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Supplier Code of Conduct

IPCO Supplier Code of Conduct outlines standards to ensure that working conditions at IPCO's suppliers are safe, that workers are treated with respect and dignity, that manufacturing processes are environmentally responsible, and that business is conducted in an ethical manner.

Level of standards

IPCO expects that suppliers adhere to all applicable laws, rules and regulations and strive to exceed both international and industry best practices. The provisions as set forth in this Code of Conduct provide the minimum standards that must be fulfilled to be an approved supplier to IPCO and the qualifying standards that IPCO also expects a supplier to meet, but not necessarily prior to becoming an approved supplier to IPCO.

- The minimum standards must be fulfilled before being approved as a supplier.
- Regarding the qualifying standards, it is the expectation of IPCO that suppliers establish clear policies, targets and action plans aimed at meeting the standards in this Code of Conduct. IPCO will monitor that milestones have been established and management systems have been put in place to ensure that the qualifying standards will be fulfilled. Failure to do so may impact the future ability of a supplier to conduct business with IPCO.

IPCO recognizes that conformance with all of the standards established in this Code of Conduct is a dynamic rather than static process and encourages suppliers to continuously improve their workplace conditions.

Evaluation and follow up

Suppliers will be asked to provide information as required by IPCO regarding the standards in this Code of Conduct. Based on this information, the suppliers will be evaluated, and the results will be measured and compared. IPCO must have the opportunity to conduct on-site evaluations and inspections of the supplier's facilities to review progress in relation to these standards. IPCO encourages the suppliers to evaluate and monitor their sub-suppliers, since information regarding the compliance of these parties with this Code of Conduct might be required by IPCO.

Eligibility of the Supplier Code of Conduct

This Code of Conduct set the minimum standards and qualifying standards of all suppliers with whom IPCO conducts business and their sub-suppliers. The suppliers shall ensure that their relevant sub-suppliers meet the principles in this Code of Conduct.

IPCO standards

The standards are grouped into three main categories:

- Labour
- Environment
- Business Ethics

General sustainable expectations of IPCO regarding these three areas are:

Labour

IPCO expects its suppliers to support and adhere to the protection of internationally proclaimed human rights and to ensure that they are not complicit in human rights abuses.

Environment

IPCO expects its suppliers to have an effective environmental program and to comply with existing legislation and regulations regarding the protection of the environment. Where possible, suppliers shall support a precautionary approach to environmental matters, undertake initiatives to promote greater environmental responsibility and encourage the diffusion of environmentally friendly technologies that implement sound lifecycle practices. Suppliers shall strive to implement recognized management systems and guidelines, such as ISO 14001.

Business Ethics:

IPCO expects its suppliers to adhere to the highest standard of ethical conduct.

Minimum standards

IPCO expects all supplier relations to be based on honesty, trust and transparency. All IPCO suppliers are obliged to fulfil the minimum standards as described below.

Labour

Forced Labour

IPCO requires its suppliers to prohibit any use of forced, bonded or indentured labour or involuntary prison labour, and embrace employment practices consistent with ILO conventions pertaining to forced labour: Forced Labour Convention, (c.29-1930) and Abolition of Forced Labour Convention, (C.105-1957). All work, including overtime work, must be voluntary and workers should be free to leave upon providing reasonable notice. Suppliers shall also not require that workers surrender personal certificates and identifications, such as government-issued identification, passports or work permits, as a condition of employment.

Child Labour

IPCO requires its suppliers not to engage in any practice inconsistent with the rights set forth in the Convention on the Rights of the Child, the ILO Minimum Age Convention (C.138-1973) or the Prohibition and Immediate Elimination of the Worst Forms of Child Labour Convention (C. 182-1999). The minimum admission to employment or work shall not be less than the age of completion of compulsory schooling, normally not less than 15 years or 14 where the local law of the country permits, preferably to the highest age. Additionally, all young workers (below 18) must be protected from performing any work that is likely to be hazardous or to interfere with education or that may be harmful to health, physical, mental, social, spiritual or moral development. All suppliers shall comply with all laws and regulations governing child labour and apprenticeship programs.

Discrimination

IPCO requires that its suppliers don't tolerate any form of discrimination in hiring and employment practices on the grounds of age, race, color, national origin, religion, sex, disability or other characteristics protected by applicable law.

