corrective actions in its own reporting and/or directly to the project's customers. This also links the findings to reputational risk and market expectations – i.e. the real incentive that often steers operations more strongly than regulation.
- d) **Towards a proactive service:** The table's logic of "ready-made answers before anyone asks" (DDS / Due Diligence Statement) is essential for scalability: at best, the supplier can provide its customer with a standardized DD view of the material chain without a separate report on each project.

6.4. For trade associations

For industry associations, #KIRAriskDD means a role **as an enabler and an institution builder**.

- e) **A common model and a framework that is safe from the point of view of competition law:** In practice, organisations (together with companies and possibly authorities and non-governmental organisations) are best placed to build a multi-actor initiative in which the survey frameworks, risk information base and rules of the game are maintained. This is directly related to the need shown in the table (Figure 1 below): a common sustainability condition based on "thresholds" cannot be made (competition law risk), but joint information gathering, training and a development forum are precisely possible and useful.
- f) **Harmonisation:** The role of organisations is to reduce the survey load and overlap – i.e. standardise "what is asked" and "how to distribute the answers in a permissionful manner" – so that the information begins to accumulate for the benefit of the entire industry.
- g) **Crowd power to root causes:** The most severe adverse impacts (mining chains, high-risk areas, geopolitical/sanction risks) are not resolved on a project-by-project basis. Organisations can gather purchasing power and influence to address the root causes: shared expectations, common development programs and, if necessary, joint "engagement" to the control points and their upstream.
- h) **Funding and continuity:** Funding for the start-up phase is typically the most difficult point. NGOs have a realistic role in building a model that starts with development funding but moves to a reasonable income-funded, open and scalable operating model.

