**Elements of a Supplier Code of Conduct**

1. Letter from Executive Leadership (CEO, Chairman, Chief Procurement Officer, etc. )
2. Purpose: Why is a Supplier Code of Conduct important?
   1. Relevance to organizational vision, mission and values
   2. Benefits to suppliers and customers
3. Application of the Code of Conduct
4. Audiences: Define who must participate
5. Specific expectations
6. Compliance: Method for assessment and consequences for non-compliance

**Key Components of a Code of Conduct**

1. **Human Rights**

**Discrimination** - Suppliers should promote equal opportunities and shall not discriminate against any worker based on race, color, national origin, ancestry, sex, gender identity or expression.

**Harassment & Abuse** - Suppliers shall maintain workplaces that are free from discrimination or physical or verbal harassment.

1. **Health & Safety**

Suppliers must ensure that they have a safe and healthy work environment in compliance with all applicable laws and regulations related to workplace conditions.

1. **Labor**

**Wages, Benefits & Hours** – Suppliers must operate in full compliance with all applicable wages, work hours, vacation time, overtime, holidays and benefits labor laws.

**Child & Juvenile Labor** - Suppliers shall not employ any persons under the age of 15 or the applicable minimum legal age for employment. They shall comply with all local child labor laws and applicable international standards.

**Human Trafficking** - Suppliers shall not engage in or allow any form of human trafficking, commercial exploitation, including the sexual exploitation of men, women or children.

**Forced Labor** - All suppliers must ensure that no forced labor, including bonded, indentured and involuntary prison or slaved labor is used.

**Freedom of Association & Collective Bargaining** - Respect employees’ right to join, form, or not to join a labor union without fear of reprisal, intimidation or harassment.

1. **Business Integrity/ Ethics**

**Corruption & Bribery** - Suppliers must neither engage in nor tolerate association with any form of corruption, bribery, extortion, or embezzlement.

**Conflict of interest** - Suppliers should inform Company of any actual and potential conflicts of interest that come up from business or personal relationships with our customers, suppliers, business associates, employees, or competitors.

**Legal Compliance** - Suppliers are required to act in accordance with all applicable federal, state and local laws and regulations. Where applicable, suppliers must comply with relevant international laws.

**Fair Competition & Marketing** - suppliers are required to comply with applicable antitrust and competition laws that prohibit agreements between competitors that affect prices, costs, terms or conditions of sale.

**Immigration Laws Compliance** - Suppliers must only engage workers who have a legal right to work.

**Environment/ Sustainability** - Suppliers must fully comply with all local environmental laws and regulations. They should also use commercially reasonable efforts to conduct operations in a manner that is environmentally responsible, conserves natural resources, and minimizes pollution and harmful emissions.

**Supplier Diversity/Inclusive Supply chain -** Suppliers are to demonstrate a diverse workforce composition actively embracing workforce age, gender, race, national or ethnic origin, religion, language, political beliefs, sexual orientation, physical ability and promoting supply chain inclusion throughout their own supply chains.

1. **Protection of Information**

**Confidentiality -** Suppliers must protect our customers, employees and client’s privacy and confidentiality in accordance with the terms of the agreement between Supplier and Company

**Data Protection/ Privacy** - Suppliers shall comply with applicable privacy and information security laws and associated regulatory requirements as well as with the Company’s privacy and security policies when personal information is collected, stored, processed, disclosed, transferred and/or shared.

**Compliance-** Suppliers shall implement effective management systems and a governance structure to facilitate compliance with all applicable laws and promote continuous improvement with respect to the expectations set forth in this Supplier Code of Conduct.

**Additional Elements:**

* Drug interdiction
* Conflict minerals prohibitions
* Commitment to circular economy

**Implementation & Monitoring**

* Define how suppliers or potential suppliers access the code of conduct
* Create a simple process for documenting and tracking supplier acceptance
* Provide clear direction on how suppliers are to communicate and implement the code of conduct within their own organization and through the extended supply chain.
* Create standard contract terms that incorporate compliance with supplier code of conduct
* If compliance is monitored, create transparent guidelines and expectations about monitoring and reporting
* Establish a secure and confidential method for reporting violations
* Define consequences for non-compliance

**RESOURCE:**

**Institute for Supply Management: *Principles and Standards of Ethical Supply Management*** *and* ***Principles of Sustainability***