

# Supplier Ethical Code of Conduct

A guide for suppliers to NUS Services



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# 1. Legal requirements

NUS Services Limited ("NUSSL") General Terms and Conditions for suppliers contain the following contractual obligations:

"All existing suppliers must complete the Ethical and Environmental Accreditation as and when requested. Companies not currently trading with NUSSL but invited to tender will be asked to complete the accreditation as part of the tender process. The data in the accreditation will help NUSSL to monitor progress towards meeting the NUSSL code of conduct for suppliers, the Sound Sourcing Guide. Where appropriate, NUSSL will work in partnership with suppliers to develop management systems to implement the code. Where an assessment highlights serious instances of failure to comply with the code, as deemed by NUSSL, NUSSL will request immediate corrective action to address the issue. If the supplier does not take the corrective action requested by NUSSL, NUSSL may terminate the contract with the supplier with immediate effect. In relation to labour standards, if any law, national or international, addresses the same topics as the NUSSL code of conduct for suppliers, suppliers must apply whichever provision provides the greater protection or highest standards for workers.

"If requested, a supplier must provide additional information related to ethical and environmental activity, over and above that requested within the Ethical and Environmental Accreditation. NUSSL reserves the right to visit relevant supplier sites to audit ethical and environmental practices and validate the responses stated in the Ethical and Environmental Accreditation. If requested, a supplier must provide details of relevant suppliers and/or factories and support NUSSL in obtaining ethical and environmental information from these organisations.

## Breach of NUSSL ethical transparency policy:

"In agreeing a contract with NUSSL, a supplier is confirming that it has disclosed any ethical and/or environmental issues relating to the supplier, its parent company, any other subsidiary of the supplier's parent company or any company operating under licence from the supplier's parent company which NUSSL, in its absolute discretion, considers to be controversial that might appear in the public domain during the duration of the contract. If any such issue arises during the contract, and there is evidence that the supplier was aware of the issue(s) before it signed the contract, NUSSL has the right to terminate the contract with immediate effect. If a supplier is prosecuted for a breach of environmental or labour legislation during the term of the contract, NUSSL reserves the right to terminate the contract with immediate effect."

## 2. NUS Services' Code of Conduct for suppliers

NUSSL is committed to trading responsibly, and has developed the following Code of Conduct for suppliers.

It is expected that all suppliers<sup>1</sup> of NUSSL will strive to meet the standards outlined in the Code within a reasonable timeframe.<sup>2</sup> Each supplier is responsible for ensuring that all their suppliers meet these standards. NUSSL will monitor the progress of each supplier through the Ethical and Environmental Accreditation sent out annually<sup>3</sup>. Where appropriate, NUSSL will work in partnership with suppliers to develop management systems to implement the Code.

Where serious instances of failure to comply with the Code have been identified, immediate corrective action to address the issue will be required. A lack of willingness to instigate appropriate and timely action within a reasonable time period may result in the non-renewal of a contract with NUSSL.



NUSSL aims to support ongoing improvements in working conditions and social accountability wherever this is practical. Ultimately, NUSSL would like all its suppliers to develop a Code of Conduct for their own supply chain, including an annual progress assessment.

The ethical issues outlined below are of significant concern to NUSSL and specific expectations of suppliers are detailed where appropriate.

## 2.1 The exploitation of workers

The exploitation of workers is unacceptable. We expect that all our suppliers will meet the core values of the International Labour Organisation, as outlined below. Freedom of association and recognition of collective bargaining are important values.

### 2.1.1 Employment is freely chosen

- There is no forced, bonded or involuntary prison labour<sup>4</sup>
- Workers are not required to lodge deposits or their identity papers<sup>5</sup> with the employer, and are free to leave their employer after reasonable notice.

### 2.1.2 Freedom of association and the right to collective bargaining are respected

- Workers have the right to join or form trade unions of their own choosing and to bargain collectively
- The employer adopts an open attitude towards the legitimate activities of trade unions
- Workers representatives are not discriminated against and have access to carry out their representative functions in the workplace.<sup>6</sup>

### 2.1.3 Working conditions are safe and hygienic

- A safe and hygienic working environment shall be provided, taking in to account any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising the causes of hazards inherent in the working environment

- Workers shall receive regular and recorded health and safety training, repeated for new or reassigned workers
- Access to clean toilet facilities and potable water, and, if appropriate, sanitary facilities for food storage shall be provided
- Accommodation provided shall be clean, safe, and meet the basic needs of the workers
- The company observing the standards shall assign responsibility for health and safety to a senior management representative.