Toimija	Hankesuunnittelu	Rakennushankkeen valmistelu	Hankinnat	Rakennushankkeen aikana	Urakan / Toimituksen jälkeen	Pitkään aikainen yhteistyö arvoetun kanssa
Monitorijointi-aloite	Ei luo / suostuu kestävyyshetvireille yhteistä kymysnroja (kueletty).	Tarjooa tutumukun ja tilastoin perustavaa tietoa kestävyyshetvireistä rakennusaloita: riskianalyysin tueksi.	Rakittaa, kerää ja ylläpitää kontrollipistekehelyä ja nihin saatuja vastauksia. Tiedonjakamisen kehitus.	-	Systemaattisten hallitusten vaikutusten hallintaan edisveteen.	Vestiköoäinen keukustelufoorumii kestävyyden kehittämiselle. Koulutus.
Rakennuttaja	Ilmoittaa sopimukseen, että on onneishut rakennusmateriaalien käytön olennaisiksi luonto- ja työoikeusvaikutusten osalta. Antaa tilaajaa silvot vastuullisuuden toimintaperiaatteet hankkeen oikentumipöytä (sastoteledoksi).	Osoittuu ja hyviksyy riskianalyysin (salla).	Osoittuu analyysin tulosten läpikäymiseen ja osoittuu mahdollisiin jatkotoimintapisteisiin hallitusten vaikutusten vähentämiseksi / estämiseksi jatkossa.	Osoittuu selvuttelyyn, korjauvin ja ehkäsievien toimien toteuttamiseen (tukee).	Miköli hallittainen vaikutus on valkaa korjata tai ehkäsitä jatkossa, voi rakennuttaja viedä ongelman tiedoksi monitorijointi-aloitelle tai suunittelija itse tarvittavat laajennetut toimet resurssineen. Toiminta- ja hankintaperiaatteiden mahdollinen päivityminen.	On oikiteellinen ja järjestää yhteisiä teematopaisuuksia päätoteuttajien ja rakennustuoteryysten kanssa, TAI Osoittuu kehitystyöhön monitorijointi-aloitteen yhteisissä teematopaisuuksissa. VIESTINTÄ!
Päätoteuttaja	Tekee rakennusluonnitelmin perustuvan kahdenmellun riskianalyysin luonto- ja työoikeusvaikutusten osalta ennen rakennustöiden oikoutta. Määrittää tarvittavaa tilaajan lähtöoikiteita johdettuna toimintaperiaatteilla tarvittavat ehdottamat vaatimukset ja tavoitteelliset vaatimukset.	Hyödyntää kehityksen kontrollipistekyselyitä ja tekee tarvittavat toimintakehitysoikiteet muutokset kyselyyn. Tekee vastauksen perusteella analyysin ja ehdotuksen tarvittavista due diligence jatkotoimintapisteistä hankkeelle.	Käynnistää mahdolliset korjauvat toimet hankkeen aikana rakennustuoteryhtyeen kautta (vastaat). "I, korjauvien toimintapisteiden järjestäminen tai nihin oikotukeminen." "II, ennaltaehkäsievien toimien toteuttaminen tulevien tapauksien estämiseksi	Miköli hallittainen vaikutus on valkaa korjata tai ehkäsitä jatkossa, voi päätoteuttaja viedä ongelman tiedoksi monitorijointi-aloitelle tai suunittelija itse tarvittavat laajennetut toimet resurssineen. Toiminta- ja hankintaperiaatteiden mahdollinen päivityminen. TAI Päätää vöittää kyselyistä toimitukset ja jatkossa, jos ei ole reallista mahdollisuutta tehdä korjauvia toimia esim. keskipöytäoikiteiden oikavöillä.	On oikiteellinen ja järjestää yhteisiä teematopaisuuksia onnin toimituskehelynä rakennustuoteryhtyeen ja tukkuliikkeiden kanssa. Antaa koulutusta pienille ja keskisuurille yrityselle (riskisten rakennustuotteiden osalta) TAI Osoittuu kehitystyöhön monitorijointi-aloitteen yhteisissä teematopaisuuksissa ja koulutuksessa	
Erikoisurakoitsija / oikurakoitsija / tukkuliike			Osoittuu kontrollipisteen määrittämiseen.			
Rakennustuoteryhtye			Toimii yhteisissä päätoteuttajan kanssa kontrollipisteeseen päin, ja käyttää neuvotteluvälineinä vastauksen saamiseen.	Rakennustuoteryhtye vastaa toimintapisteiden viestistä / viestinnästä omaan ylivöirän toimituskehelynsä (vastaat osaltaan).	Vöittää korjauvien toimien onnitumiseesta omaa kestävyysoikiteita (ja / tai) suoraan rakennushankkeen oikukulle (pätoteuttaja ja rakennuttaja).	Osoittuu monitorijointi-aloitteesen tuoden oikiteellista tietoa onnasta kestävyysoikiteidestään ja yhteistyöhön oikiteiden toimituskehelynsä kanssa. Vöimii kontrollipisteeseen vastaukset ennen kuin kukaan kysyy (+ DDS, Due Diligence Statement).
Kontrollipiste			Antaa vastauksensa parhaan kysymä mukaan ja kehittää toimintaansa kyselyn perusteella.		Reportoi rakennustuoteryhtyeelle toimintapisteiden onnitumiseesta.	Kehittää toimintaansa oikiteiden pohjalta.

Figure 2 Example of the roles of the joint due diligence process in a construction project

7. Next step: Multi-actor initiative

The piloting showed that a control point survey can produce usable transparency with a reasonable amount of work, but at the same time it made visible the conditions for scaling: if progress remains project-specific, the work becomes fragmented, overlapping surveys burden the same actors, and the influence on the root causes of adverse effects remains thin. The practical conclusion is that the next step is to build an "institutional layer" for #KIRAriskDD – a multi-actor initiative that maintains a common model, curates information and enables influencing.

7.1. Why does an individual company fail in its due diligence process?

An individual construction project or a single company quickly encounters three structural obstacles:

- a) **Resource and realism limit at project level.** For a single project, "properly performed due diligence" is too expensive for a single product or material, and therefore a model is needed that provides sufficient assurance on a risk-based basis.
- b) **Supply chain distance and dilution of influence.** If due diligence is limited to direct suppliers or contract terms, the impact will be incomplete: risk scores are often upstream and contractual influence is weakened in the chain.
- c) **Contact channel and prioritization.** A request for an individual project often does not arise at the control point in the work queue without a clear channel and legitimacy - this was a direct lesson learned in the pilot (see 5.4 and 5.7).

Because of these, an individual company can move forward, but it progresses slowly and unevenly – and it is not able to build an accumulating knowledge base or root cause influence on its own.

7.2. What does the multi-actor initiative mean in this context?

The #KIRAriskDD project defines a multi-actor initiative as a combination of voluntary methods developed by companies, industry associations, public authorities and other potential stakeholders to support the fulfilment of due diligence obligations by companies.

