

<b>SUBJECT: Recommended Ethical Purchasing Policy</b>	
	<b>POLICY NUMBER: Number</b>

## PURPOSE

The goal of the City of Vancouver's Ethical Purchasing Policy (EPP) is to ensure that all suppliers to the City meet, at a minimum, the performance standards outlined in the Supplier Code of Conduct which includes core labour conventions of the International Labour Organization (ILO). It demonstrates a commitment to sustainability by seeking to ensure safe and healthy workplaces for the people who make products for the City of Vancouver, where human and civil rights are respected. The EPP also ensures that purchasing activities are aligned with the City's Mission Statement and Values.

## SCOPE

All City staff. The EPP applies to the City's procurement of apparel items and fair trade agricultural products, including coffee.

## DEFINITIONS

**Purchasing** refers to the process of procuring products from manufacturers or vendors.

**Suppliers** are companies that have a direct business relationship to the City of Vancouver. These companies may have factories or production facilities of their own or they sub-contract parts or their entire production.

**Sub-contractors** are companies that have been sub-contracted by our suppliers. They do not have a direct business relationship with the City of Vancouver.

**Factories or Production Facilities** are used to describe factories producing products for the City of Vancouver, whether it is a supplier's factory or subcontractor's facility.

**Fair Trade certification** is a system that seeks to improve the lives of agricultural product producers in origin countries by ensuring that the owners of farms receive a guaranteed fair price for their harvest. Transfair is the recognized certification body in Canada.

**Fair Trade Agricultural Products** are products that are agricultural in origin that can be Fair Trade Certified by Transfair Canada, or if unavailable, another National Initiative (NI) of the Fair Trade Labeling Organization (FLO) International. Examples of commodities currently include, coffee, green and black tea, cocoa products, sugar, and bananas and other tropical fruit.

**Fair Trade Labeling Organization (FLO) International** is the global Fair Trade standard setting and certification organization for products bearing Fair Trade certification labels. FLO certifies producer organizations, and audits trade between certified producer organizations and registered traders in consuming countries, including all steps of processing and industrial manufacturing.

**National Initiative (NI)** is a FLO member organization based in a consuming country that monitors Fair Trade Certified product supply chains from the point of importation, and is responsible for monitoring and setting standards for usage of the Fair Trade Certified logo.

**Certified Organic** is a certification system that requires agricultural production without the use of synthetic pesticides, herbicides, or chemical fertilizers, and that contributes to a healthy environment including clean groundwater.

**International Labour Organization (ILO)** is the UN specialized agency which seeks the promotion of social justice and internationally recognized human and labour rights. The ILO formulates international labour standards in the form of Conventions and Recommendations setting minimum standards of basic labour rights.

**Supplier Code of Conduct (SCC)** sets the minimum performance standards for the City of Vancouver's Ethical Purchasing Policy. The goal of the SCC is to ensure safe and healthy workplaces for the people who make products for the City of Vancouver; where human and civil rights are upheld in accordance with the conventions of the ILO.

**ILO Core Labour Conventions** means the minimum labour standards set out in the Supplier Code of Conduct.

## **POLICY STATEMENTS**

### **1 Guiding Principles**

#### **1.1 The City of Vancouver will:**

- ensure that its Ethical Purchasing Policy (EPP) and accompanying Supplier Code of Conduct (SCC) are reviewed regularly and require compliance with ILO core labour conventions.
- share information with current and future suppliers so they are aware of the City's expectations in terms of product certification and workplace practices.
- rely on a combination of approved external independent certifications, supplier disclosures and certifications, and public disclosure of information factory and production facilities, to ensure that suppliers comply with the EPP.
- evaluate and accept on a case-by-case basis any instances where it is reasonably determined City or supplier practices may differ from policy so long as the purpose and spirit of the policy is always upheld.
- work with suppliers who do not fully comply with the policy to assist them to improve their workplace practices.
- reserve the right to discontinue business with suppliers who are not responsive to requests to address concerns around workplace practices and instances of non-compliance with the EPP.
- where opportunities exist (or are emerging) work collaboratively with other organizations on monitoring and verification processes (e.g. municipalities).
- adhere to all applicable legal requirements and trade agreements.

