



Cover photo: Meera, an artisan from Sourced by Oxfam supplier 'I was a Sari', cuts fabric for a reusable tote bag in the Mumbai workshop, 2019.

**A SUPPLIER'S GUIDE
TO THE SOURCED BY OXFAM ETHICAL AND ENVIRONMENTAL
SUPPLIER FRAMEWORK**



CONTENTS

The aim of this guide.....	3
PART 1: INTRODUCTION TO THE SOURCED BY OXFAM SUPPLIER FRAMEWORK.....	3
1.1 The need to go ‘beyond compliance’	4
1.2 How it works: the supplier assessment process	6
1.3 Oxfam’s incentives to suppliers.....	8
PART 2: DETAILED GUIDANCE FOR SUPPLIERS.....	8
2.1 The three tools for rating suppliers	9
The Human Rights Roadmap.....	9
The Environmental Rating Tool.....	10
The Equitable Business Model Tool.....	10
2.2. Scoring on the framework: from ‘compliance’ to ‘hero’	11
Level 5: Compliance	11
Level 4: Credentials	12
Level 3: Beyond compliance.....	13
Level 2: Leading suppliers.....	14
Level 1: Hero suppliers.....	14
2.3 Further information.....	15
Resources	15
Contact us.....	15
Notes.....	16

Table of figures

Figure 1: Overview of the Sourced by Oxfam Supplier Framework	7
Figure 2: Summary of supplier benefits at each level of the framework	8
Figure 3: Overview of the Sourced by Oxfam Supplier Framework	11
Figure 4: Example of a supplier Human Rights Roadmap entering at level 3 (core questions).....	14
Figure 5: Example of a supplier Human Rights Roadmap at level 3 (including workers’ perceptions) Error! Bookmark not defined.	
Figure 6: Example of a supplier Human Rights Roadmap at level 2 (core questions)	14
Figure 7: Example of a supplier Human Rights Roadmap at level 2 (including workers’ perceptions) Error! Bookmark not defined.	
Figure 9: Example of a supplier Human Rights Roadmap at level 1 (core questions)	14

The aim of this guide

Since Oxfam GB's core mission is to fight poverty and injustice, our Sourced-by-Oxfam team developed this Supplier Framework to guide our understanding of what ethical and environmental impacts our retail supply chain operations have in practice. The framework enables us to work with suppliers in ways that are more likely to raise standards and ensure fair outcomes for the people behind the new products we sell online and in our shops. We recognise that continuous efforts are necessary to ensure we are doing all we can, together with our suppliers, to mitigate (and where necessary tackle) exploitative practices, to maximise the opportunities for workers and producers to be safe at work, protect the environment, to be treated fairly and to be able to predict their income and plan their personal/business development and ensure the sustainability of communities, their livelihoods and the environment on which they and future generations depend. Although this guide to the framework is primarily aimed at current and potential suppliers, we hope it will also be of interest to Oxfam supporters, shop customers and the wider public.

PART 1 - Provides an overview of the Supplier Framework – it puts it in the context of Oxfam's work to end poverty, presents the business case for better ethical and environmental standards, and outlines how suppliers can use the framework to engage with Oxfam, and the benefits of doing so.

PART 2 - Explains in detail how suppliers 'score' on the framework, using its three assessment tools, and how they can work with Oxfam to improve outcomes for the people in their supply chains.

The Supplier Framework at a glance

Using our three assessment tools and in dialogue with Oxfam, suppliers are rated from level 5, which is entry level, up to level 1. We then work together to help suppliers to progress to the next level, with the Sourced by Oxfam team offering additional incentives at each level. At level 5 there are no incentives, while our top-level 'hero' suppliers enjoy preferential terms, promotions and more. The framework is a 'work in progress' and we will develop it in response to feedback, as we continually strive to work together with suppliers to improve our impact.

Figure 1. Overview of the Sourced by Oxfam Ethical and Environmental Supplier Framework

Level				
1	<u>HERO SUPPLIERS</u> Pass both of the level 2 requirements + commit to reach HR Road Map = Green		Can be sold with Oxfam/Sb0 branding	
2	<u>LEADING SUPPLIERS</u> meet exceptional standards in at least one of two areas:			
	a. <u>ENVIRONMENT</u> Environmental Tool = Pass + HR Road Map = Yellow	b. <u>EQUITABLE BUSINESS MODEL</u> Equitable Business Tool = Pass + HR Road Map = Yellow		
3	<u>BEYOND COMPLIANCE</u> Pass level 4+5 requirements + agreed initial performance and workplan for continuous improvement against the HR Road Map = demonstrable move from Orange towards Yellow			Can be sold with Sb0 icons
4	<u>CREDENTIALS</u> External standard, certification, or credential + HR Road Map = Orange			
5	<u>COMPLIANCE</u> Comply with Oxfam GB Ethical and Environmental Policy (includes Ethical Trading Initiative's Base Code) + Human Rights (HR) Road Map = Orange			

PART 1:

Introduction to the Sourced by Oxfam Supplier Framework

1.1 The need to go 'beyond compliance'

Oxfam aims to create lasting solutions to overcome the injustice of poverty. This includes removing the barriers that prevent people from working their way out of poverty as producers or workers in global supply chains. Too many farmers – under increasing pressure from the devastating effects of the climate emergency – are being pushed further into poverty by low returns and minimal share of value for their produce. Too many workers in profitable global supply chains find that no matter how many hours they work, they cannot meet their basic needs because their wages are too low. Globally, the lack of progress towards gender equality means that women still have less access than men to land, earn less, have less secure incomes and less of a say in the decisions that affect them.

