



BRE Environmental and Sustainability Standard

BES 6002 : Issue 2.0

Ethical Labour Sourcing Standard

Requirements for the verification of the adoption of the principles of ethical labour sourcing

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REVISION OF BRE ENVIRONMENTAL AND SUSTAINABILITY STANDARDS

BRE Environmental and Sustainability Standards will be revised by issue of revised editions or amendments. Details will be posted on our website at www.bregloballistings.com.

Technical or other changes which affect the requirements for the approval, verification or certification of the product or service will result in a new issue. Minor or administrative changes (e.g. corrections of spelling and typographical errors, changes to address and copyright details, the addition of notes for clarification etc.) may be made as amendments.

The issue number will be given in decimal format with the integer part giving the issue number and the fractional part giving the number of amendments (e.g. Issue 3.2 indicates that the document is at Issue 3 with 2 amendments).

Users of BRE Environmental and Sustainability Standards should ensure that they possess the issue that is relevant to them.

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FOREWORD

Human Rights due diligence and overall ethical approaches to organisational & supply chain management are being recognised as strategically significant for many organisations. This standard has been created to recognise those who wish to seek third party assurance of their practices and provide a maturity pathway to make improvements continuously.

This BRE Environmental and Sustainability Standard provides a framework for the verification of Ethical Labour Sourcing (ELS) and to give a route to verification of an organisation's internal practices and procedures. The key objectives of this standard are to:

- promote better ethical labour sourcing practices;
- give clear requirements for the elements of ELS that should be addressed;
- promote confidence that materials, products and services are being ethically sourced;
- provide a maturity pathway for organisations to follow that will evolve with the needs and risks of the business; and
- secure and verify evidence that organisations with BRE Global Ltd. ELS verification have demonstrated a commitment to continually improve ethical labour sourcing practices in their own business and connected supply chains.

This BRE Environmental and Sustainability Standard has been structured so that compliance can be demonstrated through a combination of meeting the requirements of other recognised certification schemes, establishing written policies, setting objectives and targets and engaging with relevant stakeholders. The standard can be used as a business improvement tool without a business seeking verification. The ELS is primarily intended for those organisations that work (by providing products or services) in the UK whilst recognising these connected supply chains are often global.

Information on the "Principles of Ethical Labour Sourcing" is provided in Section 5.

NOTES

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For related standards please refer to Section 6.

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1 SCOPE

This BRE Environmental and Sustainability Standard specifies the requirements for organisational management to demonstrate an on-going commitment to the principles of ethical labour sourcing in relation to the provision of products and/or services.

The requirements of this BRE Environmental and Sustainability Standard provide a framework against which all organisations may be assessed. The framework comprises criteria for evaluating the maturity of the performance of the organisation under twelve issues.

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2 DEFINITIONS

In this BRE Environmental and Sustainability Standard, the following terms are used:

- “shall” indicates a requirement
- “should” indicates a recommendation
- “may” indicates a permission
- “can” indicates a possibility or a capability

2.1 Accreditation

Third-party attestation related to a conformity assessment body conveying formal demonstration of its competence to carry out specific conformity assessment tasks
[BS EN ISO/IEC 17011]

2.2 Accreditation body

Authoritative body that performs accreditation (2.1)
[BS EN ISO/IEC 17011]

2.3 Benchmark

Reference value against which relative performance can be judged

2.4 Chain of custody

System or process (2.20) used to maintain and document the chronological history and unbroken path that a product (2.18) takes through a supply chain (2.28)

2.5 Commodity

Good for which there is a market demand and which is supplied without qualitative differentiation

NOTE: Commodity classes relevant to the products sector include, but are not limited to, fossil resources; precious metals; industrial metals; minerals; natural rubber; bio-mass; and commodity chemicals.

NOTE: Some materials are traded via commodity exchanges and may be physically and virtually bought and sold many times before they become an input to a physical process.

NOTE: Some commodity materials may be supplied in bulk via common infrastructure shared by several supplier organisations.

2.6 Constituent material

Material component of a product (2.18)

NOTE Water is excluded from the requirements that apply to constituent materials in this standard.

2.7 Corruption

The abuse of entrusted power for private [or corporate] gain

NOTE Corruption includes practices such as bribery facilitation payments, fraud, extortion, collusion, and money laundering. It also includes an offer or receipt of

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any gift, loan, fee, reward, or other advantage to or from any person as an inducement to do something that is dishonest, illegal, or a breach of trust in the conduct of the enterprise's business. This may include cash or in-kind benefits, such as free goods, gifts, and holidays, or special personal services provided for the purpose of an improper advantage or that may result in moral pressure to receive such an advantage.