It is essential that the initiatives help to identify, prevent and mitigate¹⁶ adverse impacts for both direct and indirect partners.

At the same time, the principle of responsibility is emphasised: companies can make use of joint risk analyses and third-party verification, but the responsibility for the fulfilment of obligations remains with the companies. This makes the initiative a "support" and an "infrastructure" – not a mechanism for shifting responsibility.

¹⁶ Annex 5: Examples for mitigating and preventing risks and adverse impacts (labour rights)

7.3. Benefits of a common model

Lightening the survey load and making it comparable. When the survey framework is unified and the responses are curated, overlapping requests do not accumulate for the same operator, and the data begins to accumulate into a comparable knowledge base.

Cumulative knowledge base and continuous maintenance. Scaling is not just about "more queries", but there are changes in risk countries, certificates and material-specific requirements every year, which requires joint maintenance and raw material-specific versions.

Legitimacy for control points. A centralized and repetitive channel makes the request identifiable and prioritizable – not a random project inquiry.

Influence on root causes. Cooperation is not just about gathering information, but about increasing negotiation and influence in order to prevent, prevent or mitigate the most difficult adverse effects.

In the From Pilot to Continuous Action material, this "need for continuation" is also reflected in practice: in the pilots' workshop, the companies hoped that the work would continue.

7.4. Proposal for an operating model: Analyse – Develop – Use – Learn – Influence

The tasks of the multi-actor initiative will be structured into five complementary entities, which will be based on a common rulebook and a governance and funding model.

Analyze (targeted and risk-driven):

- risk mapping of raw materials, the risk country model, and statistics on the import of risk materials and case mapping.

Develop (model maintenance):

- maintaining and developing control point surveys for new product groups and considering the changing certification environment.

Use (feasible in construction projects):

- conducting surveys upstream and sharing and curating responses across the supply chain.

Learn (knowledge and interpretation):

- sharing and analysis of summary results, a network of DD experts and basic training in the DD process in the field.

Influence (Influence):

- DD platform for dealing with risks and cases, as well as creating and managing initiatives (i.e. joint engagement and development activities).

7.5. Governance, funding and "rules of the game"

#KIRAriskDD material proposes as an administrative model that the administration and management of the multi-actor initiative be carried out using the current organisational structure or that a separate non-profit association or cooperative be established for this purpose, with a wide range of industry associations and KIRA companies from a common value chain in the form of signatories of the commitment.

With regard to funding, a two-stage model is proposed:

- a) **Establishment phase:** requires a study (e.g. competition law consultation, financing plan), which is funded as seed funding from the authorities/organisations.
- b) **Established operations:** The activities are financed by the reasonable annual fees of the participating companies so that the model is at cost price and transparent. In addition, the new members will participate in the financing of the #KIRAriskDD analysis of the construction product or material chain selected by the multi-actor initiative with a separate project fee. In this way, the annual fee can be kept reasonable, and at the same time fairness is ensured: members who join later cannot benefit from the development work and accumulated knowledge base funded by the first members with a low annual fee alone.

7.6. Joint development forum and expert network

The "Learn" and "Influence" sections of the Multi-Actor Initiative present a network of DD experts, basic training and a DD forum for dealing with risks and cases.

The value of these lies in the fact that they transform individual survey responses and findings into joint learning: what should be asked, what can really be deduced from the certificates, and what kind of mitigation measures are realistic in different material chains.

7.7. Material-specific risk data bank and shared survey platform (infrastructure)

The data highlights the need to maintain an annually updated model of risk countries and materials (e.g. customs statistics and sustainability indices) and to develop material-specific versions of control point surveys. This is also linked to the cumulative database: the creation of the database, the moderation of the data, the authorisation of the sharing of information and the due diligence of competition law.

It is likely that the multi-actor initiative will acquire the actual infrastructure as a SaaS service. However, in the early stages, information sharing, moderation, permitting and compliance are deliberately implemented as partly manual processes. This is a practical way to get up and running quickly and gain experience at the same time: manual implementation serves as a "specification material" and a source of requirements, based on which the actual infrastructure can later be designed and implemented in a controlled manner.

