

Ethical Business Practices Policy By-laws

Revision History:

March 26, 2014 (Ratification)

BACKGROUND

ARTICLE 1 — BACKGROUND AND PREAMBLE

On September 18th, 2013, the Arts Undergraduate Society (AUS) Legislative Council adopted a “Motion to Support the Creation of an AUS Ethical Purchasing Policy and an Ad Hoc Ethical Purchasing Policy Committee.” This motion affirmed the AUS’ support for the creation of an Ethical Purchasing Policy to bring the purchasing and business practices of the AUS into line with the commitment to environmental and social sustainability reflected in the bylaws of both the Arts Undergraduate Society Environmental Council (AUSec) and the Arts Undergraduate Society Equity Policy.

The purposes of this policy are to ensure that business practices undertaken by suppliers of the AUS and the departments within its jurisdiction are in compliance with accepted international ethics standards, local laws, and the ethical standards reflected in the aforementioned AUS bylaws. This policy aims to promote greater respect for workers’ rights, improved working conditions, and environmental and social sustainability practices while simultaneously protecting the financial sustainability of the AUS and its associated departments and committees.

ARTICLE 2—SCOPE

This policy applies to all purchases made by the Arts Undergraduate Society and the committees and departments within its jurisdiction, including, but not limited to, frosh and departmental apparel, printed materials, athletics and gym wear, and event materials such as plates and cups. This policy does not apply to food purchases.

ARTICLE 3 —POLICY MANDATE

This policy seeks to encourage engagement with and support of businesses with superior social and environmental practices, and well-developed social responsibility initiatives. These standards also apply to subcontractors of said businesses. The following list details particular areas in which the Arts Undergraduate Society shall seek out and identify businesses with ethically superior practices.

Location

The Arts Undergraduate Society shall give priority to manufacturers and service providers who are locally based. After this, priority will be given to manufacturers and service providers based on physical proximity to reduce the environmental cost of additional transportation. The Arts Undergraduate Society shall attempt to purchase products directly from their original sources.

Material

The Arts Undergraduate Society shall purchase products which use biodegradable, post-consumer recycled, and/or recyclable materials when possible.

Pollution

The Arts Undergraduate Society shall give priority to manufacturers and service providers that actively pursue a goal of waste and toxic emission reduction with the ultimate aim of carbon neutrality, as demonstrated by, but not limited to: a commitment to the sustainable use of natural resources through reduction, reuse, and recycling, the use of alternative energy sources, and the implementation of sustainable practices such as composting.

Certification

The Arts Undergraduate Society shall seek products or firms carrying the EcoLogo or the ISO 14000 certification. The Arts Undergraduate Society shall seek products that are fair-trade certified by either Fairtrade International (FLO) or one of its international members, such as Fairtrade Canada.

Employee Empowerment, Equity and Diversity

The Arts Undergraduate Society shall seek to conduct business with companies which actively encourage equity and diversity in their workforce, are ranked highly for work satisfaction as shown by commonly available employer rankings, and provide services and benefits to employees beyond those considered to be the industry average. Excellent fulfilment of labour standards), is necessary for a business to be deemed “preferred,” such as those included in the

Fair Labor Association (FLA) Workplace Code of Conduct (i.e. no child labour, forced labour, or restrictions on freedom of association and collective bargaining).

Community Involvement

The Arts Undergraduate Society shall seek to conduct business with companies who have been shown to engage in positive relationships with their community. Markers of positive community relationships include: the presence of a concrete community outreach program, including the delegation of a company representative to participate in community decision-making forums, and a demonstrated preference given to community-based non-corporate sources. Preference shall be given to cooperatives, social enterprises, student-run businesses, and other non-corporate business models when possible.

ARTICLE 4 — COMPLIANCE

4.1 The Ethical Business Practices Committee (see Article 6) shall create and maintain a list of suppliers, henceforth called the Supplier Ethics Database. Suppliers shall be grouped into three categories: “preferred”, “neutral”, and “prohibited.” This list shall be distributed to all departmental association executives and committee members by the Vice-President Finance at the start of each semester, and emailed to all departmental association executives and committee members every time it is updated.

4.1.1 Placement on the “preferred” list shall be based on meeting and exceeding the standards outlined in Article 3 as determined by the Ethical Business Practices Committee.

4.1.2 Placement on the “neutral” list shall be based on meeting the standards outlined in Article 3 as determined by the Ethical Business Practices Committee.

4.1.3 Placement on the “prohibited” list shall be based on failure to meet the standards outlined in Article 3 as determined by the Ethical Business Practices Committee. The Arts Undergraduate Society shall not conduct business with any companies included on the “prohibited” list.