As part of Oxfam's efforts to change the systems and practices that keep so many of the world's workers in poverty, we work with companies to design, test and demonstrate commercially viable alternative ways of doing business. Oxfam was a pioneer of the Fairtrade movement and a founding member of Café Direct, which seeks ways to trade more directly and equitably with producers. Our high street charity shops first sold new products back in 1961, alongside donated/second hand goods. Initially, our main aim was to give Fairtrade producers access to a secure market. Today, Sourced by Oxfam products are sold in over 500 Oxfam shops across the UK as well as through the Oxfam online shop, raising vital contribution for Oxfam's programme work. Through the approach laid out in this guide we aim to lead by example in the way we do business with our suppliers.

The need for new ways of doing business

Social auditing to find out how well companies behave towards their employees, society and the environment¹ began in the 1950s. Seventy years later, evidence indicates that this 'compliance and audit-based approach' has failed to identify, prevent or compensate for labour rights abuses (see box below). At sites that have been socially audited, it is still common to find wages that fall far short of the cost of living,² and goods and services being sold at a loss. Many companies that are compliant with labour laws still don't recognize that legal minimum wages can pay workers considerably less than they need to meet their basic needs.³ Meanwhile the worst forms of abuse – such as modern slavery and human trafficking – are continuing to thrive.

Women, migrant and temporary workers are particularly badly affected by these shortcomings, as they face greater (and often hidden) barriers to working their way out of poverty. This is true even in developed economies, and in rural and urban areas alike.

Exploitation of the people behind the goods we buy is a global challenge – and tackling it requires new ways of doing business. Companies need a shift in mindset to go beyond focusing on inputs, social auditing and compliance-based approaches, and to proactively align their everyday business practices with the outcomes for workers and producers in their business and supply chain operations.

Ending discrimination

We are aware of that discrimination is systemic and often remains hidden behind habitual or culturally accepted behaviours. In this document, when we refer to workers, farmers, and producers, we aim to include everyone, without prejudice or discrimination.

Oxfam's work has shown that efforts to overcome poverty and inequality require an understanding of how people's intersecting identities, such as gender (women, men and gender non-conforming people), race, ability, sexual orientation etc., affect their experience of marginalization and discrimination in society.

In the context of the people who work in our supply chains, this understanding can help identify anti-racist, feminist and safe solutions to overcome discrimination and achieve equality at work. These solutions will be different for different people, depending on the particular barriers they face.

In 2018, [Oxfam's research](#) found that the average income of the people producing the tea, rice, tuna, green beans and tomatoes for sale on our supermarket shelves was only 55% of a real living wage.

The aim of the Sourced by Oxfam Supplier Framework

Over the years, Oxfam has been working to make this transformative shift by applying learning from our global programme to improve how we do business with our suppliers. The Sourced by Oxfam Supplier Framework has been developed to:

- Guide our everyday retail sourcing decisions.
- Set out what Oxfam considers good practice to deliver sustainable, positive impacts for the people working in our retail supply chain.
- Measure how well aligned our suppliers' business structure and decisions are with ethical and environmental outcomes, and how this improves over time.
- Learn from, celebrate and share good practice already demonstrated by our suppliers.
- Incentivize suppliers to work with us to raise ethical and environmental standards in our supply chain.
- Be transparent about how Oxfam works with our suppliers.

What we mean by going beyond a compliance and audit-based approach

The compliance and audit-based approach is one where the company and its employees aim to comply with all laws and regulations and use audits to understand the social and environmental impacts of doing business. But these 'social audits' often rely on announced short visits to a supplier site and fail to identify key negative impacts of doing business on people and the environment. The approach often puts the onus on suppliers and producers to take responsibility for and bear the costs of complying with the law, regulations and standards set by retailers and brands. If poor practices do come to light, the retailers and brands often point to the standards they have set, but are less able to explain how their business practices align with those standards, how they incentivize good practice and how they are tackling unfair trading practices through how they do business. (For example, this may mean keeping commitments to pay suppliers in full within 30-60 days, so that they can guarantee payments to their staff; or not cancelling orders with less than 30 days' notice.)