7.8. Influence to reduce adverse impacts

In the end, the value of a multi-actor initiative is measured by whether the findings lead to action. In the performance report, the to-do list explicitly includes the development of

means to prevent, prevent and mitigate adverse impacts, as well as the possibility of acting as an external/third-party sustainability data verifier. In addition, in addition to improving transparency, the long-term goal of the initiative is to address the root causes of systemic adverse effects by the entire KIRA sector.

This is the point where the control point model and the multi-actor initiative "cap" their potential: the control point provides visibility and leverage, but the multi-actor initiative makes it a collective force – so that an individual construction project is not left alone with upstream risk points.

8. Conclusion

The key message of this expert report is simple: in the construction sector, the adverse effects of upstream are real, but they will not be reduced by mere value phrases or contract annexes. We need a risk-based way of gaining visibility and guiding operations – and a way that works in the day-to-day life of a construction project.

#KIRAriskDD responds to this need with a control point model and a standardized questionnaire. The piloting showed that the model is feasible: the questionnaire can be answered within a reasonable timeframe and information sharing is possible when licensing and confidentiality issues are resolved appropriately. At the same time, the pilot made visible a key challenge: transparency rarely comes about by itself, but requires connections between people, sufficient motivation and a repeatable process. The experts of the companies who participated in the pilot considered vertical, facilitated cooperation to be particularly useful. Learning together was also clearly highlighted as a strength of the model.

Therefore, the strategic conclusion of the report is that of a multi-actor initiative. Without a common structure, the same work is repeated from one project to another, the question load increases and influence is diluted before risk points. A common model - a risk data bank, a shared survey platform, a development forum and clear rules of the game - enables an accumulative knowledge base and, above all, bargaining power where adverse effects arise.

However, there is a bigger question in the background: why do human and labour rights violations and environmental indifference still occur so much - even in Western countries where legislation and institutions are strong? One explanation is executive capacity: supervision and official resources cannot always keep up with complex chains and subcontracting networks. Another explanation is the incentive structure: price pressure and schedules still too often reward actors who pass costs on to people and nature.

The third, more uncomfortable explanation has to do with the psychology of knowledge and responsibility. It's easier not to know – and the length of the chains makes ignorance a plausible excuse. The idea that "enforcing laws is the responsibility of society" will work in everyday life as long as we believe that the market and supervision will take care of everything. But if we accept that supply chain problems lie "somewhere else" or that a low price is reason enough not to ask, we are tacitly participating in a structure that perpetuates abuse.

At this point, the question turns into a decision: is it okay for us that irresponsible companies sell their services or products "just a little" cheaper - and at the same time take market space from those who are able and willing to act responsibly? If the answer is no, then there is a practical obligation: we must build mechanisms to obtain information and to translate findings into action.

#KIRAriskDD and the multi-actor initiative that supports it are a proposal for such a mechanism. They do not promise complete certainty, but they make sustainability work

relative, systematic and scalable – and above all, enable the transition from "knowing" to influencing.

The next step is therefore an invitation to cooperation: to developers, construction companies, product and material suppliers, and industry associations - and also to authorities and non-governmental organizations. In practice, reducing the harmful effects of upstream is a collaborative effort: an individual actor can start, but permanent change will only be created when a common habit is made easy and normal.

