

# Oxfam Ethical Purchasing Policy

## 1. Policy Statement

Oxfam's policy is to seek to purchase goods and services that:

- Are produced and delivered under labour conditions that meet the Ethical Trade Initiative Base Code (ETI) and therefore do not involve the abuse or exploitation of any person
- Have the least negative impact on climate change and the environment

Such considerations will form part of the evaluation and selection criteria for all goods and services purchased by Oxfam.

In addition, Oxfam will seek alternative sources where the conduct of suppliers demonstrably violates the basic rights of Oxfam's intended beneficiaries, and there is no willingness to address the situation within a reasonable time period, or where companies in the supply chain are involved in the manufacture or sale of arms in ways that are unacceptable to Oxfam.

## 2. Purpose

The purpose of the policy is to:

- Promote good Labour, Green House Gas Emission Reduction and Environmental Standards in the Suppliers and Supply Chain of Oxfam
- Protect and Enhance Oxfam's reputation as an active campaigner on Labour and Climate Change issues

This Policy is issued in conjunction with four other Procurement related policies:

- Procurement Authority Policy
- Procurement Integrity Policy
- Operational Sustainability Policy
- Expenditure Authorisation Policy

## Oxfam code of conduct for suppliers

Suppliers should commit to continuous improvement towards compliance with the labour and environmental standards specified, both in their own companies and those of their suppliers. Suppliers are expected to meet the obligations outlined in the Operating Principles section of this policy.

### A. Labour Standards

Oxfam has adopted the Ethical Trading Initiative (ETI) Base Code outlined below for labour standards in this Code of Conduct. The ETI is an alliance of companies, non-governmental organisations and trade unions committed to working together to identify and promote good practice in the implementation of Codes of labour practice, which are based on the International Labour Organisation (ILO) Conventions. Please see [www.ethicaltrade.org](http://www.ethicaltrade.org)

**Employment is freely chosen:**

- There is no forced, bonded or involuntary prison labour.
- Workers are not required to lodge 'deposits' or their identity papers with the employer and are free to leave their employer after reasonable notice.

**Freedom of association and the right to collective bargaining are respected:**

- Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively.
- The employer adopts an open attitude towards the legitimate activities of trade unions.
- Workers representatives are not discriminated against and have access to carry out their representative functions in the workplace.
- Where the right to freedom of association and collective bargaining is restricted under law, the employer facilitates, and does not hinder, the development of parallel means for independent and free association and bargaining.

**Working conditions are safe and hygienic:**

- A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.
- Workers shall receive regular and recorded health and safety training, and such training shall be repeated for new or reassigned workers.
- Access to clean toilet facilities and potable water, and, if appropriate, sanitary facilities for food storage shall be provided.
- Accommodation, where provided, shall be clean, safe, and meet the basic needs of the workers.
- The company observing the standards shall assign responsibility for health and safety to a senior management representative.

**Child Labour shall not be used:**

- There shall be no new recruitment of child labour.
- Companies shall develop or participate in and contribute to policies and programmes, which provide for the transition of any child found to be performing child labour to enable her/him to attend and remain in quality education until no longer a child.
- Children and young people under 18 years of age shall not be employed at night or in hazardous conditions.
- These policies and procedures shall conform to the provisions of the relevant International Labour Organisation (ILO) standards.

**Living wages are paid:**

- Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmarks, whichever is higher. In any event wages should always be high enough to meet basic needs and to provide some discretionary income.
- All workers shall be provided with written and understandable information about their employment conditions in respect to wages before they enter employment, and about the particulars of their wages for the pay period concerned each time that they are paid.

- Deductions from wages as a disciplinary measure shall not be permitted nor shall any deductions from wages not provided for by national law be permitted without the express and informed permission of the worker concerned. All disciplinary measures should be recorded.

**Working hours are not excessive:**

- Working hours comply with national laws and benchmark industry standards, whichever affords greater protection.
- In any event, workers shall not on a regular basis be required to work in excess of 48 hours per week and shall be provided with at least one day off for every 7 day period on average. Overtime shall be voluntary, shall not exceed 12 hours per week, shall not be demanded on a regular basis and shall always be compensated at a premium rate.

**No discrimination is practised:**

- There is no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.

**Regular employment is provided:**

- To every extent possible work performed must be on the basis of a recognised employment relationship established through national law and practice.
- Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting, sub-contracting or home-working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment.

**No harsh or inhumane treatment is allowed:**

- Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.

