

INTER-AGENCY PROCUREMENT GROUP (IAPG)'s SUPPLIER SUSTAINABILITY AND ETHICAL CODE OF CONDUCT

PART 1 - INTRODUCTION

THE IAPG: The <u>IAPG</u> is a network of Supply Chain and Procurement professionals, from multiple International Non-Governmental Organisations ((I)NGOs), who come together to share knowledge, collaborate, develop links to academic and professional bodies and to be a collective voice. It seeks to represent its members and all other civil society organisations to maximise the capacity of the sector's Procurement community; in this case through a single, standardised Supplier Sustainability Policy/Code of Conduct.

DEFINITION: Any IAPG member or civil society organisation can use this Code of Conduct with their suppliers. It serves as an industry standard Code of Conduct. The issuing entity (i.e. the customer to the supplier) is defined as the "Agency" in this Code of Conduct.

REFERENCE: International Standards, Conventions and Principles such as the 'UN Declaration on Human Rights' and other core Human Rights Treaties, including the 'UN Convention on the Rights of the Child' and the International Labour Standards on Child Labour & Forced Labour (namely 138 and 182) are the foundations on which much of this Code of Conduct is based. Therefore, it is the agency's expectation that any supplier will adhere to these principles.

INTERPRETATION: The <u>Global Compact</u>¹ ("Compact") is a voluntary corporate citizenship community that sets the universal social and environmental principles, to meet the challenges of globalisation (a key foundation for the Compact is the *Guiding Principles on Business and Human Rights*). The agency encourages all suppliers to participate in the Compact. This Code of Conduct addresses the issues included in the Compact in the areas of human rights, labour, environment and anti-corruption, and interpretation of this Code of Conduct should be undertaken in a manner consistent with the Compact.

PART 2 - SCOPE OF APPLICATION

- The provisions of this Code of Conduct set forth the expectations for suppliers that are registered with the agency, or with whom it does business.
- > The agency expects that these standards apply to, and will be communicated to, suppliers' employees, parent, subsidiary and / or affiliate entities, subcontractors, and their own suppliers.
- Suppliers may be required to sign a declaration of compliance in all bid submissions and supply contracts.
- > The agency's aim is to guide suppliers over the long term to meet these standards. Those who will not be able to demonstrate their goodwill, may see Agencies use other sources of supply.

PART 3 - CONTINUOUS IMPROVEMENT

- > The provisions set forth in this Code of Conduct provide the minimum standards expected of suppliers.
- In addition, the agency expects suppliers to strive to exceed international and industry best practices and to ensure that their own suppliers and subcontractors aim to do the same.
- > The agency recognises that reaching some of the standards established in this Code of Conduct is a dynamic rather than a static process and encourages suppliers to continually improve their operations accordingly.

PART 4 - MANAGEMENT, MONITORING AND EVALUATION

- Suppliers are required, as a minimum, to comply with compulsory standards in this Code of Conduct ("*must*" provisions), and to set clear goals and work-plans to achieve the other standards ("*should*" provisions).
- This may require active monitoring of its own operations through establishing appropriate management systems to track progress and compliance.

PART 5 – KEY PRINCIPLES AND SUPPLIER STANDARDS

Suppliers must follow all local and international laws at all times, and any applicable Agency specific Policy / Code of Conduct which is made available.

¹ <u>https://www.unglobalcompact.org/what-is-gc</u>

- > Where the standards of this Code of Conduct exceed any laws / regulations / Agency Policy, the Supplier should strive to adhere to these higher standards in addition to the relevant laws / Agency Policies.
- If you become aware of any instances where the requirements of this Code of Conduct are not being met (e.g. safeguarding breach, fraudulent behaviour) please notify your designated point of contact immediately.

