

# Ethical Sourcing Program Supplier Requirements

# Blackwoods

## Introduction & Ethical Sourcing Policy

Blackwoods is committed to sourcing products in an ethical and responsible manner, considering the welfare of workers, health and safety and potential environmental impacts.

The Blackwoods Ethical Sourcing Policy is based primarily on [Ethical Trade Initiative \(ETI\)](#), conducting business ethically, manufacturing responsibly and demonstrating environmental consciousness. The policy details the minimum requirements that suppliers must meet in order to conduct business with Blackwoods and applies to all facilities that produce goods for Blackwoods or any of its subsidiaries, business units, or agents.

## Supplier Engagement with Blackwoods Ethical Sourcing Program

All suppliers producing non-Blackwoods branded goods are expected to adhere to the Policy and General Conditions of Purchase with an expectation for the supplier to establish their own due diligence program.

**All non-Blackwoods branded/customer branded suppliers must fulfil these requirements prior to purchase orders being placed:**

- Sign relevant Service Level Agreement (or equivalent document)
- Sign Blackwoods Ethical Sourcing Policy
- As requested, complete Blackwoods SAQ via Informed 365 platform (which may be requested from time to time)

Blackwoods continue to review these suppliers and look to incorporate a Blackwoods risk based ethical sourcing monitoring and education program in FY22.

**Suppliers (and their factories) producing Blackwoods own-brand/customer branded goods are expected to fulfil these requirements prior to purchase orders being placed:**

- Sign relevant Service Level Agreement (or equivalent document)
- Sign Blackwoods Ethical Sourcing Policy
- Register to Sedex with Sedex B membership;
- Upload current site Ethical Sourcing (ES) audit(s) to Sedex (if available, [see page 3](#)), or participate in an on-site [Sedex Members Ethical Trade Audit \(SMETA\)](#).

## Blackwoods Action - Conduct Risk Assessment including

- Desktop audit on “*Special Requirements*” for *timber/paper, conflict resources, Uzbek cotton and Australia made (or value add to) apparel*, as per Blackwoods Ethical Sourcing Risk Model
- Factories classified as “Medium Risk and Above” (according to the Sedex Risk Assessment Tool provided in partnership with Maplecroft –see [www.maplecroft.com](http://www.maplecroft.com)) must be *Sedex Registered* (Sedex “B” membership is adequate for Blackwoods requirements), with a completed *Self-Assessment Questionnaire (SAQ)*)

## Need help?

Please contact our Ethical Sourcing team [ethicalsourcing@blackwoods.com.au](mailto:ethicalsourcing@blackwoods.com.au) or your Blackwoods Sourcing contact.

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### Blackwoods Supplier Registration Process and Frequently Asked Questions

What is Sedex?

*“Sedex is the largest collaborative platform for sharing responsible sourcing data on supply chains in the world. ... allowing members to share any ethical data, including audits, with multiple companies - reducing duplication. Tens of thousands of companies use Sedex to manage their performance around labour rights, health and safety, the environment and business ethics.”*

Source: Sedex

Please visit [www.sedexglobal.com](http://www.sedexglobal.com) for more information and training material.

How does a supplier register to Sedex?

Supplier's register to Sedex via: [www.sedexglobal.com](http://www.sedexglobal.com)

Follow the link from the [Join page](#) to the Registration form to begin your Sedex journey.

**Sedex B Membership** is adequate for Blackwoods requirements.

For a simple step by step guide to registration, please visit the [Sedex Guidance Registration Process](#)

Who has access to the information shared on Sedex?

Suppliers update, own and control who has visibility of the data that they share on the secure Sedex platform.

As a supplier, you have control of which customers have access to your information.

When you are ready to connect with the Blackwoods Sedex platform, company references to make your information accessible to Blackwoods are listed below:

**Blackwoods/Bullivants/Migomag                      ZC291894883**

What information is shared on Sedex?

Sedex is an online database platform where members store, share and report on:

***Labour Standard, Health & Safety, Environment and Business Ethics.***

Blackwoods suppliers are required to complete a Self Assessment Questionnaire (SAQ) when on-boarding to Sedex and all subsequent ES audits are loaded to the platform. The SAQ enables Blackwoods to assess the factory risk rating.

Why should my business join and share on Sedex?

Sedex provides a platform for communicating one set of data with multiple customers, reducing the need for multiple audits.

