

intelligent resource

Your people. Your performance. Our priority.

Supplier Code of Conduct

Intelligent Resource Core Recruitment Process

C O N F I D E N T I A L

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1.1 Why is supply chain sustainability important to Intelligent Resource

Intelligent Resource believes that long-term value comes from seeing success as a part of a bigger picture, encompassing people, the economy and the environment. We believe that by incorporating good principles and recognized standards of economic, social and environmental sustainability into all aspects of our business, we will create more value for our customers, be a part of more sustainable economies and communities, have more engaged employees, forge better relationships with other stakeholders, including partners and suppliers, and differentiate our business. Our supply chain management practices play an integral part in helping us achieve our sustainable business goals. We recognise that the sustainability risks and opportunities in our supply chain are significant, and so we assess its sustainability and commit ourselves to working in partnership with our suppliers to improve their sustainability.

1.2 What do we expect from our suppliers

Based on this commitment to sustainability, Intelligent Resource has developed this Code of Conduct for suppliers ("The Code"). It is applicable to all organisations with which Intelligent Resource Limited has commercial dealings.

Our minimum expectations of all suppliers are outlined here, and in our standard supplier terms and conditions. However, recognising the importance of continual improvement to successful business, and that many of our key stakeholders expect us to strive for excellence in sustainability, we have also defined standards that we expect our suppliers to be working towards, if they have not already achieved them. This Code sets out both the minimum expectations and the higher standards that we desire.

Intelligent Resource will review this Code periodically and make revisions when needed; we will expect suppliers to adopt them.

1.3 Compliance

To comply, a supplier must meet all the minimum provisions of the Code. The term "must" indicates a minimum provision, which is a requirement. The term "should" indicates requirements that are considered best practice. Suppliers should be working towards compliance with requirements marked "should".

1.4 Requirements

1.4.1 Economic Sustainability

Economic sustainability focuses on generating profits, bringing economic benefit to the workers, investors and communities in which a company operates, and operating ethically. Intelligent Resource believes that commercial transactions should benefit all parties economically and that relationships should be based on the principle of fair and honest dealings.

- 1) Suppliers **must** comply with all applicable laws, statutes, regulations and codes relating to anti-bribery, anti-facilitation of tax evasion and anti-corruption

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- 2) Suppliers **must** embed basic ethical business principles in a Code of Ethics or a similar policy, including such items as adherence to local laws and a stand against money laundering, bribery and corruption.
- 3) Suppliers **must** pay their workers, whether employees or contractors, at least the national minimum wage in all geographies of operation, and in the UK the Living Wage as applicable, without any unauthorised deductions. If no national minimum wage is in place in a supplier's area of operation, the supplier must pay the local industry standard wage.
- 4) Suppliers **should** take steps to develop the skills of their workforces, for example by offering appropriate training and professional development opportunities.
- 5) Suppliers **should** have reasonable payment policies with their own suppliers and subcontractors, ideally 30-day payment terms and working towards Prompt Payment Code certification.
- 6) Suppliers **should** understand their impacts on the communities in which they operate and undertake initiatives to contribute positively to those communities.
- 7) Suppliers **should** take steps to understand the diversity of their supply chains and seek opportunities to make competition for their business more inclusive.
- 8) Suppliers **should** consider the principles of Whole Life Costing and Lifecycle Analysis in design, manufacture and recycling/disposal.

1.4.2 Social sustainability

Intelligent Resource expects its suppliers to respect the human and labour rights, and to protect the health, safety and wellbeing, of their workers (whether employees or contractors). We also expect suppliers to promote an equal and inclusive working environment, and one that seeks to reflect the diversity of the communities in which they operate.

- 1) Suppliers **must** ensure that neither they nor their suppliers use forced labour in their operations, and they must give workers, whether local or migrant, the right and the ability to leave employment when they choose.
- 2) Suppliers **must** have a policy, processes and procedures in place to prevent slavery and human trafficking in their operations and their supply chains.
- 3) Suppliers **must** ensure that neither they nor their suppliers use child labour and that their employment of young workers adheres to International Labour Organisation standards and local regulations.
- 4) Suppliers **must** ensure that working hours are in accordance with local regulation and industry practice and that voluntary overtime is at manageable levels.
- 5) Suppliers **must** treat all their employees fairly, and actively seek to prevent all forms of harassment and illegal discrimination, including direct discrimination, indirect discrimination, and instruction to discrimination, in their employment practices.
- 6) Suppliers **must** have policies, processes and monitoring mechanisms in place to address equality, diversity and inclusion – paying particular attention to the protected characteristics defined by The Equality Act 2010.
- 7) Suppliers **must** not hinder the right of workers to organise legally and to join associations such as labour unions.
- 8) Suppliers **must** provide a safe work environment, abiding by local laws and regulations, and respecting the health and well-being of its workforce.

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- 9) Suppliers **must** provide clear and uniformly applied disciplinary practices and grievance procedures that include provisions prohibiting mental, physical or verbal abuse.
- 10) Suppliers **should** measure and monitor the diversity of their workforce and seek to redress disparities, underrepresentation and inequalities, such as in recruitment, pay, promotion and other aspects of the employment lifecycle.
- 11) Suppliers **should** give employees a voice in the company, consulting with them on matters that affect them.
- 12) Suppliers **should** seek to increase the proportion of their expenditure with organisations that improve economic, social or environmental sustainability, for example through procurements from social enterprises or with fair trade purchases.

1.4.3 Environmental sustainability

The planet's resources are finite, and climate change, access to water and air pollution are issues that affect economies, communities and businesses. Intelligent Resource therefore expects its suppliers to support sound environmental management principles:

- 1) Suppliers **must** have a written environmental policy appropriate to the size and nature of their operations that addresses raw material usage, greenhouse gas emissions, water, waste, energy and wood & paper management.
- 2) Suppliers **must** have an effective internal environmental management programme or system, with staff adequately trained and responsible for managing the organisation's environmental performance and able to communicate key environmental indicators.
- 3) Suppliers **must** abide by all legislation and regulations related to the protection of the environmental and the handling of dangerous and hazardous materials.
- 4) Suppliers **must** minimise their use of dangerous and/or hazardous materials, and make Material Safety Data Sheets available for all hazardous materials that they must use.
- 5) Supplier **should** demonstrate continual improvement in environmental sustainability, particularly by taking measures to reduce their energy and water consumption, greenhouse gas emissions, and waste generation.
- 6) Suppliers **should** have or be working towards formal Environmental Management Systems certified to recognised standards such as ISO14001:2015.
- 7) Suppliers **should** work actively to improve the environment in the communities in which they operate and pursue initiatives to bring about such improvement.

1.5 Statement for SMEs

Small and medium-sized enterprises (SMEs) have a large collective impact on the environment, society and the economy. Intelligent Resource understands that some aspects of sustainability can be daunting for smaller businesses. However, we have found that most of our SME partners understand the need for organisations of all sizes to contribute positively to sustainability, and that most of them are already working towards improving their own sustainability. We strongly encourage a proactive approach to sustainability by all of our partners. Therefore we require our SME partners to comply with at least the minimum standards laid out in this Code.

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Document Control

History

| Version | Date | Change Description | Changed By |
|---------|----------------|---|-------------|
| 1.0 | November 2017 | Document created | Sara Wright |
| 2.0 | April 2019 | Updates in line with Parent Company Code of Conduct | Sara Wright |
| 3.0 | September 2019 | Rebrand to Intelligent Resource | Sara Wright |
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0.1 Approvers

| Approved by | Title | Date |
|-----------------|-------------------|----------------|
| Karen Alexander | Managing Director | September 2019 |
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