



A MANIFESTO FOR ETHICAL SOURCING IN THE CONSTRUCTION INDUSTRY



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INTRODUCTION

Isn't it time the construction industry took a stand on ethical sourcing?

What should the sector do to ensure it is open, transparent and fair?

This Manifesto for Ethical Sourcing in Construction represents both a necessity and an opportunity, as recognised by the Action Programme for Responsible Sourcing (APRES), based at Loughborough University.

In a year when UK businesses are getting to grips with both the impending introduction of the Living Wage and the implications of the Modern Slavery Act, it seems inevitable that tough questions should start getting asked about ethical policies and practices. In the case of an industry such as construction, known for its long and complex supply chains across global markets, these questions do not simply stop at the entrance to the building site, or even at the UK border.

In truth, the ethical challenge is not new.

The difference now is that awareness and activism around transparency and traceability are on the rise, as is the threat of reputational risk resulting from poor supply-chain management.

In particular, the reality of corporate responsibility has been brought into sharp focus more recently by the tragic events of the Rana Plaza factory collapse that shook fashion retail. The horsemeat scandal affecting the food sector also provided a salutary business lesson regarding supply-chain risk.

In response to growing ethical concerns, the construction industry is therefore rightly being called upon to take a stand and articulate its position on ethical sourcing. Coming up with a strategy for what we should actually do, however, is not easy. If our good intentions are to be turned into better practice, high-level statements of principle need to be translated into a plan of action, on the ground.

In short, the industry needs a Manifesto.

The results of our ground-breaking Hackathon initiative are set out in this Cohort Report, which reveals not only the final 10-point output but also the journey taken getting there, explaining some of the collaborative thinking and re-thinking that went into the drafting of the Manifesto. Mindful of the wider public and political context in which the construction industry operates, we were keen to capture voices from the built environment and beyond, bringing in additional expert insight to interrogate and inspire.

In its openness and honesty, it is my hope that this Manifesto will energise the debate around ethical sourcing in construction, encouraging a collaborative and dynamic dialogue, both within the industry and beyond.

Whether you agree or disagree with some or all of the pledges, I urge you to respond to the challenge. Ethical sourcing is a critical measure for future sector sustainability and supply-chain resilience.

We all know the questions; now is the time for answers.

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MANIFESTO FOR ETHICAL SOURCING IN CONSTRUCTION

1.

Procure labour, materials, products and services only from organisations demonstrating and implementing zero tolerance to bribery and corruption.
2.

Adopt the Ethical Trading Initiative (ETI) Base Code and work collaboratively with all supply chain organisations on its implementation.
3.

Evaluate and address together the economic, social and environmental sustainability challenges and impacts of sourcing labour, materials, products and services.
4.

Demonstrate a traceable and transparent supply chain for labour, materials, products and services.
5.

Benefit the health, safety and wellbeing of all stakeholders including the natural environment.
6.

Demonstrate materials are of legal origin.
7.

Optimise social, environmental and economic impacts and opportunities of complex/manufactured products over their entire lifecycle.
8.

Design, specify and procure materials, products and services with the greatest circular-economy benefits.
9.

Specify and procure using credible and recognised responsible sourcing and certification schemes, where available.
10.

Foster and communicate a business culture of openness, collaboration and accountability in order to achieve and demonstrate the principles of this Manifesto.

VERSION 1 (V1)

DEVELOPMENT OF THE DRAFT MANIFESTO

Version 1 of the Manifesto was drafted via an online collaboration as a shared document on a virtual platform by the ‘Construction Cohort’ – a collection of experts from industry and academia.

In terms of structure, this original draft Manifesto was designed to open with broad statements of principle and policy, before focusing more on specification issues and technical matters, then concluding with a respectful nod to business culture and Corporate Social Responsibility (CSR).

A choice of hashtags was also made to accompany each Pledge (see Final Version for details). This activity was intended both as an acknowledgement of the anticipated value of social media to communicating outputs and as a useful mechanism for identifying keywords and for recording the working language and jargon typical of the business world and construction industry.

Notes and queries: pledge-by-pledge commentary

Background info and accompanying insights from the co-creation process and online debate:

1. There was discussion about whether aspiration should go beyond mere legal compliance.
2. The point was made that there are issues within OECD countries as well.
3. It was asked how exactly we might consider these in practice?
4. There was debate whether this could be combined with Pledge 9 (Certification), also whether there was an accepted standard to propose and adopt?
5. It was acknowledged that this might be difficult to manage in practice.
6. Use of ‘country of operation’ noted as introducing potential for unintended consequences.
7. The point was made that not all ‘manufactured’ products are ‘complex’, hence dual stipulation. Both Life Cycle Assessments (LCAs) and Environmental Product Declarations (EPDs) were proposed for recommendation. Concerns about economic viability of requirements were covered by insertion of the condition ‘where feasible’.

