

SUPPLIER CODE OF CONDUCT

A FU⁺UREPLUS GUIDE

WHAT IS A SUPPLIER CODE OF CONDUCT?

A Supplier Code of Conduct is a **statement of expected behaviour** which an organisation presents to its suppliers and supply chain in order to guide conduct and business ethics.

The purpose of the code is to **establish proactive collaborations** with suppliers in order to **promote responsible and environmentally friendly business practices** that set a good example and do not conflict with your organisation's social and environmental objectives.

YOUR CODE



Lines of communication

Your Supplier Code of Conduct presents an excellent opportunity to be upfront with your suppliers about how you expect them to behave, but should also make clear that it mirrors the behavioural standards you have set for your own organisation and operations in your Employee Code of Conduct and/or Code of Ethics.

In terms of ensuring sustainable outcomes for your business, a Supplier Code of Conduct should act as both a guide and a risk assessment, covering any potential areas of concern relevant to your supply chain – whether environmental, social, or governance-related.

What to include

Components of a Supplier Code of Conduct include, but are not limited to:

- Fair working conditions and standards
- Ethical and environmentally responsible operations (that would for example ensure no slave or child labour)
- Anti-corruption measures

Your suppliers should be expected and encouraged to refer to the Code as an extension of your working relationship.

WHAT SHOULD THE CODE COVER?

+ OPENING STATEMENT

Outline the purpose of the Code and include a statement of your company's vision, mission and values.

+ HUMAN RIGHTS

Outline your company's expectations surrounding non-discrimination, diversity, equity and inclusion, modern slavery and compliance with The UN Convention on Human Rights. If relevant, detail how your company actively measures diversity and economic inclusion within your supply chain. Make clear the type of data you will require from your suppliers. Include information on how human rights risks are assessed within your supply chain and link to your Modern Slavery Statement if you have one in place.

+ LABOUR RIGHTS

Encourage suppliers to communicate working hours, freedom of association rights, collective bargaining rights, remuneration, health and safety requirements, and compliance with ILO standards to all employees. Provide details on how screening and monitoring will be conducted to ensure compliance with labour rights within your supply chain.

+ HEALTH AND SAFETY

Promote the highest industry standard of health and safety. Underline your commitment to providing a safe and healthy working environment, and outline how suppliers should comply with health & safety regulations. You could include a link to your Health & Safety policy.

WHAT SHOULD THE CODE COVER?

+ ENVIRONMENT AND EMISSIONS

Underline your commitment to reducing GHG emissions and single-use plastics, electrical and other waste disposal, chemicals and toxic materials, water and energy use in your supply chain. If relevant, provide details on how this will be measured and what information you will need from your suppliers.

Make clear how your organisation measures, reviews and reduces the impact of transporting its goods and products across its supply chain, and what data or reporting is required from suppliers. Include a link to any environmental policies you have in place and/or third party certifications.

+ COMPLIANCE WITH LAWS AND REGULATIONS

Underline that your suppliers must comply with all applicable laws and regulations and must not engage in any illegal or unethical activities.

+ AVOIDING CONFLICTS OF INTEREST

Outline all prohibited conflicts of interest. Demonstrate how your suppliers should manage and declare any potential conflicts of interest.

+ DISCRIMINATION, HARASSMENT AND BULLYING

Provide detail on your organisation's clear and effective policies to prevent and penalise discrimination, harassment and bullying within your supply chain. You could include a link to your own anti-harassment policy.

WHAT SHOULD THE CODE COVER?



ETHICS AND GOOD GOVERNANCE.

Detail clear guidance on your expectations of good governance. This should include your policies on ethics and corruption. Verify that your company ensures ethical buying standards, and how this is monitored throughout your supply chain. Underline that your suppliers must comply with all applicable anti-bribery, anti-lobbying, anti-money laundering and anti-corruption laws, regulations and codes.



REVIEW & AUDIT

Outline how often the Code will be reviewed and how, if relevant for higher risk supply chains, suppliers will be audited on their adherence to the Code.



INTERNATIONAL OPERATIONS

Ensure your organisation has locally relevant supplier codes of conduct if applicable. Outline all ethical recruitment policies in all of the territories where your company operates.

OTHER THINGS TO CONSIDER

1

Does your Supplier Code of Conduct align with your **mission and purpose**? Does it align with **best practice standards** across your industry?

2

How is the Code shared? Is it freely available? Make your language **clear** and **concise**. Consider using examples for added explanation.

3

Have a plan in place for how you intend to **audit** and **enforce** the Code. How will you ensure that suppliers are adhering to the Code?

NEED MORE HELP?

As an additional service we can supply a structured template for a Supplier Code of Conduct. We also offer consultancy services if you would like more comprehensive support, for example writing a bespoke Supplier Code of Conduct from scratch.

Please let us know if you would like more information – we would be happy to provide a quote for either service:

team@future-plus.co.uk

