



Top tips on including human rights in Goods & Services Not For Resale (GSNFR) tendering processes

Some best practice examples and practical insights

The information in this briefing has been developed from presentations and discussions in the Raw Materials and Services working group meeting on 23rd July 2024. Thanks to the members of the working group for their comments and input. All information is to be kept within the FNET membership.

The working group meeting [presentation slide-deck](#) can be found on the FNET website.

What sectors does this summary include?

All goods and services not for resale sectors including PPE, security, haulage, agency providers, chemicals, waste management, packaging,

First step: Initial tender documents

Establish policies and processes for the tendering process to systematically include human rights considerations.

At the initial stage when a contract is going out to tender, engage with the procurement teams to establish a process for collaboration throughout the tender process. This could mean training for the procurement team on suspected high-risk contracts, agreeing where participation and involvement from human rights colleagues is helpful.

Include your “Ethical Sourcing Policy” with the tender application pack with the expectation that applicants need to comply to be considered for the contract.

Develop basic “light-touch” questions for all companies to respond to as an initial screening. It is important to ask these at the beginning of a process to set expectations and tone for further questions.

Suggested topics for “light-touch” questions:

- Membership of Sedex or other platform such as Ecovadis, Amfori, Achilles for operation/processing sites (supply Sedex number)
- Percentage of their supplier membership of Sedex
- How do they use Sedex/or manage risk in their supply chain? Essential to ask more for this question because it easily exposes whether there are established procedures.
- Existence of human rights policy and requirement to produce it
- Management of modern slavery risks in operations and supply chain
- Request to see Modern Slavery Statement (where applicable)
- List and give any information on any countries/regions where they won't source.

- Always go back and ask questions to ensure it is not a tick-box exercise. e.g. If they are member of Sedex ask them what they use it for, or what they might do if a specific risk were found.
- Work with procurement teams to understand the context of human rights, how to interpret some of the responses of the initial questions and where to probe for more information.

Second step: Discussions during the tender process

Further along in the tender process or with bigger contracts the expectation is for the business to provide more detail on their human rights risks and mitigation procedures. Depending on the sector or sector/contract history will determine how involved the human rights team needs to be. For example, agency providers might be a priority sector for the business, or the priority might be determined by a sourcing location or level of risk.

More detailed questions can be asked during the tender discussion process and the procurement teams can be provided with a standard set of detailed questions that can be tailored to each sector/contract as required.

- **Some examples of questions for potential suppliers are as follows:**
- Please outline the steps your organisation takes to conduct human rights due diligence in your operations and supply chains.
- Who is responsible for human rights due diligence and labour standards within your organisation, and what governance structures are in place to oversee it?
- Please outline your approach to subcontracting, and how you ensure that subcontractors meet the ethical standards outlined in our Ethical Sourcing Policy (or equivalent).
- What steps are taken to ensure that recruitment is carried out lawfully, and in a fair and transparent manner? Does your organisation ensure that no worker pays for a job? If labour agencies are used, how are they vetted and approved prior to use?
- Please provide information relating to any grievance mechanisms available to workers in your organisation. Is any grievance mechanism available to all workers, even those who are employed on a temporary basis, or who are subcontracted down the supply chain?
- Please provide a link to the most up-to-date Modern Slavery Statement for your organisation and any additional information on your organisation's approach to human rights/labour standards.

Some suggestions:

- If it is a strategic contract, someone from the human rights team can attend and question the supplier/provider at tender meetings. Generally, sales people attending are not prepared for these types of questions, so it tests them on knowledge of their company, and whether they will get back to you with the required information. Ask challenging questions to understand the level of their commitment and willingness to tackle any issues that might arise.
- Use a weighted scorecard where suppliers are formally assessed not only on price but also on ethical/wider sustainability issues (even if it is low - 5% of total score) can be helpful to ensure sustainability is formally considered in the process.

Developing the contract

- Ensure that your business has the right to audit (avoids issues around GDPR, however may not be a route your business will necessarily go down due to legal accountability issues)
- Include specific detail on what you expect the supplier to do in operations and supply chains.

- Ensure there is high visibility on requirements and audit expectations so no one can question this once the contract has been agreed.
- Stay curious and ask questions around answers to understand the detail e.g. if there is a whistleblowing hotline – which number is being used?
- Have regular (6-monthly) sessions with high-risk suppliers to update on their approaches and any challenges they're facing.

Learning

- Ensure the tender process is not a tick-box exercise by asking questions and giving space for more information, not just yes/no answers.
- If it is a supplier you want to work with that doesn't meet the requirements, work with them to progress and demonstrate clear stages in the contract to demonstrate they are learning and progressing.
- Collaboration and setting expectations in the tendering process makes monitoring more manageable after the contract has been given.
- Don't ask questions if you won't do anything with the answer.
- Suppliers may be able to provide a good level of detail on raw material sourcing, so it is worth following up where needed.

Case study: Security sector

Security is a notorious sector for long working hours, and suppliers will often say they are exempt from the legal maximum working hours, however it could be a business requirement that the working hours are kept at standard maximum 48 hours/60 overtime.

Top tips

Ensure overtime is paid at the correct rate.

Holiday accrual is calculated over the year and not related to overtime

Workers don't have to pay charges for licence or uniform.

Case Study: Solar panels

Why focus on solar panels?

Solar was a business priority for green transition with significant spend and business awarded and there was an individual expert within the business who could actively support an in-depth investigative process.

Risk

Solar panels are a high-risk product because of polysilicon manufacture which is used in 95% of solar panels. There are sourcing links to Xinjiang Autonomous Uighur Region, where there are known severe human rights abuses and products sourced from this region are banned for import by the USA. Therefore, there was a responsibility to trace sourcing from all levels and clarity on the high level of risk and legal implications which ensured that it was taken as a priority within the business

Learning

- Human rights need to be involved at the beginning to set expectations because if the contract gets to a certain point without human rights team involvement, it is hard to backtrack.
- Clear, tangible requirements were built into tender process from the outset.
- Close consultation between procurement and human rights throughout the process.
- Awarded business based on certified sourcing region of all raw materials.
- Due to high-level risk senior colleagues were involved and this aided the internal process of collaboration.
- Needed to make sure the business will get behind the requirements and only reward the supplier that met requirements/demonstrated willingness to progress.

Case study: PPE/Chemicals

Important elements when looking at PPE is the location of the manufacturing, and whether the supplier has any control over either where the chemicals are made, or the end product. (i.e. they could be an agent rather than a manufacturer which limits influence.)

Further reading

- [Responsible Contracting Project info@responsiblecontracting.org](mailto:info@responsiblecontracting.org)
- The mission of the [Responsible Contracting Project \(RCP\)](#) is to improve human rights in global supply chains through innovative contracting practices. They develop and disseminate practical contractual tools to support more cooperative relations between supply chain firms and better human rights outcomes for workers.
- The RCP has developed the [RCP Toolkit](#) – a dynamic, open-access, product that offers templates for due diligence-aligned contracting, in

sync with the UNGPs and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct. It contains practical, immediately usable, and versatile tools that companies can use to improve the human rights and environmental performance of their contracts and, by extension, their supply chains.

- Sustainable Procurement Pledge is a global bottom-up movement of procurement professionals, academics, and practitioners – for procurement, by procurement. The Guide is a practical tool, that includes the ugly truths, best practices, case studies, and hands-on, actionable solutions for procurement professionals who are committed to driving sustainability.