[Transparency International 2011, Global Reporting Initiative G4 Guidelines]

2.8 Due diligence

The performance of relevant and appropriate investigations and monitoring of an organisation's supply chains so that the actions of those supply chains do not compromise the organisation's commitments to responsible sourcing

2.9 Environmental stewardship

The responsible planning and management of natural resources through conservation and sustainable use including biodiversity considerations

2.10 Freely and publically available

Can be readily obtained without payment and without the need to request permission from the owner

2.11 Human rights due diligence

Action taken by an organisation to identify and act upon actual and potential risks for workers and other stakeholders in its operations, supply chains and the services it uses

[Ethical Trading Initiative; Human Rights Due Diligence Framework, 2016]

2.12 Identified for Improvement

Status achieved when an organisation under assessment partially fulfils criteria requirement

2.13 Impact

Positive or negative effect of one thing on another

2.14 Opportunity to Improve

Status achieved when an organisation under assessment does not fulfil criteria requirement

2.15 Organisation

Company, corporation, firm, enterprise, authority or institution, or part or combination thereof, whether incorporated or not, public or private, that has its own functions and administration

[BS EN ISO 14001]

2.16 Policy

Formal expression of an organisation's (2.16) intent and direction with regards to an issue, or set of issues

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2.17 Practicing

Status achieved when an organisation under assessment fulfils criteria requirement

2.18 Product

The result of a process (2.20)

[EN ISO 9000]

2.19 Procedure

Specified way to carry out an activity or a process (2.20)

[BS EN ISO 14001]

2.20 Process

Set of interrelated or interacting activities which transforms inputs into outputs

[EN ISO 9000]

2.21 Raw materials

Unprocessed materials that are acquired from nature for subsequent use in the realisation of a product (2.18)

2.22 Responsible sourcing

Management of sustainable development in the provision or procurement of a product (2.18)

[BS 8902:]

2.23 Risk

Effect of uncertainty on objectives

[BS ISO 31000]

NOTE Risk is often characterised as a combination of the likelihood of something occurring and the impacts associated with it occurring.

NOTE Objectives may be social, environmental and/or economic.

2.24 Significant

Threshold level at which meaning is attained

NOTE: A significant risk (2.23) requires mitigation.

NOTE: A risk is significant if, in the view of senior management and those charged with governance, it is of such relevance and importance that it could substantively influence the organisation's ability to create value over the short, medium and long term or will have a positive or negative impact on other stakeholders.

2.25 Small organisation

Organisation with less than 50 employees and a turnover or balance sheet total of less than €10 million

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NOTE: Current exchange rates may be used to estimate equivalent criteria in other currencies.

[European Commission Recommendation 2003/361/EC]

2.26 Stakeholder

Individuals, groups and/or organisations (2.15) who either affect, or could be affected by, an organisation's activities, products (2.18) or services and associated performance

2.27 Supplier

Organisation (2.15) that provides a product (2.18) or service

2.28 Supply chain

System of organisations (2.15) involved in the realisation of a product (2.18), from the extraction of raw materials (2.21) to the point of sale

2.29 Sustainability aspect

Element of an organisation's activities or products (2.18) or services that can interact with the environment and/or socio-economic systems

NOTE: A significant sustainability aspect may have a meaningful impact on the ability of future generations to meet their needs.

2.30 Sustainability issue

Area of influence/impact related to the pursuit of an enduring, balanced approach to economic activity, environmental responsibility and social progress

[Adapted from BS 8900:2006, BS 8902:2009]

NOTE: Sustainability issues may be interrelated.

2.31 Traceability

Ability to trace the history, application or location of an object.

(BS EN ISO 9000:2015, clause 3.6.13, page 20)

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3 REQUIREMENTS

General

The requirements of this BRE Environmental and Sustainability Standard consist of actions to be completed to demonstrate adoption of the principles of ethical labour sourcing. Completion of these actions is established from an assessment against the twelve issue areas identified below:

Organisation Structure	Management Policies
Management Systems	Assurance, compliance & auditing
Human Resources	Immigration
Procurement	Supply Chain Management
Bribery & Corruption	Learning & Development
Forums	Reporting

The minimum requirements for the initial verification of the adoption of the principles of ethical labour sourcing are the Baseline Maturity Pathway requirements in each of the twelve issue areas. Attaining the higher levels also requires meeting all relevant criteria for the preceding levels.

Organisations are encouraged not simply to 'tick' that they consider they meet a requirement but to declare an understanding of the requirement by using one of the following three terms:

- *“Performing”* – The organisation is currently able to evidence this
- *“Identified for Improvement”* – The Organisation will seek to do more on this
- *“Opportunity to Improve”* – The organisation does not currently do this

The primary output of the assessment against these twelve issue areas is the identification of at least five specific objectives for improvement, to which the organisation shall commit and provide evidence of achievement thereof during the 11 months following verification. It should be noted that objectives should be spread to be completed throughout this period. These objectives may not necessarily promote the transition from one maturity level and another. One of the aims of this BRE Environmental and Sustainability Standard is to avoid the culture of compliance requirements being completed shortly before an annual re-assessment.

Where requirements refer to an accreditation body it shall be a signatory of the International Accreditation Forum (IAF).