The failure of this approach has led to increasing numbers of investors asking the companies they invest in to commit to going 'beyond compliance' or 'beyond audit', and progressive companies are increasingly trying to do so. However, while these terms are now widely used by companies' sourcing teams, they are not clearly defined. We recognize that social audits are constantly evolving, but the Sourced by Oxfam Ethical and Environmental Supplier Framework aims to clarify what Oxfam means by going beyond compliance – and to offer companies clear options for doing so.

Going beyond a compliance and audit-based approach starts with a robust assessment of the actual and potential human rights and environmental risks for the workers/farmers/producers in a company's business and supply chain operations.⁴ It may include developing trust and building a partnership between the buyer and supplier companies and it must have an agreed plan, describing how they will work together to improve the ethical and environmental impacts of doing business.

Our approach is based on 'human rights due diligence', which the UN recommends as a way for companies to uphold their corporate responsibility to respect human rights and improve the impacts of their business on the women and men in their supply chain.

When sourcing teams use incentives to reward suppliers that are open about even the most difficult challenges they face, suppliers and their workers are more likely to feel safe to disclose the kind of issues that have been falling through the net of audit and compliance-based approaches over several decades.

For example, Oxfam works with companies to encourage them to align their business practices and incentives with positive outcomes for workers and producers in their business and supply

chain operations. Oxfam worked with Burberry to develop indicators of worker wellbeing, which Burberry has been using to measure the impact of its procurement practices on the lives of workers at its suppliers' sites⁵.

The business case for better standards

In the past, businesses and investors assumed that raising ethical and environmental standards meant spending more money and making less profit. Today, increasing numbers of businesses and [investors](#) recognize that companies that manage environmental and social risks effectively [perform better](#) overall. Speaking about the results of an [EU-wide study](#), European Commissioner [Didier Reynders](#) announced that *'The COVID-19 crisis has shown that those businesses that have environmental, social and governance measures in place, weather the storms better and outperform others'*.

However, companies are often much clearer about the business case to act on environmental issues (e.g. they are likely to understand that better energy management and waste reduction increases profits) than they are of the positive impacts for their business of improved social performance.

'The COVID-19 crisis has shown that those businesses that have environmental, social and governance measures in place, weather the storms better and outperform others'.
Didier Reynders

There is clear [evidence](#) that improving working conditions attracts better talent, increases output and quality, and reduces errors and worker turnover. Happy workers are good for business: companies with high employee satisfaction outperform their peers by [2-4%](#) a year. For example, global brand Nike recently found that a pilot project to listen to the views of women workers in its Indonesian supply chain resulted in:

- Less disruption in production lines.
- A 19% increase in production.
- A 7% improvement in quality.
- Workers feeling more valued.
- A senior manager reporting: *'I never realized workers had such good ideas.'*⁶

Business as a force for good

Evidence also suggests that a company's structure is a strong determinant of whether it can be a force for good. In 2018, [Britain's top five cooperatives](#) paid more tax in the UK than Amazon, Facebook, Apple, eBay and Starbucks combined. Research has found that [92%](#) of social enterprises reinvest all their profits into their social mission. Globally, cooperatives provide much [more employment](#) than all multinational corporations combined. In UK social enterprises, the highest-earning employees earn [2.7 times](#) more than the lowest-paid staff member, whereas UK FTSE 100 CEOs take home nearly [120 times](#) what the lowest-paid workers earn. Businesses that lock in their social mission to how they do business have been shown to be more resilient, with one study finding that they are [four times less](#) likely to go bankrupt.

1.2 How it works: the supplier assessment process

To determine a supplier's initial level on the framework and then to measure their progress over time, we use the combined scores of three assessment tools:

- a) The [Human Rights Roadmap](#) measures how well a company aligns its incentives and accountability to the human rights impacts/outcomes of its products, services and operations (red, orange, yellow or green rating awarded).
- b) The [Environmental Rating Tool](#) measures how well a company reduces and manages the environmental impact of its products, services and operations (pass/fail awarded).
- c) The [Equitable Business Model Tool](#) measures how the company's business model and structure locks in its social mission, and the company's intention to share its profits and decision-making power among all the stakeholders that generate those profits (pass/fail awarded).

Figure 1 below shows how the various levels of the Supplier Framework are achieved using these tools (this is described in detail in Part 2). Once all standards have been met within a particular level, suppliers progress to the next level – with [incentives to suppliers](#) increasing with each level.

