

A large flock of birds, possibly terns, is captured in flight against a bright, overcast sky. The birds are arranged in a loose V-formation, with many individuals visible in the foreground and others trailing off into the distance. The birds have dark plumage on their wings and backs, with lighter underparts. The overall scene conveys a sense of movement and natural order.

DERWENT
LONDON

SUPPLY CHAIN RESPONSIBILITY STANDARD



PURPOSE & APPLICABILITY

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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 chain. It renews our commitment to ensuring our supply chain remains as engaged as we are in setting and operating at the highest standards. The issues have been grouped under the following themes:

- 1. Governance**
- 2. Information security and data protection**
- 3. Employment & labour practices**
- 4. Payment practices**
- 5. Health, safety & wellbeing**
- 6. Environmental & social**

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.

The term "Supplier" includes suppliers, subcontractors, service partners, consultants, agents and intermediaries.



REPORTING AND COMPLIANCE

Our supplier onboarding process ensures the providers of goods and services within our supply chain are aligned with our values and operate to the same high standards of behaviour that we do. All new suppliers must acknowledge and adhere to the principles set out in our standard.

We conduct spend risk reviews every two years, focusing on suppliers with an annual spend of over £20,000 and ask these suppliers complete a more detailed questionnaire on key risk areas. We review responses to ensure compliance and provide additional support to suppliers if needed. This risk-based approach enables us to reach into those higher risk areas of our supply chain to ensure good practice and evidence compliance with the standard, thereby maintaining supply chain integrity.

If you discover that you are not compliant with any element of this standard or associated law/regulation referenced, please contact us at companysecretarial@derwentlondon.com



1. GOVERNANCE

Expected:

We will not tolerate any form of corruption, bribery or anti-competitive behaviour/ actions in our supply chain. We will not tolerate money laundering or any other forms of financial crime occurring in our supply chain including, but not exclusively, terrorist financing, fraud or tax evasion.

Furthermore, supplier commitments and ambitions to:

- Operate an ethical business policy which sets out how they govern their business and supply chains.
- Conduct Information Security due diligence assessments on their supply chain.
- Have the correct financial procedures in place to record all transactions in accordance with accepted accounting principles.
- Have a whistleblowing system in place and report any suspected or actual wrongdoing/misconduct to derwentlondon.ethicspoint.com



2. INFORMATION SECURITY AND DATA PROTECTION

Expected:

Suppliers are to have a comprehensive set of IT governance Policies and Procedures that are communicated to all employees through periodic training on data privacy and protection.

Furthermore, supplier commitments and ambitions to:

- Apply Multi-Factor-Authentication (MFA) on all email and remotely accessible cloud service accounts.
- Train their employees at least annually on cyber security including phishing and social engineering, information security best practices and data protection.
- Ensure all servers, laptops and desktop PCs are protected with up-to-date anti-malware protection.
- Ensure there is a security vulnerability management programme in place.
- Ensure appropriate technical and organisational measures are applied to promote secure processing and storage of personal/customer data.



3. EMPLOYMENT AND LABOUR PRACTICES

Expected:

Suppliers are to comply with relevant employment based legislation designed to ensure fair treatment in the workplace.

Furthermore, supplier commitments and ambitions to:

- 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 hour contracts.
- Respect the rights of employees with regards to collective bargaining and the rights of freedom of association.
- Have appropriately documented grievance procedures which are clearly communicated and made fully available to employees.

Modern Slavery

Expected:

Suppliers are to comply with the Modern Slavery Act 2015.

Suppliers that are not obliged by law to comply with the Modern Slavery Act 2015 to operate in accordance with the principles and spirit of the Act.

Furthermore, supplier commitments and ambitions to:

- Eliminate the risk of modern slavery and human trafficking occurring within their activities and supply chain.
- Adopt a policy that prohibits illegal, forced or child labour.
- Provide regular training and awareness applicable to their particular sector for its employees on the subject of Modern Slavery.
- Have provisions in place that endeavour to ensure their supply chain also adheres to the Modern Slavery Act 2015 and to the Transparency in Supply Chains (TISC) Statutory Guidance.

