

## SCHEDULE 24

### Responsible Procurement

#### 1. Scope

This Schedule 24 sets out the provisions with regards to the responsible procurement themes of equality and supplier diversity training, ethical sourcing and environmental management. A list of TfL's equality and diversity definitions can be found in Annex 1 to this Schedule 24.

### PART A

#### Equality and Supplier Diversity

#### 2. Compliance

2.1 Without limiting any other provision of this Agreement, the Service Provider shall, in relation to the Services:

(A) not unlawfully discriminate; and

(B) procure that the Service Provider's Personnel do not unlawfully discriminate,

within the meaning and scope of the Equality Act 2010 (the "**Equality Act**") and any other relevant enactments in force from time to time relating to discrimination in employment.

#### 3. The General Equality Duty

3.1 The Service Provider acknowledges that under section 149 of the Equality Act TfL is under a duty to have due regard for the need to, amongst other things:

(A) eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by or under the Equality Act;

(B) advance equality of opportunity between people who share a relevant protected characteristic and persons who do not share it; and

(C) foster good relations between people who share a relevant protected characteristic and persons who do not.

3.2 As at the Effective Date, the nine (9) protected characteristics as set out in the Equality Act are: (i) age; (ii) disability; (iii) gender reassignment; (iv) marriage and civil partnership; (v) pregnancy and maternity; (vi) race; (vii) religion and belief; (viii) sex; and (ix) sexual orientation.

3.3 In the performance of this Agreement, the Service Provider shall, and shall procure that its Sub-Contractors shall, assist and co-operate with TfL to the greatest extent possible in satisfying this duty.

3.4 TfL's workplace harassment policy (the "**Workplace Harassment Policy**") as updated from time to time and notified to the Service Provider requires TfL's own staff

and those of its contractors to comply fully with the Workplace Harassment Policy to eradicate harassment in the workplace. The Service Provider shall:

- (A) ensure that its staff, and those of its Sub-Contractors who are engaged in the performance of this Agreement are fully conversant with the requirements of the Workplace Harassment Policy;
- (B) fully investigate allegations of workplace harassment in accordance with the Workplace Harassment Policy; and
- (C) ensure that appropriate, effective action is taken where harassment is found to have occurred.

#### 4. **Diversity Training Plan**

- 4.1 The initial Diversity Training Plan shall be submitted by the Service Provider for Approval within twenty (20) Business Days of the Effective Date or such other period specified in the Implementation Plan.
- 4.2 Once Approved, the Service Provider shall comply with the Approved Diversity Training Plan in relation to all of the Service Provider's Personnel and shall procure that each of its Sub-Contractors adopts and implements a diversity training plan in respect of their respective employees engaged in relation to the performance of this Agreement which is at least as extensive in scope as the Approved Diversity Training Plan.

#### 5. **Monitoring And Reporting**

- 5.1 Subject to paragraph 5.2, the Service Provider shall provide to TfL on the Effective Date and subsequently every twelve (12) months thereafter (or at such lesser or greater intervals as determined by TfL acting reasonably and notified to the Service Provider) the following information:
  - (A) the proportion of Service Provider's Personnel and, to the extent reasonably possible, the employees of its Sub-Contractors and Indirect Sub-Contractors engaged pursuant to the terms of the relevant sub-contracts in the performance of this Agreement, who are:
    - (1) female;
    - (2) of non-white British origin or who classify themselves as being non-white British;
    - (3) from the local community; and/or
    - (4) disabled; and
  - (B) the proportion of its Sub-Contractors and Indirect Sub-Contractors that are Small or Medium Enterprises and/or Black and Minority Ethnic Businesses (BMEs).
- 5.2 The Service Provider shall ensure at all times that it, its Sub-Contractors and its Indirect Sub-Contractors comply with the requirements of the Data Protection Act

1998 (as may be amended) in the collection and reporting of the information to TfL pursuant to paragraph 5.1.