Figure 1: Overview of the Sourced by Oxfam Supplier Framework

Level	Requirements	Tools	Branding
1	HERO SUPPLIERS Pass both of the level 2 requirements + commit to reach HR Road Map = Green		
2	LEADING SUPPLIERS meet exceptional standards in at least one of two areas: a. ENVIRONMENT Environmental Tool = Pass + HR Road Map = Yellow b. EQUITABLE BUSINESS MODEL Equitable Business Tool = Pass + HR Road Map = Yellow	Can be sold with Sb0 icons	Can be sold with Oxfam/ Sb0 branding
3	BEYOND COMPLIANCE Pass level 4+5 requirements + agreed initial performance and workplan for continuous improvement against the HR Road Map = demonstrable move from Orange towards Yellow		
4	CREDENTIALS External standard, certification, or credential + HR Road Map = Orange		
5	COMPLIANCE Comply with Oxfam GB Ethical and Environmental Policy (includes Ethical Trading Initiative's Base Code) + Human Rights (HR) Road Map = Orange		

The tools give structure and guidance to the sourcing conversations that take place between Oxfam and our suppliers. They enable us to quickly identify gaps and create a bespoke action plan for going beyond compliance, so that we can rapidly focus our efforts on where we expect to make the most difference. Where to start, and what the action plan will look like, are likely to vary considerably from one company to another. We will learn together from our successes and challenges over time and adapt action plans accordingly.

Step by step: supplier assessment process

- Supplier self-assesses using the three tools: the Human Rights Roadmap, the Environmental Rating Tool, and the Equitable Business Model Tool.
- Supplier sends the self-assessment, along with the relevant evidence, to the Sourced by Oxfam team.
- Supplier discusses initial scores and the evidence with Oxfam. Through this dialogue, Oxfam and the supplier gain a better understanding of how each other works.
- Oxfam and the supplier work together to create a bespoke plan of action that is relevant and realistic, and meets the underlying criteria of continuous improvement over time. The Sourced by Oxfam sourcing commitments⁷ are reviewed alongside supplier commitments.
- In order to qualify at a higher level, the standards within all lower levels of the framework need to be met, i.e. to reach level 2, a supplier will have met the standards outlined at levels 5, 4 and 3.
- Final scores are agreed and provide the basis for the supplier's ranking on the framework.
- Significant changes in business governance or approach may lead to suppliers moving up a level.

1.3 Oxfam’s incentives to suppliers

Oxfam increases its incentives to suppliers as they move up the levels. At entry level (5) there are no incentives, while our top-level ‘hero’ suppliers at level 1 enjoy preferential terms, promotions and more (Figure 2). We would also like our suppliers to benefit from Oxfam publishing case studies that describe their journey through the framework, to show how their impacts on people and planet have changed.

Figure 2: Summary of supplier benefits at each level of the framework

Supplier benefits gained in response to evidence-based progress against the Supplier Framework					
	Level 5	Level 4	Level 3	Level 2	Level 1
Products will be considered for category promotions.		✓	✓	✓	✓
Products are eligible to be featured in Oxfam’s Online Shop communications.		✓	✓	✓	✓
Products qualify to be promoted with the SbO Icons		✓	✓	✓	✓
Suppliers are awarded additional points for their evidence-based achievements on the Human Rights Roadmap. For example, this would be added to the supplier review scores or through supplier tenders.			✓	✓	✓
Products are eligible to be branded with the Sourced by Oxfam (SbO) and/or Oxfam brand.			✓	✓	✓
Products will be considered for stand-alone promotions.			✓	✓	✓
Products are eligible to be promoted at a higher frequency across Oxfam’s marketing platforms.			✓	✓	✓
Preferential terms will be considered, such as early payment.			✓	✓	✓
Oxfam will consider requests to work with suppliers to become a level 1 ‘hero’ supplier.				✓	
Preferential consideration is given when developing new ranges. These suppliers are approached first with briefs, according to progress against the framework.				✓	✓
Products are eligible to be highlighted by Oxfam as examples of good practice.					✓
Suppliers can openly negotiate any desired benefits with the Sourced by Oxfam team. These will be specific and tailored.					✓
Total number of benefits to suppliers at each level:	0	3	8	10	11

PART 2:

Detailed Guidance for suppliers

Section 2.1 describes the three tools which Oxfam has created to assess the ethical and environmental impact of companies and to measure how this improves over time. Section 2.2 then explains in detail how suppliers achieve each level and can progress up the framework.

2.1 The three tools for rating suppliers

These tools have been designed to help Oxfam ensure fairness and consistency in our engagement with suppliers. All three tools have been tested and we invite further feedback, questions and suggestions for improvement.

The Human Rights Roadmap

The Human Rights Roadmap is relevant across all levels of the framework and reflects Oxfam's organizational focus on people, due to our mandate to reduce poverty and suffering. The roadmap helps the Sourced by Oxfam team and suppliers to carry out human rights due diligence throughout Oxfam's retail supply chain, and ultimately to raise standards. It outlines the steps companies can take to go beyond compliance and enables them to measure the key human rights impacts of their business and supply chain operations on their workforce over time.

It is our hope that a wide range of companies of any size can use the roadmap to get started on improving the human rights impacts of their business and supply chain operations. Suppliers are encouraged to [assess their own performance](#) against the roadmap and send the relevant evidence to the Sourced by Oxfam team as a starting point for discussion. Oxfam will listen to what the company already has in place and assess the evidence supplied before agreeing [which level](#) they are starting on.