### 2.1.4 Child labour shall not be used

- There shall be no new recruitment of child labour
- Companies shall develop or participate in, and contribute to, policies and programmes that provide for the transition of any child found to be performing child labour to enable them to attend and remain in quality education until no longer a child<sup>7</sup>
- Children and young people under 18-years of age shall not be employed at night or in hazardous conditions.

### 2.1.5 Living wages are paid

- Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmarks, whichever is higher. In any event, wages should always be high enough to meet basic needs and to provide some discretionary income. Where applicable, NUSSL may define a living wage rate to be adhered to using national or international mechanisms
- All workers shall be provided with written and understandable information about their employment conditions in respect to wages before they enter employment, and about the particulars of their wages for the pay period concerned each time that they are paid
- Deductions from wages as a disciplinary measure shall not be permitted, nor shall any deductions from wages not provided for by national law be permitted without the express and informed permission of the worker concerned. All disciplinary measures should be recorded.

### 2.1.6 Working hours are not excessive

- Working hours comply with national laws and benchmark industry standards, whichever affords greater protection
- In any event, workers shall not on a regular basis be required to work in excess of 48-hours per week, and on average shall be provided with at least one day off for every 7-day period. Overtime shall be voluntary, shall not exceed 12-hours per week, shall not be demanded on a regular basis, and shall always be compensated at a premium rate.

### 2.1.7 No discrimination is practised

- There is no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.

### 2.1.8 Regular employment is provided

- To every extent possible, work performed must be on the basis of a recognised employment relationship established through national law and practice
- Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting, sub-contracting or home-working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment.

### 2.1.9 No harsh or inhumane treatment

- Physical abuse or discipline, the threat of physical abuse, sexual or verbal abuse, harassment or other forms of intimidation shall be prohibited.

## 2.2 Environmental Stewardship

NUSSL is committed to purchasing goods and services that are produced and delivered under conditions that respect the living environment.

We expect all our suppliers to display a commitment to protecting the environment and reducing any negative environmental impacts.

### 2.2.1 Meeting environmental legislation

- National, regional and international laws will be complied with, following whichever standard affords the highest protection for the environment.

### 2.2.2 Protecting biodiversity and ecosystems

- Business impacts on biodiversity and ecosystems shall be identified and efforts are taken to prevent and mitigate negative impacts. This includes impacts resulting from harvesting and extracting raw materials, day-to-day business operations and the delivery of goods and services
- National biodiversity plans in any areas shall be followed, as set out in the UNEP Convention on Biological Diversity, Article 10
- Where possible, work in partnership with NGOs and governments to help deliver voluntary programmes intended to protect and develop biodiversity
- Actions are taken to ensure that sourcing and operations are free from deforestation and conversion or degradation of sites with High Conversion Value or High Carbon Stocks<sup>8</sup>

### 2.2.3 Mitigating and adapting to climate change

- Actions shall be made to mitigate greenhouse gas emissions and adapt to climate change
- Staff, suppliers and partners shall be supported and encouraged to adopt energy efficient habits
- There are regular reviews of the organisations carbon emissions and commitments in place to reduce them.

### 2.2.4 Managing environmental impacts

- Environmental impacts have been identified and a regularly reviewed management system is in place that aims to reduce them

- There is a culture of reducing physical waste wherever possible and waste items are reused, recycled or composted in preference to disposal
- Effective controls of ground, air and water pollution are adopted and emergency response plans are in place for any polluting materials
- Environmental impacts shall be considered as part of any purchasing processes.

### 2.3 Youth employment

We are keen to work with organisations that have a demonstratable commitment to supporting young people through employment, training and development.

### 2.4 Animal welfare

We are reluctant to trade with organisations that are involved in animal testing, intensive factory farming or the fur industry. We are cautious about purchasing goods that have been factory farmed or tested on animals.