Diversity and Inclusion

Expected:

Suppliers are to comply with the relevant employee based legislation, including the Equality Act 2010.

Furthermore, supplier commitments and ambitions to:

- Have in place appropriate equality, diversity and inclusion policies to ensure the active promotion of employment diversity, and to ensure all policies are communicated to employees and training provided.
- Ensure company culture is well equipped to support underrepresented groups with procedures in place to safeguard against bullying, harassment and discrimination.
- Undertake workforce diversity monitoring where possible and appropriate.
- Encourage improvement in Diversity and Inclusion within the sector where possible.
- Communicate their approach to the above points to Derwent London at relevant intervals; such as during supplier on-boarding and in response to supply chain questionnaires.



4. PAYMENT PRACTICES

Expected:

Unless otherwise stated we aim to pay our suppliers within 30 days or otherwise will do so in accordance with specified contract conditions. Derwent London are committed to being clear, fair and collaborative with our suppliers. We are currently in the process of applying for a Fair Payment Code Award, having previously been signatories of the Prompt Payment Code.

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 fraud in our supply chain.

As a business engaging suppliers in the construction, refurbishment and maintenance of buildings, we are registered under the Construction industry Scheme (CIS). Those of our suppliers who are also governed by the CIS need to be aware of their responsibilities under the scheme and notify us if their services fall within CIS. In some circumstances, we are required to deduct tax on amounts due.

Furthermore, supplier commitments and ambitions to:

- Adopt similar payment practices throughout their supply chains to ensure fair and prompt payment.
- Have in place the appropriate processes and procedures to ensure that fraud and/or facilitation of tax evasion does not occur in their supply chains.



5. HEALTH, SAFETY & WELLBEING

Expected:

Suppliers are expected to have in place a H&S Policy statement, and management systems appropriate to the nature and scale of their business and service provision.

To ensure and maintain legal compliance with H&S regulations related to their specific activities and services provided – sharing information on request.

To report (as soon as possible) any significant (major) incidents, accidents and near misses occurring within our properties and construction projects.

Furthermore, supplier commitments and ambitions to:

- Suppliers working on our managed properties, construction projects and development schemes are expected to comply with our 'Derwent London H&S Standards' – which are then checked, as appropriate, by our internal H&S team.
- Engagement with our internal teams to focus on continuous improvement in the safe design, safe construction and safe operational management of our properties.



6. ENVIRONMENTAL & SOCIAL

Environmental

Expected:

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 Brief and/or Responsible Asset Framework, whichever is applicable to the nature of their business/service provision.

The following suppliers should have a valid certified environmental management system (EMS) in place accredited to ISO14001, ISO50001 or EMAS (Eco-Management and Audit Scheme):

- Cleaning contractors
- Waste contractors
- Security and Front of House contractors
- Facilities management contractors
- Enabling, demolition and principal contractors for development works

Furthermore, supplier commitments and ambitions to:

- Support us in achieving our ambitions set out in our net zero carbon pathway, including but not limited to the following:

Environmental

- Procure/utilise renewable energy in operational processes and to start reporting on greenhouse gas emissions of operational practices. If this is already done, please share this data with Derwent London on an annual basis.
- Where procuring products for use in our buildings, consider their sustainability credentials (responsible and local sourcing, chemical free products, environmental product declarations, International Association for Soaps, Detergents and Maintenance Products (AISE), eco-label etc.)
- Engage with manufacturers and other suppliers on circular economy products, focusing on reduction and reuse as well as limiting single-use plastics and sourcing staff uniforms from ethical producers where feasible.
- Provide environmental awareness sessions, continuously improve environmental performance and work towards B-Corp, Planet Mark or ISO 14068-1 certifications where applicable and UN Sustainable Development Goals.

Social

Expected:

Suppliers are to support us in the successful delivery of our Social Value Strategic Framework and align their actions to our three key themes:

- Part of the neighbourhood
- Great places to work
- A thriving local economy

Furthermore, supplier commitments and ambitions to:

- 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.
- Offer full and fair opportunity for local suppliers to actively participate in their/our supply chains.
- Offer local employment and apprenticeship opportunities.

Contact us

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



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