

Sustainable supply chains



Information about Byggvarubedömningen's self assessment questionnaire



Introduction

- The purpose of this document is to briefly explain what is expected of suppliers who have products registered in Byggvarubedömningen when it comes to our social criteria regarding sustainable supply chains. More detailed description are presented in Byggvarubedömningen's criteria document available on our website: <https://byggvarubedomningen.com/assessments/sustainable-supply-chains/>.
- It is possible to apply for assessment on the social criteria. This is done by answering our self assessment questionnaire (SAQ) and include verifying documentation. To apply for assessment, email social@byggvarubedomningen.se. We will review the SAQ including the verifying documents based on the criteria document to assess whether the supplier has processes and routines in place to manage risks and deviations related to human rights, working conditions, environment and anti-corruption within its own business and in the product's supply chain.
- At the end of this presentation, there are a number of appendices that aim to guide and assist suppliers in their work with sustainable supply chains.

Byggvarubedömningen's social criteria

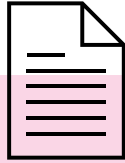
Byggvarubedömningen's social criteria is a long-term initiative

- Byggvarubedömningen's social criteria was launched in 2016 on request from our members.
- It is a **long-term and on-going initiative** to develop the industry and ensure responsible supply chains.
- The criteria are based on the **UN Guiding Principles on Business and Human Rights***.
- The criteria includes four fundamental areas (see appendix 1 for more information):
 - Human Rights
 - Working conditions
 - Environment
 - Anti-corruption
- Suppliers are expected to conduct a systematic work regarding sustainability in its own operations and in the product's supply chain.

* Find out more about the principles here:
https://www.ohchr.org/documents/publications/guidingprinciplesbusinesshr_en.pdf

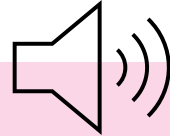


A systematic work includes six important steps



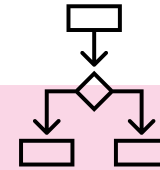
1. POLICY COMMITMENT

The supplier shall have adopted a publicly available policy commitment/Code of Conduct, approved by senior management, which includes a commitment to respect the fundamental areas.



2. COMMUNICATING THE POLICY COMMITMENT

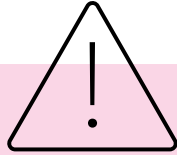
The supplier shall have adopted procedures to convey the commitment to respect the fundamental areas in its own businesses and in the supply chain.



3. DIVISION OF RESPONSIBILITY

The supplier shall have appointed a person/s at management level with overall responsibility for compliance of the fundamental areas.

Cont. a systematic work includes six important steps



4. RISK ANALYSIS

The supplier shall have adopted routines to regularly carry out risk analyses, i.e. to identify and prioritise current and potential risks of deviation from the fundamental areas.



5. FOLLOW-UP

The supplier shall have adopted routines for regular follow-up of compliance with the fundamental areas.



6. COMPLIANCE MANAGEMENT

The supplier shall have adopted routines to take immediate action to prevent and limit deviations from the fundamental areas, and to address identified deviations.

1. Policy commitment

The supplier shall have adopted a publicly available policy commitment/Code of Conduct, approved by senior management, which includes a commitment to respect the fundamental terms.

To comply with criteria concerning policy obligation, the supplier shall have adopted a policy that:

- At least covers the Terms and Conditions (see Appendix 1).
- Be approved by senior management.
- Be publicly available, for example at the workplace or on a company website.



2. Communicating the policy commitment

The supplier shall have adopted routines to convey their commitment to respect the fundamental terms in their own operation and in the supply chain.

To comply with criteria concerning communicating the policy commitment, the supplier shall:

- Communicate its commitment to relevant employees within the company.
- In writing communicate the commitment to respect the fundamental terms to business partners (first tier suppliers).
- Explain how it ensures that the fundamental terms are conveyed upstream in the supply chain (beyond first tier).



3. Division of responsibility

The supplier shall have appointed a person/s at management level with overall responsibility for compliance of the fundamental terms.

To comply with criteria concerning division of responsibility, the supplier shall:

- Have appointed one or more people at the executive level to be responsible for matters concerning the fundamental terms.
- Have made clear what that responsibility entails.

