Supplier code of conduct template

This template is based on the European Sustainability Reporting Standards S2-S3, E1-E5 and G1 while broadly incorporating the commitments in Swedish Regions’ Supplier Code of Conduct.

Note that according to the Corporate Sustainability Due Diligence Directive, you shall develop this code in consultation with your employees and their representatives. You should also consult civil society organisations and experts on your supply chains.

**Supplier Code of Conduct**

**1. Introduction**

Supplier shall comply with laws and regulations and continuously improve its sustainability work.

* 1. **Due Diligence**

Supplier shall establish and maintain a due diligence process in accordance with the UN Guiding Principles on Business and Human Rights and the OECD Due Diligence Guidance for Responsible Business Conduct, adapted to the size and circumstances of the company.

Supplier shall appoint a due diligence contact person responsible for managing the commitments and the communication with [the Company] under the Agreement. The contact person shall, together with Supplier's employees, appoint a workers' representative who, together with the contact person, shall form a monitoring committee to monitor the implementation of the commitments.

**2. Human Rights**

Supplier shall respect all internationally recognised human rights as outlined in the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, the International Covenant on Economic, Social and Cultural Rights and the ILO Declaration on Fundamental Principles and Rights at Work.

For affected communities, the respect shall cover in particular the following areas.

* 1. **Economic, Social and Cultural Rights**

Supplier shall:

* Not cause, contribute to or benefit from illegal evictions. If legal evictions occur, Supplier shall take measures to ensure access to adequate housing for those affected.
* Avoid operations that threaten local food security or impede livelihoods linked to agriculture, fishing or other food production.
* Avoid operations that impair access to clean water and sanitation for affected communities.
* Carry out land impact assessments to avoid forced evictions and to respect legitimate land rights.
* Minimize the adverse impact of corporate security arrangements and protect communities from violence or harassment, through the application of the Voluntary Principles on Security and Human Rights[[1]](#footnote-1).
	1. **Civil and Political Rights**

Supplier shall:

* Ensure that members of affected communities can express concerns or criticism without fear of retaliation from Supplier.
* Respect freedom of assembly and the right to organize peacefully.
* Respect the right of human rights and environmental defenders to operate freely and safely, without threats, harassment or violence from Supplier.
	1. **Indigenous Peoples' Rights**

Supplier shall:

* Respect the right of indigenous peoples to free, prior and informed consent (FPIC) before engaging in activities that may affect indigenous peoples' land, territory or other rights.
* Respect the right of indigenous peoples to self-determination, including the right to participate in decisions relating to their social, economic and cultural development.
* Respect the cultural rights of indigenous peoples, including their language, traditions, customs, and sacred sites.

**3. Workers' Rights**

For workers, the respect shall cover in particular the following areas.

* 1. **Working Conditions**

Supplier shall:

* Provide secure employment based on recognised employment relationships as required by law or practice. Labour or social security legislation must not be circumvented through, for example, subcontracting, labour contracting, home work or apprenticeship schemes where there is no real intention to impart skills or provide secure employment.
* Ensure that working hours comply with legislation or collective agreements, whichever provides the strongest protection. Working hours, excluding overtime, may not exceed 48 hours per week and the total number of hours worked may not exceed 60 per seven-day period, unless (1) this is permitted by law and collective agreements, (2) appropriate safeguards are in place, and (3) exceptional circumstances exist (e.g. production spikes, accidents or emergencies). Overtime shall be used responsibly and be compensated with a premium of at least 125% of the regular salary. Workers shall have at least one day off per seven-day period or two per 14-day period.
* Pay wages and benefits that meet at least statutory or industry standards, whichever is higher, as well as that are sufficient to cover workers' basic needs and allow for some discretionary income. Provide clear and written salary terms and ensure that no unauthorized or unclear salary deductions are made.
* Promote social dialogue by encouraging open and constructive communication between workers and employers, including forms of participation, consultation and dialogue in the workplace.
* Respect freedom of association. Workers shall have the right to form and join trade unions or other workers' organisations of their choice without distinction. Employers shall take an open approach to union activities, not discourage unionisation and ensure that worker representatives can exercise their duties without hindrance or discrimination. Where this right is limited by law, parallel, free and independent forms of association shall be made possible.
* Uphold the right to collective bargaining to ensure fair and transparent conditions between employers and workers. Where this right is limited by law, alternative mechanisms for collective bargaining shall be supported.
* Enable work-life balance, especially for parents. This includes enabling communication between migrant workers and their families.
* Ensure a safe and hygienic working environment, taking into account the industry and any specific hazards. Risks shall be minimised and workers shall receive regular, documented health and safety training.
	1. **Equal Treatment and Equal Opportunities for All**

Supplier shall:

* Promote gender equality and through pay surveys ensure equal pay for work of equal value.
* Offer all workers access to training and skills development regardless of race, caste, nationality, religion, age, disability, gender, marital status, sexual orientation, trade union membership, political affiliation or other relevant status.
* Promote the employment and inclusion of persons with disabilities.
* Prevent and counter violence and harassment in the workplace—including physical abuse or discipline or threats of physical abuse, sexual or other harassment, and verbal abuse or other forms of intimidation or fear tactics.
* Encourage and respect diversity in the workplace and counter discrimination (in hiring, compensation, promotion, dismissal, retirement) on the basis of race, caste, nationality, religion, age, disability, gender, marital status, sexual orientation, trade union membership, political affiliation or other relevant status.
	1. **Other Work-related Rights**

Supplier shall:

* Ensure that there is no child labour. Child labour is defined as work carried out by persons under the age of 18 that (1) is harmful to their intellectual physical, mental, social or moral development, and (2) prevents them from attending school, forces them to leave school early, or combines work and schooling in a way that affects their right to education. If a child is found at work, measures shall be taken to enable the transition to (full-time) education, for example through participation in programmes that ensure that the child can attend school until he or she is no longer a child. However, a person under the age of 18 may work if he or she is at least 15 years old (general work) or 14 years old in countries where this is allowed by law and compulsory schooling ends at the age of 14 (non-hazardous work). Persons under the age of 18 are not allowed to perform hazardous work or work at night.
* Ensure that all work is voluntary and that no worker is subjected to forced labour, including servitude, involuntary prison labour or work carried out under threat, coercion or economic dependence. Workers shall not be required to provide deposits or identity documents, and shall have the right to terminate their employment with a reasonable period of notice.
* Ensure that provided housing is clean and safe and that it meets the basic needs of workers.
* Ensure workers' access to clean drinking water, sanitation and hygienic food storage facilities.
* Respect the privacy of workers, including in provided housing.

**4. The Environment**

* 1. **Climate Change**

Supplier shall take measures to mitigate climate impact in line with national and international climate goals, reduce greenhouse gas emissions and switch to renewable energy sources and energy-efficient solutions.

* 1. **Pollution**

Supplier shall control and reduce emissions that may harm human health or the environment – or impair resource efficiency – including air, water and soil pollution, microplastics, contamination of living organisms and food resources, substances of concern and substances of very high concern, and phase out hazardous substances through substitution and safer alternatives where applicable.

* 1. **Water and Marine Resources**

Supplier shall use water resources responsibly by reducing water consumption, promoting water efficiency, preventing over-abstraction, managing wastewater safely to avoid environmental damage and marine pollution, and ensuring the sustainable use of marine resources.

* 1. **Biodiversity and Ecosystems**

Supplier shall protect biodiversity and ecosystems by avoiding raw materials from critically endangered, endangered or vulnerable species, preventing destructive land use (land degradation, desertification, soil sealing) and identifying the effects of and reducing the dependence of the operations on ecosystem services.

* 1. **Circular Economy**

Supplier shall promote a circular economy by reducing the use of virgin raw materials, increasing reuse and recycling, designing products and services that promote circular solutions, and by storing, handling, transporting and disposing of waste in a way that protects health, communities and the environment.

**5. Business Ethics**

* 1. **Corruption and Bribery**

Supplier shall refrain from all forms of corruption, including bribery, embezzlement, trafficking in influence, abuse of office, illicit enrichment, money laundering and obstruction of justice.

* 1. **Fair Competition and Anti-competitive Behaviour**

Supplier shall comply with applicable competition and antitrust legislation and refrain from cartels, bids, market sharing and other anti-competitive behaviour.

* 1. **Ethical Tax Practices**

Supplier shall refrain from aggressive or artificial tax planning that exploits shortcomings in tax rules to shift profits to low-tax jurisdictions. Tax arrangements shall be legal, transparent and in line with the purpose of applicable tax laws.

* 1. **Political Engagement and Lobbying Activities**

Supplier shall ensure that all political engagement and lobbying activities are legal and transparent.

* 1. **Management of Relationships with Suppliers, including Payment Practices**

Supplier shall ensure fair treatment of suppliers and apply responsible payment practices.

* 1. **Animal Protection**

Supplier shall ensure that animals are treated humanely and in accordance with international animal welfare standards.

* 1. **Protection of Whistleblowers**

Supplier shall maintain a confidential and secure system for stakeholders to report unethical business conduct. There must be no retaliation and reports shall be handled promptly and with respect for integrity.

**6. Complaints Procedure**

Supplier shall maintain a complaints procedure—including one or more notification mechanisms—to receive and handle stakeholder complaints regarding adverse impacts on people, the environment and society. The procedure shall protect against retaliation by ensuring confidentiality and, where appropriate, allowing for anonymous complaints.

Supplier shall also actively inform stakeholders about [the Company's] notification mechanism, at least through the worker representative who is part of the monitoring committee.

[add link]

Stakeholders who submit complaints shall have the right to appropriate follow-up and, in the event of a severe adverse impact, to a meeting with due diligence contact persons and other relevant representatives of Supplier and [the Company] to discuss the adverse impact and possible remediation.

Adopted by:

[Name]

[Title]

[Date]

1. [Voluntary Principles on Security and Human Rights](https://www.voluntaryprinciples.org/) [↑](#footnote-ref-1)