

A28 Ethical Sourcing

A28.1 Obligations

A28.1.1 The Authority is committed to ensuring that workers employed in its supply chains in the UK and throughout the world are treated fairly, humanely and equitably. In the course of complying with this Contract, the Service Provider shall endeavour to comply with:

A28.1.1.1 The principles of the Ethical Trading Initiative (“ETI”) Base Code as set out in Appendix 1 to this Clause A28;

A28.1.1.2 Internationally recognised human rights, which include the International Bill of Human Rights (consisting of the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights), and the principles set out in the ILO Declaration on Fundamental Principles and Rights at Work and related Conventions; and

A28.1.1.3 National legislation covering wage and working hours, operational health and safety, regular employment, and statutory insurance. Where international conventions and national legislation differentiate, the highest standard shall apply.

A28.1.2 In order to ensure compliance with Clause A.28.1.1, the Service Provider shall establish and maintain a human rights due diligence (HRDD) process appropriate to its size and circumstances to identify, prevent, mitigate and remedy adverse impacts on individuals directly or indirectly affected by its supply chains.

A28.1.3 As part of meeting its obligations, the Service Provider shall use its best efforts to ensure that each of its sub-suppliers and subcontractors and each of their sub-suppliers and subcontractors acting in connection with the Agreement comply with the Standards (A28.1) and engage in and support the Human Rights Due Diligence process (A28.2).

A28.1.4 The Service Provider shall, where relevant, train its employees and subcontractors to ensure compliance with this Clause A28. The Service Provider shall keep a record of all training completed by its employees and subcontractors and shall make a copy of the record available to the Authority on request.

A28.1.5 If the Service Provider has reasonable cause to assume that there is or has been a severe adverse impact in its own operations or in its supply chains, the Service Provider shall within two weeks report to the Authority the actual circumstances and the implemented and planned measures in accordance with Clause A28.2 (Human Rights Due Diligence). Severe adverse impacts include forced labour, child labour, working conditions that pose a danger to life, and attacks on human rights defenders.

A28.2 Monitoring compliance

A28.2.1 The Service Provider shall at its cost participate in, and cooperate with the Authority and the entity it designates to support that process, the monitoring of the commitments in the Clauses A28.1 and A28.2. Monitoring may be carried out through various methods, not limited to, but including dialogue, self-assessment, and audits.

A28.2.2 The Authority reserves the right to share monitoring information with other public organisations as well as other relevant stakeholders, under duty of confidentiality.

A28.2.3 **Dialogue:** The Service Provider will, within two weeks from the Authority's request, engage in dialogue on how the Service Provider complies with Schedule A28.

A28.2.4 **Self-assessment:** The Service Provider will, within 30 days from the Authority's request, account in writing for how it ensures compliance with Schedule A28, in accordance with the Authority's instructions. If the self-assessment were to be deemed unsatisfactory by the Authority, the Service Provider may be required to undergo training indicated by the Authority to improve its practices.

A28.2.5 **Audit:** the Authority reserves the right to conduct, or require to be conducted, one or more audits, (either itself or via a third-party auditor approved by the Authority). For the avoidance of doubt, the right of audit contained in this Clause shall include without limitation the right of the Authority (or an auditor appointed by the Authority) acting reasonably to undertake physical inspections of relevant sites/factories, to conduct interviews with relevant personnel and to inspect relevant documents. The Service Provider shall co-operate and shall procure that its subcontractors (as applicable) co-operate with the Authority and the Authority's auditor in relation to all aspects of any audit. The Service Provider shall make the audit reports available to the Authority through a platform approved by the Authority.

A28.3 Managing non-compliance

A28.3.1 The Service Provider shall address non-compliance with the commitments in the Clauses A28.1 and A28.2. Focus shall be on improvements in the Service Provider's operations and in its supply chains.

A28.3.2 In the event of non-compliance with Clauses A28.1 and/or A28.2, the Parties shall agree a corrective action plan with appropriate timeframes for compliance by the Service Provider, such plan to be agreed by the Parties by no later than 30 days from the date of notification of non-compliance, or such other period as the Parties may otherwise agree in writing. The costs of the creation and implementation of the remediation plan shall be borne by the Service Provider.