4.2 Any McGill student or interested third parties shall be able to confidentially report and concerns regarding failure to observe the Policy—for instance, AUS-funded parties conducting business with “prohibited” suppliers or suppliers that ought to listed as “prohibited”—to the Ethical Business Practices Committee (see Article 6.4).

4.3 The Vice-President Finance shall notify a significant supplier who is listed under “prohibited” in the Supplier Ethics Database of their placement on this list. Notice shall be given of the rationale of their placement on said list, and of the AUS’ intention to terminate relations indefinitely, or until evidence of a change in supplier business practices is provided or discovered.

4.4 The Vice-President Finance shall maintain the Supplier Ethics Database during inactive Ethical Business Practices Committee periods, namely between the months of April and September.

ARTICLE 5—ENFORCEMENT and INCENTIVE

5.1 The Vice-President Finance shall be tasked with referencing the Supplier Ethics Database during the processing of cheque requisitions from AUS-funded parties.

5.2 The AUS shall subsidize the difference in cost between a prohibited supplier and neutral or preferred supplier, and between a neutral and preferred supplier.

5.2.1 Any department or committee of the AUS is eligible for a subsidy.

5.2.2 The amount to be subsidized shall be determined by comparing an invoice from a prohibited or neutral supplier to that of a neutral or preferred supplier respectively provided by the department or committee to the Vice-President Finance.

5.3 Any department or committee which makes a purchase from a “prohibited” supplier shall have the cost difference between the supplier chosen and a “neutral” supplier deducted from their allocation.

5.4 Any AUS executive who makes a purchase from a “prohibited” supplier shall be reported to AUS Council by the Ethical Business Practices Committee.

ARTICLE 6—STANDING COMMITTEE

6.1 A standing committee, henceforth named the Ethical Business Practices Committee shall oversee the continued implementation of the Policy.

6.2 The Ethical Business Practices Committee shall be composed of one member of the Equity Committee, one member of the AUS Environmental Committee, two members-at-large who are members of the AUS, and the Society’s Vice President Finance.

6.3 Committee tasks shall include: maintaining the Supplier Ethics Database, researching suppliers, researching trends in business practices in the context of the Policy mandate, processing concerns brought forward by members of the Society regarding the lack of adherence to the Policy, and reviewing financial records of the Society to ensure that no prohibited purchases have been made.

6.4 Concerns submitted to the Ethical Business Practices regarding failure to adhere to the Policy shall be processed by the Committee.

6.4.1 The Committee shall research any supplier whose practices are brought into question and add said supplier to the Supplier Ethics Database or change the supplier’s status after sufficient research is conducted and a Committee consensus is reached.

6.4.2 Concerns regarding general Committee practices shall be discussed amongst the Committee and those bringing the concern forth as seen fit by the two parties.

6.4.3 Concerns not resolved in accordance with 6.4.1 and 6.4.2 may be addressed at AUS Legislative Council either by a discussion in New Business or by a motion addressing said concern.

6.5 The Ethical Business Practices Committee shall report to Council at a minimum of once per semester. The report shall outline changes made to the Supplier Ethics Database, and summarize violations of the policy, making special note of violations committed by AUS executives as noted in Article 5.4.

ARTICLE 7—APPEALS PROCESS

7.1. Any AUS member who disagrees with a Committee decision regarding the placement of a certain supplier on the “prohibited” list may seek to reverse this decision through informal consultation with the Committee.

7.2 If no agreement is reached, the AUS member may seek to have the supplier removed the “prohibited” list at AUS Legislative Council by a two-thirds majority vote.

Appendix: Definitions

“Child” means any person less than 15, unless local minimum age law stipulates a higher age for work or mandatory schooling, or less than 14 if the minimum age law is set at that age in accordance with developing country exceptions under United Nations ILO Convention 138.

“Employer” means an entity that employs or contracts a worker in the production of a product.

“Policy” means this document in its entirety.

“Product” means any item manufactured for the Arts Undergraduate Society or any of its departments and committees, as well as any service provided to such parties.

“Significant Supplier” means a supplier (see definition of “Supplier”) from whom the Arts Undergraduate Society commonly purchases goods and services.

“Supplier” means an entity who sells a product to the Arts Undergraduate Society or any of its departments or committees.

“Subcontractor” means any person who directly or indirectly provides the supplier with goods and/or services integral to the manufacture of apparel products for the Arts Undergraduate Society or any of its departments or committees.

“Worker” means a person involved in the manufacture of a product.