

Introduction

“This Code” means this ESG Code of Conduct document.

“ESG” means Environmental, Social and Governance.

“Customer” in this Code means <<insert name of Customer>> that requires Supplier to adopt this Code>>.

“Supplier” in this Code means any person or entity that agrees to or does supply any goods, services or facilities to the Customer.

[This Code, as amended from time to time, is referred to in [[Clause <<insert clause number>> and the Customer dated <<insert date>>].

The ESG policy of the Customer is that its operations, activities and commitments are committed to:

- (a) protecting and enhancing the environment and maximising positive impact on the environment;
- (b) ensuring appropriate conduct of business with employees, customers/clients, suppliers and Suppliers operate; and
- (c) conduct their business with integrity and appropriate structures, systems, and processes (“ESG Commitment”).

The ESG Commitment is a fundamental part of the Customer’s business.

Customer’s General ESG Principles

In fulfilling the ESG Commitment, the Customer shall:

- comply with all applicable laws, rules, regulations and other measures having the force of law in relation to any aspects of the ESG Commitment; and
- where it is practicable and appropriate, exceed the minimum standards imposed by law.

Suppliers’ Commitment

This Code sets out the minimum standards that must be met by the Customer’s Suppliers [and their suppliers and sub-contractors] in order to meet the ESG Commitment.

Each Supplier is required to:

- comply with this Code;
- adopt and implement policies and procedures fully consistent with the

Supplier's commitments¹ set out under the headings below; [and]

- confirm in writing to the Customer that the Supplier's goods or services] [on <[days]>] and again thereafter at intervals of no more than <[weeks]> [months] that the Supplier complies and will continue to comply with the Supplier's Code; [and]
- ensure that each such confirmation is signed by a senior representative of the Supplier; [and]
- [have systems in place to ensure the Supplier's compliance with this Code] [and]
- [permit the Customer to conduct audits of the Supplier's compliance with this Code]
- sign and return a copy of the Supplier's Code to the Customer.

Environmental

The Supplier will²:

[ensure that its operations, products and services conform with applicable environmental protection laws and regulations [and require its goods and services supply chain to do so]]

[operate management procedures to monitor and manage environmental factors [and carry out environmental audits when relevant]]

[continuously improve environmental performance and integrate recognised environmental best practice into business operations]

[measure, and act to reduce, environmental impacts]

[where possible, reduce consumption of resources]

[encourage development of products and services that are beneficial to the environment]

[promote environmentally friendly products and services supply chain]]

[promote a culture of environmental responsibility within the Supplier [and its goods and services supply chain]]

[provide training for all employees to ensure they are able to carry out their job functions in a manner that supports the Supplier's commitment [and require its goods and services supply chain to do so]]

[have in place a suitable environmental risk management system for identifying and managing environmental risks and hazards]

[focus on action to conserve natural resources, protect the environment and to increase recycling]

[protect the environment by preventing pollution of land, air or water via leakage of liquids, gases or solids]

[minimize its negative effect on the environment]

¹ Some of the example commitment statements are provided for the Supplier's goods and services supply chain to comply as well. In any of those cases, the Supplier should make reasonable endeavours to require "or similar."

² It should be noted that this list is only intended as a prompt as to some business might or should cover. You will therefore have to a) decide which (if any) of the example commitment statements are not relevant; b) decide whether you need to add any further commitment points that you consider are relevant and important; and c) delete any commitment points that it might or should not cover.

SAMPLE

Environmental, Social and Governance

Accepting the Customer's order for goods or services] [on <[days]>] and again thereafter at intervals of no more than <[weeks]> [months] that the Supplier complies and will continue to comply with the Supplier's Code; [and]

ensure that each such confirmation is signed by a senior representative of the Supplier; [and]

[have systems in place to ensure the Supplier's compliance with this Code] [and]

[permit the Customer to conduct audits of the Supplier's compliance with this Code]

sign and return a copy of the Supplier's Code to the Customer.

ensure that its operations, products and the components that it manufactures conform with applicable environmental protection laws and regulations [and require its goods and services supply chain to do so]]

operate management procedures to monitor and manage environmental factors [and carry out environmental audits when relevant]]

continuously improve environmental performance and integrate recognised environmental best practice into business operations]

measure, and act to reduce, environmental impacts]

where possible, reduce consumption of resources]

encourage development of products and services that are beneficial to the environment]

promote environmentally friendly products and services supply chain]]

promote a culture of environmental responsibility within the Supplier [and its goods and services supply chain]]

provide training for all employees to ensure they are able to carry out their job functions in a manner that supports the Supplier's commitment [and require its goods and services supply chain to do so]]

have in place a suitable environmental risk management system for identifying and managing environmental risks and hazards]

focus on action to conserve natural resources, protect the environment and to increase recycling]

protect the environment by preventing pollution of land, air or water via leakage of liquids, gases or solids]

minimize its negative effect on the environment]

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[swiftly respond to accidents or incidents that may be potentially
 [manage and dispose of all waste in ways that show concern for the
 environment]
 [manage waste generated from its operations in accordance with
 re-use and recycling]
 [minimise waste by evaluating and reducing its waste]
 [use packaging materials that are as efficient as possible]
 [and require its goods and services supply chain to do so]]
 [[recycle all packaging materials and as many waste materials as possible are
 recycled] [and require its goods and services supply chain to do so]]
 [ensure that it safely handles, stores, transports and disposes of
 require its goods and services supply chain to do so]]
 [provide advice to the Customer on safe handling, transportation,
 storage and final disposal of its products and services
 supply chain to do so]]
 <<add further points as required>>

potential to threaten the environment]
 her in ways that show concern for the
 environment]
 according to the principles of reduction,
 reuse and recycling]
 y are as efficient as possible]
 e environmental laws and regulations
 [and require its goods and services supply chain to do so]]
 many waste materials as possible are
 n to do so]]
 s or toxic materials and products [and
 require its goods and services supply chain to do so]]
 iate on safe handling, transportation,
 [and require its goods and services supply chain to do so]]