Oxfam will then work together with suppliers to create a bespoke action plan. This will include an outline of what Oxfam will do, and the particular aspects of the roadmap the supplier will focus on to make improvements for its workforce over time, and will state how this will be measured, by whom and when. The roadmap will thus enable Oxfam and suppliers to learn together and share responsibility for continually improving our impact on the people in our supply chain.

Entering the road map: core questions

As part of the standard Sourced by Oxfam procurement process, suppliers are assessed against three core questions to help determine their preparedness to begin measuring their human rights impacts:

- a) **Corporate commitment:** To what extent is the senior team driving an integration of human rights incentives across core business decisions?
- b) **Implementation:** How effectively is the company using human rights due diligence to improve the impacts of its operations on the women and men working in its supply chain?
- c) **Sourcing commitment:** What does the company do to align incentives so that its own procurement teams make decisions which uphold its responsibility to identify, redress and mitigate human rights abuses in its business and supply chain operations?

Additional indicators on workers' perceptions

As suppliers make progress in the three core areas above, they can use the more detailed indicators on workers' perceptions to identify more nuanced examples of good practice and progress. How and when this happens can be agreed in dialogue with the Sourced by Oxfam team, and will reflect the priorities, nature and scope of the supplier and its business relationship with Oxfam. These additional indicators assess workers' perceptions of their access to:

- a) **Four core enabling rights:**
 - No forced labour
 - No child labour
 - Freely associated collective representation
 - No discrimination (ensuring equal rights for women/migrant/temporary/home workers and people with protected characteristics,⁸ such as age, disability or sexual orientation)
- b) **Other minimum labour rights:**
 - Access to work
 - Access to grievance mechanism(s)
 - Fair wages

- Financial/job security
 - Health and safety at work
 - Reasonable working hours
 - No violence, harassment or harsh treatment
- c) **Four indicators of worker wellbeing:**
- Feeling valued
 - Fulfilment of potential
 - Would recommend employer to family and friends
 - Sense of optimism

Companies will be ‘further along’ the roadmap if their performance incentives are aligned with worker-centred monitoring of outcomes for workers, and the company reports human rights outcomes (rather than only business actions and inputs). Performance incentives for attaining target ethical and environmental impacts can be integrated into staff performance objectives, and suppliers that perform well may benefit from promotions.

Access the [Human Rights Roadmap](#).

The Environmental Rating Tool

This tool measures the supplier’s commitment to business practices which minimize negative impacts on the environment and the impacts of environmental degradation on communities. It asks three questions:

- i. **Purpose:** Does the business have an environmental mission?
- ii. **Credibility:** Does the business have certifications or routine credentials that demonstrate its environmental mission?
- iii. **Future focus:** Does the business invest internally, donate to or actively get involved in external collaboration or advocacy to seek solutions to reduce the environmental impact of its products and services?

The Environmental Rating Tool seeks to strike a balance between objective and subjective assessment of a business, its products and services, by combining qualitative and quantitative indicators. Suppliers are asked to produce supporting evidence for each response, which is then reviewed by the Sourced by Oxfam team. A maximum score of 7 is possible, and a score of 4 or above is considered a ‘pass’.

Access the [Environmental Rating Tool](#).

The Equitable Business Model Tool

The **Equitable Business Model Tool** measures the purpose and structure of each supplier’s business model and impact, framed around three key questions:

- a) **Mission:** Is there a social mission and is it locked in? (Through a constitution or legal form that maintains a focus on social impact.)
- b) **Power:** Who has power? Do workers, suppliers or members of the community have a say in decision making? Are they represented on the board?
- c) **Profit:** What happens to profit? Do all those who contribute to the company’s success get a share?

Together, mission, power and profit provide the crucial ingredients for a more equitable business model. All three matter. Some social enterprises reinvest their profits but are not very inclusive. Not all cooperatives are driven by a social purpose. And some mission-driven businesses pay dividends to already wealthy shareholders.

Equitable business structures can result in the farmers and workers in a supply chain receiving a fairer share of the value they contribute to products. More equitable structures include farmer-owned cooperatives, equitable business arrangements with long-term and transparent contracts, profit

sharing, and producer participation in pricing committees. Oxfam has outlined some [case studies](#) that demonstrate good equitable business practices.

The Equitable Business Model Tool only measures publicly available information and focuses on structure rather than outcomes or outputs. For example, it doesn't consider trade union representation or environmental considerations, which are assessed by the other tools.

As with the other tools, suppliers can score themselves and then supply the evidence to the Sourced by Oxfam team and discuss whether they qualify for a pass, or what action the company may need to take to achieve this. Since each of the three areas reinforce each other, a 'pass' requires at least one score in each area and an overall score of at least 50%.

Access the [Equitable Business Model Tool](#).

2.2. Scoring on the framework: from 'compliance' to 'hero'

This section explains how suppliers can attain (and move up) the levels of the framework – from 'compliance' (levels 5 and 4) to hero (level 1) – using the combined scores of the tools described above. This is summarized in Figure 3.