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## Auditing

Factories classified as “**Medium Risk and Above**” according to Blackwoods Ethical Sourcing Risk Model (using the Sedex - Risk Assessment Tool ) must be audited.

Purchase orders cannot be placed with new suppliers without a current ES audit. If no current ES audit is available or accepted by Blackwoods, a SMETA 4 pillar audit must be completed prior to first order placement.

## SMETA

Preferred audit type is [SMETA 4 Pillar](#) carried out by a nominated reputable providers:

- \* [SGS](#)
- \* [Intertek](#)
- \* [Elevate](#)
- \* [Bureau Veritas](#)
- \* [Fair Working Conditions \(FWC\)](#)

## Current Site ES Audit

For **new suppliers**, Blackwoods will mutually recognise the below **current ES audits** in lieu of a SMETA to on-board supplier. **(All subsequent audits after on-boarding must be SMETA)**

Business Social Compliance Initiative (BSCI)	Sustainable Textile Production (STeP ) by OEKO-TEX
Fiji TCF (Textile, Clothing and Footwear industry of Fiji)	Ethical Clothing Australia (ECA) Accreditation
SA 8000®	Intertek Workplace Conditions Audit (WCA)
Worldwide Responsible Accredited Production (WRAP)	

For an ES audit to be considered **current**, the report also needs to be:

- No older than 12 months;
- From a nominated reputable audit provider\*;
- Loaded onto Sedex by the audit provider;
- Loaded with a Corrective Action Plan (CAP) showing status of completion.

If you have an alternative audit format that you would like to be considered please submit your application in writing to [ethicalsourcing@blackwoods.com.au](mailto:ethicalsourcing@blackwoods.com.au)

## Audit Payment

Suppliers are required to pay for site audits directly. The supplier/factory owns the information on their site and is free to share the audit information with all of their customers via the Sedex platform.

## APSCA

Blackwoods is committed to professional auditing standards and audit integrity. Blackwoods reserves the right to conduct unannounced and check audits to verify performance of our audit providers. (Further information [www.theapsca.org/about.html](http://www.theapsca.org/about.html)) As such Blackwoods supports the Association of

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Professional Social Compliance Auditors (APSCA). We encourage you to report and address any issues with the auditing company directly, and if necessary contact APSCA on [director@theapsca.org](mailto:director@theapsca.org) or to [ethicalsourcing@Blackwoods.com.au](mailto:ethicalsourcing@Blackwoods.com.au)

## Blackwoods Factory Classification and continued Business / Supply

Factories are classified depending on their compliance performance. Re-audit schedules are determined based on the following classifications:

Supplier Classification	Definition of Classification: ETHICAL SOURCING COMPLIANCE
<b>Gold (Compliant Level)</b>	Factories supplying Blackwoods for more than 2 consecutive years (from first date of PO issuance) that do not have any issues (critical, major or minor) to resolve. Re-audit within maximum 3 years.
<b>Silver (Improver-level)</b>	Factories supplying Blackwoods for more than 12 months (from first date of PO issuance) that do not have any critical/major issues to resolve; may have minor issues, with Corrective Action Plan (CAP). Re-audit within maximum 2 years.
<b>Bronze (Entry Level)</b>	All factories supplying Blackwoods for less than 12 months (from first date of PO issuance or expiry date set at re-audit) that do not have any critical issues to resolve; may have major/minor issues, with CAP. Re-audit within maximum 1 year.
<b>Red (Exit Level)</b>	Any factories supplying Blackwoods that have been identified on re-auditing to have critical issues to resolve. Re-audit within 3-6 months to verify CAP completion. If the second re-audit identifies continued critical non-compliances, Blackwoods will cease all business once current PO's are completed.
<b>Black (Deregistration Level)</b>	Red factories who have failed their re-audit are blacklisted and deregistered. This information is shared within the Wesfarmers group.



All **new factories** will be on-boarded as **bronze**. If you are an existing factory, your Blackwoods Sourcing Manager will inform you of your classification as part of Sedex on-boarding and ongoing ES performance reviews. In all cases, three consecutive sub-standard/improvement performances will drive a business review on whether to continue/grow business or not.

If factories already approved as bronze, silver or gold are identified at having **critical issues** during a re-audit, they will **automatically become a red supplier** and have one opportunity to become compliant to all critical points or Blackwoods will cease/de-register business and classify permanently as **black**. All factories classified as black will be shared across all Wesfarmers business units and divisions to de-register also.