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3.1 Organisation Structure

3.1.1 Description; Organisation Structure in relation to Ethical Labour Sourcing

Description
<p>It is important that the organisational structure of a business provides for effective governance in relation to ethical labour sourcing. This encompasses clear management accountabilities, as well as operational responsibilities and roles, across geographical and functional divisions. Without a formalised and effective organisational structure, key risks can all too easily slip through the management net.</p> <p>The structure should be clearly communicated across the organisation, both to demonstrate senior management leadership and to provide awareness of the organisational context within which individual roles contribute to meeting policy objectives. Apart from formal communication of organisational structure, it is important that individuals understand their specific accountabilities, responsibilities and roles. This usually requires a degree of direct individual training and engagement, as well as written communication via structure charts, etc.</p>

3.1.2 Criteria & Maturity Pathway

	Status
Baseline	
The organisation has basic documented evidence in relation to its business operations.	
Level 1	
The organisation can provide documented evidence of its organisational structure.	
The organisation structure has been clearly communicated internally and externally.	
There is a senior management representative responsible for ethical labour practices for each division, region and/or geography.	
Level 2	
Through adequate training the executives, directors and senior managers are fully conversant with their obligations and roles.	
Level 3	
Operations have been fully evaluated and documented to understand all high risk areas in relation to the ethical labour issues.	
Level 4	
The organisation can demonstrate that it has acted upon weaknesses and has addressed any potential areas which could have resulted in unethical practices.	

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3.2 Management Policies

3.2.1 Description: Management Policies

Description
<p>It is important that the organisation has formal policies which address ethical labour practices and the Modern Slavery Act. These policies should serve as a reference point, both for stakeholders to understand what can be expected of the organisation and also for management, the workforce and suppliers to implement through business plans and operational practices. Proactive and effective communication of policies is therefore a key to success.</p> <p>Various aspects of ethical labour sourcing may be covered by other policies, for example relating to human rights, occupational health and safety, labour relations, corruption, responsible sourcing, human resources, ethics and so on. However, for stakeholder clarity it would be appropriate to publish an overarching policy document to bring the various aspects together (optionally with appropriate cross-referencing).</p> <p>The policies should make a clear commitment to comply with local legal requirements on labour conditions as a minimum, to implement international conventions on human rights, to eliminate slavery of all kinds in its own operations and to work to remove slavery from its supply chains. A key principle of the policies should include a commitment to continuous improvement and a willingness to work in cooperation with others in driving slavery out of supply chains.</p> <p>Policies should be relevant to the organisation's business practices and kept up to date. A formal procedure for reviewing, updating and controlling the policies is therefore essential.</p>

3.2.2 Criteria & Maturity Pathway

Baseline	Status
The organisation has basic organisation policies in relation to Safety, Health, Modern Slavery Act 2015 (MSA), responsible sourcing; ethics, fraud and malpractice; anti-bribery and corruption and human resources.	
Level 1	
The organisation has a full set of policies relating to Safety Health Environment and Quality (SHEQ); the Modern Slavery Act 2015 (MSA), responsible sourcing; ethics, fraud and malpractice; anti-bribery and corruption and human resources.	
These policies have been communicated and are displayed prominently for access by all employees and visitors.	
UK staff have been trained in their application and records of the training are available.	
Policies are reviewed and updated appropriately on a regular basis.	

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Level 2	
The organisation has developed an assurance and compliance programme to audit policy implementation and address any observations.	
All staff in overseas locations have been trained in the implementation of their local policies.	
Level 3	
There is a human rights policy commitment approved at board level in accordance with Guiding Principle 16 of the UN Guiding Principles on Business and Human Rights.	
Policies and procedures are verified and certified in accordance with ISO 9001, ISO 14001, OSHAS 18001/ ISO 45001 or other ISO or equivalent standards, where applicable.	
The organisation can also demonstrate it operates a whistleblowing policy that is communicated widely and protects the whistle blower from harassment or victimisation.	
Level 4	
The organisation has a specific policy on ethical labour sourcing which includes a commitment to the eradication of recruitment fees stating that the costs of recruitment should be borne by the employer and not by any employee.	
The organisation collects and communicates best practice within its own business or its supply chain to improve the organisation policies and can demonstrate it has gained best practice or guidance documents to help inform as to how to improve policies in the future.	

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3.3 Management Systems

3.3.1 Description; Management Systems

Description
<p>The purpose of the management system is to ensure that ethical labour sourcing is not a stop-start series of initiatives but an integrated part of the organisation's business ethos which is systematically managed across its operations.</p> <p>The organisation should therefore develop its business processes, operational control procedures, performance management and monitoring mechanisms, communications, record keeping and other associated documentation to ensure effective, systemic implementation of its policies across its international operations. This should extend beyond internal operations to sourcing and supply chain management processes.</p> <p>The management system should not focus simply on compliance but should embed the principle of continuous improvement, beyond compliance, using an appropriate risk assessment approach. Key performance indicators (KPIs) should reflect the full range of goals, objectives and targets which the organisation sets itself.</p> <p>Where possible, the management system, or its component parts, should be certificated to recognised standards by a certification body that is accredited for the relevant standards by a member of the International Accreditation Forum (IAF).</p>