8. Many questions were raised, including: The Issue of waste hierarchy; whether recycled includes recycled content; selection criteria (cradle to cradle); whether recycled is always better; embodied energy of virgin extraction versus recycling; and retesting of reused structural elements. General support was expressed for this pledge being more about enabling the circular economy in principle, than deciding whether one source of material is better than another.
9. With many standards namechecked, concerns were raised that any used must be ‘credible’, but the Cohort was undecided how such a steer might be worded effectively. It was agreed any standards endorsed should at least be global, not just UK-based.
10. There was a desire to link the policing of product labels and ethical claims back to adoption of appropriate certification and standards, so as to flush out greenwash.

Wider debate and additional thoughts

There was some discussion about the need to define the scope and purpose of the Manifesto and whether the menu of topics should look to follow the structure of any of the particular standards on the market. In terms of scope, it was commonly felt that the Manifesto should apply to operations overseas as well as in the UK; to all labour, products and materials, plus the entire supply chain. It was also noted that there should be inclusion made of a rallying call to encourage uptake of the Manifesto and its goals.

V1. DRAFT MANIFESTO

In accordance with a principle of Ethical Sourcing in Construction – for labour, products and materials, in UK and global markets and in accordance with UN Guiding Principles on Business and Human Rights – enshrined in policy and enforced in practice, we pledge to:

1. Bribery & Corruption: Procure materials, products and services only from organisations demonstrating and implementing zero tolerance to bribery and corruption, regardless of country of operation;

2. Labour & Workers’ Rights: Require suppliers of products and materials from outside the Organisation for Economic Co-operation and Development (OECD) countries to implement the Ethical Trading Initiative (ETI) Base Code of labour practice as a minimum, with payment of a Living Wage using the rates for the UK and ETI guidance for overseas;

3. Sustainable Development: Consider economic, social and environmental sustainability challenges and impacts of sourcing materials, products or services from a country or community;

4. Traceability & Transparency: Give preference to products and provision of services that can demonstrate a traceable and transparent supply chain, evidencing the provenance of raw and recycled/reclaimed materials;

5. Data & Digital: Mandate all specifications to include social and environmental requirements in addition to technical characteristics and economic indicators, such that these will form part of a digital footprint of goods/services, suited to supporting Building Information Modelling (BIM) and collaborative working;



6. Commodity Materials: Source commodity materials (such as aggregates, bricks, timber and steel) from the country of operation and/or project/site location, unless there is strong environmental/social/economic argument to do otherwise;

7. Complex/Manufactured Products: Prioritise complex/manufactured products (such as air handling units) with the lowest impacts over their entire lifecycle, environmentally and socially (where feasible and standards apply), including reuse/recycling/disposal, plus considering maintenance burden and longer-term material/component risks;

8. Circular Economy (Reuse/Recycled/ Reclaimed/Recyclable): Choose materials and products with greatest circular-economy benefits (considering, but not limited to, reuse/recycled/recyclate/reclaimed/recyclable and in accordance with the waste hierarchy), where economically viable and the ethical considerations are equal, plus assessment takes into account scarcity, as well as embodied carbon/water;

9. Certification: Use certification schemes (e.g. FSC, PEFC, or BES 6001) where available, as the minimum requirements for specification;

10. Openness & Communication: Foster a business culture of openness and accessibility, which is committed to knowledge sharing and awareness raising, plus supports accountability and corporate responsibility, from transparency in trade, to appropriate use of product labels and ethical claims, also marketing free from greenwash.



VERSION 2 (V2)

THE ONLINE ‘HACK’ BY CRITICAL FRIENDS

Version 2 of the Manifesto saw the V1 original ‘hacked’ online and rewritten by the ‘Critical Friends’ – a team of specialists from across the built environment sector and wider business world, brought together to question, amend and augment the initial draft.

The impact of their broader perspective is evident immediately in the extension of the remit description to include ‘labour, materials, products and services’, as well as the additional focus on corporate reputation and the organisation behind the goods or activity.

Again there were questions regarding the scope and purpose of the Manifesto: Who is it for and why is it important? This renewed call for signposting and commitment to action helped prompt the addition of a more structured introduction to the pledges crafted for the Final Version.

Notes and queries: pledge-by-pledge commentary

Background info and accompanying insights from the rewrite process and online debate:

1. The phrase ‘Oppressive Regimes’ was added.
2. It was queried why ETI should apply only outside the UK. Also, the use of the Living wage was considered obsolete due to the impending Modern Slavery Act. The OECD distinction was removed and language adopted from phrasing in official ETI statements.
3. The opening verb ‘consider’ was thought to be weak, hence additional clauses. Also the triple-bottom-line of environmental, social and economic impacts should be taken as a package together, not as either/or options.
4. The idea of ‘direct’ sourcing was introduced to capture the notion that the shortest possible supply chain potentially carries greatest transparency and traceability.
5. The question was asked: Why is this an ethical concern?
6. The modifier ‘strong’ was removed, as ironically it appeared to weaken the argument for sustainability. Also the concept of ‘material miles’ was introduced to support ‘local’ sourcing.