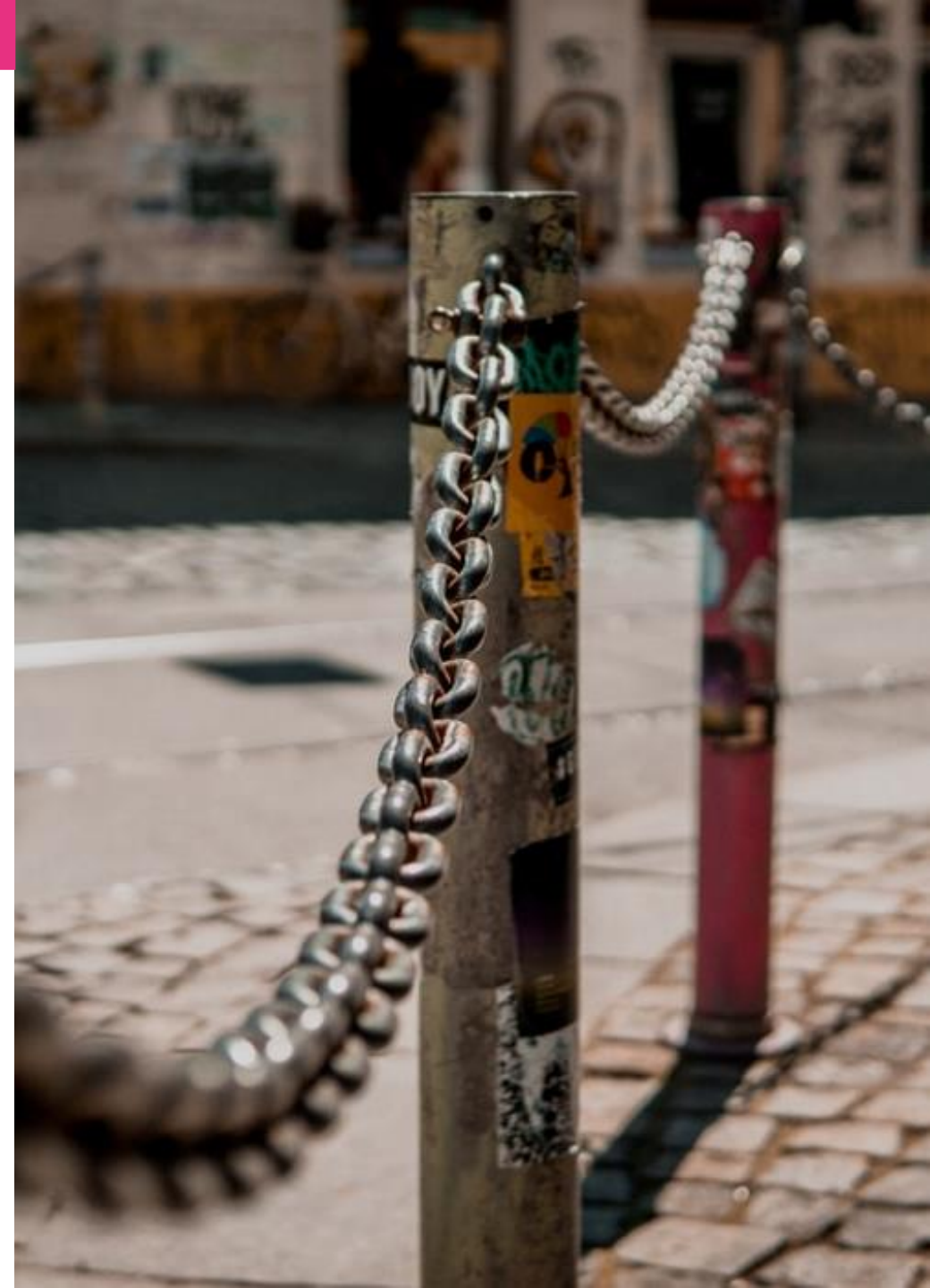


4. Risk analysis

The supplier shall have adopted routines to regularly carry out risk analyses, i.e. to identify and prioritise current and potential risks of deviation from the fundamental terms, as well as mapping the supply chain with special regard to high risk operations.