## 6. **Diversity Infractions**

- 6.1 If the Service Provider or any of its Sub-Contractors commits a Diversity Infraction, TfL shall be entitled (but shall not be obliged) to:
- (A) without prejudice to any other right or remedy it might have under this Agreement and where a Diversity Infraction is committed by the Service Provider, serve written notice upon the Service Provider identifying in reasonable detail the nature of the Diversity Infraction and the Service Provider shall cease committing and remedy such Diversity Infraction within thirty (30) calendar days of receipt of such notice (or such longer period as may be specified by TfL in the notice); or
  - (B) where the Diversity Infraction is committed by a Sub-Contractor of the Service Provider, serve written notice upon the Service Provider identifying in reasonable detail the nature of the Diversity Infraction, and the Service Provider shall procure that the relevant Sub-Contractor ceases committing and remedies the Diversity Infraction within thirty (30) calendar days of receipt by the Service Provider of such notice (or such longer period as may be specified by TfL in the notice).
- 6.2 If the Service Provider fails to procure the remedy of any Diversity Infraction referred to in paragraph 6.1(B), TfL may (in its sole discretion) serve a further written notice upon the Service Provider and within thirty (30) calendar days of receipt of such further notice (or such longer period as may be specified by TfL in the notice), the Service Provider shall terminate the engagement of its Sub-Contractor under the relevant Sub-Contract and procure performance of the affected works or services by another Sub-Contractor and TfL may, in its sole discretion, require that the Service Provider provides evidence to substantiate such Sub-Contractor's compliance with the obligations specified in paragraphs 2 (*Compliance*) to 5 (*Monitoring And Reporting*) of this Schedule 24. The termination of any Sub-Contract pursuant to this paragraph shall not operate so as to relieve the Service Provider from the performance of any of its obligations under this Agreement.

## 7. **Equality and Diversity Audit**

- 7.1 TfL (or such Third Party as may be nominated by TfL) may undertake an audit of any and/or all information relating to the Service Provider's and any Sub-Contractor's and/or Indirect Sub-Contractor's compliance with paragraphs 2 (*Compliance*) to 5 (*Monitoring And Reporting*), of this Schedule in accordance with Clause 19 (*Records, Audit and Inspection*) of this Agreement.

## PART B

### Ethical Sourcing

#### 8. **Introduction to Ethical Sourcing**

- 8.1 TfL is committed to ensuring that workers employed in its supply chains throughout the world are treated fairly, humanely and equitably. In the course of complying with this Agreement, the Service Provider shall comply with and shall procure that its Sub-Contractors (as applicable) comply with those principles of the Ethical Trading Initiative (ETI) Base Code as are detailed in Annex 2 to this Schedule, or an equivalent code of conduct (the “**Ethical Sourcing Principles**”) in relation to the provision of the Services.
- 8.2 As soon as practicable following the Effective Date the Service Provider shall be registered with an ethical supplier database, such as SEDEX (Supplier Ethical Data Exchange). The Service Provider agrees that for the Term, it shall permit and enable TfL to have access to the information relating to the Service Provider that subsists in such ethical supplier database.
- 8.3 The Service Provider shall conduct risk analysis of (i) human rights issues, and (ii) labour conditions, of the supply chains used in the fulfilment of this Agreement, and shall agree with TfL a process for managing high-risk supply chains. This may include where appropriate the carrying out of social audits and the agreement of corrective action plans.
- 8.4 During the course of this Agreement, if TfL has reasonable cause to believe that the Service Provider is not complying with any of the Ethical Sourcing Principles, TfL shall notify the Service Provider and the Parties shall agree an action plan with appropriate timeframes for compliance by the Service Provider (the “**Action Plan**”), such Action Plan to be agreed by the Parties by no later than 20 (twenty) Business Days from the date of TfL notifying the Service Provider that remedial action is required or such other period as the Parties may otherwise agree in writing. The costs of the creation and implementation of the Action Plan shall be borne by the Service Provider.
- 8.5 During the course of this Agreement, TfL has the right to request the Service Provider to carry out one or more audits in accordance with Clause 19 (*Records, Audit and Inspection*) to verify whether the Service Provider is complying with the Ethical Sourcing Principles (or any associated Action Plan).