3.3.2 Criteria & Maturity Pathway

Baseline	Status
The organisation has basic documented evidence that its systems are adequate to address modern slavery risks. The organisation has evidence to demonstrate legal compliance specifically with respect to recruitment.	
Level 1	
The organisation has evidence to demonstrate legal compliance in all its operations, wherever it operates.	
The organisation can demonstrate that its management systems are certified to a recognised standard (e.g. ISO based or otherwise) by a third party certification body (or Conformity Assessment Body) accredited for that standard by an accreditation body that is a member of the IAF (International Accreditation Forum).	
The management system includes reviewable actions for going beyond minimum compliance with the Modern Slavery Act.	
The organisation can demonstrate that its health and safety policies and procedures effectively manage the welfare of its staff wherever it operates.	

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Level 2	
The organisation has mapped the specific ethical labour risks/relevant legislation by both process and locations in which it operates.	
The organisation has a risk mitigation programme to address risks related to ethical sourcing practices	
Level 3	
The organisation can demonstrate that it has reviewed ethical labour standards and relevant legislation, and that the relevant requirements of these are built into its management systems (and therefore updated annually as part of the review of the system(s)). The organisation is also able to demonstrate that such systems go beyond basic legal compliance.	
Level 4	
Through the implementation of the risk management process the organisation can demonstrate that it has actively improved the lives and wellbeing of workers who were subject to previously non-compliant practices.	

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3.4 Assurance, Compliance and Auditing

3.4.1 Description; Assurance, compliance and auditing

Description
<p>There should be an overall assurance programme to enable the organisation to demonstrate compliance with policies, for both management and stakeholders. This will invariably involve an audit programme but should also extend to consideration of other forms of compliance monitoring, non-compliance reporting, performance assessment and improvement planning.</p> <p>The assurance programme should be linked to the management system in a number of ways. Its focus should be risk driven, in alignment with the risk approach of the management system. Its outputs should enable lessons learned from non-compliances, as well as opportunities for improvement, to be fed back into business planning and operational management.</p> <p>The assurance programme should support the disclosure of the organisation's performance across ethical labour sourcing issues to stakeholders, as well as informing management about its progress in implementing policies and managing risks. In this regard, consideration should be given to the appropriate involvement of independent, third party assurance providers and sources of due diligence information.</p>

3.4.2 Criteria & Maturity Pathway

Baseline	Status
The organisation has a mechanism by which it would be alerted, in a timely manner, to legal non-compliances in its recruitment and workforce management processes.	
Level 1.	
The organisation can demonstrate that it operates a risk management process and an audit programme.	
Recruitment processes are included in audits, and auditors are formally trained and empowered to assess these processes.	
Formal risk assessments are undertaken, and risk management activities planned, in relation to compliance with the Modern Slavery Act and related legislation and initiatives such as the Bribery Act.	
Where risk management activities leave a residual risk to the organisation there are plans to mitigate or manage the risk in the future.	
Level 2	
The auditing process includes checks for compliance with ethical labour sourcing practices and any related activity.	
The organisation can demonstrate that it records the findings from all such audits and outcomes and actively monitors all observations and risks, and ensures corrective actions are completed.	

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Level 3	
The organisation can show how improvements in the corrective actions arising from audits are making a positive impact in the business and overall performance.	
Level 4	
The organisation has demonstrated business leadership through being actively engaged in the promotion of best practice in assurance and auditing.	

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3.5 Human Resources

3.5.1 Description; Human Resources

Description
<p>Management of human resources lies at the heart of an ethical labour programme, both within an organisation's own operations and across its supply chains. It is therefore important to formalise key aspects within the context of the overall management and assurance systems.</p> <p>There should be a formal human resources function, authorised and resourced appropriately, to support and oversee the implementation of legally compliant employment and labour practices which conform to the organisation's policies. This function should extend to all international operations of the organisation, whether managed locally under central direction, or otherwise. The human resource function should be represented at the most senior level of the organisation where ultimate accountability lies.</p> <p>The human resource function should work with, and be empowered to intervene with, the management of other organisational functions that may have a key role in implementation of ethical labour policies, including sourcing, operational line management, maintenance, project management, etc.</p> <p>The organisation should satisfy itself that key risks are being addressed, e.g.</p> <ul style="list-style-type: none"> • Does it have specific policies relating to workers' rights? • How does it ensure that it is employing all workers in accordance with all relevant legislation? <p>If it has employed people from outside the UK to either be employed within the UK or any other country within which it operates, how does it ensure that it complies with all 'in country' legal requirements?</p>

3.5.2 Criteria & Maturity Pathway

Baseline	Status
The organisation can provide evidence that there is senior level commitment and accountability to ensure compliance with human resources legislation.	
All workers are treated equally in the workplace regardless of their national origin, ethnicity, race, religion, social caste or sex.	
Level 1	
Organisation policies and practices express a clear prohibition of forced, compulsory, bonded, indentured and prison labour that applies to all enterprises in its supply chain including those involved in the recruitment, selection and hiring of workers.	
Clear and transparent human resource practices on recruitment, contracts, wages and working hours are adopted by the company to minimise the risk of forced labour or trafficking.	

