

Industry Principles for Supply Chain Sustainability

SEPTEMBER 2018



windeurope.org

THE INDUSTRY AND ITS SUPPLIERS SHALL:

MANAGEMENT, LEGAL COMPLIANCE AND FAIR OPERATIONS

COMPLIANCE WITH LAWS AND REGULATIONS

- Comply with all applicable laws and regulatory requirements.
- Conform to applicable international standards and customer requirements, if additionally agreed upon.
- Document compliance with laws and regulations by maintaining compliance records over time and making them available on demand.

DUE DILIGENCE AND TRANSPARENCY

- Identify and evaluate potential risks related to human and labour rights, the environment, and business ethics.
- Use the outcome of the above evaluation to define improvements that avoid or mitigate any identified risks.

MANAGEMENT SYSTEMS

- Have in place a suitable management system or systematic approach for operational controls.
- Adhere to the established management systems or operational controls in the conduct of their business, including the selection of suppliers.

CONTINUOUS IMPROVEMENT

- Commit to continuous improvement while recognising Suppliers' different stages of maturity and degrees of risk.
- Work transparently and constructively across the industry if specific risks need to be improved.
- Demonstrate how corrective actions are implemented and show progress in minimising or eliminating the respective risks.

LEGAL AND ETHICAL BUSINESS CONDUCT

- Not tolerate, permit or engage in any kind of illegal or unethical practises including extortion, embezzlement or fraud.
- Not tolerate, permit or engage in any form of corruption and bribery including promising, offering, giving or accepting any facilitation payments or other means that would improperly influence business relations, government relations and officials, or any other individuals.
- Ensure no money laundering or any violation of trade sanctions takes place.

FAIR COMPETITION

- Not enter into formal or informal discussions or agreements with competitors concerning pricing quota, agreements covering the allocation of customers, territories or markets or similar anti-competitive activities.
- Not abuse any dominant position within the market that distorts competition.

CONFLICTS OF INTEREST

- Avoid conflicts of interest that may adversely influence business decisions.
- Inform relevant parties of any potential conflicts of interest.

INTELLECTUAL PROPERTY, CONFIDENTIALITY & DATA PROTECTION

- Protect and respect the intellectual property and confidential information of the own company, suppliers and third parties and guarantee that any deliveries are free from third party intellectual property.
- Ensure that the intellectual property and confidential information is used solely as permitted.
- Collect, process, disclose or store personal data only if it has a legitimate business purpose and it is in compliance with relevant laws.
- Ensure that necessary agreements and effective confidentiality frameworks are in place before collecting, processing or transferring personal data to third parties

HUMAN RIGHTS AND LABOUR PRACTICES

- Respect and protect internationally proclaimed human and labour rights for their own employees and Suppliers.

NON-DISCRIMINATION AND HARRASSMENT

- Treat all individuals equally with dignity and respect and protect them from harassment, whether committed by their colleagues, management or business partners.
- Not engage in or tolerate any form of discrimination in hiring and employment practices, or business partner selection and treatment.
- Prohibit the use of corporal punishment and any form of coercion, abuse or harassment.

DISCIPLINARY MEASURES

- Document and communicate to all relevant employees and Suppliers any disciplinary measures applicable to violations of laws, regulations, rules and contracts.
- Prohibit the use of monetary fines as a disciplinary measure when in breach of applicable laws or contract agreements.

MODERN SLAVERY

- Not participate in, or benefit from slavery or servitude, forced or compulsory labour, or human trafficking, in any form.
- Take reasonable steps to prevent modern slavery in connection with suppliers.
- Provide employees with an employment contract that is understandable and legally binding.
- Guarantee all employees' freedom of movement during the course of their employment and the right to terminate the work relation at all times, subject to equitable notice periods.

CHILD LABOUR

- Comply with the minimum employment age as defined in the International Labour Organization (ILO) conventions or adhere to the highest minimum employment age valid in the country in which the Supplier operates.

WORKING HOURS, WAGES & BENEFITS

- Comply with all applicable laws and industry standards on working hours, wages and benefits.
- Pay employees a wage that meets as a minimum their basic needs and provide discretionary income in the absence of local laws, national statutes or collective agreements.
- When possible, compensate employees for overtime according to applicable laws, international standards and contract agreements.
- Issue each employee a wage statement specifying at minimum all hours worked during that pay period and the rate of compensation, according to applicable laws.

FREEDOM OF ASSOCIATION & COLLECTIVE BARGAINING

- Promote appropriate communication and cooperation with employees to raise work related concerns and discuss with management.
- Conduct bargaining with employee representatives in good faith.

GRIEVANCE CHANNELS AND REMEDIATION MECHANISMS

- Provide appropriate grievance mechanisms to employees and other interested stakeholders in order to make comments, recommendations, reports or complaints concerning the workplace, the environment or business practices.
- Secure confidentiality and appropriate protection of all parties from disclosure in the grievance process.

HEALTH & SAFETY IN THE WORKPLACE

- Ensure a safe and healthy workplace for all employees and business partners.
- Assess and manage potential health and safety risks and hazards related to activities, products and services.
- Reduce any identified risks according to the following hierarchy: elimination, substitution, engineering controls, administrative controls, and personal protective equipment.
- Implement preventive controls, emergency response procedures, incident reporting systems and other appropriate continuous improvement measures.

HAZARDOUS MATERIALS

- Control the use of hazardous substances and mixtures and avoid or limit the use of high concern materials in activities, products and services.
- Provide transparent product information when a material of high concern is used in products, including all the necessary information to facilitate safe management of that product.
- Adopt the substitution principle, where possible.

OPERATING IN CONFLICT-AFFECTED AREAS

- Assess whether their own operations or their Suppliers' operations are located or sourced from conflict-affected or other high-risk areas.
- Adopt enhanced due diligence measures suited to the specific context and monitor business relationships, business transactions, flows of funds and resources.
- Ensure funding or other forms of support are not provided to armed actors who benefit from the revenues generated by the sale of goods and services.

SOURCING CONFLICT MINERALS

- Avoid the reliance on conflict minerals by assessing their potential use and origin in the value chain.

- Introduce additional due diligence measures where the sourcing of conflict minerals is suspected or used.

THE ENVIRONMENT

- Take a precautionary approach to environmental protection and climate change related to activities, products and services.
- Assess and manage all environmental aspects that can be controlled or influenced to minimise adverse environmental impacts and/or improve environmental performance.
- Ensure delivered products incorporate environmental aspects throughout the product life cycle, from design through manufacturing and use, to re-use, recycling and disposal.
- Use resources such as materials, water and energy efficiently and minimise impacts on biodiversity and on the ecosystem.
- Respect the *polluter pays* principle, and implement preventive controls, emergency response procedures, incident reporting systems and other appropriate continuous improvement measures.

COMMUNITY ENGAGEMENT & DEVELOPMENT

- Respect the human rights, dignity, aspirations, culture, and natural resource-based livelihoods of local communities, in particular indigenous and tribal people, in areas where they operate.
- Engage local communities in an inclusive, equitable, culturally appropriate, gender-sensitive, and rights-compatible manner.
- Respect the principles of free, prior, and informed consent, and participation to obtain broad-based consent of indigenous and tribal peoples in their activities.
- Strive to foster economic, social and environmental development of local communities where they operate with the goal of creating shared value.