A28.3.3 **Further measures:** If the Service Provider does not report in accordance with A28.1.5, does not participate in monitoring in accordance with A28.2, fails to take measures according to A28.3.2, or does not address non-compliance in accordance with the established corrective action plan, the Authority may by notice

Appendix 1 to Clause A28 - Ethical Sourcing Appendix: The ETI Base Code

1.1 EMPLOYMENT IS FREELY CHOSEN

- 1.1.1 There is no forced, bonded or involuntary prison labour.
- 1.1.2 Workers are not required to lodge "deposits" or their identity papers with their employer and are free to leave their employer after reasonable notice.

1.2 FREEDOM OF ASSOCIATION AND THE RIGHT TO COLLECTIVE BARGAINING ARE RESPECTED

- 1.2.1 Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively.
- 1.2.2 The employer adopts an open attitude towards the activities of trade unions and their organisational activities.
- 1.2.3 Workers representatives are not discriminated against and have access to carry out their representative functions in the workplace.
- 1.2.4 Where the right to freedom of association and collective bargaining is restricted under law, the employer facilitates, and does not hinder, the development of parallel means for independent and free association and bargaining.

1.3 WORKING CONDITIONS ARE SAFE AND HYGIENIC

- 1.3.1 A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.
- 1.3.2 Workers shall receive regular and recorded health and safety training, and such training shall be repeated for new or reassigned workers.
- 1.3.3 Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided.
- 1.3.4 Accommodation, where provided, shall be clean, safe, and meet the basic needs of the workers.
- 1.3.5 The company observing the code shall assign responsibility for health and safety to a senior management representative.

1.4 CHILD LABOUR SHALL NOT BE USED

- 1.4.1 There shall be no new recruitment of child labour.
- 1.4.2 Companies shall develop or participate in and contribute to policies and programmes which provide for the transition of any child found to be performing child labour to enable her or him to attend and remain in quality education until no longer a child.
- 1.4.3 Children and young persons under 18 shall not be employed at night or in hazardous conditions.
- 1.4.4 These policies and procedures shall conform to the provisions of the relevant ILO standards.

1.5 LIVING WAGES ARE PAID

- 1.5.1 Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income.
- 1.5.2 All workers shall be provided with written and understandable information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.
- 1.5.3 Deductions from wages as a disciplinary measure shall not be permitted nor shall any deductions from wages not provided for by national law be permitted without the expressed permission of the worker concerned. All disciplinary measures should be recorded.

1.6 WORKING HOURS ARE NOT EXCESSIVE

- 1.6.1 Working hours comply with at least UK national laws and benchmark industry standards, whichever affords greater protection.
- 1.6.2 In any event, workers shall not on a regular basis be required to work in excess of 48 hours per week and shall be provided with at least one day off for every 7 day period on average. Overtime shall be voluntary, shall not exceed 12 hours per week, shall not be demanded on a regular basis and shall always be compensated at a premium rate.

1.7 NO DISCRIMINATION IS PRACTICED

- 1.7.1 There is no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.

1.8 REGULAR EMPLOYMENT IS PROVIDED

1.8.1 To every extent possible, work performed must be on the basis of recognised employment relationship established through national law and practice.

1.8.2 Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting, subcontracting, or home-working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment.

1.9 NO HARSH OR INHUMANE TREATMENT IS ALLOWED

1.9.1 Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.

1.10 NOTE ON THE PROVISIONS OF THE ETI BASE CODE

1.10.1 The provisions of the ETI Base Code constitute minimum and not maximum standards, and this code should not be used to prevent companies from exceeding these standards. Companies applying this ETI Base Code are expected to comply with national and other applicable law and, where the provisions of law and this ETI Base Code address the same subject, to apply that provision which affords the greater protection.

1.11 DEFINITIONS

1.11.1 In this Appendix 1 to Clause A28:

“Child” shall mean any person less than 15 years of age unless local minimum age law stipulates a higher age for work or mandatory schooling, in which case the higher age shall apply. If however, local minimum age law is set at 14 years of age in accordance with developing country exceptions under ILO Convention No. 11, the lower will apply.

“Young person” shall mean any worker over the age of a child as defined above and under the age of 18.

“Child labour” shall mean any work by a child or young person younger than the age(s) specified in the above definitions, which does not comply with the provisions of the relevant ILO standards, and any work that is likely to be hazardous or to interfere with the child's or young person's education, or to be harmful to the child's or young person's health or physical, mental, spiritual, moral or social development.