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The organisation ensures and collects evidence that all employees, no matter which country they are employed in, have clear transparent contracts which comply with all applicable legislation.	
The organisation demonstrates that each worker has an entitlement to earn a legal minimum wage	
Each person employed in the UK receives a payslip which records how much NI is paid, where applicable all tax is collected and they have a PAYE reference number.	
Each person is entitled to annual leave, bank and public holidays, sick leave, compassionate leave, maternity or paternity leave, parental leave, shared parental leave, adoption leave, time off for dependants, study/training leave, right to request flexible working, where applicable	
The organisation ensures that it is employing all workers in accordance with the International Labour Organisation (ILO) Core Labour Standards and its convention for protecting the rights of vulnerable workers or child labour (No 182).	
Level 2	
The organisation profiles all its workers against the relevant employment criteria	
The organisation has robust assessment tools included in its HR and procurement processes to ensure that all workers' rights and freedoms are recognised in its practices and contracts. This includes compliance with legislation which deals with travel, accommodation, welfare, and all leave entitlements and can confirm that everyone employed is earning at least the minimum wage.	
The organisation also has an accessible grievance process.	
The organisation operates a confidential whistle-blowing policy that is communicated widely and protects the whistle blower from harassment or victimisation.	
The organisation has a written policy that workers shall not pay any amount to secure a job at their facility and has mechanisms in place to ensure compliance.	
The retention of workers identity or personal documents is prohibited.	
Level 3	
Where no legal minimum wage is set, the organisation has calculated and set a "Fair Wage" or living wage using local benchmarking data.	
Level 4	
The organisation can demonstrate that they have actively improved the lives and wellbeing of any workers who were subject to non-compliant practices	
The organisation has mechanisms in place to ensure that workers do not pay any amount to secure employment at their facility	
The organisation has either been recognised formally to have demonstrated best practice in relation to HR Management or has been the subject of case studies to inform others as to best practice.	

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3.6 Immigration

3.6.1 Description; Immigration

Description
<p>For many organisations immigrant labour represents a significant element of their workforce particularly at certain times of the year. Immigrants are particularly vulnerable to human rights and abuses and poor labour conditions.</p> <p>It is therefore important that organisations employing or likely to employ immigrant labour have clear policies and rigorous mechanisms in place to ensure that immigrant workers are employed legally and treated fairly in accordance with national law and relevant international conventions.</p> <p>The same dependence on immigrant labour is often found in supply chains and so it is important to extend due diligence and assurance appropriately to manage significant risk to people and to the organisation.</p>

3.6.2 Maturity Pathway

Baseline	Status
The organisation has basic processes and procedures to ensure that all personnel recruited are eligible to work in the UK.	
Level 1	
The organisation can demonstrate that it complies with the requirements of the UK Immigration, Asylum and Nationality Act 2006. As a minimum, the organisation has documented controls to demonstrate compliance with sections 15-25.	
Level 2	
Processes/procedures are in place to provide assurance that all agency, temporary, self-employed, sub-contracted and seasonal personnel are eligible to work in the UK. Periodic reviews are undertaken and records kept of findings and action plans.	
Level 3	
The organisation has processes/procedures in place to ensure compliance with all local immigration legislation and can demonstrate compliance for all other countries in which it operates.	
The organisation can demonstrate that, where necessary, it has worked closely with the relevant authorities to report situations of concern.	
Level 4	
The organisation has either been recognised formally to have demonstrated best practice in relation to immigration or has been the subject of case studies to inform others as to best practice.	

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3.7 Procurement

3.7.1 Description; Procurement practices in the organisation

Description
<p>Procurement extends beyond sourcing of materials and products to the wider outsourcing of logistics operations, back-office support functions, call centre operations and more. In all cases there is potential for labour to be utilized unethically, so an organisation's procurement function has become central to the implementation of ethical labour and responsible sourcing programmes.</p> <p>In general, the procurement function should be systematically addressing the issue of sourcing risks through a cycle of (i) due diligence; (ii) risk assessment; (iii) risk management and reduction; (iv) monitoring progress; and (v) remediating non-compliance and residual risks.</p>

3.7.2 Maturity Pathway

Baseline	Status
The organisation has supplier agreements/codes of conduct to cover its procurement activities (goods, services and works) which reference ethical issues.	
Level 1	
The organisation has specific policies and procedures in place which cover responsible sourcing of products and ethical sourcing of labour.	
The organisation has published a code of conduct for its suppliers, approved by an executive or a senior manager that has been communicated to all suppliers and contractors.	
The organisation has an ongoing mechanism to review the effectiveness of the relevant policies and code of conduct.	
Level 2	
When procuring from countries with higher ethical labour risks than the UK, the organisation can demonstrate that its procedures have been developed further to account for these risks i.e. through specific due diligence/screening.	
Staff responsible for procurement are adequately trained on and empowered to implement the organisation's policies on ethical labour sourcing.	
All contracts require compliance with the code of conduct (and associated policies and procedures) and refer explicitly to compliance with legal obligations in relation to workers' rights and HR legislation.	

