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WORKING GROUP FOR ETHICAL SUPPLY CHAINS IN CONSTRUCTION

Terms of Reference

Document Number: xxxx-xxx-xxxx-xxx

Document History:

| Revision | Date: | Drafted by: | Checked by: | Authorised by: | Reason for Issue: |
|----------|------------|-------------|-------------|----------------|-------------------|
| 0.1 | 10-03-2011 | [REDACTED] | | [REDACTED] | |
| 0.4 | 25-04-2011 | [REDACTED] | | | |
| 0.5 | 10-02-14 | [REDACTED] | | | |

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1. Overview

At the Ethical Sourcing event organised by Crossrail on the 18th of February 2011 and attended by various contractors working on Crossrail, two exercises were provided for the delegates to consider:

1. What are the barriers to mapping a supply chain for ethical sourcing
2. What is needed to overcome the barriers identified

The conclusion, endorsed by all parties that attended, was that a unified effort is necessary to address ethical sourcing and to manage the sheer scale of the agenda. A request was made by the attending delegates for Crossrail to facilitate a working group that would drive forward an ethical sourcing strategy and derive an implementation methodology for the construction industry.

Crossrail agreed to the formation of the working group (WG) to address ethical sourcing in supply chains for the construction industry and to facilitate its creation, chair meetings and monitor its progress. However, Crossrail will not be the owner of the working group; its management and overall ownership will be shared by the constituent members of the working group. Each member will have a corresponding internal stakeholder who will address the corporate level impact from the working group.

The WG builds upon the outputs of the Ethical Sourcing Workshop of the 18th of February 2011 at Crossrail and will address the following subjects:

- The general process of dealing with ethical sourcing issues in construction
- A strategy to breakdown the scope of work
- A clear and defined process for sharing the tasks
- A definition of how the tasks will be carried out and reported
- Agreement on how the report findings will be used
- Agree and define levels of risks associated to Ethical Sourcing

The WG will initially meet quarterly. The frequency may be increased if it is agreed to be necessary by the WG. Exceptional or ad-hoc meetings can also be called by any member of the WG at any time if majority of members are agreed of its importance. The WG shall review its work plan every year, and submit to their respective internal stakeholders for approval. Sub-groups may be established when or if needed in order to advance specific objectives and their relevance will be assessed on an annual basis by the WG. Terms of reference will be established for any sub-groups and added as appendices.

The WG is open to participation by all contractors on the Crossrail Project.

2. Aim

The aim of the working group for Ethical Supply Chains In Construction (ESCIC) is to be an effective forum for members to work collaboratively in developing and implementing measures to achieve ethical sourcing on the Crossrail project and continue beyond Crossrail as part of a general industry-wide initiative.

3. Objectives

- Promoting a shared commitment to strengthening ethical sourcing practices using Crossrail as the pilot project;
- Contributing to policy development for ethical sourcing, consistent with the ETI base-code;
- Developing and implementing strategies to address ethical sourcing practices in the supply chains using Crossrail as the pilot project;
- Developing and implementing strategies to address ethical sourcing practices in the supply chains for in the wider context beyond the Crossrail project;
- Sharing information on best practices and lessons learned with members and partner organisations in the public and private sectors;
- Addressing the priorities set out by ESCIC;
- Performing and sharing best practice in the spirit of ESCIC.

4. Scope of Work

ESCIC's scope comprises of issues directly linked to ethical sourcing on the Crossrail project, including those related to lower tier suppliers. Recognising that member organisations may have a mandate to address ethical sourcing within their own respective business processes, however, ESCIC will seek to coordinate efforts on the Crossrail project and to avoid duplication with work undertaken by their own respective organisations, including any relevant work submitted by non-members through SEDEX.

5. Methodologies

Work undertaken by the ESCIC working group may be conducted through the consensus efforts of the group or through specialised task groups who will discuss and agree upon a project charter with ESCIC. The project charter will specify tasks to be undertaken, guiding principles and how to act on outcomes.

6. Membership

Representatives: each member is invited to appoint one representative, including the member from where the Chair is elected.