## PART C

### Environmental Management

#### 9. **Environmental Objectives**

9.1 The Service Provider shall be aware of and contribute towards the following which shall be referred to in this Part B (*Environmental Management*) to this Schedule 24 as the "**Environmental Objectives**":

- (A) reduce greenhouse gas emissions (CO<sub>2</sub>);
- (B) reduce pollutant emissions to the air (NO<sub>x</sub> and PM<sub>10</sub>);
- (C) reduce transport related noise and vibration;
- (D) maintain and, where possible, enhance the quality of London's built environment;
- (E) maintain and, where possible, enhance the quality of London's natural environment;
- (F) reduce resource consumption and improve green procurement;
- (G) reduce the waste generated by applying the principles of "reduce, reuse and recycle"; and
- (H) reduce water consumption.

#### 10. **Environmental Management System/Environmental Advisor**

10.1 The Service Provider shall operate for the Term of the Agreement an environmental management system (the "**Environmental Management System**"). This shall be independently accredited to BS EN ISO 14001: 2004 or equivalent within one (1) calendar year from the Effective Date. Additionally, at their own cost, the Service Provider shall appoint an environmental adviser (the "**Environmental Advisor**") who is suitably experienced in ISO14001 to review and ensure the Service Provider's activities are compliant with the principles of ISO14001. Prior to the assignment of the suitably experienced person to the role of Environmental Advisor to this Agreement TfL shall be provided with a copy of their CV and will have the right to reject the person on the grounds that they are not suitably qualified.

#### 11. **Identification, Mitigation and Recording of Environmental Impacts and Risks**

11.1 Wherever practicable, negative impacts shall be removed, designed out or avoided and positive impacts maximised.

#### 12. **Service Provider's Environmental Performance Reporting**

12.1 The Service Provider shall report the information listed in Table 1 (*Environmental Reporting Information*) below on an annual basis. The Service Provider and TfL will have a chance to further develop, in agreement, the content and scope of the report.

Table 1 (Environmental Reporting Information):

<b>Environmental Reporting Information</b>
<b>Greenhouse Gas (CO<sub>2</sub>) and Air Quality (NO<sub>x</sub> and PM<sub>10</sub>)</b>
<p>Amount of:</p> <ul style="list-style-type: none"> <li>• energy used at depots</li> <li>• energy used at offices</li> </ul> <p>The following information is to be collected for each vehicle used in the provision of the Services:</p> <ul style="list-style-type: none"> <li>• make and model</li> <li>• kilometres travelled</li> <li>• amount of fuel used (litres)</li> <li>• type of fuel used</li> <li>• Euro standard</li> </ul>

12.2 The Service Provider is responsible for managing and monitoring the environmental performance of its Sub-Contractors and ensuring that all proper controls are in place to ensure legal compliance and compliance with the Agreement.

12.3 The Service Provider is encouraged to suggest economically viable working methods and materials which may result in an improvement in environmental performance in the carrying out of the Services or an improvement in environmental performance of the completed Services.

### 13. **Environmental Managers' Meetings**

13.1 The Service Provider's Environmental Adviser shall attend a meeting chaired by TfL on an annual basis (or other such timeframe agreed between the Parties) to discuss with TfL and potentially Other Service Providers and/or Third Parties:

- (A) environmental legislation, Mayor of London strategies and TfL's Policies;
- (B) performance & benchmarking;
- (C) innovations & efficiencies; and
- (D) training.

### 14. **Control of Vehicle and Plant Emissions**

14.1 All Service Provider and Sub-Contractors' vehicles shall be procured or leased in accordance with the following principles:

- (A) consideration of CO<sub>2</sub>, air quality and noise impacts; and
- (B) adoption of a technology neutral approach.

14.2 All Service Provider's cars and vans shall meet the following CO<sub>2</sub> limits and European emission standards at the Operational Commencement Date:

- (A) cars - maximum certified CO<sub>2</sub> emissions of 95 g/km and a minimum of Euro 5 emission standards;

- (B) vans - equal to or less than 1205 kg kerb weight – maximum certified CO<sub>2</sub> emissions of 105 g/km and a minimum of Euro 5 emission standards;
- (C) vans between 1205 and 1660 kg kerb weight – maximum certified CO<sub>2</sub> emissions of 145 g/km and a minimum of Euro 5 emission standards; and
- (D) vans greater than 1660 kg kerb weight – maximum certified CO<sub>2</sub> emissions of 205 g/km and a minimum of Euro 5 emission standards.

14.3 If any road vehicles or non-road diesel engines become due for replacement during the Term of this Agreement, the Service Provider shall ensure that the replacement vehicle/engine meets the European emission standards and CO<sub>2</sub> limits (if applicable) for that calendar year in which it is introduced into the fleet. Standards and the calendar years in which they apply are shown in Table 2 (*European Emission Standards for Road Vehicles*), Table 3 (*European Emission Standards for Non-Road Diesel Engines*) and Table 4 (*Certified CO<sub>2</sub> Limits (g/km)*) below. If vehicles to meet the requirements are not available by the specified deadline, then TfL will consider an alternative standard until such time as those vehicles become available. The contractual requirement to meet these standards does not apply to Sub-Contractors' vehicles.

*Table 2: European Emission Standards for Road Vehicles:*

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Cars	Euro 5	Euro 6				
Vans ≤ 1205kg kerb weight	Euro 5	Euro 6				
Vans 1205-1660kg kerb weight	Euro 5	Euro 5	Euro 6	Euro 6	Euro 6	Euro 6
Vans >1660kg kerb weight	Euro 5	Euro 5	Euro 6	Euro 6	Euro 6	Euro 6
Heavy Duty Vehicles >3500kg	Euro 6					

*Table 3: European Emission Standards for Non-Road Diesel Engines:*

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Non-road diesel engines 19-37kW	Stage 3A					
Non-road diesel engines 37-56kW	Stage 3B					
Non-road diesel engines 56-560kW	Stage 3B	Stage 4				

Source: Relevant EU Directives as presented on [www.dieselnet.com](http://www.dieselnet.com)

*Table 4: Certified CO<sub>2</sub> Limits (g/km):*

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Cars	95	90	85	80	75	70
Vans ≤ 1205kg kerb weight	105	100	95	90	85	80
Vans 1205-1660kg kerb weight	145	140	135	130	125	120
Vans >1660kg kerb weight	205	200	195	190	185	180

Source: Derived from TfL's support fleet policy

14.4 In line with Mayoral environmental strategies and commitments to reduce carbon dioxide emissions, Service Providers are also encouraged to include zero or ultra low carbon vehicles and in their fleet, such as electric, plug-in hybrid or biomethane vehicles, where possible.

14.5 All members of the Service Provider's Personnel who drive vehicles under this Agreement are expected to have undertaken a fuel-efficient driver training course. The Service Provider shall encourage any Sub-Contractors to undertake similar fuel-efficient driver training. TfL may request evidence of the training from time to time.

15. **Environmental Training and Communication**

15.1 The Service Provider shall supply to their personnel appropriate environmental information and training necessary to undertake their role. The Service Provider shall provide to TfL at the Operational Commencement Date, and shall maintain and keep current, details of training, certification and competencies for all Service Provider's Personnel involved in the provision of the Services.

16. **Environmental Information Regulations 2004**

16.1 The Service Provider shall in the performance of their obligations under this Agreement comply with all obligations in relation to the Environmental Information Regulations 2004 as may be amended or superseded by equivalent legislation from time to time.

## ANNEX 1

### GENERAL EQUALITY AND DIVERSITY DEFINITIONS

#### a) **Access**

The methods by which people with a range of needs find out about and apply for employment opportunities and find out about and use services and information.

#### b) **Black Asian and Minority Ethnic Groups**

This is an inclusive term that refers to all ethnic groups who have a common experience of discrimination on the basis of their skin colour or ethnic origin.

#### c) **Children and young people** can be further subdivided into:

Young children – those that use the transport network escorted by parents or carers.

School children – those, usually at secondary school, that use the transport network independently or with members of their peer group.

Young adults – generally defined as ages 16 – 24, whether in education or employment.

#### d) **Consultation**

Any suitable means by which advice is given or views are exchanged. Consultation involves consultees in meaningful, genuine dialogue when proposals are still in the formative stage.

#### e) **Disability**

The Disability Discrimination Act 1995 defines disability as a physical or mental impairment, which has a substantial and long-term adverse effect on a person's ability to carry out normal day to day activities.