Social

The Supplier will³:

[comply with [and require its goods and services supply chain to comply with,] all applicable
 anti-slavery and human trafficking laws, including the Modern
 Slavery Act 2015 and other laws, including but not limited to,
 bonded labour, prison labour, forced labour, etc.]
 [not infringe [, and will prohibit its goods and services supply chain from infringing,] any
 internationally recognized human rights, including but not limited to,
 Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work]
 [provide and maintain [, and require its goods and services supply chain to provide and
 maintain] a working environment free from discrimination, harassment and
 bullying, (e.g. union members, gender reassignment, sexual orientation,
 gender identity or expression, race, ethnicity or national origin, ethnicity or
 national origin, ethnicity or national origin, ethnicity or national origin,
 partnership or disability)]
 [not to [, and require its goods and services supply chain to not to] discriminate in selection,
 engagement, placement, training, promotion, compensation or other treatment or
 dealing with any employees on the basis of, but not limited to, union membership or political affiliation, gender,
 gender identity or expression, race, ethnicity or national origin, ethnicity or national origin,
 creed, religion, nationality or national origin, ethnicity or national origin,
 pregnancy status, civil partnership or disability.]
 [permit [, and require its goods and services supply chain to permit,] employees' freedom of
 association, union membership or political affiliation, in accordance with applicable laws,
 in order to protect or represent their interests]
 [promote [, and require its goods and services supply chain to promote,] diversity and inclusion
 amongst its and their workforce]
 [comply with [, and require its goods and services supply chain to comply with,] workplace
 health and safety laws and standards, and require its goods and services supply chain to take steps] to
 supply chain to take steps] to ensure the safety in the workplace, prevent
 workplace hazards and work-related injuries and illnesses]
 [provide [, and require its goods and services supply chain to provide,] fair [and competitive]
 remuneration (including overtime pay) and working hours, attendance, leave and
 benefits]

chain to comply with,] all applicable
 ons and codes, including the Modern
 r compulsory labour, child labour,
 etc.]
 ply chain from infringing,] any
 recognised in the International Bill of
 Principles and Rights at Work]
 es supply chain to provide and
 discrimination, harassment and
 under, gender identity or expression,
 aste, creed, religion, nationality or
 arital or pregnancy status, civil
 partnership or disability)]
 not to] discriminate in selection,
 compensation or other treatment or
 ership or political affiliation, gender,
 ual preference, race, colour, caste,
 ethnic origin, ancestry, age, marital or
 er characteristic.]
 to permit,] employees' freedom of
 , in accordance with applicable laws,
 in order to protect or represent their interests]
 ain to promote,] diversity and inclusion
 amongst its and their workforce]
 chain to comply with,] workplace
 s [and require its goods and services supply chain to take steps]
 safety in the workplace, prevent
 es]
 in to provide,] fair [and competitive]
 orking hours, attendance, leave and
 benefits]

³ See note 2 above.

sick leave por
requirements
laws [and ind

[encourage [,
participate in
that the Supp
supports their

[support [, and
by employing

<<add further

Governance

The Supplier will⁴:

[ensure that it
all applicable
relating both

[ensure that it

[promote stro

[establish and
integrity, hone

[comply with a
2010) prohibi
its goods and
officers and e

[prohibit any
services supp

[maintain and
conflicts of in
Supplier [and

[avoid investr
chain from inv
impact, for ex

[comply with a
when process
privacy and d
held on its sy
employees go
to any such in

[ensure that it
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<<add further

Viewing and upd

[The Customer will
that it is freely avail

The Customer will p

On each occasion t
it has been updated

⁴ See note 2 above.

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m that remuneration is sufficient to cover basic living
not exceed the maximum permitted by applicable

and services supply chain encourage,] employees to
on and training (including any education or training
s supply chain is able to provide in-house) which
[allowing paid time-off where circumstances permit],]

services supply chain to support,] the local community
the extent appropriate and reasonable to do so]

services supply chain to ensure that it] complies with
regulations, relevant standards and codes of practice
to transparency and corporate governance]

ernance for ESG]

ncy at all levels of its organization]

of business ethics conduct, and promote a culture of
e conduct in its business activities and behaviours]

o bribery and corruption (including the Bribery Act
f, or by, any of its officers or employees [and require
early to comply with such laws and to prohibit their
any bribery or corruption]]

its officers or employees [and require its goods and
their officers and employees]]

ring anti-bribery and corruption, code/s of conduct,
resources, as part of the governance structure of the
ces supply chain to do so]]

tion with, and prohibit its goods and services supply
er connection with, industries with a negative social
pornography or weapons manufacture/sales]

n laws and requirements (including the UK GDPR)
ehalf of the Customer, and maintain appropriate
protect the integrity and confidentiality of information
n supplied by the Customer and information of
ain, and ensure that there is no unauthorised access
including its goods and services supply chain]

meet all relevant standards of safety and quality for
customers]]clients]

ended from time to time) on its public website so
others to view at any time.]

date this Code as necessary.

the Customer will notify Suppliers [by email] that
with a copy of the updated Code [attached to that

email]] [and remind you to view the up to date Code on the Customer's public website], and this Code will be effective <<number>> days after that notification.]

Name of Supplier: _____ e of Supplier>>

Name of signatory _____ e of Signatory>>
Supplier

Position: _____ e.g. Managing Director of Supplier>>

Signature: _____

Dated:

A copy of the Code, _____ half of the Supplier, should be returned to the Customer.