Figure 1: Overview of the Sourced by Oxfam Supplier Framework

Level				
1	<p><u>HERO SUPPLIERS</u> Pass both of the level 2 requirements + commit to reach HR Road Map = Green</p>		<p>Can be sold with Oxfam/Sb0 branding</p>	
2	<p><u>LEADING SUPPLIERS</u> meet exceptional standards in at least one of two areas:</p>			
	<p>a. <u>ENVIRONMENT</u> Environmental Tool = Pass + HR Road Map = Yellow</p>	<p>b. <u>EQUITABLE BUSINESS MODEL</u> Equitable Business Tool = Pass + HR Road Map = Yellow</p>		<p>Can be sold with Sb0 icons</p>
3	<p><u>BEYOND COMPLIANCE</u> Pass level 4+5 requirements + agreed initial performance and workplan for continuous improvement against the HR Road Map = demonstrable move from Orange towards Yellow</p>			
4	<p><u>CREDENTIALS</u> External standard, certification, or credential + HR Road Map = Orange</p>			
5	<p><u>COMPLIANCE</u> Comply with Oxfam GB Ethical and Environmental Policy (includes Ethical Trading Initiative's Base Code) + Human Rights (HR) Road Map = Orange</p>			

Level 5: Compliance

To reach level 5 – the minimum level at which a company can supply to Oxfam – suppliers must:

- Be legally compliant.
- Sign up to relevant Oxfam policies, such as the [Ethical and Environmental \(E&E\) Policy](#) (which includes, but goes beyond, the [Ethical Trading Initiative's Base Code](#)).

- Pass assessment through Oxfam’s Manufacturing Questionnaire and/or a standard third-party audit.
- Suppliers with any red scores on the Human Rights Roadmap will need to address those challenges to meet the standards in Oxfam’s policies and qualify for level 5 status.

Suppliers can self-assess and send evidence, such as a completed self-assessment questionnaire or a third-party audit, to the Sourced by Oxfam team.

Level 4: Credentials

To achieve level 4, suppliers must meet the standards at level 5 **and** supply Oxfam with products that meet one or more of the credentials or certifications listed below (or different schemes, as agreed by Oxfam).

Certification:

- Fairtrade (The Fairtrade Foundation)
- Fair Trade (The World Fair Trade Association)
- SA800 Certification of Social Accountability (SGS United Kingdom Ltd)
- Organic (certified by one of the UK organic control bodies)
- Vegan (The Vegan Society)
- Cruelty Free (Cruelty Free International)
- FSC 100% or Recycled (Forestry Stewardship Council®)
- Cradle to Cradle Certified™ to at least Bronze rating (Cradle to Cradle Innovation Institute)
- Certified B Corporation® (B Lab)

Credentials:

- **Reusable:** Products that are typically single-use, but in this case can be reused for the same purpose (e.g. reusable coffee cups).
- **Repurposed:** The original purpose of the material has been changed to give it a longer life or a new life (e.g. bags made from old saris).
- **Recycled:** Items or components are made from recycled materials (also see FSC above).
- **Made in the UK:** The majority of materials for the product are sourced from and made in the UK.
- **Women-owned business (and/or people who are marginalized based on a protected characteristic⁹):** One or more women (or people who are marginalized based on a protected characteristic) are responsible for the day-to-day and long-term control and management of the business.
- **Made by women (and/or people who are marginalized based on a protected characteristic):** At least 80% of workers in the manufacturing or production site are women (or marginalized people), and there are women (or marginalized people) in management.

Since new credentials and certifications are being developed all the time, this list isn’t exhaustive. If your company is part of an accreditation scheme that is not mentioned here, we can discuss whether it meets Oxfam’s expectations. For example, indicators could include certifications to standards that have been set with multi-stakeholder involvement or external expert panels. Credentials are less easy to consistently define and will often rely on a more detailed appraisal. We consider each case individually and take a balanced view.

Oxfam also recognizes that some companies may be doing other things, beyond credentials and certifications, to align their business governance and decisions with the ethical and environmental impacts across their business and supply chain operations. As such, these companies may in fact meet the standards outlined in levels 3 or 2 (described below). For example:

Being a **B Corp** is a robust certification which automatically qualifies a company at level 4. However, assessment may highlight that a particular B-Corp is in fact at level 3 on the framework.

[World Fair Trade Organization](#) (WFTO) members automatically qualify at level 3, unless there is evidence to indicate otherwise. This is due to particular requirements on WFTO members to align their governance, decision making and business model with social outcomes.

[Fairtrade Foundation certification](#) doesn't go as far as WFTO and therefore qualifies suppliers at level 4 by default, but Fairtrade suppliers can discuss their ranking with the Sourced by Oxfam team. For example, it may be relevant to highlight what else the supplier is doing to target labour rights outcomes, beyond paying the Fairtrade price premium (the extra sum of money which producers can decide how to allocate).