1 - KEY PRINCIPLES

1.1 Obey all applicable international and local laws, legislation, and regulations

1.1	Obey an applicable international and local laws, legislation, and regulations	
1.2	Elevate Social, Economic and Environmental Sustainability to the core of your decision making and ways of	All Standards
	working	
1.3	Promote diversity, inclusion, and equality in ways of working, decision-making and treatment of staff	
1.4	Employ staff of an appropriate age	
1.5	Pay all staff fairly and reasonably	<u>Standard 2 -</u>
1.6	Employ staff on a voluntary basis, with freely agreed documented terms of employment	<u>Labour</u>
1.7	Be a responsible employer, treat staff fairly and protect their health and safety	
1.8	Ensure that workers and employees have a voice and are given the freedom of association	
1.9	Grant staff the rights afforded under national and international Human Rights acts	<u>Standard 3 –</u>
1.10	Ensure all staff are treated with dignity and respect	<u>Human Rights</u>
1.11	Minimise environmental impact (including waste, energy, emissions and water) as much as possible	<u>Standard 4 -</u>
		Environment
1.12	Adhere to the highest standards of moral and ethical conduct	<u>Standard 5 –</u> Ethical
1.13	Adopt a zero-tolerance approach towards fraud, bribery and corruption	<u>Conduct &</u>
1.10		Legal Stds
1.14	Adopt a zero-tolerance policy towards any form of abuse, harmful practices, and behaviour being	
	committed against children and adults, and take all available measures to prevent all forms of these	
1.15	Act against all allegations and reports of exploitation, abuse, harassment, and any other form of misconduct	<u>Standard 6 –</u> Safeguarding
1.16	Do not engage in any form of discrimination, maltreatment, abuse, or poor safeguarding practices	Suleguarang
	irrespective of a person's socio-economic status, gender, age, disability, ethnic and tribal identity, faith or	
	religious affiliation, and/or sexual orientation (Applies to during and out of working hours)	
1.17	Protect and promote the land rights of communities, including indigenous people	<u>Standard 7 –</u>
1.17	roteet and promote the land honto of commanded, melduling indigenous people	<u>Community</u>

SUPPLIER STANDARD 2 - LABOUR

2.1 MINIMUM WORKING AGE

2.1.1 *Must* adopt the highest applicable standard for working age based on the International Labour Organization Conventions and the laws of the country(s) where the contract is implemented (i.e. whichever age is the highest).

2.2 FORCED / COMPULSORY LABOUR

2.2.1 Must prohibit forced or compulsory labour / modern slavery in all forms.

2.3 MODERN SLAVERY AND HUMAN TRAFFICKING

- 2.3.1 *Must* not participate in, or support, Human Trafficking or Modern Slavery.
- 2.3.2 Must not subject any people to exploitative or harmful labour.

2.4 CHILD LABOUR²

- 2.4.1 Must ensure that work opportunities provided to children of working age are decent.
- 2.4.2 Must not employ persons under the age of 18 for work that is likely to harm their health, safety, or morals.
- 2.4.3 *Should* work towards the effective elimination of child labour through your and your suppliers' supply chains including identifying and supporting children and families where children are at risk of child labour, through a do no harm approach and through taking the best interest of the child into account.

² According to the ILO, Child Labour refers to work that deprives children of their childhood, their potential and their dignity. Child Labour also refers to work that is harmful to their physical and/or mental development.

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2.5 DISCRIMINATION

2.5.1 *Must* not discriminate (in employment, pay, recruitment or any other processes) based on characteristics such as race, age, gender, religion, sexuality, disability, civil partnership or marriage, pregnancy, maternity etc.

2.6 HARASSMENT, INTIMIDATION AND BULLYING

- 2.6.1 *Must* ensure no staff are subject to harassment (sexual, verbal, physical, mental or visual), coercive behaviour, intimidation or bullying. This also includes behaviour directed towards Agency staff.
- 2.6.2 *Must* ensure zero-tolerance towards any action that violates a person's dignity, or creates an intimidating, hostile, degrading, humiliating or offensive environment.

