

Embedding the highest standards of social performance

Instilling human rights practices in organizations and their value chain

Internal and supplier audit solutions



Inspiring trust through best practice

The responsibility for businesses to respect and uphold social standards has never been greater.

When companies prioritize human rights* they're able to build strong relationships. Not only with their own workers and those within their supplier networks, but with their community and their customers too. It's not only a moral imperative, but a critical component of longlasting success.

By embracing social principles, your organization can align itself with the values of an increasingly expectant consumer base, while also taking bold steps towards an equitable and sustainable global economy.

To achieve this, forward-thinking organizations such as yours are conducting audits to evaluate, assess and improve human rights practices within their organization and throughout their supply chain.

Read on to learn more about:

Understanding today's landscape 3
Social responsibility drivers 3
Partnering for impact 9-10

^{*}See table on page 9 for examples of human rights



Navigating today's human rights landscape

Every part of an organization has a role to play in social responsibility. With the right processes and practices in place, you can safeguard against scrutiny from customers, stakeholders and policymakers. You'll avoid the significant legal, financial and ethical implications that unaddressed human rights challenges creates, as well as any damage to organizational reputation. Allowing you to mitigate risk, empower employees and create a safer, sustainable future.

45.8_{million}

There are 45.8 million modern slaves in operation today including 60% in supply chains¹

26.4_{million}

26.4 million people are trapped in forced labour. US Customs and border protection stopped 3,469 shipments in 2023 (as of July 2023) as they were carrying goods processed by forced labour²

160_{million}

Child labour has risen to 160 million children worldwide³

77% of nations excluded workers from establishing or joining trade unions in 2023⁴

- 1 2<u>016 Global Slavery Index</u>. Walk Free Foundation, <u>walkfree.org</u>, 2016
- Commercial Customs Operations Advisory Committee Government Issue Paper, September 2016
- 3 <u>Child Labour Rises by 160 million first increase in two decades</u>, Unicef, Unicef.org, June 2021
- 4 2023 Global Rights Index, 2023

The increasing responsibility for businesses is driven by two main factors:

1 Higher consumer expectations

It is well documented that today's consumers are more socially conscious than ever before. They expect companies to prove their commitment to ethical and fair treatment of workers throughout their supply chains. Operating in line with these expectations minimizes the risk of consumers taking action against your brand.

34% of 2022 consumers boycotted a brand/product due to ethical concerns⁵

9 out of 10 consumers will stop purchasing from businesses that lack transparency⁶

£3.3 billion

In 2021, UK Businesses lost £3.3billion revenue due to ethical boycotts⁷



- 5 <u>Deloitte</u>, 2022
- 5 7DNet 2018
- 7 Statista, 2022
- Sedex, 2023



2 Increasing legal and regulatory frameworks

Around the globe, governments are enforcing a rise in human rights standards and due diligence. Evolving laws and regulations are increasing the legal obligations of organizations to protect human rights, health and safety and psychological well-being at work⁸. Meanwhile, the United Nations Sustainable Development Goals (UNSDGs) offer guidelines that look to raise businesses' standards and improve their impact on the environment and humanity.

To increase transparency throughout the supply chain, the UK's Modern Slavery Act (2015) requires organizations to disclose and report on their efforts in combating modern slavery. It also ensures the appropriate repercussions for those found to be utilizing sub-standard practices.

Non-compliance can result in fines and legal action that can at best damage the business's reputation and at worst decimate their economic viability.

How audits can empower organizations to achieve the highest standards

To address these challenges, many responsible organizations are implementing human rights policies, conducting audits of their supply chains and actively engaging with stakeholders to strengthen their social responsibilities. Many are partnering with trusted experts, like BSI, who know the landscape and who are synonymous with sustainable, ethical practices.

Sustainable and ethical practices are built into the fabric of our organization. We understand the profound impact that human rights practices have on businesses, communities and the world at large. Through our audit programmes, we give our clients the opportunity to embed trust, boost their reputation and make positive, profitable changes to their operations.



Drive positive change with our audit programmes

To meet and exceed your human rights objectives, you'll need an audit programme that covers both your internal organization and value chain.

As your trusted partner, we can support you throughout this journey and provide your organization with tailored audit programmes that meet every possible requirement. We combine our digitally enabled tools with the vast experience and capabilities of our experts to help you:

- Identify areas for improvement
- Pinpoint issues
- Make informed decisions to drive progress

"We combine our digitally enabled tools with the vast experience and capabilities of our experts"

bsi

Enforce, support and elevate human rights across your organization and supply chain through our range of solutions:

Internal audit programmes

Elevate your brand's transparency with a risk based and independent review of your organizations' ethical and social practices.

Supplier audit programmes

Enhance traceability and minimize risks from third-party practices with a supplier audit.

Whether leveraged internally or across your value chain, these assurance solutions evaluate, measure, understand and report on your organization's social and ethical performance.

