

ETHICAL PROCUREMENT POLICY & PROCEDURE

Updated: 1st April 2011
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POLICY STATEMENT

ELCAP will ensure good environmental and labour standards in the contracts we agree and how we operate them.

ELCAP will ensure employees conduct procurement on behalf of ELCAP in a fair and transparent manner.

PROCEDURE

Suppliers of goods and services to ELCAP must meet the required minimum standard and be committed to a culture of continuous improvement within its work practices.

Labour standards – Suppliers will be expected to comply with the following statements:

- Employment is freely chosen – There is no involuntary or forced labour within its workforce. People are free to withdraw their labour should they wish to do so.
- Freedom of association and the right to collective bargaining – All workers are free to join a trade union and bargain collectively.
- Safe and hygienic working conditions – The working environment should be free from hazards and employers must take all appropriate steps to minimise risk for its workforce.
- Child labour – The use of child labour shall not be tolerated and ELCAP will be compliant with the ILO (International Labour Organisation) standards.
- Living wage – Payment for work undertaken must meet national legal standards.

- Working hours – working hours must comply with national laws.
- Discrimination – ELCAP will take appropriate measures and be able to demonstrate that it does not discriminate in the hiring, training, promotion or dismissal of staff based on race, ethnic origin, religion, age, disability, gender, sexual orientation, marital status, trade union membership or political affiliation.
- Regularised employment – Work should be undertaken on the basis of a recognised employment relationship in compliance with national laws.
- Inhumane treatment – Employers will prohibit physical, sexual, verbal abuse or the threat of as well as other forms of intimidation.

Environmental Standards – Suppliers should meet the minimum legal requirements with regard to environmental standards. It is expected that preferred suppliers would be working towards achievement at a higher level than the minimum. Supplier's practices:

- Conservation – conservation of resources is considered at all levels of the design and production cycles
- Waste management – waste is kept to a minimum and recycling is the preferred method of disposal
- Packaging – should be kept to a minimum and recycled wherever possible
- Energy – energy use is lowered in the production and logistics processes to minimise green house gases and other harmful emissions

Code of Conduct for ELCAP Employees - It is the responsibility of all employees, and in particular those engaged in a procurement function, to conduct the business of their organisation in a fair and

transparent manner and not involve themselves in practices which may be deemed improper. Employees are expected to carry out their role with integrity, in a fair and reasonable manner.

Employees should be cognisant of their conduct in the following areas and ensure that they act within organisational guidance:

- Gifts or other inducements – no employee should request or receive any gift from any supplier involved in a procurement transaction.
- Declaration of interests – Any personal interest (shareholding; family or personal relationship or friendship) between the purchaser and the supplier should be declared to the CEO / Director prior to the commencement of any negotiation.
- Conflict of interest – Employees who have relationships or knowledge of suppliers which could compromise their impartiality therefore giving rise to special consideration should declare this to the CEO / Director prior to the commencement of any negotiation.
- Confidential information – Commercially sensitive information must remain confidential and not be used for personal gain.
- Reporting of wrongdoing – Each employee has a responsibility to bring to the attention of their organisation issues of wrongdoing with regard to ethical procurement using the appropriate organisational procedures.

Operating principles for ELCAP:

The implementation of the Code of Conduct for Suppliers will be a shared responsibility between ELCAP and its suppliers, informed by a number of operating principles, which will be reviewed from time to time.

ELCAP will:

- Assign responsibility for ensuring compliance with this Ethical Procurement Policy to a senior manager.
- Communicate its commitment to the Code of Conduct to employees, supporters and donors, as well as to all suppliers of goods and services.
- Make appropriate human and financial resources available to meet its stated commitments, including training and guidelines for relevant personnel.
- 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.
- Adopt appropriate methods and systems for monitoring and verifying the achievement of the standards.

ELCAP expects suppliers to:

- Accept responsibility for the labour and environmental conditions under which products are made and services provided. This includes all work contracted or sub-contracted and that conducted by home or other out-workers.

Both parties will:

- Require the immediate cessation of serious breaches of the Code and, where these persist, terminate the business relationship.
- Seek to ensure all employees are aware of their rights and involved in the decisions, which affect them.
- Recognise official regulation and inspection of workplace standards, and the interests of legitimate trades unions and other representative organisations.
- Seek arbitration in the case of unresolved disputes.