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Level 3	
Staff appraisals and Key Performance Indicators (KPIs) reflect and support the organisation's procurement policy with specific emphasis on non-financial indicators	
Level 4	
The organisation is independently recognised as demonstrating leadership in advancing procurement practices, developing supply markets for responsibly sourced products and incorporating ethical labour considerations in supply chain development.	

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3.8 Supply Chain Management

3.8.1 Description; Supply Chain Management

Description
<p>Taken as a whole, an organisation's supply chain is a source of risk as well as value. One source of risk is slave labour, which often remains hidden due to the unethical and illegal employment practices and labour conditions which prevail in some countries and sectors.</p> <p>Supply chain management, driven by the procurement function, should be a principal element of any organisation's approach to minimising the risk of involvement with unethical labour sourcing. It requires both strategic and operational elements of risk minimisation and control.</p>

3.8.2 Maturity Pathway

Baseline	Status
The organisation can demonstrate how it has considered the legal requirements of workers' rights and/or ethical labour criteria as part of its supply chain management.	
Level 1	
The organisation has mapped its supply chain and carries out regular risk assessments of it in relation to the potential for slave labour.	
The organisation's tenders and contracts require compliance with workers' rights and ethical labour legislation (e.g. with Modern Slavery Act, the Equality Act 2010, Bribery Act 2010 or the Immigration, Asylum and Nationality Act 2006, or the Companies Act 2006 (Amendment of Part 25) Regulations 2013)	
Level 2	
The organisation supports training within its supply chain on ethical sourcing issues.	
Level 3	
The organisation has third party/internal audits of its suppliers and acts upon any non-conformances or observations identified. Ongoing risk/due diligence monitoring activities can be evidenced.	
Level 4	
The organisation has been independently recognised as demonstrating business leadership in advancing procurement practices, developing supply markets for responsibly sourced products and incorporating ethical considerations in supply chain development.	

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3.9 Bribery & Corruption

3.9.1 Description; Bribery & Corruption

Description
<p>It is important that an organisation has appropriate internal mechanisms for the control of corruption, anti-competitive behaviour, fraud and malpractice to ensure that modern slavery and other forms of exploitation are not facilitated.</p> <p>The organisation should therefore develop its business processes to ensure as a minimum compliance with legislation. There should be robust procedures and effective internal controls supported by senior management to eliminate bribery and corruption from operations and practices and comprehensive ongoing training for staff.</p>

3.9.2 Maturity Pathway

Baseline	Status
The organisation has basic evidence of compliance with the Bribery Act 2010.	
Level 1	
The organisation has a policy for Anti Bribery and Corruption	
The organisation has a designated person to contact if there are suspicions of bribery, corruption, fraud and malpractice.	
The organisation has reviewed its processes for compliance with the Bribery Act 2010.	
The organisation has a clear procedure for taking action when bribery or corruption is identified or when allegations are raised.	
Level 2	
The organisation has put in place measures to prevent bribery, anti-competitive behaviour, fraud and malpractice in the context of labour sourcing.	
The organisation provides training to all relevant staff and 'associated 'persons' in response to Principle 5 of the government's guidance document on the Bribery Act 2010.	
Bribery is part of their corporate risk register.	
Level 3	
The organisation can demonstrate that they have taken action when bribery and corruption issues have been identified and raised (or how they would if a situation arose).	
The organisation can demonstrate that training relating to ethical labour sourcing has been given to suppliers identified as higher risk by the organisation.	

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Level 4	
The organisation can demonstrate that it has been proactive in driving out bribery, corruption, fraud or malpractice in their business dealings no matter where or with whom they operate.	
The organisation is also able to provide evidence of sharing anti-bribery and corruption good practice with others.	

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3.10 Learning & Development

3.10.1 Description; Learning & Development

Description
<p>An organisation should operate with integrity and ensure that ethical behaviours are upheld to minimise the risk from unethical practices. Awareness raising and training on ethical practice and corporate responsibility both within an organisation's own operations and across its supply chains are essential.</p> <p>There should be a formal learning and development function, authorised and resourced appropriately, to ensure that all staff are trained and developed in the application of, adherence to and compliance with all legislation applicable to protecting workers rights and eradicating modern slavery.</p> <p>This function should extend to all international operations of the organisation, whether managed locally under central direction, or otherwise.</p>

3.10.2 Maturity Pathway

Baseline	Status
The organisation provides basic training to key groups of staff in general legal requirements relating to corporate responsibility and ethics.	
Level 1	
The organisation operates a staff induction programme which refers explicitly to human rights, modern slavery and/or ethical labour sourcing	
The organisation runs training programmes for relevant staff on the legal requirements of the Modern Slavery Act.	
The organisation runs training programmes for relevant staff on the Equality Act 2010, the Bribery Act 2010, and the Immigration, Asylum and Nationality Act 2006.	
The organisation ensures that the people delivering training are competent to do so.	
The organisation maintains training records to confirm that relevant people have been trained.	
Level 2	
The organisation has a set of assessment tools to help relevant managers to understand what additional risks it has when operating in overseas locations.	
The organisation provides basic tools to train and develop its staff in overseas locations in relation to the relevant legislation.	
The organisation maintains training records to confirm that relevant people have been trained overseas on workers' rights and eradicating modern slavery.	