Level 3: Beyond compliance

Oxfam considers attaining level 3 to be something of a landmark for companies. It shows not only that a company understands and accepts its corporate responsibility to respect human rights – but also that it has taken a decision to go 'beyond compliance' to align its business decisions, operations and performance incentives with its human rights outcomes. It reflects a shift in focus from measuring business actions and inputs to measuring outcomes for workers and producers, and diversifying what is measured, when, how and by whom. Companies at this level seek to understand the experiences and opinions of their workers, particularly those in high-risk situations in the company and its supply chain operations. By listening to diverse stakeholders, companies can deepen their understanding and become more effective in responding, learning and innovating.

At level 3, companies can also identify the ways in which over-reliance on quantifiable data in the past has resulted in missing the true human impact of their business. They are redressing the balance by increasing the value and proportion of qualitative data collection and worker-centred analysis and solution-building. Companies are (working towards) providing direct representation of this qualitative dialogue at senior management/board level and also across the business, so that innovative solutions can be co-created, and minimum human rights standards sustainably integrated into how the company does business.

This journey will include collecting disaggregated workforce data (both quantitative and qualitative) to identify the barriers faced by individuals with protected characteristics,¹⁰ and to inform what can be done to end discrimination and inequality at work and ensure that everyone can fulfil their potential.

Unique to level 3, is the requirement that suppliers demonstrate continuous improvement over time to remain on level 3.

The initial action plan agreed with Oxfam will state what this means for each supplier and will also set out what Oxfam's responsibilities are in enabling this to happen. The plan will be reviewed at agreed intervals, using the Human Rights Roadmap to decide on areas for improvement and to measure change.

As companies deepen and target their understanding about the positive and negative impacts of their business and supply chain operations and take measures to address any negative impacts, concerns about business reputation will inevitably arise. We recognize that it can be difficult to overcome the constraints of compliance-based norms and attitudes, which naturally tend towards closing down the conversations that are needed at these times. The good news for suppliers is that the evidence to date overwhelmingly indicates that companies that succeed in unlocking latent potential in the workforce and supporting socially and environmentally sustainable innovations are flourishing (see 'The business case for better standards' [section on page 6](#))

How the Human Rights Roadmap is used at level 3

To reflect the shift required for a company to transition beyond the compliance and audit-based approach, assessment at level 3 focuses on the qualitative indicators in the [Human Rights Roadmap](#). Suppliers self-assess (see [Step by step: supplier assessment process](#)) to identify a score (red, orange, yellow or green) against the roadmap's three core questions. Oxfam considers the supplier's evidence, and together we agree the supplier's rating. Suppliers can start at level 3 with

orange scores (see Figure 3 below), but need to have agreed a clear plan and demonstrate continuous improvement towards yellow standards to remain at level 3.

Figure 3: Example of a supplier Human Rights Roadmap entering at level 3 (core questions)

Example of a Level 3 scatterplot As issues are resolved in previous box, supplier moves to the right	Exploitative Road Does harm	Low Road Does some harm	Medium Road Does some good	High Road Does good
	UNSUSTAINABLE		SUSTAINABLE	
Corporate Commitment				
Implementation				
Sourcing Commitment				

Level 2: Leading suppliers

Level 2 suppliers excel in ethical and environmental areas. To be at level 2, suppliers need to achieve at least **one** of the following standards:

- [Equitable Business Model Tool](#) pass AND yellow on the Human Rights Roadmap.
- [Environmental Rating Tool](#) pass AND yellow on the Human Rights Roadmap.

Suppliers therefore need to qualify at level 3 before they can reach level 2.

Figure 4: Example of a supplier Human Rights Roadmap at level 2 (core questions)

Example of a Level 2 scatterplot As issues are resolved in previous box, supplier moves to the right	Exploitative Road Does harm	Low Road Does some harm	Medium Road Does some good	High Road Does good
	UNSUSTAINABLE		SUSTAINABLE	
Corporate Commitment				
Implementation				
Buyer Commitment				

Level 1: Hero suppliers

Level 1 suppliers are our heroes, since they excel in **all** the areas outlined by the framework – the environment, human rights and their business model. That means:

- [Human Rights Roadmap](#) – yellow or green
- [Environmental Rating Tool](#) – pass
- [Equitable Business Model Tool](#) – pass

Figure 5 Example of a supplier Human Rights Roadmap at level 1 (core questions)

Example of a Level 1 scatterplot As issues are resolved in previous box, supplier moves to the right	Exploitative Road Does harm	Low Road Does some harm	Medium Road Does some good	High Road Does good
	UNSUSTAINABLE		SUSTAINABLE	
Corporate Commitment				
Implementation				
Buyer Commitment				

In terms of incentives (e.g. promotions and preferential terms), suppliers at level 1 are eligible for all the benefits of the lower levels, and additional, tailored benefits can be negotiated with the Sourced by Oxfam team (see [Oxfam’s incentives to suppliers](#)). Oxfam may also highlight examples of good practice from our level 1 suppliers in our communications (e.g. website, supporter newsletters, policy and practice papers). This rewards our hero suppliers with positive communications and helps

promotes a 'race to the top' among our suppliers and businesses more generally – and encourages positive impacts on the environment and in the lives of the people behind our products.