### 2.5 Oppressive regimes

We have concerns about companies operating in countries with oppressive regimes and believe that companies should challenge such regimes.

### 2.6 Finance and ethical banking

Where possible, we will only work with suppliers that take an ethical approach to banking and investment, and support efforts to minimise levels of student debt.

### 2.7 Responsible marketing

Irresponsible marketing is a significant concern for NUSSL and we expect the organisations we work with to have responsible marketing and promotional strategies. We have particular concerns in relation to the marketing of alcohol and breast milk substitutes, and any marketing targeted at children or vulnerable groups.

### 2.8 Supply chain management

We expect the organisations we work with to consider and act on ethical and environmental issues in the supply chain.

Implications in the following will lead us to consider not trading with a company: arms manufacture; the pornography industry; unnecessary animal testing; factory farming of animals; the fur trade. We are wary of genetic modification and genetic engineering.

## 3. Operating principles

The following operating principles will help NUSSL and its suppliers progress the shared responsibility of implementing the Code.

### 3.1 NUSSL will aim to:

- Communicate its commitment to the Code to its employees and shareholders, as well as to all suppliers of goods and services
- Provide guidance and reasonable non-financial support to suppliers who genuinely seek to promote and implement the Code standards in their own business and in the relevant supply chains, within available resources
- Ensure that any personnel evaluating suppliers against this Code are effectively trained and provided with an awareness of the issues and principles of ethical trading
- Adopt appropriate methods and systems for monitoring and verifying the achievement of the standards
- Report progress in implementing the Code annually to shareholders through NUS Convention.

### 3.2 NUSSL expects suppliers to:

- Assign responsibility for implementing this Code in its entirety to a senior manager
- Fully co-operate with NUSSL in any request for information
- Upon request, report progress annually by completing the Ethical & Environmental Accreditation.

### 3.3 Both parties will aim to:

- Recognise official regulation and inspection of workplace standards, and the interests of legitimate trade unions and other representative organisations
- Seek arbitration in the case of unresolved disputes.

## 4. Supplier acknowledgement and certification

By signing below, the Supplier acknowledges and certifies that this Supplier Ethical Code of Conduct has been read and understood, and shall be complied with, by the Supplier.

Date: \_\_\_\_\_

Supplier: \_\_\_\_\_

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Job title: \_\_\_\_\_

## 5. Glossary

### Child

Unless otherwise defined by local legislation, any person less than 15-years of age.<sup>7</sup>

### Child labour

Any work carried out by a child as defined above.

### Code of Conduct

The part of this guide that defines the standards to which NUSL expects its suppliers to operate, and describes how NUSL will work with its suppliers to achieve and maintain these standards.

### Forced labour

Work or service undertaken by a person under duress or menace of penalty, in circumstances where the person has not offered themselves voluntarily.

### Standards

Defined requirements for compliance which may be adjusted to conform to the legal standards or local industry norms which would apply to a supplier.

### Supplier

A person, firm, factory or organisation who/which forms a commercial link with NUSL to provide goods or services to it, or its shareholders. This includes wholesalers.

## 6. Endnotes

<sup>1</sup> For definition, see the glossary included within this Code of Conduct

<sup>2</sup> Note that this includes parent companies, subsidiaries of the parent companies and any other companies manufacturing the same brand operating under licence from the parent company.

<sup>3</sup> The response may be taken into consideration in the evaluation and selection criteria of contracts awarded by NUSL.

<sup>4</sup> For definition, see the glossary included in this Code of Conduct.

<sup>5</sup> Except where this is required by law.

<sup>6</sup> Where such activities are restricted by law, NUS Services shall encourage its suppliers to facilitate, not hinder, equivalent mechanisms of free association and negotiation as permitted by the legal framework.

<sup>7</sup> Unless local minimum age law stipulates a higher age for work or mandatory schooling, in which case, the higher age shall apply. However, if local minimum age law is set at 14-years of age in accordance with developing country exceptions under ILO Convention 138, the lower will apply.

<sup>8</sup> <https://www.proforest.net/en/news/hcv-and-hcs-2013-what2019s-the-difference>





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