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The organisation includes performance indicators relating to ethical labour sourcing in its staff performance assessment and development framework (e.g. relating to completion of learning and training modules).	
Level 3	
More detailed training is given to relevant overseas staff on how to identify and manage the specific risks associated with working in their locations.	
The organisation works with others in its sector to share and promote tools for capacity building regarding ethical labour sourcing.	
The organisation can demonstrate that valuing ethical labour sourcing is embedded in the culture of the organisation and reflected in the attitudes, behaviours and performance reviews of its employees.	
Level 4	
The organisation is independently recognised as demonstrating leadership in advancing learning and development of its staff, direct suppliers and others. The organisation is seen externally as a benchmark of best practice and recognised accordingly.	

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3.11 Forums

3.11.1 Description; Forums

Description
<p>In order to demonstrate transparency and to obtain the benefit of multi-stakeholder input to its ethical labour sourcing programme, responsible organisations should operate appropriate forums to facilitate engagement and sharing of opinion, experience and innovation. These should involve both internal and external representation.</p> <p>Since ethical labour sourcing should not be approached as a competitive aspect of corporate activity, an advanced organisation should be prepared to share its experience and with others and actively promote the uptake of best practice amongst its peers and suppliers.</p>

3.11.2 Maturity Pathway

Baseline	Status
The organisation operates internal forums or committees relevant to business ethics and sustainability issues in general terms.	
Level 1	
The organisation operates in a related forum (e.g. a trade union, equality forum or internal meetings) and the remit of the forum includes a requirement to debate and advise the organisation on issues concerning ethical labour and the eradication of modern slavery.	
Level 2	
The forum or committee comprises both internal and external representatives where at least 1 person is considered a subject matter expert on workers' rights and conditions.	
Level 3	
The organisation is involved in external multi-stakeholder initiatives, associations and forums. This shall include engagement with relevant NGOs and the trades unions either locally or internationally.	
Level 4.	
The organisation can demonstrate business leadership and can be seen to be a market leader in the field of ethical labour.	
The organisation can provide evidence to show that it has influenced another organisation to improve their awareness, culture and/or practice and behaviour in relation to ethical labour and eradicating modern slavery.	

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3.12 Reporting

3.12.1 Description; Reporting

Description
Public reporting acts as the most formal demonstration of accountability of an organisation to its stakeholders, both internal and external. The Modern Slavery Act requires an annual public statement of progress. Moreover, organisations should take on board the opportunities presented by more comprehensive disclosure to investors, potential employees, customers, communities and others. This can take various forms, but formal corporate reports probably provide the most recognised platform, where an organisation is expected to report on its progress in managing a wide range of corporate risks, both financial and non-financial, including those associated with ethical responsibilities.

3.12.2 Maturity Pathway

Baseline	Status
The organisation has evidence that it provides a statement or report in accordance with the Modern Slavery Act reporting requirements if meeting the turnover threshold to report under the Act.	
Level 1	
The organisation issues a statement/report which goes beyond the requirements of the Modern Slavery Act (even if turnover is below the Modern Slavery Act reporting threshold), which demonstrates continual improvement.	
Level 2	
The organisation has an action plan to improve on its performance in relation to ethical labour and eradicating modern slavery. It monitors and measures performance against the plan on a regular basis and reports as such.	
Level 3	
Where the organisation has included ethical labour risks in its risk register, the organisation reports on them accordingly in its main corporate annual report.	
Level 4	
The organisation has an industry and sector leading report on their Ethical Labour Sourcing work; this output will be detailed in its content and is recognised externally as setting the benchmark for organisations regardless of sector.	

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4 VERIFICATION METHODOLOGY

4.1 Overview

An organisation that is assessed by BRE Global Ltd. to meet the baseline requirements of this BRE Environmental and Sustainability Standard and has set at least five satisfactory objectives for organisational improvement against the requirements of this standard will be eligible to receive a Statement of Verification from BRE Global Ltd.

A Statement of Verification is awarded to companies when all assessment activities have been satisfactorily completed and BRE Global Ltd. has made a positive verification decision based on the assessment report. Statements of Verification will detail the organisation name and parts of the organisation that have been included in the verification process. Details of the organisation's services/products will also be listed on www.greenbooklive.com.