9. Appendices

Appendix 1: #KIRAriskDD method diagram

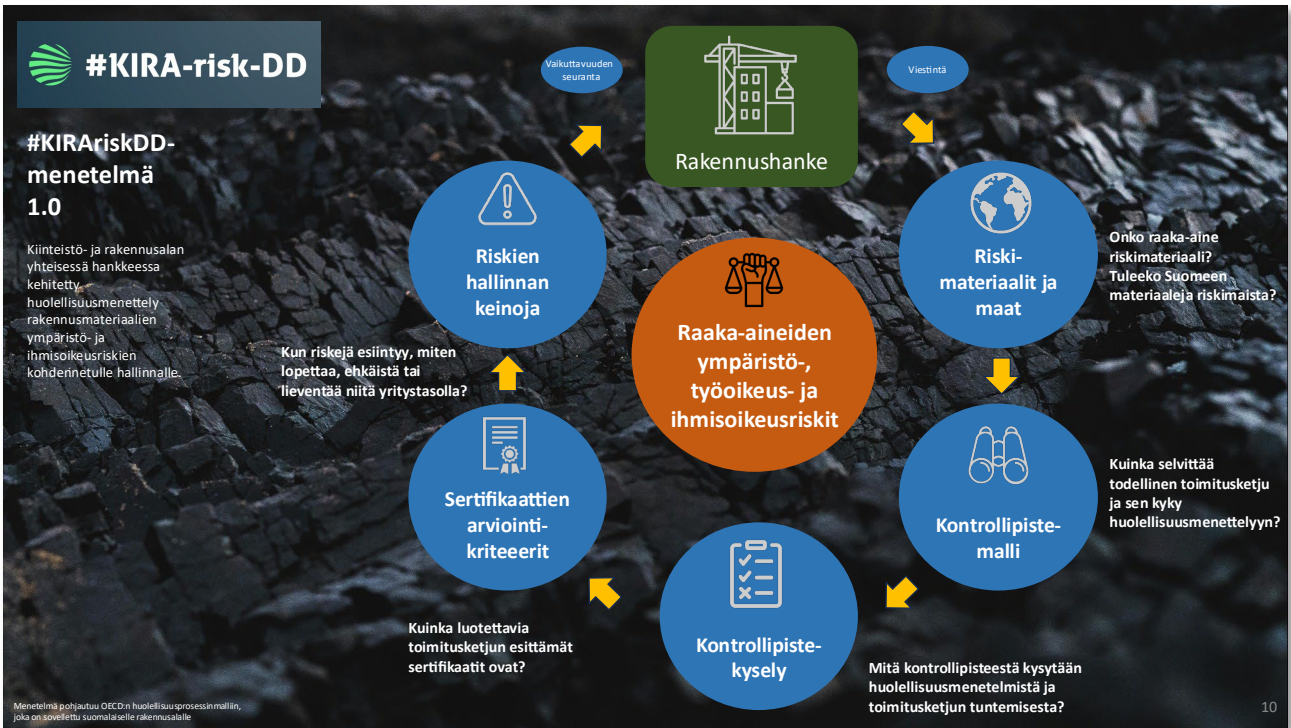
Appendix 2: Control Point Model

Appendix 3: Objectives of the pilot

Appendix 4: General body of the control point questionnaire

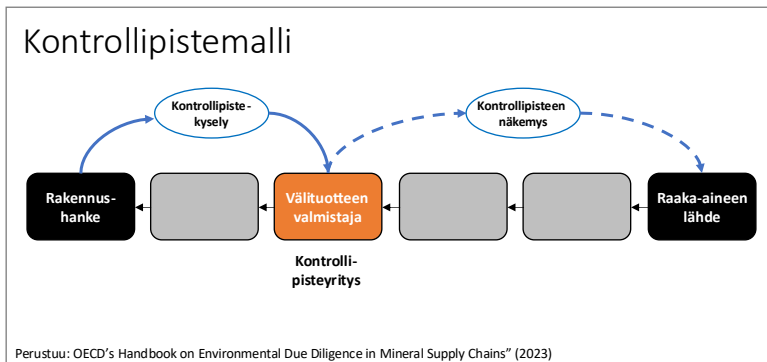
Annex 5: Examples for mitigating and preventing risks and adverse impacts

9.1. Appendix 1: #KIRAriskDD method diagram



9.2. Appendix 2: Control Point Model

Kontrollipistemallissa toimitusketjun alkupään tilannetta kartoitetaan ns. kontrollipisteyritykseltä



Esimerkki:

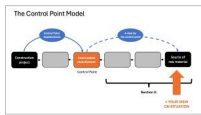
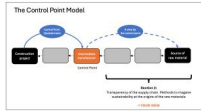
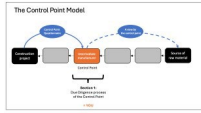
Rakennusliike kysyy tietoja rakennukseen tulevien sähkökaapeleiden kuparin alkuperästä kaapelitoimittajalta. Tämä kertoo, omasta huolellisuusprosessistaan ja kuinka se hallitsee omaa toimitusketjuaan.

Kontrollipiste voi myös kertoa, kuinka hyvin se tuntee toimitusketjun, kuinka suuri osa käytetystä kuparista tulee sertifioituista lähteistä ja tuleeko kuparia riskimaista.