- require that suppliers ensure subcontractors comply with the SCC.
- 1.2 The City recognizes that to be successful and meet its stated objectives that its EPP must also be based on:
- **Collaboration:** Working with suppliers and other key stakeholders to continuously improve purchasing activities and workplace practices.
  - **Credible verification:** Working with recognized agencies to ensure compliance with the SCC (E.g. Fair Labour Association, Verite, Worker's Rights Consortium).
  - **Fiscal responsibility:** Ensuring that implementation and management of the EPP is aligned with approved resource allocations.
  - **Fairness and Transparency:** The decision making process must be open, transparent and respect the rights of all key stakeholders to a fair and just process.

## 2 Implementation, Compliance and Monitoring

- 2.1 The City will incorporate criteria in the overall evaluation process of suppliers related to corporate social responsibility, workplace practices and fair trade certification in the award of contracts, and will not knowingly award contracts to any supplier who is not in substantial compliance with the performance standards contained in the SCC.
- 2.2 The City expects all its suppliers to respect its SCC and to actively do their utmost to achieve the City's standards. The City believes in cooperation and is willing to work with its suppliers to improve performance where necessary.
- 2.3 The City expects that new or potential suppliers commit to respect the attached SCC within a reasonable period of time as mutually agreed to by the City and supplier at the time of contract. In choosing new or potential suppliers, the City will give preference to suppliers who are already in compliance with SCC standards over those who are not.
- 2.4 The City will require that suppliers uphold the SCC through specific language in supplier contracts, including agreement to independent facility inspections if so desired by the City.
- 2.5 The City will require that suppliers provide details on factory and production facility locations of suppliers and subcontractors and will make this information publicly available (i.e. Annual reports, web site postings, etc).
- 2.6 The Manager of Materials Management will respond and investigate credible complaints with respect to violations of the SCC that are brought to his/her attention using a combination of research and dialogue with suppliers.

- 2.7 If the Manager of Materials Management believes that workplace conditions do not meet the standards outlined in the City’s SCC, he/she will notify the supplier and request that corrective action be taken.
- 2.8 The City reserves the right to ask for proof of compliance with all applicable labour, health, safety, and environmental laws, and may inspect working conditions, at any time (or request independent verification of compliance). Suppliers must maintain current and sufficiently detailed records to substantiate their compliance with the SCC and the City may ask that they are independently verified at the supplier’s expense.
- 2.9 Compliance with the SCC will become part of the City’s supplier evaluation process (along with other factors including service and performance).

**3 Reporting and Evaluation**

Application of the City’s EPP will be monitored by the Manager of Materials Management who will annually report to Council on implementation progress, financial implications, supplier compliance, complaints and remediation activities, supplier feedback, and other stakeholder input. Where the City has knowingly entered into, or maintained, contracts with suppliers and their subcontractors who do not fully comply with the EPP, these exceptions will be reported to Council along with a rationale for maintaining the ongoing relationship.

**4 Review**

The Manager of Materials Management will be responsible for reviewing the EPP and SCC annually and reporting findings to Council annually. Through consultations with key stakeholders (suppliers, subject experts, city staff, etc.) the Manager of Materials Management will identify and recommend revisions to the EPP and SCC. Such review will include a review of new items for potential inclusion within the scope of the EPP (e.g. new fair trade certified agricultural products).

**REFERENCE**

Supplier Code of Conduct

**APPROVAL HISTORY**

<b>ISSUED BY:</b>	<b>APPROVED BY:</b>	<b>DATE:</b> yyyy/mm/dd
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## Recommended Supplier Code of Conduct

### INTRODUCTION

The Supplier Code of Conduct (SCC) sets the minimum performance standards for the City of Vancouver's Ethical Purchasing Policy. The goal of our SCC is to ensure safe and healthy workplaces for the people who make products for the City of Vancouver; where human and civil rights conditions are in compliance with the core labour conventions of the International Labour Organization (ILO). The City will apply its SCC as one of the criteria used in its selection of business partners and suppliers for apparel and certified fair trade agricultural products. It is a requirement that all City suppliers and their subcontractors/suppliers follow this code.

#### 1 Legal and Ethical Requirements

City suppliers and their sub-contractors will comply with national and other applicable law of the country of manufacture of products including those laws relating to labour, worker health and safety, and the environment. Where the provisions of law and the SCC address the same issue, the provision that is most stringent will apply.

#### 2 Child Labour

City suppliers and their sub-contractors:

- will not hire people under the age of 15, unless local minimum age law stipulates a higher age for work or mandatory schooling, in which case the higher age would apply, as defined by the International Labour Organization (ILO) Convention 138.
- acknowledge that according to the United Nations Convention on the Rights of the Child, a person is a child until age of 18. In keeping with ILO Convention 182, COV suppliers and their sub-contractors will ensure young workers in the age group 15-17 are employed according to the protective restrictions prescribed by local laws. Where local laws do not exist or where they set lower standards than the ILO, the ILO standards shall prevail.