7. Phrase added to include consideration of company reputation and rating.
8. No changes.
9. Mention of ‘responsible sourcing’ picks up on popular BES6001 Framework Standard.
10. As ‘greenwash’ was thought too vague a term used on its own, a phrase was added around false claims. Also ‘fairness’ in ‘payment’ was introduced as a commitment.

Wider debate and additional thoughts

Key topics mooted by the Critical Friends as potential foundations for additional Pledges included Health & Safety (zero harm to all stakeholders), plus welfare and wellbeing. These ideas directly influenced the creation of a new **Pledge 5** in the Final Version.



V2. UPDATED DRAFT MANIFESTO

In accordance with a principle of Ethical Sourcing in Construction – for labour, materials, products and services, in UK and global markets and in accordance with UN Guiding Principles on Business and Human Rights – enshrined in policy and enforced in practice, we pledge to, when sourcing, consider both the materials themselves and the complete ethical records of companies behind them (to ensure the most ethical companies are rewarded and the least ethical are not) on the following issues:-

1. Bribery & Corruption: Procure materials, products and services only from organisations demonstrating and implementing zero tolerance to bribery and corruption, regardless of country of operation and avoid sourcing from Oppressive Regimes;

2. Labour & Workers’ Rights: Adopt the ETI Base Code and work with suppliers of materials, products and services to implement this, recognising the need for active due diligence and continual improvement, setting clear goals and milestones for achievement of Code provisions;

3. Sustainable Development: Consider together the economic, social and environmental sustainability challenges and impacts of sourcing materials, products or services from a country or community; and publish a plan to mitigate or eliminate negative impacts, demonstrating how these concerns have been addressed in strategy and operations;

4. Traceability & Transparency: Give preference to materials, products and services that can demonstrate a traceable and transparent supply chain, procured as locally/directly as feasible and evidencing the provenance of raw and recycled/reclaimed content;

5. Data & Digital: Mandate all specifications to include social and environmental requirements in addition to technical characteristics and economic indicators, such that these will form part of a digital footprint of goods/services, suited to supporting BIM and collaborative working;

6. Commodity Materials: Source commodity materials (such as aggregates, bricks, timber and steel) from the country of operation and/or project/site location, unless there is an environmental, social and economic argument to do otherwise; reduce ‘materials miles’ where possible, or at least show this issue has been given due consideration;

7. Complex/Manufactured Products: Prioritise complex/manufactured products (such as air handling units) with the lowest impacts over their entire lifecycle, environmentally and socially (where feasible and standards apply), including reuse/recycling/disposal, plus considering maintenance burden and longer-term material/component risks; source these from companies with high overall ethical scores (see Ethical Company Index);

8. Circular Economy: Reuse/Recycled/ Reclaimed: Choose materials and products with greatest circular-economy benefits (considering, but not limited to, reuse/recycled/ recycle/reclaimed/recyclable and in accordance with the waste hierarchy), where economically viable and the ethical considerations are equal, plus assessment takes into account scarcity, as well as embodied carbon/water;

9. Certification & Accreditation: Use responsible sourcing and certification schemes (e.g. FSC, PEFC, Ethical Accreditation or BES 6001), where relevant, as the minimum requirements for specification and procurement;

10. Openness & Communication: Foster a business culture of openness and accessibility, that is committed to knowledge sharing and awareness raising, plus supports accountability and corporate responsibility, from transparency and fairness in trade and payment, to appropriate use of product labels and marketing free from unsubstantiated or false claims of performance or impact (greenwash).



FINAL VERSION (VF)

THE FACE-TO-FACE HACKATHON

The Final Version of the official Manifesto for Ethical Sourcing in Construction was co-created in a live, face-to-face ‘Hackathon’ that took place in June 2015. Representatives of both the original ‘Construction Cohort’ and the ‘Critical Friends’ came together at the Royal Academy of Engineering, in London, to pool knowledge, share ideas and debate points of difference.

Interestingly (and perhaps unusually given a group dynamic), the VF text is actually much shorter than that of either of the earlier Versions, with the ‘Hackers’ editing the copy ruthlessly to hone pithy and punchy Pledges, more in keeping with the style of a political manifesto.

In testament to the powers of collaborative working, the combined talents of the collective successfully seemed to develop a ‘house style’ over the course of the afternoon, operating in a very open and democratic fashion. The resulting commitments are clear and concise.