To comply with the criteria concerning risk analysis, the supplier shall:

- Describe the identified risks in the product's supply chain.
- Map the supply chain, with particular consideration given to high risk operations.
- Describe how they identify current and potential risks in the supply chain concerning compliance with the fundamental terms.
- Describe how they prioritise their risks according to level of severity.



5. Follow-up

The supplier shall have adopted routines for regular follow-up of compliance with the fundamental terms.

To comply with the criteria regarding follow-up the supplier shall:

- Describe the activities the company undertakes to manage identified risks in their own operations and in the product's supply chain.
- Describe how systematic follow-up of compliance with the fundamental terms in their own operations and in the supply chain is conducted, such as how suppliers and subcontractors are selected for follow-up in relation to the identified risks.



6. Compliance management

The supplier shall have adopted routines to take immediate action to prevent and limit deviations from the fundamental terms, and to address identified deviations.

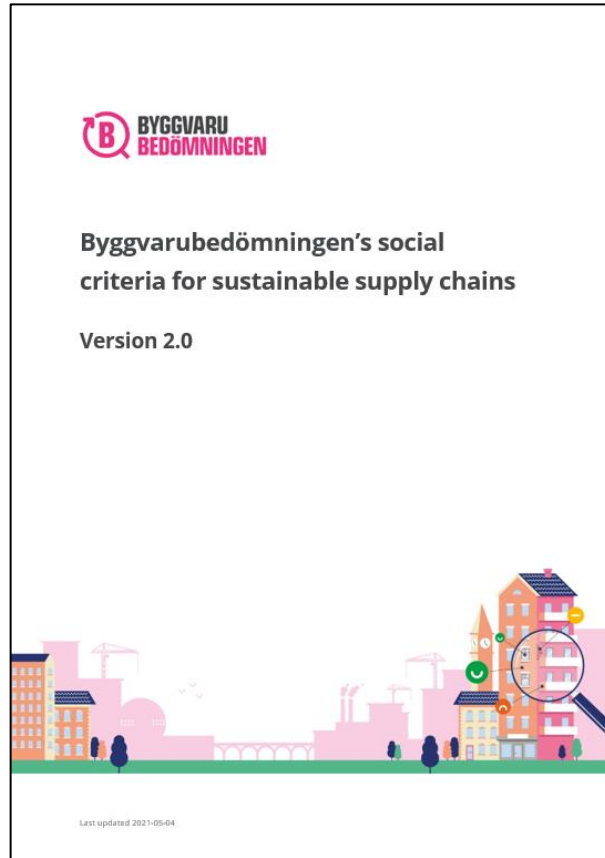
To comply with the criteria regarding compliance management the supplier shall:

- Report whether there has been any non-compliance with the fundamental terms during the past three years, and if so, describe how such non-compliance has been managed.
- Describe how systematic compliance management is set up in their own operations and in the supply chain, considering the nature and severity of the non-compliance.

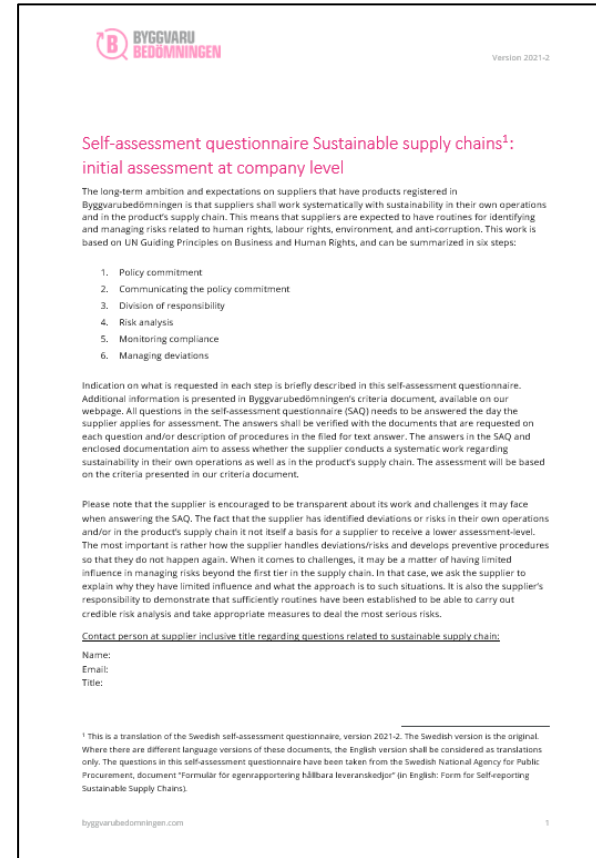


Practical details

Two important documents in regards to assessment



Criteria document - explains the criteria and the six steps regarding sustainable supply chains



SAQ – the supplier explains its work with sustainable supply chains



Time for assessment – what is assessed and how?