4.2 Methodology

This BRE Environmental and Sustainability Standard is intended to be used as part of a verification scheme and as such the primary evidence gathering takes place at the designated headquarters of the organisation under assessment. The primary contact (Client) within the organisation is responsible for liaising with other senior colleagues. It is expected that Senior Directors responsible for a breadth of the issues addressed in this standard will be present to discuss the aspects of practice in the organisation. The objectives are set in a collaborative manner as the intention is that they should form an integral part of the overall business strategy. This standard is intended to be used over a long term period as it is a process based on a commitment to improve.

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5 PRINCIPLES OF ETHICAL LABOUR SOURCING

5.1 General

The decisions of a single organisation can affect society and the environment well beyond the immediate impact of its own operations. Ethical sourcing involves the promotion and support of broader-scale adoption of responsible and ethical practices throughout the supply chain. This can stimulate demand for socially and environmentally-preferable products and services.

There is no comprehensive list of what constitutes 'ethical practice' when selecting and approving suppliers/sub-contractors. The principles described below reflect what is considered better practice and it is logically and ethically consistent that the principles apply equally to the organisation making these purchasing decisions as well as its suppliers.

The principles reflect current expectations, however other issues may come to be seen as important in the future and it is expected this standard will evolve to reflect these changes in subsequent revisions.

5.2 Ethics

Recognise the need to adopt and apply standards of ethical behaviour appropriate to the purpose and activities of the organisation.

5.3 Legal Compliance

Comply with all applicable laws and regulations.

5.4 Human Rights Due Diligence

Consider and positively act upon human rights risks whether potential or actual.

5.5 Management systems

Have systems in place to operate in a legal, efficient and financially sustainable manner with continual improvement in the management of quality, health and safety, the environment and human resources.

5.6 Supply chain management

Communicate and work constructively with the supply chain to deliver ethical policies and practices.

5.7 Stakeholder engagement

Identify stakeholders affected by the activities of the organisation and its supply chains and be responsive to their needs.

5.8 Complaints and prosecutions

Operate with transparency and record and report all complaints and prosecutions and associated corrective actions.

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5.9 Fundamental rights at work

Respect international conventions concerning human rights and labour practices and recognise fundamental rights at work including the abolition of child labour, forced or compulsory labour, the rights of freedom of association and collective bargaining, and the elimination of discrimination.

5.10 Health and safety

Operate in a responsible manner to safeguard the health and wellbeing of employees, contractors and visitors.

5.11 Employment and skills

Continue to support sustainable communities by providing employment and economic activity through fair and ethical operating practices, and recognise the importance of developing a skilled and competent workforce.

5.12 Local communities

Liaise effectively with the local community and strive to develop mutual understanding and respect.

5.13 Financial stability

Manage for long term financial performance. Provide stability and enable long term investment in social and environmental aspects which underpin the economy.

5.14 Discrimination

The prospects of one or more groups of employees for example women, disabled people, and ethnic / cultural minorities (amongst a number of groups of employees) can be greatly impacted by opportunities for employment and progress within employment. Ethical sourcing should foster greater opportunities for people that would otherwise experience barriers and discrimination.

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6 PUBLICATIONS REFERRED TO

This BRE Environmental and Sustainability Standard incorporates provisions from other publications. For dated references only the edition cited applies. For undated references the latest edition of the publication referred to (including any amendments) applies.

6.1 Normative references

The following documents, in whole or in part, are referenced in this BRE Environmental and Sustainability Standard and are considered indispensable for its application.

The UK Modern Slavery Act 2015

The UK Companies Act 2006 (Amendment of Part 25) Regulations 2013

The UK Bribery Act 2010

The UK Equality Act 2010

The UK Immigration, Asylum and Nationality Act 2006

6.2 Informative references

The following documents may assist users in their implementation of this BRE Environmental and Sustainability Standard:

BS EN ISO/IEC 17011 Conformity assessment. General requirements for accreditation bodies accrediting conformity assessment bodies

The EU Non-Financial Reporting Directive

Section 35 of the Human Trafficking and Exploitation (Scotland) Act (2015)

In the USA, the California Transparency in Supply Chains Act 2010

The US Executive Order 13627 (2015)

BS EN ISO 9001, Quality Management Systems – Requirements

BS ISO 31000, Risk management. Principles and guidelines

ISO 26000, Guidance on Social Responsibility

BS EN ISO 14001, Environmental Management Systems – Requirements with Guidance for Use

BS 8900, Guidance for managing sustainable development

BS 13500, Code of practice for delivering effective governance of organizations

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BS 10500, Specification for an anti-bribery management system

BS OHSAS 18001, Occupational Health and Safety Management Systems – Requirements

SAI SA8000, Social Accountability International; Social Accountability 8000 standard

International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work

Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises revision 2000

Global Reporting Initiative (GRI) Sustainability Reporting Guidelines version 4 (general)

Transparency International <http://www.transparency.org/> (in relation to business ethics)

European Commission Recommendation 2003/361/EC (in relation to SMEs)

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7 AMENDMENTS ISSUED SINCE PUBLICATION

DOCUMENT NO.	AMENDMENT DETAILS	DATE
V 2.0	Criteria and editorial changes	XX July 2018