Harassment, Harsh or Inhumane Treatment

IPCO requires its suppliers to create and maintain an environment that treats all employees with dignity and respect and does not use any threats of violence, sexual exploitation or abuse, verbal or psychological harassment or abuse. No harsh or inhumane treatment, coercion or corporal punishment of any kind is tolerated, nor is there to be the threat of any such treatment.

Environment

IPCO requires its suppliers to have an environmental policy statement.

Business Ethics

Corruption

IPCO requires its suppliers to respect local laws and not engage in any form of corrupt practices, including extortion, fraud or bribery.

Conflict of Interest

IPCO suppliers are required to disclose to IPCO any situation that may appear as a conflict of interest and disclose to IPCO if any IPCO employees under contract with IPCO may have an interest of any kind in the supplier's business or any kind of economic ties with the supplier.

Gifts and Hospitality

IPCO accepts gifts or entertainments if they are consistent with common business practices, are not excessive in value and cannot reasonably be construed as a bribe or payoff and if they do not violate applicable law. However, IPCO will not accept any benefit intended for an IPCO employee to facilitate the supplier's business with IPCO.

Qualifying standards

In the event of non-compliance with the qualifying standards at the time of signing a contract with IPCO, all IPCO suppliers are expected to have established targets and action plans to ensure conformity to the qualifying standards as they are described below.

Labour

Freedom of Association and Collective Bargaining

IPCO expects its suppliers to recognize and respect the rights of employees to freely associate, organize and bargain collectively in accordance with the laws of the countries in which they are employed, as well as core ILO conventions Freedom of Association and Protection of the Right to Organise Convention, (C 87, 1948) and Right to Organise and Collective Bargaining Convention, (C.98-1949). IPCO recognizes the importance of open communication and direct engagement between workers and management, and suppliers must respect the rights of workers to associate freely and communicate openly with management regarding working conditions without fear of harassment, intimidation, penalty, interference or reprisal.

Working Hours

IPCO expects its suppliers to comply with all applicable requirements governing working hours as established by local law. Working hours should never exceed 60 hours per week, including overtime, except in emergency or unusual situations. Suppliers must ensure that all overtime work is voluntary and compensated at the prevailing overtime rates. Suppliers are encouraged to ensure that workers are provided with one day off in every seven-day week.

Compensation

IPCO expects its suppliers to comply, at a minimum, with all laws and regulations relating to wages and including those pertaining to minimum wages, overtime wages, piece rates and other elements of compensation, and to provide legally mandated benefits.

Health and Safety

IPCO expects its suppliers to follow all relevant legislation, regulations and directives in the country in which they operate, or at any other location where production or work is undertaken, to ensure a safe and healthy workplace. Suppliers should strive to implement recognized management systems and guidelines, such as OHSAS 18001 or ISO 45001. The supplier is expected to ensure, at a minimum, reasonable access to drinking water, sanitary facilities, fire safety, emergency preparedness and response, industrial hygiene, adequate lighting and ventilation, management of occupational injury and illness and machine safeguarding. These same standards apply to any dormitory or canteen facilities.

EnvironmentChemical and Hazardous Materials

Chemical and other materials posing a hazard if released into the environment are to be identified and managed to ensure their safe handling, movement, storage, recycling or reuse and disposal.

Minimize Waste, Maximize Recycling

Wastewater and solid waste generated from operations, industrial processes and sanitation facilities is to be monitored, controlled and treated as required prior to discharge or disposal. Other types of waste are to be reduced or eliminated at source or through such practices as modifying production, maintenance and facility processes, materials substitution, conservation, recycling and re-using materials.

Air Emissions

Air emissions of volatile organic chemicals, aerosols, corrosives, particulates, ozone-depleting chemicals and combustion of by-products generated from operations are to be characterized, monitored, controlled and treated as required prior to discharge.

Greenhouse Gas Emissions

The supplier shall strive to reduce greenhouse gas emissions caused by its business operations, primarily carbon dioxide (CO₂) emissions. The monitoring and documentation of CO₂ emissions associated with IPCO's share of production will be encouraged. Information about CO₂ management shall be provided to IPCO on request.

Energy Management

Energy management with focus on minimizing the waste of energy shall be applied in all suppliers' business operations.