2.7 WAGES AND WORKING HOURS

- 2.7.1 *Must* ensure workers are provided with a fair living wage³.
- 2.7.2 *Must* not make deductions from wages other than those permitted under conditions prescribed by the applicable law, regulations, or collective agreement. The supplier should inform concerned workers of such deductions.
- 2.7.3 *Should* ensure workers are not required to work more than the regular and overtime hours allowed by the laws of the country where the workers are employed.
- 2.7.4 Should use employment contracts for all staff to provide security.
- 2.7.5 Should ensure your suppliers and subcontractors are paid fairly and on time as committed.

2.8 HEALTH AND SAFETY

- 2.8.1 Must ensure all applicable Occupational Health and Safety laws are adhered to.
- 2.8.2 Must ensure all workplaces, machinery, equipment, and processes are safe and without risk to health.
- 2.8.3 *Must* ensure adequate hygiene, health and safety measures are in place, and necessary and adequate protective clothing and equipment are provided to prevent the risk of accidents or of adverse effects on health.

SUPPLIER STANDARD 3 – HUMAN RIGHTS

- 3.1.1 Must not be complicit in any Human Rights abuses or violations.
- 3.1.2 *Must* ensure all staff are treated with dignity and respect, irrespective of their socio-economic status, gender, age, disability, ethnic and tribal identity, faith, or religious affiliation, and/or sexual orientation, and demonstrate the same values to the people they meet in relation to their employment.

SUPPLIER STANDARD 4 - ENVIRONMENT

4.1 ENVIRONMENTAL

4.1.1 *Must*, at all times, comply with existing environmental legislation and regulations.

4.2 IMPACT

- 4.2.1 *Should* develop environmental impact goals and implement an environmental policy, and where possible, include your own supplier's / supply chains in the goals.
- 4.2.2 *Should* measure and reduce, where possible, the negative environmental impact of your organisation and operations (e.g. biodiversity conservation, waste production, emissions, water usage etc.).

4.3 WASTE

- 4.3.1 Should adopt a culture and business practices that endeavour to reduce waste throughout the lifecycle of your products and operations (this includes procurement, production / manufacturing, packaging, and transportation).
- 4.3.2 Should avoid using materials that are dependent on finite resources, instead use materials of sustainable origin.
- 4.3.3 *Should* review processes, operations and supply chains to maximise efficiency and reduce waste (including standardisation, sustainable practices, re-use of materials, recycling of waste, and disposal practices).

4.4 ENERGY AND EMISSIONS

- 4.4.1 *Should* adopt a work culture and practices that reduce emissions (e.g. CO2, N2O, Hydrocarbons etc.) in the lifecycle of your products and operations.
- 4.4.2 Should have a clear understanding of your carbon footprint and a plan to reduce it.
- 4.4.3 Should use alternative / green energy sources (e.g. solar power).

³ A fair living wage is a total compensation package that meets, or exceeds, the legal minimum standards or prevailing industry standards, whichever is higher, including: - Wages: paid in full and directly to the staff concerned, at regular intervals no longer than one month

⁻ Other benefits: including and not limited to, paid leave, parental leave, social protection, sick pay, overtime pay etc.

4.5 WATER

4.5.1 Should minimise water usage / wastage and adopt water-saving technologies where possible.

SUPPLIER STANDARD 5 – ETHICAL CONDUCT & LEGAL STANDARDS

5.1 CORRUPTION

- 5.1.1 *Must* not act in a dishonest manner or engage in any form of corrupt practices, including but not limited to extortion, fraud, tax evasion, money laundering and bribery.
- 5.1.2 *Must* not attempt to improperly influence any procurement process.

5.2 CONFLICT OF INTERESTS (incl. Post-Employment Restrictions)

- 5.2.1 *Must* disclose any actual, perceived, or potential Conflict of Interests. This may include an employee / agent or member of their immediate family (or an organisation that employs any of this family), having any kind of interest or economic ties with the Agency.
- 5.2.2 *Must* notify the Agency if employment is given to any ex-Agency staff within a reasonable period of them ending their employment with that Agency.