The one major change in the Final Version sees deletion of the ‘Data & Digital’ Pledge, the relevance of which had been challenged by the Critical Friends, in particular. Whilst important to property and construction for environmental sustainability, project management and cost and performance, this topic was not considered key for Ethical Sourcing, per se.

In this Final Version, the agreed hashtags are also shown accompanying respective Pledges.

Notes and queries: pledge-by-pledge commentary

Amends and additions from the Ethical Sourcing Hackathon, live in London:

1. The keyword ‘labour’ is added, but closing clauses are cut.

2. The sentence is stripped back and the important idea of supply chain working introduced.

3. The weak opening verb ‘Consider’ is replaced with ‘Evaluate and address’, plus intention to ‘publish a plan’ dropped for being both onerous and potentially duplicating existing efforts.

4. With the Pledge decluttered, the emphasis is placed back on the twin concepts of transparency and traceability.

5. Replacing ‘Data & Digital’, this new Pledge picks up on the additional topic suggestions from Critical Friends around health, safety, welfare and wellbeing.
6. Given concerns about the dubious claims to ownership of lands and associated rights to raw materials buried therein or grown thereon, the focus of the Pledge has shifted significantly to zoom in on the legality issue.

7. The streamlining of the sentence brings lifecycle assessment to the fore.

8. Although there was disagreement about the degree to which the circular economy could be classed as a matter for ethical sourcing, the moral obligation to minimise waste, pollution and associated resource depletion helped keep this Pledge in slimmed-down form.

9. The new verbs ‘specify and procure’ are the important changes here, casting the spotlight more directly on clients and architects.

10. The finessed final Pledge now reinforces a sense of commitment to the Manifesto.

VF. THE FINAL AGREED MANIFESTO

With the growing importance of ethical sourcing in construction and in recognition of the UN Guiding Principles on Business and Human Rights we pledge to the Manifesto principles below, by:-

- *Committing to collaborating uptake of this Manifesto for labour, materials, products and services, in the UK and global markets and to its goals, through supply chain partners;*
- *Recognising the need for active due diligence and an approach of continual improvement;*
- *Cascading this Manifesto to the entire supply chain, including clients, designers, contractors, manufacturers and suppliers, on the issues of:*

1. Bribery & Corruption;

2. Labour and Workers’ Rights;

3. Sustainable Development;

4. Traceability & Transparency;

5. Health, Safety & Wellbeing;

6. Legality of Materials;

7. Complex/Manufactured products;

8. Circular Economy;

9. Certification & Accreditation;

10. Openness & Communication.
- 1. Procure labour, materials, products and services only from organisations demonstrating and implementing zero tolerance to bribery and corruption.**
#anticorruption #procurement #governance #transparency

2. Adopt the Ethical Trading Initiative (ETI) Base Code and work collaboratively with all supply chain organisations on its implementation.
#antislavery #forcedlabour #childlabour #exploitation #modernslavery #Health&Safety #freedomofassociation #discrimination

3. Evaluate and address together the economic, social and environmental sustainability challenges and impacts of sourcing labour, materials, products and services.
#environmentalimpact #socialimpact #economicimpact #triplebottomline #jobcreation #investment #pollution #resourcedepletion

4. Demonstrate a traceable and transparent supply chain for labour, materials, products and services.
#chainofcustody #supplychainmanagement #provenance

5. Benefit the health, safety and wellbeing of all stakeholders including the natural environment.
#wellbeing, #safety #health #naturalenvironment

6. Demonstrate materials are of legal origin.
#mining #extractives #forestry #commodities #rawmaterials

7. Optimise social, environmental and economic impacts and opportunities of complex/manufactured products over their entire lifecycle.
#lifecycleassessment #wholelifecosting #socialvalue

8. Design, specify and procure materials, products and services with the greatest circular-economy benefits.
#recycled #reclaimed #scarcity #circulareconomy #cradletocradle #startwiththeendinmind

9. Design, specify and procure using credible and recognised responsible sourcing and certification schemes, where available.
#standards #thirdpartyvalidation #credibility #confidence

10. Foster and communicate a business culture of openness, collaboration and accountability in order to achieve and demonstrate the principles of this Manifesto.
#governance #CSR #accountability #greenwash #collaboration #accreditation
- 08
- 09

Conclusion

The shift in the Final Version towards simpler language and more direct commitments really tells the story of the evolution of the Manifesto. Embracing the wider ethical concerns outside the relatively narrow constraints of responsible sourcing called for more populist and political expression. For construction, this journey covered new ground – crossing into the territory of the human rights activist and moral campaigner – assisted by the insights and urgings of Critical Friends, together collaborating in the making of a Manifesto for Ethical Sourcing.

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About APRES and AESOP

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<http://apres.lboro.ac.uk>

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