- Kontrollipisteeksi valitaan toimitusketjun ylävirran yritys, jolla tulisi olla tietoa toimitusketjun alkupäästä ja vaikutusvaltaa siihen. Esimerkiksi metallisulatto, jalostamo tai saha.
- Tehokkuuta tuo se, että tietoa ei yritetä kerätä toimitusketjusta lenkki kerrallaan, vaan selvitys kohdistetaan yhteen keskeiseen yritykseen.
- Idea kontrollipistemetelmästä on esitetty OECD:n ohjeissa vuodelta 2023 ja #KIRAriskDD-hankkeessa se on sovitettu suomalaiselle kiinteistö- ja rakentamisalalle.

9.3. Appendix 3: General body of the control point questionnaire

Kontrollipistekyselyn yleinen runko



Osion otsikko	Osion tavoite	Arvioinnin keinot
<ul style="list-style-type: none"> ➤ Due diligence process of your company ➤ Your own certifications and commitments 	<ul style="list-style-type: none"> ❖ Kuinka luotettava väliporras kontrollipiste itse on vastuullisena toimijana osana toimitusketjua? 	<ul style="list-style-type: none"> • Riski/vaikutusarvion laajuus (ESG-aiheet) ja syvyys (oma toiminta – tier-1 – tier-n) • ISO-standardien soveltaminen • Vapaaehtoiset sitoumukset • Vapaaehtoiset ESG-palveluiden sertifikaatit • Toimiala / raaka-aine –kohtaiset sertifikaatit
<ul style="list-style-type: none"> ➤ Knowledge of your upstream supply chain 	<ul style="list-style-type: none"> ❖ Kuinka luotettavin menetelmin kontrollipiste hallitsee oman ylävirran toimitusketjunsä vastuullisuutta? 	<ul style="list-style-type: none"> • Kontrollipisteen oman ylävirran toimitusketjun hallinnan keinot • Konfliktimineraalien ja pakkotyön hallinnan keinot • Luonto- sekä työ- ja ihmisoikeusvaikutusten hallinta toimitusketjussa • Mahdolliset tapaukset ja niiden hoitaminen
<ul style="list-style-type: none"> ➤ Origin of raw materials 	<ul style="list-style-type: none"> ❖ Kuinka hyvin kontrollipiste tuntee toimitusketjunsä aivan alkulähteet? ❖ Kuinka tehokkaita vastuullisuuden hallinnan menetelmiä siellä on käytössä? 	<ul style="list-style-type: none"> • Raaka-aineiden alkuperämaat • Raaka-ainekohtaisen sertifiointin aste alkulähteillä • ISO standardoinnin aste alkulähteillä • Kielteiset luonto- ja ihmisoikeusvaikutukset

Erikseen neitseelliset ja kierrätysmateriaalit

#KIRA-risk-DD

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9.4. Appendix 4: General body of the control point questionnaire

#KIRARiskDD-pilotoinnin tavoitteet

1. Testata käytännössä miten **yhdellä kyselyllä** hankkeen osapuolet voivat selvittää tehokkaasti ja riittävällä huolellisuudella **rakennustuotteen raaka-aineisiin mahdollisesti liittyvät riskit ympäristön, työ- ja ihmisoikeuksien kannalta!**
2. Mitkä ovat ne **keskeiset kysymykset**, jotka tarvitaan, jotta kyselyllä saadaan läpinäkyvyyttä toimitusketjun riskitasoon?
3. Miten kysely muotoillaan sellaiseksi, että sitä **voidaan hyödyntää** eri toimittajilla ja erilaisissa toimitusketjuissa?
4. Miten varmistetaan, että kysely otetaan vakavasti ja siihen **saadaan määrääjassa vastaukset?**
5. Mikä on **vastausten merkitys?** Esimerkkejä mitä tilaaja-asemassa oleva voi tehdä ”huolen noustessa”.
6. Lähitulevaisuuden tavoite: arvioida onko toimialoilla syytä yhdessä käynnistää **jatkuva ja yhteinen kehitystyö** kestävyysriskien hallinnan kehittämiseksi ja materiaalikohtaisten riskien tiedon jakamiselle? Unohtamatta **joukkovoimaa haitallisten vaikutusten vähentämisessä.**

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9.5. Annex 5: Examples for mitigating and preventing risks and adverse impacts

Vuorovaikutus toimitusketjun kanssa riskien ja haitallisten vaikutusten lieventämiseksi ja ehkäisemiseksi / työoikeudet