#### f) **Discrimination**

The law recognises two main types of discrimination, direct and indirect:

##### Direct discrimination

Occurs when someone is treated less favourably than others on the basis of their race, colour, age, religion, nationality (including citizenship), marital status, sex, sexual orientation, disability, ethnic or national origin, religion or belief.

##### Indirect discrimination

Occurs when a provision, criterion or practice is applied which applies equally to everyone, but can be shown to put people at a much greater disadvantage than others by reason of their race, sex, disability etc where such treatment cannot be objectively justified.

#### g) **Diversity**

The differences in the values, attitudes, cultural perspective, beliefs, ethnic background,

sexuality, skills, knowledge and life experiences of each individual in any group of people. Diversity is essentially the acknowledgement and respect of differences within and between groups of people and or organisations. The primary differences that are recognised legislatively are age, disability, ethnicity, faith, gender and sexual orientation. However, TfL accepts that our society is diverse in numerous other ways including employment and general social condition.

#### **h) Equalities**

A term used to refer to all work addressing issues of discrimination and disadvantage, particularly as it relates to age, disability, faith, gender, race or sexual orientation.

#### **i) Equality**

The vision or aim of creating a society (or aspects of society) where power and quality of life is shared equally and both individuals and groups are able to live their lives free from discrimination and oppression. The definition of equality that has been adopted by the GLA/TfL is that “An equal society protects and promotes equal, real freedom and the opportunity to live in the way people value and would choose, so that everyone can flourish. An equal society recognises people’s different needs, situations and goals, and removes the barriers that limit what people can do and be.” This is further explained as: “It is about what we can do to create a fairer society and recognises that equality is an issue for us all. We don’t all start from the same place and to create a fairer society we need to recognise different needs. This focuses on promoting equality for those groups who enjoy legal protection against discrimination, but also for other groups who may face discrimination and disadvantage – for example, due to class or income - whose needs have often been ignored.”

This is the definition adopted by the GLA/TfL in “Equal Life Chances for All” and is designed to ensure that all Londoners are able to access opportunities in all spheres without impediments.

#### **j) Equality and Supplier Diversity**

Equality and Supplier Diversity is the terminology that will be used in TfL to relate to what has previously been defined as the “supplier diversity” agenda. It is all embracing and reflects TfL’s approach to this aspect of Responsible Procurement and the delivery of the Mayor’s Equal Life Chances for All agenda. This term will be used to replace “supplier diversity” in all aspects of procurement other than when it is being used to refer to specific supply chain areas activities and the supplier diversity plan. For TfL the principles of equality and diversity underpin all that we do and all that our contractors do on our behalf. It is about recognising differences but at the same time recognising that equality and diversity are issues for us all.

#### **k) Equality Impact Assessments (EqIA)**

An EqIA is a means to ensure that what TfL does as a service provider and an employer meets the needs of all customers and staff. It is an exercise to test thinking and assumptions and to build in best practice at the design stage of a project. EqIA’s are a statutory requirement for public sector organisations. EqIA’s are used to ensure that the organisation does not discriminate and that equality is promoted whenever possible. This requires project managers to assess projects at the earliest possible stage of development to determine what if any impact the project is likely to have on the different Equality and Diversity target groups

in London. For any project where the impact is likely to be either positive or negative it is likely that Equality and Diversity will be a core requirement.

**l) Ethnicity**

An individual's identification with a group sharing any or all of the following: nationality, lifestyles, religion, customs and language.

**m) Equal Opportunities**

The development of practices that promote the possibility of fair and equal chances for all to develop their full potential in all aspects of life and the removal of barriers of discrimination and oppression experienced by certain groups.

**n) Exemplary Employer**

An employer that is at the leading edge of good practice, that people want to work for, and that offers favourable terms and conditions to its employees.

**o) Gender**

The social differences between women and men that have been learned are changeable over time and have wide variations both within and between cultures. The term is often used to differentiate from "sex" a term referring to biological differences.

**p) Gay**

This term is preferable when referring to gay men or women. The word "homosexual" (implying a condition or illness) is usually viewed as an offensive term by gay people. The word gay is normally attributed to men. However at times it can be used as an all-encompassing term for gay men, lesbians and bisexual people.

**q) Inclusion**

A belief in every person's inherent right to participate fully in society. The goal of inclusion is for all people to lead productive lives as full, participating members of their communities.