2.3 Further information

Resources

- Oxfam GB's [Modern Slavery Statements](#) outline part of Oxfam's own journey along the levels of this framework.
- Oxfam's 11 [Feminist Principles](#) outline how Oxfam seeks to achieve gender justice.
- Oxfam is a member of the Ethical Trading Initiative (ETI). See the ETI's [Human Rights Due Diligence framework](#) and its [Guide to Buying Responsibly](#).

Contact us

To pay a compliment or make a complaint about our Trading Division or shops, suppliers can contact us by:

Email: support@oxfam.org.uk

Telephone: 0300 200 1333 (lines open 09.00–17.00 UK time)

Post: Shop Support Team, Oxfam House, John Smith Drive, Cowley, Oxford, OX4 2JY, UK

Help us make a difference

We aim to continuously improve our impact and welcome feedback. If you would like to talk to Oxfam about doing a company self-assessment using these tools, or have suggestions regarding how we could improve any aspect of this framework, please get in touch at: feedback@oxfam.org.uk

Please note that due to the volume of enquiries we receive, we are unable to accept phone calls regarding supplier offers and we kindly ask that you do not contact us to follow up on your offer. We will, however, review all offers of products or services when our contracts with existing suppliers are due for renewal.

Notes

¹ Social auditing is defined by the Cambridge Business English Dictionary as: *'the practice of examining how well a company behaves towards its employees, society, and the environment'*. <https://dictionary.cambridge.org/dictionary/english/social-auditing> © Cambridge University Press

² See UK Parliamentary Joint Select Committee on Human Rights. Human Rights and Business 2017: Promoting responsibility and ensuring accountability. <https://publications.parliament.uk/pa/jt201617/jtselect/jtrights/443/44306.htm>; and The Times. (2020, July 11). *Fast-fashion staff offered £3 an hour*. <https://www.thetimes.co.uk/article/fast-fashion-staff-offered-3-an-hour-hqbgknxms#:~:text=Workers%20in%20Leicester%20have%20been,3%2D%C2%A34%20an%20hour.>

³ Oxfam uses the definitions of a living wage and living income outlined by the Global Living Wage Coalition. **Living wage:** *The remuneration received for a standard workweek by a worker in a particular place sufficient to afford a decent standard of living for the worker and her or his family. Elements of a decent standard of living include food, water, housing, education, health care, transportation, clothing, and other essential needs including provision for unexpected events.* **Living income:** *The net annual income required for a household in a particular place to afford a decent standard of living for all members of that household. Elements of a decent standard of living include: food, water, housing, education, healthcare, transportation, clothing, and other essential needs including provisions for unexpected events.* Global Living Wage Coalition. Retrieved from: <https://www.globallivingwage.org/about/living-income/> and <https://www.globallivingwage.org/about/what-is-a-living-wage/>

⁴ Oxfam GB bases its own human rights due diligence on the method outlined by the [Ethical Trading Initiative](#). Oxfam has also undertaken Human Rights Impact Assessments of other company's supply chains, for example: [SOK Corporation's Italian Processed Tomato Supply Chains](#).

⁵ Wilshaw, R., (Nov 2018), *Oxfam and Burberry: Moving 'Beyond Audit' to Impact*. Oxfam Views and Voices. Available from: <https://views-voices.oxfam.org.uk/2018/11/oxfam-and-burberry-moving-beyond-audit-to-impact/>

⁶ Nike, personal communication June 2018, cited in S. Barrientos. (2019). *Gender and Work in Global Value Chains: capturing the gains?* Cambridge University Press, pp. 202-5.

⁷ Both supplier and sourcing commitments are outlined in Oxfam's Ethical & Environmental Policy: https://www.oxfam.org.uk/documents/260/Oxfam_GB_Ethical_and_Environmental_Policy_17_December_2020.pdf

⁸ The UK's Equality Act 2010 defines nine protected characteristics: [age](#), [disability](#), [gender reassignment](#), [marriage and civil partnership](#), [pregnancy and maternity](#), [race](#), [religion or belief](#), [sex](#), [sexual orientation](#). Available from: <https://www.equalityhumanrights.com/en/advice-and-guidance/your-rights-under-equality-act-2010>.

The ILO defines the prohibited bases of discrimination in employment as: race, colour, sex, religion, political opinion, national extraction, social origin, age, HIV status, disability, sexual orientation, workers with family responsibilities, trade union members or activities, or any *'distinction, exclusion or preference... which has the effect of nullifying or impairing equality of opportunity or treatment in employment or occupation'*. https://www.ilo.org/empent/areas/business-helpdesk/faqs/WCMS_DOC_ENT_HLP_BDE_FAQ_EN/lang--en/index.htm#Q2

⁹ Ibid.

¹⁰ Ibid.