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That the supplier has processes and routines in place to handle risks and deviations linked to human rights, working conditions, environment and anti-corruption within its own operations and in the product's supply chain. Assessment is done based on the criteria in the criteria document.

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Byggvarubedömningen will go through:

- Filled in SAQ
- Policy/Code of Conduct
- Documentation of risk analysis
- Documentation of mapping the supply chain
- Documentation of follow-up

From interested in the social criteria to assessment

- 1 Supplier applies for assessment on SAQ sustainable supply chains by email**
Byggvarubedömningen gets back to the supplier with information that the assessment is complete or that additional information/documents are needed in order to proceed with the assessment.
- 2 Byggvarubedömningen performs an assessment of the supplier's systematic work based on the answers in the SAQ and verifying documentation**
Feedback to the supplier with results of the assessment within one month:
 - Assessment level "Accepted" or "Recommended" → step 5
 - Adjustments needed (action plan) → step 3-4
- 3 The supplier submits descriptions of the actions taken in the action plan in combination with relevant verifying documentation**
In the action plan it is stated in what timeframe the supplier shall return to Byggvarubedömningen (e.g. 1, 3 or 6 months).
- 4 Byggvarubedömningen makes a new assessment based on the description of taken actions and verifying documentation**
Feedback to the supplier with results of the assessment within one month.
- 5 Byggvarubedömningen publish the assessment of the sample product in Byggvarubedömningen's web service**
Control/verification will take place every five years.
- 6 Suppliers that reach the assessment level "Accepted" or "Recommended" has the possibility to add more products to their assessment**
Please contact social@byggvarubedomningen.se to add more products.

Appendices

Appendix 1 – The fundamental terms

Appendix 2 – Risk analysis, example of questions to ask and analyse

Appendix 3 – Example of external sources to identify risks

Appendix 1 – The fundamental terms

Products should be produced under conditions that are compatible with:

- the UN's Universal Declaration of Human Rights,
- the ILO's eight Fundamental Conventions on forced labour, child labour, discrimination and freedom of association, as well as the right to organise (no. 29, 87, 98, 100, 105, 111, 138 and 182),
- the UN Convention on the Rights of the Child, Article 32,
- the labour law legislation that applies in the country where the work is carried out, including provisions on pay, working hours, leave and work environment,
- the environmental protection legislation that applies in the country where the product/s is/are produced,
- the UN Convention against Corruption

Appendix 2 – Risk analysis, example of questions to ask and analyse

Country	Type of product/sector	Business model/purchase model
<ul style="list-style-type: none"> • In what countries does extraction of raw materials/production of the product takes place? • What risk associated with human rights, labour rights, environment and corruption exists in the country/countries (see next page for example of external sources to use)? • How is the political situation in the country/countries? Is the legislation generally respected? 	<ul style="list-style-type: none"> • What actors are involved in the supply chain for the product (e.g. employees in the extraction of raw materials/production of the product, security guards, carriers etc.)? • Are dangerous chemicals/ substances, heavy machines, a large amount of water or natural resources needed in order to extract the raw material/produce the product? Does noise occur? • Is intensive work, manual work or unqualified work required to produce the product? • Is the sector seasonal/is there a risk of overtime/migrant workers? 	<p>The company's business model/purchase model may affect your ability to identify risks:</p> <ul style="list-style-type: none"> • Are purchases done via agents? • Is the supplier base changed often? • Are many product-groups handled?

