



Supply Chain Responsibility Standard

August 2021

DERWENT
LONDON

Purpose

The primary purpose of this standard is to clearly set out our principles and expectations in terms of the environmental, social, ethical and governance issues which relate to our supply chains. It renews our commitment to ensuring our supply chain remains as engaged as we are in setting the highest standards. These issues have been determined by undertaking a comprehensive review of our supply chains and the responsibility-focused issues which pertain to them, whilst looking beyond simple legislative compliance. The issues have been characterised under the following headline themes:

- Governance
- Employment and labour practices
- Modern Slavery
- Diversity and inclusion
- Payment practices
- Health and safety
- Environmental standards
- Community

Furthermore, we have reviewed best practice in terms of sustainable supply chain management e.g. BS 8903 and the Ethical Trading Initiative (ETI) Base Code, to understand how we can improve our performance and that of our supply chains.

All our suppliers are expected to read, acknowledge and comply with this standard. However, it has not been designed to be a 'one-size-fits-all' document, recognising that its emphasis will be different for each supplier depending on their service provision to us, although the fundamental principles will be the same throughout.

Set out in the following pages are the standards we expect our suppliers to abide by.

Governance

As a minimum:

- We will not tolerate any form of corruption, bribery or anti-competitive behaviour/ actions in our supply chain.

Moreover we expect:

- Suppliers to operate an ethical business policy which sets out how they govern their business and supply chains.
- Suppliers to ensure robust data protection and IT procedures for their business, clients and supply chains.
- Suppliers to have the correct financial procedures in place to record all transactions in accordance with accepted accounting principles.

Employment and labour practices

As a minimum:

- Suppliers are to comply with the relevant employee based legislation.

Moreover we expect:

- Fair pay and working time practices which ensure compliance with national minimum wage and the London living wage together with working time legislation.
- No use of exclusive zero hours contracts.
- Suppliers to respect the rights of employees with regards to collective bargaining and the rights of freedom of association.
- Suppliers to have appropriately documented grievance procedures which are clearly communicated and made fully available to employees.

Modern slavery

As a minimum:

- Suppliers are to comply with the relevant legislation, more specifically the Modern Slavery Act 2015.

Moreover we expect:

- Suppliers to minimise the risk of modern slavery and human trafficking occurring within their activities and supply chain to a minimum, if not zero.
- Suppliers that are not obliged by law to comply with the Modern Slavery Act 2015 to have in place a policy that reflects the principles of the Modern Slavery Act 2015.
- Suppliers to adopt a policy that discourages illegal, forced or child labour.
- Suppliers to provide training for its employees on the subject of Modern Slavery.
- Suppliers to have provisions in place that endeavour to ensure their supply chain also adheres to the Modern Slavery Act 2015.

Diversity and inclusion

As a minimum:

- Suppliers are to comply with the relevant employee based legislation, more specifically the Equality Act 2010.

Moreover we expect:

- Suppliers to have in place appropriate equality and diversity policies to ensure the active promotion of employment diversity.
- Suppliers to ensure all policies are communicated to employees and training provided.
- Procedures in place to safeguard against bullying, harassment and discrimination.

Payment practices

As a minimum:

- Unless otherwise stated we aim to pay our suppliers within 30 days or otherwise will do so in accordance with specified contract conditions, and are signatories of the Prompt Payment Code, further demonstrating our commitment to fair payment.
- We are committed to operating our business in an honest and ethical manner, and therefore will not tolerate any form of dishonesty, including any form of tax evasion or the facilitation of fraudulent tax evasion in our supply chain.

Moreover we expect:

- Suppliers to adopt similar payment practices throughout their supply chains to ensure fair and prompt payment.
- Suppliers to have in place the appropriate processes and procedures to ensure that the fraudulent facilitation of tax evasion does not occur in their supply chains.

Health and safety

- Suppliers are expected to annually review their health and safety policy statement and management systems appropriate to the nature and scale of their business and service provision, to ensure compliance with all relevant health and safety legislation.
- Suppliers working on our development sites and in our buildings are expected to comply with Derwent London's health and safety standards and procedures ('The Derwent Way'). Evidence checks to ensure compliance will be made by our in-house health and safety team.