Our capabilities

We create risk-based assurance programmes catered to areas requiring your greatest focus, and we also have a wealth of experience delivering already established Industry Association and certifiable programmes.

As part of our commitment to address human rights and abolish Modern Slavery, our internationally recognized standard (BS 25700) is available to all organizations on an open access basis.

Industry programmes

Each of the associations listed below plays a critical role in establishing best practices for supply chains in corporate social responsibility. Using these industry programmes developed by groups of brands with a common purpose, we can provide visibility and transparency across your supply chain. Some of the industry programmes we deliver:













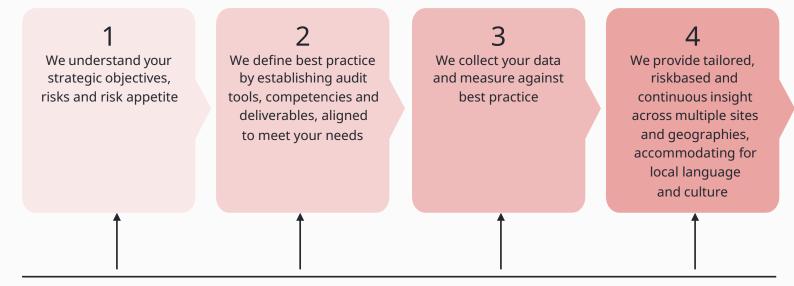


Pharmaceutical Supply Chain Initiative

How our audit programmes can help you

With a tailored audit programme in place, you can inspire trust both within your organization and across your value chain – no matter its complexity or size. Our expert team can help you gather meaningful insights throughout the auditing process, enabling you to drive business improvements and elevate ethical practice and transparency.

"Our expert team can help you gather meaningful insights throughout the auditing process"



Data-driven insights

Connect

Our BSI Connect Screen platform infuses geographic risk data and analysis into the assessment process to provide a risk-based view of the supply chain. The enhanced visibility empowers organizations to protect brand reputation and ensure a resilient supply chain through data-driven insight.

More on BSI Connect Screen



Auditing programmes for human rights: Empowering people, powering business

The benefits of adopting our social audit programmes are many, spanning from personal to practical, ethical to economic.

As your trusted partner, we will help you to:

"By thoroughly examining supplier operations, you can pinpoint areas where social and human rights risks may be present"





Build supply chain transparency

Audit programmes can help you improve visibility and transparency across the various tiers of your supply chain to nurture ethical, sustainable supplier relationships.

By thoroughly examining supplier operations, you can pinpoint areas where social and human rights risks may be present, such as substandard working conditions or contentious sourcing practices – and work to counteract them.

Create actionable steps to address and rectify deficiencies

By identifying trends, patterns and recurring human rights issues as a result of the audit programme, you'll be able to use these insights to make informed decisions and craft a proactive strategy to re-address any issues.

Revisit and strengthen internal policies and processes

With an independent review of your internal operations, you'll be able to uncover any potential areas of risk related to human rights. The insights gained through our audit programme will ensure human rights considerations are integrated into the fabric of your organization and supply chain management.

Ensure compliance with regulations and demonstrate accountability

Enhance your standing among stakeholders, customers and government bodies by ensuring compliance with relevant laws, regulations, and international standards; extinguishing the legal and reputational risks associated with non-compliance. With clear reporting and documentation of all findings, actions taken and improvements made, you have the perfect written platform to prove your commitment to good human rights practices.

Drive social change with your partner in progress

Catalyst for positive change

By assessing and certifying against standards, regulation and consensus best practices, we are a catalyst for positive change, creating an enduring legacy of improvement for our clients, their customers and society.

Deep auditing experience

The experience and knowledge our people bring*, acquired from thousands of audits delivered in different sectors and areas, enrich the results of our audit programmes while giving you confidence that we understand your business.

The best people and processes

We bring together leading innovators and practitioners to create best practice standards and regulatory frameworks. These are reinforced by audits and testing powered by our Hybrid Audit programme, which combines face-to-face and remote audits with integrated technology to provide detailed planning, streamlined auditing and seamless delivery, all while reducing CO2 emissions.

Over a century of experience

For more than 120 years, we have helped organizations achieve their goals and pioneer an equitable industrial landscape, balancing the need for profit with the needs of the planet and its people.

Incorporated by Royal Charter

We reinvest our own profits to foster progress and increase trust between our customers, governments, organizations and consumers, helping business and society to thrive together in a digital and sustainable world.



Vast human rights expertise

*Our people have expertise in vast areas of the social landscape, including:

- Business legitimacy & integrity of records
- Underage labour
- Discrimination & disciplinary practices
- Forced labour
- Working hours & overtime
- Freedom of association & effective recognition
- of the right to collective bargaining
- Harassment and abuse practices
- Wages & benefits
- · Terms of employment subcontracting
- Occupational health & safety



