



**Global Standard
ETHICAL TRADE
AND RESPONSIBLE
SOURCING
ISSUE 2.1**

INTERPRETATION GUIDELINE

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ISBN: 978-1-78490-472-2

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¹ BRCGS is a trading name of BRC Trading Ltd. BRCGS is part of LGC ASSURE

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Part I

Introduction

Welcome to the interpretation guideline for issue 2.1 of the Global Standard Ethical Trade and Responsible Sourcing (hereafter referred to as the Standard). The interpretation guideline is designed to provide an accompaniment to Issue 2.1 of the Standard and should be read in conjunction with it. The full details of the audit process and protocol are contained within the Standard.

This document helps in the understanding of each requirement of the Standard and identifies methods of compliance. Examples are given to explain the type of documents, procedures and level of detail that would be required by a social compliance audit team. In this document ethical trade and responsible sourcing will be shortened to ETRS.

The contents of the guideline help to interpret the Standard, but the guidance therein does not form part of the audit requirements. Sites should consider how content in the guideline relates to their location and situation-specific issues in order to determine how to treat those issues within their processes, policies and procedures, and thereby meet the requirements of the Standard. In addition, because legislative and voluntary ETRS requirements change frequently, sites should regularly review them in relation to their own operations to ensure that they are still within compliance. In all cases, a site's practices, processes and procedures should withstand challenge by an audit team.

Achieving conformity with a requirement is based on evidence collected by the audit team, including observations made and worker interviews undertaken during the audit, and on the ETRS procedures laid down within their processes. The level of non-conformity assigned against a requirement of the Standard by an audit team is an objective judgement that is based on severity and risk, and on the evidence seen during the audit which has been independently verified by the certification body management.

Who undertakes the audits?

BRCGS does not undertake audits itself. BRCGS is the Standard owner, documenting the requirements on behalf of stakeholders and controlling the operation of the audit scheme. The Standard is written by a committee of international specialists and representatives that includes retailers, suppliers, academics and certification bodies, coordinated by BRCGS. Audits are undertaken by approved certification bodies.

The BRCGS technical team controls how audits are undertaken through the specification of the audit protocol and supporting rules and regulations. Monitoring of certification bodies and auditors is undertaken by the BRCGS compliance team; therefore, the site must select a certification body approved by BRCGS. There is a worldwide choice of such bodies and a list can be found at brcgsdirectory.com. Certification bodies need to ensure that their auditors are appropriately qualified to undertake an ETRS audit and conform to the site and its customers' requirements.

Cost of audits

Audit costs vary and are set by the individual certification bodies. They may include the expenses of the audit team (e.g. travel).

Outline of the audit protocol

The Standard provides the framework for the evaluation of a site's ETRS processes and its capability and effectiveness to deliver against its objectives and targets.

Part II

Guidance on the requirements

1 Senior management commitment

1.1 Senior management commitment and continual improvement

The site's senior management shall demonstrate that they are fully committed to the implementation of the requirements of the Global Standard Ethical Trade and Responsible Sourcing and to policies, processes and procedures which facilitate continual improvement of ethical trade and responsible sourcing good practice.

Interpretation

The Standard outlines a system that focuses on process and procedure. To fulfil its requirements a site should develop effective policies and procedures that cover every aspect of its operation that helps to enhance its performance and fulfil the principal objective of protecting the safety, well-being and human rights of its staff. The policies and procedures should relate to the key aspects of the Standard, such as labour standards, health and safety at work, protecting human rights, and corporate governance. However, even the best management system will fail if it does not have senior management commitment.

Without senior management, the site will fail to achieve its objectives and targets for the ETRS processes. A committed senior management team will ensure that the required resources and investment are available, and will help to foster a positive culture on site that endorses the fair treatment of all staff, whether they are permanent, temporary, fixed term, vulnerable, migrant or otherwise. In turn, the ethos of the site's culture will be communicated to external contractors, service providers and suppliers, so that everyone understands and supports the objectives of the ETRS requirements across all aspects of the site's operations.

To show that a site's senior management are committed, they should be fully engaged in the development and implementation of the site's ETRS processes and its continual improvement and ongoing compliance with the Standard.

Clause	Requirements
1.1.1	<p>There shall be written policies that are signed off by senior management, showing the site's commitment to:</p> <ul style="list-style-type: none"> • no recruitment or employment of child labour and the protection of the rights of young workers • recognising, respecting and upholding the workers' rights to freely associate and bargain collectively • no discrimination within its operation including the unjust, unfair or prejudicial treatment of any worker • ensuring the health, safety and welfare of its workers • respecting, protecting and avoiding the infringement of the human rights of others, including no forced or bonded labour or human trafficking • ethical conduct and integrity within its operations, including zero-tolerance of bribery, corruption and fraud • information security and data protection. <p>All these policies shall form the basis of the site's ethical trade and responsible sourcing management system, referring to its intention to meet its obligation to comply with local, national and international laws, all relevant regulations, the principles of responsible sourcing, and the protection of basic human rights, and to uphold its responsibilities to its workers and in support of customer codes and requirements.</p>

Interpretation

Written policies show that the site's senior management are committed to the principles of ETRS, providing a reference point for both internal and external stakeholders. The policies should clearly state their commitment to respecting and upholding these principles.

Although the Standard does not tell a site what to define in its policies, it does expect the following issues to be addressed:

- **Elimination of child labour** The policy may refer to the UN Convention on the Rights of the Child which states that a child is a person under the age of 18 and has rights that should be recognised and respected. It may also reference the conventions of the International Labour Organization (ILO) on child labour, including 138 and 182, stating that no person under the age of 15 should be employed (although exceptions may apply in certain countries) and that young workers under the age of 18 should not be exposed to inappropriate, hazardous or dangerous work. It should explain what would happen if a child was found working on site; for example, what senior management would do to support and safeguard the child (whether they are directly employed by the site or working through a subcontractor or third-party employment agency) so that the child is protected until they reach adulthood and are empowered to make their own decisions.
- **Elimination and prevention of discrimination** This includes an explanation of what constitutes discrimination in the workplace (e.g. where a worker is treated differently or unfairly based on race, caste, nationality, religious beliefs, age, disability, gender, marital status, sexual orientation, union membership, political affiliation or any other characteristic that could lead to discrimination). The policy should also outline the steps that senior management would take when cases of discrimination are found in the workplace.
- **Ensuring the health and safety of its workers** An explanation of how senior management intends to manage health and safety issues (e.g. its aims and objectives for managing its legal obligations) should be included, together with named individuals who have responsibility for these issues (e.g. the senior manager and elected worker representatives). It should also state how hazards and risks will be identified and managed (e.g. by conducting health and safety risk assessments, where recommendations are reflected in procedures and work instructions).