Environmental Standards

As a minimum:

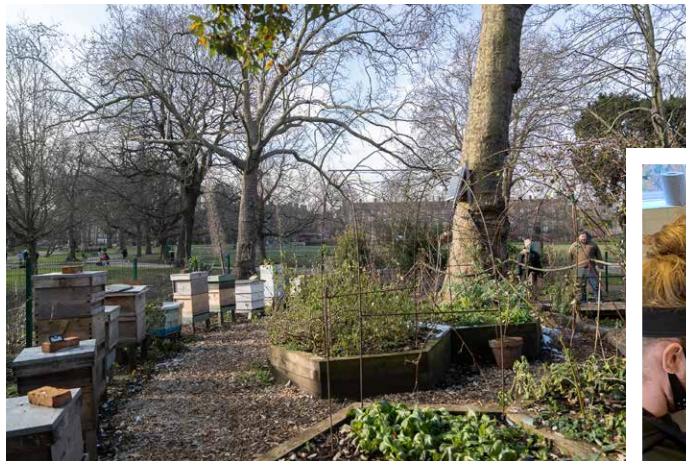
- Suppliers are to have robust environmental management policies and procedures in place appropriate to the nature and scale of their business. Likewise to read and comply with the Derwent London Responsible Development Framework and/or Assets whichever is applicable to the nature of their business/service provision.
- On our development projects we expect our main contractors to have a certified environmental management system (EMS) in place accredited to ISO14001 or EMAS (Eco-Management and Audit Scheme).

We also expect:

- Suppliers to support us in achieving our ambitions, including our net zero carbon pathway through but not limited to the following:
 - Procuring / utilising renewable energy in operational processes.
 - Investigating and implementing all electric vehicles for deliveries.
 - Encouraging staff to use sustainable transport for commuting (public transport, bicycle etc).
 - Where procuring products for use in our buildings, consider their sustainability credentials (responsible sourcing, environmental product declarations, International Association for Soaps, Detergents and Maintenance Products (A.I.S.E.), Eco-label etc.).
 - Engaging with manufacturers on circular economy and reducing single-used plastic where feasible.

Community

- Suppliers are expected to support us in the successful delivery of our Community Strategy which means:
 - They are, where appropriate (and with our consultation and prior approval) to engage with local community stakeholders to develop relationships and minimise disruption.
 - Development contractors on our larger schemes are to achieve our minimum target score (currently 38) in the Considerate Constructors Scheme. Likewise undertake at least one community day every year during the life of a project.
 - Offering full and fair opportunity for local suppliers to actively participate in their/our supply chains.
 - Offering local employment and apprenticeship opportunities.



Beehives at Kennington Park by Bee Urban (cleaning contractor Hive Cleaning adopts a beehive with every new contract)



The Soup Kitchen, Fitzrovia (Derwent London Community Fund)

Delivery and process

In delivering this standard we recognise that not everything we purchase will have a responsibility impact – significant or otherwise. However, to ensure we are focusing our efforts in the right areas of our supply chain we undertake a spend risk review set against the sustainability issues set out above, to identify and prioritise the areas of highest risk. By using the spend threshold of £20,000 we are able to review and subsequently influence the most significant and regular areas of our total spend.

In order to identify the most relevant suppliers in our supply chain the spend risk review is carried out biennially. A questionnaire is then issued to these suppliers which encompasses all of the headline issues referred to above. Subsequent responses enable us to monitor any high risk areas and, where appropriate, seek further clarification and evidence from our suppliers to ensure they are compliant with our requirements. Where necessary further support and signposting will be provided.

In addition, those suppliers with whom we spend less than £20,000 will still be expected to identify and address any significant risks. As a result we are confident we are reaching sufficiently into our supply chains to ensure good visibility and compliance.



CONTACT US

If you have any further questions, please do not hesitate to contact the relevant person at Derwent London, or email us at sustainability@derwentlondon.com



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