**r) Mainstreaming**

The integration of equalities into policy, development, implementation evaluation and review. Each part of the organisation accepts its own responsibility for promoting equality of opportunity and challenging discrimination.

**s) Medical Model of Disability**

The medical model looks at disability as being caused by medical symptoms. It is the impairments that prevent the person from fully participating in society, and the disabled person should adapt to fit into a non-disabled world. If this is not possible, then the needs should be met outside of mainstream society. It focuses on the disability rather than the needs of the person.

**t) Sexual Orientation**

A person's emotional, physical and/or sexual attraction, and the expression of that attraction. It is believed that (or) frequent studies have found sexual orientation is possibly something you are born with, and refers to both gay and heterosexual (or "straight") people.

u) **Social Inclusion**

The position from where someone can access and benefit from the full range of opportunities available to members of society. It aims to remove barriers for people or for groups that experience a combination of linked problems such as unemployment, poor skills, low incomes, poor housing, high crime environments, poor health and family breakdown.

v) **Social Model of Disability**

Disability is a social phenomenon. While many individuals have physical or sensory impairments, learning difficulties or are living with mental health, it is the way that society responds to these which creates disability and the impairment. The social model believes the "cure" to the problem of disability lies in the restructuring of society, an achievable goal that benefits everyone.

w) **Transgendered**

An acceptable term for referring to a person with a recognised medical condition known as gender dysphoria, where an individual has the desire to live and be accepted as a member of the opposite sex. Another commonly used term is transsexual. The terms trans man (female to male) and trans women (male to female) are also acceptable.

**Diverse Suppliers Definitions**

For the purposes of TfL's Procurement Equality and Supplier Diversity Programme, "Diverse Suppliers" comprise the following four subsets:

Small and Medium Enterprises (SMEs)

Black, Asian and Minority Ethnic (BAME) business

Suppliers from other under-represented or protected groups

Suppliers demonstrating a diverse workforce composition

The more detailed explanations of the four above subsets are given in the sections below.

a) **Small And Medium Enterprises (SMES)**

A **Small Enterprise** is a business which has both the following:

0-49 Full Time Equivalent employees;

AND EITHER

Turnover per annum of no more than £5.6 million net (or £6.72 million gross) in the last financial year;

OR

Balance sheet total of no more than £2.8 million net (£3.36 million gross).

A **Medium Enterprise** is a business which has both the following:

50-249 Full Time Equivalent employees;

AND EITHER

Turnover per annum of no more than £22.8 million net (or £27.36 million gross) in the last financial year;

OR

Balance sheet total of no more than £11.4 million net (or £13.68 million gross).

b) **Large Enterprise**

A **Large Enterprise** is a business which has both the following:

250 and over Full Time Equivalent employees;

AND EITHER

Turnover per annum over £22.8 million net (or £27.36 million gross) in the last financial year;

OR

Balance sheet total of over £11.4 million net (or £13.68 gross).

c) **Black, Asian And Minority Ethnic (BAME) Owned Businesses**

A Black Asian and Minority Ethnic business (BAME) is a business which is 51% or more owned by members of one or more minority ethnic groups.

Minority ethnic groups are all people including those who have classified themselves as members of ethnic groups other than "white British". The monitoring ethnic classification groups used by TfL for monitoring purposes are:

White British

Irish

Any other White background

Mixed White and Black Caribbean

White and Black African

White and Asian

Any other Mixed background

Asian or Asian British Indian

Pakistani

Bangladeshi

Any other Asian background

Black or Black British Caribbean

African

Any other Black background

Chinese or other Ethnic Group Chinese

Any other Ethnic Group

In respect of Tenderers who are based in countries other than the UK, local definitions of ethnic classification groups will be acceptable in respect of the BME definition.

**d) Suppliers From Other Under-Represented Groups Or Protected Groups**

A Supplier from an under-represented group is one which is 51% or more owned by members of one or more of the following groups (where not covered by previous definitions):

Women (gender)

Disabled people with physical and sensory impairments, learning difficulties and mental health requirements;

Lesbians, Gay men, Bisexual and Transgender people (sexual orientation); and

Older people (aged 60 or over), young people (aged 24 or under) (age)

A Supplier from a protected group is one which is 51% or more owned by members of a group for which protection is provided by anti-discriminatory legislation and which is not already covered by the above (such as religious, faith or belief groups, or alternatively, ownership by a social enterprise or a voluntary/community organisation).