Esimerkit GRI LRBR: Työoikeudet liiketoimintasuhteissa 202X (kommentoitavana oleva luonnos 2026)

Periaate on, että yritysten odotetaan tunnistavan, estävän ja lieventävän haitallisia vaikutuksia omassa toiminnassaan ja erityisesti toimitusketjun ja liiketoimintasuhteiden kautta riskiperusteisen due diligence -prosessin avulla, ja **sitoutuvan vuorovaikutukseen sidosryhmien kanssa** merkittävien ympäristö- ja sosiaalisten haittavaikutusten vähentämiseksi (mm. ihmisoikeudet, ympäristö, työolot) **sen sijaan, että vastuuta vain "poissuljetaan" tai kieltoistetaan toimijoita ilman syvällistä vaikutamista ja yhteistyötä)**

OECD Due diligence for responsible business conduct

Esimerkiksi uusia liikekumppanuuksia valittaessa organisaatio voi kuvata, kuinka se edellyttää näyttöä sitoutumisesta virallisten kansainvälisten sopimusten noudattamiseen. Tämä voi tarkoittaa esimerkiksi liikekumppanuuksien rekrytointi- ja työsuhteen päättämiskäytäntöjen tarkastelua.

Kirjallisiin sopimuksiin voi sisältyä esimerkiksi sopimuslausekkeita, toimintaohjeita, hankintapolitiikkoja tai tilausmääräyksiä, jotka ohjaavat liikekumppaneita osallistumaan tehokkaasti pakkotyön poistamiseen.

Esimerkkejä yhteistyöstä liikekumppaneiden kanssa pakkotyön torjumiseksi ovat:

- Osamisen vahvistaminen ja tuki – koulutukset, työpajat ja ohjeistus siitä, miten tunnistaa, ehkäistä ja korjata pakkotyön riskejä, perehtyä politiikkoihin ja lainsäädäntöön sekä kehittää sisäisiä järjestelmiä, kuten rekrytointikäytäntöjä ja valitusmekanismeja.
- Yhteistyö ja jatkuva vuorovaikutus – avoin keskustelu ja yhteinen vastuu pakkotyön riskien käsittelemiseksi, parhaiden käytäntöjen jakaminen sekä pitkäaikaisten kumppanuuksien kautta jatkuva kehittäminen.
- Seuranta ja palaute – palautteen kerääminen ja hyödyntäminen liikekumppaneilta ja sidosryhmiltä, erityisesti työntekijöiltä ja yhteisöiltä, politiikkojen toimeenpanossa ja korjaavissa toimissa.
- Kohdennettu yhteistyö – kun mukana on runsaasti siirtotyöntekijöitä, räätälöityjen toimintatapojen kehittäminen niin, että rekrytointi- ja työehdot ovat kansallisten lakien ja kansainvälisten säästöjen mukaisia.

Tiukka nollatoleranssi ja pelkkään sääntöjen noudattamiseen perustuva lähestymistapa pakkotyön torjunnassa saattaa olla tehoton, sillä se voi johtaa ongelmien piilottamiseen liikesuhteissa sopimusten menettämisen pelossa ja kasvattaa työntekijöiden haavoittuvuutta pakkotyölle.

Esimerkkejä toimenpiteistä:

- koulutukset, joiden avulla työntekijät ja muut kuin työntekijäasemassa olevat ymmärtävät pakkotyötä koskevat periaatteet ja korjaavat toimet;
- sopivien sisäisten resurssien varaaminen, jotta pakkotyötapauksiin voidaan reagoida tehokkaasti;
- varmistetaan, että korjaavat toimenpiteet toteutetaan, seurataan ja dokumentoidaan asianmukaisesti;
- yhteistyö työntekijöiden, ammattiliittojen, viranomaisten, yhteisöjen edustajien ja kansalaisyhteisöjen kanssa riskien varhaiseen tunnistamiseen;
- osallistuminen alan tai sektorin yhteisiin hankkeisiin, joiden tavoitteena on puuttua pakkotyön riskeihin.

Organisaation tulisi ilmoittaa, kannustaako tai vaatii se liikekumppaneita osallistumaan pakkotyön tapausten jälkiselvitykseen tai yhteistyöhön niiden korjaamisessa. Lisäksi tulee raportoida, kuka vastaa siitä, että korjaavat toimenpiteet toteutetaan liikekumppanuuksissa.