Appendix 3 – Example of external sources to identify risks

Name	Description	Web-page
amfori BSCI Country Risk Classification	Shows land risk based on six dimensions identified by the World Bank; Voice and Accountability, Political Stability and Absence of Violence/Terrorism, Government Effectiveness, Regulatory Quality, Rule of Law and Control of Corruption. If the country is defined as a risk country, it may be an indication that one should be observant and have a plan for how to manage the risks associated with the country.	https://www.amfori.org/sites/default/files/amfori-2020-02-06-country-risk-classification-2020.pdf
amfori BSCI Countries Indicators	Shows risks that may exist in the specific country associated with social, environmental and trade indicators.	http://duediligence.amfori.org/countryDueDiligence
Byggvarubedömningen (only available in Swedish)	Byggvarubedömningen has produced two risk reports that compile risks associated with natural stone and products that contain a lot of steel.	https://byggvarubedomning.en.se/bedomningar/hallbara-leveranskedjor/sociala-kriterier/#Chapter
Freedom House	Rank countries and territories according to their political rights and civil liberties.	https://freedomhouse.org/explore-the-map?type=fiw&year=2020

Appendix 3 – Example of external sources to identify risks

Name	Description	Web-page
MVO Nederland CSR Risk Check	Visualizes which risks that exists in the world's countries linked to human rights, labor law, environment and fair business practices.	https://www.mvorisicochecker.nl/en/worldmap
Swedwatch - Risk analysis of building materials and construction products (only available in Swedish. An overview of the result is presented in the end of this presentation).	Swedwatch has, on behalf of the Oslo municipality, conducted a risk analysis in order to identify risk related to human rights and working conditions for common construction products and building materials. The risk analysis aims to provide an overview of which product categories where there is the greatest risk of negative impact.	https://www.oslo.kommune.no/getfile.php/13223000-1496218921/Tjenester%20og%20tilbud/Politikk%20og%20administrasjon/Anskaffelser/Risikoanalyser%20p%C3%A5%20byggmaterialer%20og%20produkter%2C%20for%20Oslo%20kommune%202017.pdf
The Global Slavery Index	Country-by-country estimate of the number of people living in slavery today.	https://www.globallslaveryindex.org/2018/data/maps/#prevalence

Appendix 3 – Example of external sources to identify risks

Name	Description	Web-page
The ITUC Global Rights Index	Visualizes which countries that are the worst countries for workers when it comes to labour rights.	https://www.ituc-csi.org/IMG/pdf/ituc_globalrightsindex_2020_infographics_en.pdf
Trafficking in Persons Report	Rank governments based on their perceived effort to acknowledge and confess human trafficking.	https://www.state.gov/wp-content/uploads/2020/06/2020-TIP-Report-Complete-062420-FINAL.pdf
Transparency International Corruption Perception Index	Rank countries according to their perceived levels of corruption.	https://www.transparency.org/en/cpi/2020/index/nzl
The Government Offices of Sweden (only available in Swedish)	The Government Offices of Sweden publish specific land-reports about human rights, democracy and the rule of law in the countries where Sweden have permanent presence. The reports provide good input in order to determine the risk level in the countries.	https://www.gov.se/regerings-politik/demokrati-och-manskliga-rattigheter/rapporter-om-manskliga-rattigheter-i-varlden/

Appendix 3 – Example of external sources to identify risks

Name	Description	Web-page
Unicef Children's Rights in the Workplace	Measures to what extent states regulate child labor in a selection of countries.	https://unicef-childrens-rights-atlas.herokuapp.com/country-data/workplace/
United State Department of Labor	Specific information about child labour in each country and information about products where it may be a risk of child labour.	https://www.dol.gov/agencies/ilab/resources/reports/child-labor/findings

Appendix 3 – Example of external sources to identify risks. Summary of Swedwatch’s risk analysis

Most products/ materials involve some form of risk regarding human rights and labour conditions

Product/material	Rawmaterial	Production
Concrete	High risk	Very low risk
Steel and aluminium	High risk	Medium risk
Pipes	High risk	Very low risk
Screw and nail (fastener)	High risk	High risk
Wood/tree	Medium risk	Medium risk
Glass and windows	Medium risk	Very low risk
Floor	High risk	Medium risk
Drywall	Medium risk	Very low risk
Ceramics	Medium risk	Medium risk
Isolation	High risk	Very low risk
Paint	High risk	Low risk
Ventilation	High risk	Low risk
Glue, sealants, spackling paste	Medium risk	Low risk
Electronics	High risk	High risk



Source: [Riskanalys av byggmaterial och byggprodukter \(Swedwatch, 2017\)](#) (in Swedish)

We make it easier to
build sustainably