**e) Suppliers Demonstrating A Diverse Workforce Composition**

This relates to Full Time Equivalent employees in the suppliers workforce who may be from one or more minority ethnic groups, and/or under-represented groups and/or protected groups as listed in d) above.

**ANNEX 2**

**INITIAL DIVERSITY TRAINING PLAN**

***[NOTE TO BIDDERS: The initial Diversity Training Plan will be inserted here]***

## ANNEX 3

### ETI BASE CODE (VERSION CURRENT AS OF 1 APRIL 2014)

#### Definitions Used in the ETI Base Code

##### **Child**

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 the International Labour Organisation Convention No. 11, the lower will apply.

##### **Young person**

Any worker over the age of a child as defined above and under the age of 18.

##### **Child labour**

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 International Labour Organisation 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.

#### The ETI Base Code

##### **1. Employment is Freely Chosen**

1.1 There is no forced, bonded or involuntary prison labour.

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.

##### **2. Freedom of Association and the Right to Collective Bargaining are Respected.**

2.1 Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively.

2.2 The employer adopts an open attitude towards the activities of trade unions and their organisational activities.

2.3 Workers representatives are not discriminated against and have access to carry out their representative functions in the workplace.

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.

##### **3. Working Conditions are Safe and Hygienic**

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.

- 3.2 Workers shall receive regular and recorded Health and Safety training, and such training shall be repeated for new or reassigned workers.
- 3.3 Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided.
- 3.4 Accommodation, where provided, shall be clean, safe, and meet the basic needs of the workers.
- 3.5 The company observing the code shall assign responsibility for Health and Safety to a Senior Management representative.

#### 4. **Child Labour Shall Not Be Used**

- 4.1 There shall be no new recruitment of child labour.
- 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.
- 4.3 Children and young persons under eighteen (18) years old shall not be employed at night or in hazardous conditions.
- 4.4 These policies and procedures shall conform to the provisions of the relevant International Labour Organisation standards.

#### 5. **Living Wages are Paid**

- 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.
- 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.
- 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.

#### 6. **Working Hours Are Not Excessive**

- 6.1 Working hours must comply with national laws, collective agreements, and the provisions of 6.2 to 6.6 below, whichever affords the greater protection for workers. Paragraphs 6.2 to 6.6 are based on international labour standards.
- 6.2 Working hours, excluding overtime, shall be defined by contract, and shall not exceed 48 hours per week.\*

- 6.3 All overtime shall be voluntary. Overtime shall be used responsibly, taking into account all the following: the extent, frequency and hours worked by individual workers and the workforce as a whole. It shall not be used to replace regular employment. Overtime shall always be compensated at a premium rate, which is recommended to be not less than 125% of the regular rate of pay.
- 6.4 The total hours worked in any seven day period shall not exceed 60 hours, except where covered by paragraph 6.5 below.
- 6.5 Working hours may exceed 60 hours in any seven day period only in exceptional circumstances where all of the following are met:
- this is allowed by national law;
  - this is allowed by a collective agreement freely negotiated with a workers' organisation representing a significant portion of the workforce;
  - appropriate safeguards are taken to protect the workers' health and safety; and
  - the employer can demonstrate that exceptional circumstances apply such as unexpected production peaks, accidents or emergencies.
- 6.6 Workers shall be provided with at least one day off in every seven day period or, where allowed by national law, two days off in every 14 day period.

\* International standards recommend the progressive reduction of normal hours of work, when appropriate, to 40 hours per week, without any reduction in workers' wages as hours are reduced.

## 7. **No Discrimination is Practised**

- 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.

## 8. **Regular Employment if Provided**

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

## 9. **No Harsh or Inhumane Treatment is Allowed**

- 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.

**10. Note on the provisions of the ETI Base Code**

- 10.1 The provisions of this code constitute minimum and not maximum standards, and this code should not be used to prevent companies from exceeding these standards. Companies applying this 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.