5.3 GIFTS AND HOSPITALITY

5.3.1 *Must* not provide, or attempt to provide, any type of gift, hospitality, holidays, goods / services, or other items of value to any Agency employee.

5.1 SANCTIONS, AID DIVERSION AND EXPORT CONTROLS

- 5.1.1 *Must* comply with applicable sanctions and export controls (so must not make funds or resources available to or for the benefit of any person / entity subject to restrictions), and obtain any necessary licenses.
- 5.1.2 Must provide the names and dates of birth of key staff, to enable vetting.

SUPPLIER STANDARD 6 - SAFEGUARDING

6.1 CHILD⁴ AND ADULT SAFEGUARDING

- 6.1.1 **Must** comply with all relevant laws and regulations including the 'International Labour Conventions', the 'United Nations Convention on the Rights of the Child', etc.
- 6.1.2 *Must* complete vetting / background checks on all perspective staff (permanent / temporary / casual) during recruitment.
- 6.1.3 *Should* ensure staff are aware of any applicable Safeguarding Policies or rules, and if offered, participate in all relevant trainings related to the Safeguarding.
- 6.1.4 *Must* create and maintain a safe and inclusive environment, free from any form of discrimination, exploitation, abuse, harassment, intimidation, and bullying.

6.2 EXPLOITATION, ABUSE AND HARM

- 6.2.1 Must ensure no staff is left alone with a child in the course of them delivering goods / services.
- 6.2.2 *Must* ensure that no one shall be subjected to behaviour that has the purpose or effect of violating their dignity or creating an intimidating, hostile, degrading, humiliating or offensive environment.
- 6.2.3 *Must* note that sexual activity with persons under the age of 18 is prohibited, regardless of the local age of minority / consent. Mistaken belief in the age of a person is not considered a defence.
- 6.2.4 *Must* not physically, sexually or emotionally harm, or threaten to harm any child or adult.
- 6.2.5 Must not engage in physical abuse, sexual abuse or harmful behaviour towards anyone.
- 6.2.6 Must not engage in any form of coercive behaviour including physical and / or humiliating punishment.
- 6.2.7 Must not exchange money, employment or other items or promises of value for any sexual activity that is exploitative.
- 6.2.8 *Must* ensure adequate provisions (e.g. Health and Safety) are in place when carrying out works / services where children and adults may be at risk.

SUPPLIER STANDARD 7 – COMMUNITY IMPACT

7.1 COMMUNITY STRENGTHENING AND LIVELIHOODS

- 7.1.1 Should act in a way that positively impacts local communities, improves livelihoods and uplifts the local economy.
- 7.1.2 Should, where possible, proactively engage and employ locally based suppliers.

⁴ Child abuse consists of any act, or omission, which directly or indirectly harms children (any person under the age of 18 years old) or damages their prospect of a safe and healthy development into adulthood.

- 7.1.3 Should, where possible, procure goods / materials that are sourced and manufactured locally.
- 7.1.4 Should, where possible, employ staff from local communities.
- 7.1.5 Should proactively strengthen local suppliers through technical / operational / management training or support.
- 7.1.6 Should respect the rights and title to property / land of the individual, indigenous people and local communities. All negotiations regarding their property or land must adhere to the principles of free, prior and informed consent, contract transparency and disclosure.

7.2 INDIGENOUS PEOPLE

- 7.2.1 Should respect the rights, cultures, and beliefs of indigenous people, and treat them in a culturally appropriate manner.
- 7.2.2 Should avoid activity that may have an adverse impact on the indigenous population.

7.3 CULTURAL HERITAGE

7.3.1 Should recognise and respect the importance of physical and non-physical cultural heritage in the community.

PART 6 – WHISTLEBLOWING / CONTACT US

The agency is committed to fair and transparent processes. Concerns should be submitted to the relevant point of contact, to be reviewed and investigated discretely and appropriately.