

STANDARDS AND BENCHMARKS GOVERNANCE MODULE

To Accompany the Sustainable Leather Foundation Audit Report



Sustainable Leather Foundation

Industry Led – Consumer Focused



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Sustainable Leather Foundation Standard for Ethical Business Practice

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FSG2 ETHICAL BUSINESS PRACTICE STANDARD AND BENCHMARK

Summary: The SLF *Ethical Business Practice Standard and Benchmark* provides the context, definitions, relevant international norms and expectations for ethical business practice in the leather value chain. This document gives the facility under audit the principles and general expectations, but it is not exhaustive and recognises that there will be differences within regions for national and local laws.

Where there are matters of interpretation in relation to the standard, applicable laws or organisational norms, the auditor will assess in favour of the employees in that facility.

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1. Scope

1.1 The SLF *Ethical Business Practice Standard and Benchmark* specifies the provisions and obligations that a company shall ensure to support ethical and responsible business conduct. All companies have a duty to uphold moral and ethical norms and to live up to the expectations of their stakeholders and society at large. Recognising the links between ethical business practice and other areas of business function, such as procurement and production operations, allows the whole company to adopt the same values and beliefs to which will create positive outcomes for all concerned.

1.2 The SLF *Ethical Business Practice Standard and Benchmark* is intended to ensure that companies understand the value of ethics within a transparent approach to sustainability. Unethical behaviour can result in reputational damage, environmental damage, low employee morale and productivity, and potential fines and penalties.

1.3 It is expected that all SLF certified facilities shall adhere to the highest standards of ethical behaviour and through transparent reporting and measurement, create an environment of improvement, development and protection of people, planet and profit.

2. Normative references

2.1 The following references are useful in the understanding of this document and are provided for further guidance. In the case of dispute these references will form the core of the evidence in support of the Standard and Benchmarks used here:

OECD Guidelines for Multinational Enterprises, 2011

OECD Due Diligence Guidance for Responsible Business Conduct²

OECD Due Diligence for Responsible Supply Chains in the Garment and Footwear Sector³

UN Guiding Principles on Business and Human Rights⁴

¹ OECD Guidelines for Multinational Enterprises, 2011 <u>https://www.oecd.org/daf/inv/mne/48004323.pdf</u>

² OECD Due Diligence for Responsible Business Conduct <u>http://mneguidelines.oecd.org/OECD-Due-Diligence-Guidance-</u> for-Responsible-Business-Conduct.pdf

³ OECD Due Diligence for Responsible Supply Chains in the Garment and Footwear Sector <u>https://www.oecd-ilibrary.org/docserver/9789264290587-</u> <u>en.pdf?expires=1625766417&id=id&accname=guest&checksum=FF130CDB67B72270210C340ECB3718A2</u>

⁴ UN Guiding Principles on Business and Human Rights https://www.ohchr.org/documents/publications/guidingprinciplesbusinesshr_en.pdf