#### 3 Forced Labour

City suppliers and their sub-contractors will not:

- use forced, illegal, or prison labour, including indentured or bonded labour, or any form of compulsory labour to manufacture our products. (ILO Conventions 29 & 105)
- require workers to lodge deposits or their identity papers as a condition of employment, or financially penalize workers for resigning.
- will not require any foreign contract worker to remain in employment for any period of time against his or her will and will pay any required agency recruitment commissions.

#### **4 Disciplinary Practices**

City suppliers and their sub-contractors will:

- treat workers with respect and dignity and ensure workers are not subjected to any form of physical, sexual, psychological, or verbal harassment or abuse.
- ensure workers are free to express their concerns about workplace conditions without fear of retribution of losing their jobs. Workers should have access to a formal avenue to express concerns directly to factory management or City representatives.

#### **5 Freedom of Association**

City suppliers and their sub-contractors will recognize and respect that workers, without distinction, have the right to form or join trade unions of their own choosing and to bargain collectively. (ILO Convention 87)

Where the right of freedom of association and collective bargaining is restricted under law, the supplier facilitates and does not hinder the development of parallel means for independent, free association and bargaining (ILO Convention 98).

City suppliers and their sub-contractors will ensure that workers representatives are not discriminated against and have access to carry out their representative functions in the workplace.

#### **6 Wages and Benefits**

City suppliers and their sub-contractors:

- will meet national and legal requirements, whichever is higher for wages and benefits within the country of manufacture, irrespective of special status granted to a company, worksite, or geographic area that permits the organization to compromise applicable standards.
- meet industry standard benchmarks for prevailing wages and benefits where such benchmarks are readily available.
- recognize that wages are essential to meeting employees' basic needs and will make every effort to ensure that workers receive wages that meet basic needs by local standards.
- will pay workers directly and provide workers with clear, written accounting of hours worked, deductions, and regular and overtime wages in a language they can understand.
- will not make direct wage deductions from employee pay as a disciplinary measure. Where an employee is temporarily suspended without pay, infractions must be proven openly and promptly.

**7 Working Hours**

City suppliers and their sub-contractors will:

- ensure regular working hours do not exceed 48 hours per week, and that overtime hours do not exceed 12 hours per week and are not requested on a regular basis. Suppliers will ensure working hours are in compliance with local law and regulations.
- ensure overtime is voluntary; when overtime is needed, workers are compensated either according to law, or where the law is silent, at a premium.
- ensure workers are provided at least one day off during every seven-day period.

**8 Discrimination**

City suppliers and their sub-contractors will:

- consider employees for positions on the basis of their qualifications and abilities. The City will not work with suppliers who discriminate on the basis of race, gender, political or religious beliefs, social, ethnic or national origin, marital status, age, union affiliation, sexual orientation, or disability. (ILO Conventions 100 & 111)
- ensure pregnant workers are assigned work tasks appropriate for, and not threatening to, their condition.

**9 Health and Safety**

City suppliers and their sub-contractors will:

- provide their workers with safe and healthy work environments, which, as a minimum standard, is in compliance with country and local health and safety laws and regulations.
- take adequate steps to prevent accidents or injuries to health arising out of, associated with, or occurring in the course of work.
- ensure that any living facilities provided for personnel are safe and clean and meet the basic needs of personnel.

**10 Environmental Commitment**

City suppliers and their sub-contractors will:

- ensure all waste materials, as a by-product of production, are disposed of properly in an environmentally responsible manner, and according to the local and international laws and regulations.

## **COMPLIANCE AND IMPLEMENTATION**

1. The City expects all its suppliers to respect its SCC and to actively do their utmost to achieve the City's standards. The City believes in cooperation and the City is willing to work with its suppliers to improve performance where necessary.
2. The City will require that suppliers provide details on factory and production facility locations of suppliers and subcontractors and will make this information publicly available (i.e. Annual reports, web site postings, etc).
3. The City reserves the right to ask for proof of compliance with all applicable labour, health, safety, and environmental laws, and may inspect working conditions, at any time (or request independent verification of compliance). Suppliers must maintain current and sufficiently detailed records to substantiate their compliance with the SCC and the City may ask that they are independently verified at the supplier's expense.

## **RELATED POLICIES**

Ethical Purchasing Policy