Observers: non-Crossrail members, regional and international organisations, in addition to industry representatives, may appoint an observer at the invitation of the Group.

7. Roles and Responsibilities

Chair:

- Managing the business of the ESCIC working group meetings;
- Representing the ESCIC working group at Plenary and Internal Stakeholders meetings;
- Being the point of contact with other organizations having a mandate for acceptability of ethical sourcing practices
- Following up on overdue action items that cannot be resolved by the membership;
- Providing direction to the ESCIC working group members by describing, at the outset of each meeting, the expected outcomes;
- Ensuring documents, including detailed meeting agendas, are circulated to all WG members and internal stakeholders at least 30 days in advance of meetings.

Vice-Chairs:

- Carrying out duties identified collaboratively with the Chair;
- Representing the ESCIC working group at Plenary and Internal Stakeholders meetings;
- Carrying out the duties of the Chair whenever the Chair is unavailable.

Representatives:

- Representing their organisation on all relevant agenda items;
- Responding to proposals and recommendations, and voting where necessary;
- Briefing their respective internal stakeholders as required;
- Participate in ad-hoc activities where necessary.

Observers:

- Acting as the liaison point for their organization.
- Providing feedback and guidance where relevant

Secretariat (Support to the Chair):

- In consultation with the Chair, preparing meeting agendas, records of decision, progress reports, etc.;
- Distributing documents to members and observers on a timely basis;
- Being responsible for all administrative matters;
- Following up on overdue action items;
- Maintaining a register of Representatives and Observers.

8. Approval Process

The ESCIC working group Chair approves individual projects, tasks and actions. However, the ESCIC working group Chair will submit higher level recommendations and proposals, such as those affecting the previously agreed principles or the constitution of the working group, to the internal stakeholders for approval.

9. Governance

Election of Chairs and Vice-Chairs and the terms of appointment will be in accordance with arrangements as agreed by ESCIC members and their respective internal stakeholders.

Meetings:

- To be held with the ESCIC working group members every 3 months.
 - Option to increase the frequency to monthly if and when deemed appropriate
- Ad-hoc or exceptional meetings as required by any ESCIC member and agreed by the other members
- Annual event attended by ESCIC members, their internal stakeholders and any other invited parties, summarising the progress to date, highlighting the achievements and identifying other opportunities.

Decision-Making:

- Wherever possible, this will be achieved through majority consensus of the ESCIC members. Where this is not possible, the Chair will make the final decision or escalate an internal stakeholders meeting as deemed appropriate.

10. Administrative Procedures

The Secretariat may be appointed by any member of the WG. Representatives and Observers will be provided with a contact e-mail address and telephone numbers to facilitate efficient communications. The Secretariat is the clearing-house for document distribution other than those generated by members for information or review by other members.

11. Work Plans

Task Groups shall maintain a Work Plan, which is to be updated at each meeting and provided to the Chair and the respective internal stakeholders for approval (ad-hoc if necessary).

Work Plans must also include annexes comprising lists of current projects (including notes regarding status of the project (s)) and planned projects (including a short rationale for the proposals and suggested priority ranking).



ETHICAL SUPPLY CHAINS IN CONSTRUCTION WORKING GROUP

Appendix A

WORK PLAN FOR THE [SUB-GROUP]

Establishment of the [Sub-Group]

At ESCIC meeting no. xx, the WG agreed to establish the [Sub-Group] as a sub-group in accordance with new organisational arrangements endorsed at ESCIC meeting no. xx.

The [Sub-Group] will contribute to the work of the ESCIC working group in accordance with the Terms of Reference and the additional arrangements set out below.

The need for the continued operation of the [Sub-group] as a separate sub-group will be assessed annually by ESCIC, with a report to its members' internal stakeholders and the Chair for consideration.

Appointments

The Chair and Vice-Chair will be appointed for the sub-group by ESCIC, in accordance with the principles established for appointments to ESCIC.

Specific Work Program for the Sub-Group

The [Sub-Group] will maintain a specific Work Program and report to the Chair of ESCIC after each meeting.

The Work Program will focus on the following specific areas of work identified for the sub-group: