

## **POLICY AND PROCEDURES SUPPLIER CODE OF CONDUCT**

IHO is strongly committed in observing the highest ethical standards in all its procurement activities. As such, this Code of Conduct for Suppliers has been prepared to provide clear summary of IHO's expectation from the suppliers in all procurement dealings, ensuring that internationally recognized procurement ethics are followed. Transparency and accountability should be strictly adhered to in all procurement activities. IHO procurement ethics focuses on **zero tolerance on corruption, avoiding any form conflict of interest and honest representation of supplier's capabilities.**

Suppliers are strongly urged to familiarize themselves with this Code of Conduct to ensure successful working relations with IHO.

In addition, Impact Health Organization (IHO) will seek alternative sources where the conduct of suppliers demonstrably violates the basic rights of Impact Health Organization (IHO)'s intended beneficiaries, and there is no willingness to address the situation within a reasonable time period, or where companies in the supply chain are involved in the manufacture or sale of arms in ways which are unacceptable to Impact Health Organization (IHO).

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### **PURPOSE**

The purpose of the policy is to:

- a) Promote good labour and environmental standards in the supply chains of Impact Health Organization (IHO) ;
- b) To protect Impact Health Organization (IHO)'s reputation.

### **1. Scope of Application:**

The provisions of this Code of Conduct set forth the IHO's expectations for all suppliers that with whom IHO it does business. IHO expects that these principles apply to suppliers and their employees, parent, subsidiary or affiliate entities, and subcontractors. The IHO expects suppliers to ensure that this Code of Conduct is communicated to their employees, parent, subsidiary and affiliated entities as well as any subcontractors, and that it is done in the local language and in a manner that is understood by all.

### **2. Continuous Improvement:**

The provisions as set forth in this Code of Conduct provide the minimum standards expected of suppliers to the IHO. The IHO expects suppliers to strive to exceed both international and industry best practices. The IHO also expects that its suppliers encourage and work with their own suppliers and subcontractors to ensure that they also strive to meet the principles of this Code of Conduct. The IHO recognizes that reaching some of the standards established in this Code of Conduct is a dynamic rather than static process and encourages suppliers to continually improve their workplace conditions accordingly.

### **3. Management, Monitoring and Evaluation:**

It is the expectation of the IHO that suppliers, at a minimum, have established clear goals toward meeting the standards set forth in this Code of Conduct. IHO will set up appropriate management systems related to the content of this Code of Conduct and actively review, monitor and modify the management processes and business operations to ensure they align with the principles set forth in this Code of Conduct. Suppliers to IHO are strongly encouraged to operationalize its principles and to communicate their progress annually to stakeholders. IHO may monitor that milestones have been set and management systems have been put in place to ensure that the principles set out in this Code of Conduct have been met and failure to do so may impact the future ability of a supplier to do business with the IHO. To review the progress of suppliers and subcontractors in implementing the Code of Conduct, the IHO may take various supporting initiatives, including requesting suppliers to commit to self-certify that they comply with the Code of Conduct and, in some cases, to conduct on site evaluations and inspections of supplier facilities and those of their subcontractors.

### **Labour:**

**4. Freedom of Association and Collective Trading:** IHO expects its suppliers to recognize the freely-exercised right of workers, without distinction, to organize, further and defend their interests and to bargain collectively, as well as to protect those workers from any action or other form of discrimination related to the exercise of their right to organize, to carry out trade union activities and to bargain collectively.

**5. Forced or Compulsory Labour:** IHO expects its suppliers to prohibit forced or compulsory labour in all its forms.

**6. Child Labour:** IHO expects its suppliers not to employ: There shall be no new recruitment of child labour. Companies shall develop or participate in and contribute to policies and programmes, which provide for the transition of any child found to be performing child labour to enable her/him to attend and remain in quality education until no longer a child. Children and young people under 18 years of age shall not be employed at night or in hazardous conditions. These policies and procedures shall conform to the provisions of the relevant International Labour Organisation (ILO) standards.

**7. Discrimination:** IHO expects its suppliers to ensure equality of opportunity and treatment in respect of employment and occupation without discrimination on grounds of race, colour, sex, religion, political opinion, national extraction or social origin.

**8. Wages, Working Hours and Other Conditions of Work:** IHO expects its suppliers to ensure the payment of wages in legal tender, at regular intervals no longer than one month, in full and directly to the workers concerned. Suppliers should keep an appropriate record of such payments. Deductions from wages are permitted only under conditions and to the extent prescribed by the applicable law, regulations or collective agreement, and suppliers should inform the workers concerned of such deductions at the time of each payment.

**9. Health and Safety:** The IHO expects its suppliers to ensure, so far as is reasonably practicable, that: (a) the workplaces, machinery, equipment and processes under their control

are safe and without risk to health; (b) the chemical, physical and biological substances and agents under their control are without risk to health when the appropriate measures of protection are taken; and (c) where necessary, adequate protective clothing and protective equipment are provided to prevent, so far as is reasonably practicable, risk of accidents or of adverse effects to health.

#### **Human Rights:**

**10. Human Rights:** IHO expects its suppliers to support and respect the protection of internationally proclaimed human rights and to ensure that they are not complicit in human rights abuses.

**11. Harassment, Harsh or Inhumane Treatment:** IHO expects its suppliers to create and maintain an environment that treats all employees with dignity and respect and will 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.

**12. Mines:** The IHO expects its suppliers not to engage in the sale or manufacture of anti-personnel mines or components utilized in the manufacture of anti-personnel mines.

#### **Environment:**

**13. Environmental:** IHO expects its suppliers to have an effective environmental policy and to comply with existing legislation and regulations regarding the protection of the environment. Suppliers should wherever possible support a precautionary approach to environmental matters, undertake initiatives to promote greater environmental responsibility and encourage the diffusion of environmentally friendly technologies implementing sound life-cycle practices.

**14. Chemical and Hazardous Materials:** IHO expects its suppliers to ensure chemical and other materials posing a hazard if released to the environment are identified and managed to ensure their safe handling, movement, storage, recycling or reuse and disposal.

**15. Wastewater and Solid Waste:** IHO expects its suppliers to ensure that wastewater and solid waste generated from operations, industrial processes and sanitation facilities are monitored, controlled and treated as required prior to discharge or disposal.

**16. Minimize Waste, Maximize Recycling:** IHO expects its suppliers to ensure waste of all types, including water and energy, are reduced or eliminated at the source or by practices such as modifying production, maintenance and facility processes, materials substitution, conservation, recycling and re-using materials.

#### **Ethical conduct:**

**17. Corruption:** IHO expects its suppliers to adhere to the highest standards of moral and ethical conduct, to respect local laws and not engage in any form of corrupt practices, including but not limited to extortion, fraud, or bribery.

**18. Conflict of Interest:** IHO suppliers are expected to disclose to the IHO any situation that may appear as a conflict of interest, and disclose to the IHO if any IHO official or professional under contract with the IHO may have an interest of any kind in the supplier's business or any kind of economic ties with the supplier.

**19. Gifts and Hospitality:** IHO has a “zero tolerance” policy and does not accept any type of gift or any offer of hospitality. The IHO will not accept any invitations to sporting or cultural events, offers of holidays or other recreational trips, transportation, or invitations to lunches or dinners. The IHO expects its suppliers not to offer any benefit such as free goods or services, employment or sales opportunity to a IHO staff member in order to facilitate the suppliers' business with the IHO.

**20. Post-employment restrictions:** Post-employment restrictions may apply to IHO staff in service and former IHO staff members who participated in the procurement process, if such persons had prior professional dealings with suppliers. IHO suppliers are expected to refrain from offering employment to any such person for a period of one year following separation from service.

Non-adherence to these principles will be a factor in considering whether a supplier is deemed eligible to be registered as IHO supplier or to do business with the IHO, in accordance with applicable IHO policies and procedures.

We encourage suppliers to improve their business practices in accordance with the principles set out in this Code of Conduct.