## **B. Environmental Standards**

Oxfam is committed to the reduction of greenhouse gas emissions in its supply chains and will not knowingly purchase goods or services from companies that actively lobby to undermine progressive climate change policy or push for continued expansion of fossil fuel use.

As a member of the WWF Global forest and Trade Network, Oxfam is committed to the responsible sourcing of forest products.

Suppliers are expected to not only meet all statutory and other legal requirements relating to the environmental impacts of their business, but also address the following:

**Climate Change:**

- Not actively lobby to undermine public policies to tackle climate change or push for continued expansion of fossil fuel use.
- Companies in "Annex 1 countries" must measure, set targets, reduce (in absolute terms) and report publicly on the direct and indirect greenhouse gas emissions from their business. They must actively research and introduce low carbon, materials, transport, packaging and energy

sources into their business processes and activities. They must actively support their suppliers, in "Non-Annex 1 countries", to develop carbon management plans.

- Companies in "Annex 1 countries", which supply products to Oxfam must where practical research the life cycle carbon footprint of their products and advise Oxfam on the use of lower carbon alternatives.
- All "Non-Annex 1 country" suppliers must develop a carbon management plan.
- Companies are asked to demonstrate steps taken.

#### **Sustainable Paper and Wood Sourcing:**

- Suppliers of products included in Annex 2 must source forest products from recycled sources or well-managed forests, which have been certified to a credible standard.
- All suppliers must never knowingly become involved in, collude with or purchase timber from illegal logging operations. Work with supply chains to ensure that all forest products purchased are as a minimum legal in origin.

#### **Waste Management:**

- Waste is minimised and items recycled whenever this is practicable. Effective controls of waste in respect of ground, air, and water pollution are adopted. In the case of hazardous materials, emergency response plans are in place. Products made for Oxfam will where possible use recycled materials and be recyclable.

#### **Packaging:**

- Undue and unnecessary use of materials is avoided, and recycled materials used whenever appropriate.

#### **Conservation:**

- Processes and activities are monitored and modified as necessary to ensure conservation of scarce resources, including water, flora and fauna and productive land in certain situations.

### **C. Business Behaviour**

The conduct of the supplier should not violate the basic rights of Oxfam's intended beneficiaries. The supplier or parent company should not be involved in any of the following activities:

- Arms manufacture
- The sale or export of arms or strategic services to governments which systematically violate the human rights of their citizens, or where there is internal armed conflict or major tensions, or where the sale of arms may jeopardise regional peace and security
- Tobacco production and sale
- The sale of baby milks outside the WHO Code of Conduct
- Pesticide sales outside the FAO guidelines for pesticide retailing
- Extractive industries
- production or publication or broadcast of adult entertainment
- Seen to be political
- Any other activities which violate the basic rights of Oxfam's intended beneficiaries.

# Operating Principles for Oxfam and Suppliers

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

## **Oxfam will:**

- Assign responsibility of ensuring the Ethical Purchasing Policy is implemented to a senior manager.
- Commitment to the Code of Conduct is communicated publicly, throughout Oxfam, to its suppliers and to the people who work in its supply chain.
- Give preference to suppliers which meet or are working towards meeting the provisions of the Code of Conduct
- Require its suppliers to work towards compliance with the Code of Conduct and also require them to engage with their own suppliers to work towards compliance with the Code of Conduct.
- Work with its suppliers to rectify any problems identified and implement improvements that are consistent with the provisions of the Code of Conduct.
- Seek the views of its suppliers over their ability to meet the Code of Conduct given existing buying practices, and assists them to meet their concerns.
- Gather and analyse verifiable information about its suppliers' performance on complying with the Code of Conduct and uses this information to inform its sourcing decisions
- Recognise the contribution that stable business relationships can make to the observance of the Code of Conduct and endeavours to establish long-term relationships with its suppliers.
- Negotiate time-bound plans for improvements with suppliers and make sure that the improvements are actually made.
- Work with suppliers, other ETI members and other parties affected by its activities to address the root causes of non-compliances through the design and implementation of activities, which identify and test good practice and effective solutions.
- Report progress in implementing the Code of Conduct annually to the corporate management of Oxfam, the Ethical Trading Initiative, WWF Global Forest and Trade Network and other stakeholders including staff, suppliers and donors.
- Terminate supplier relationships where serious breaches of the Code of Conduct persist after reasonable attempts have been made to work with the supplier to implement improvements, and where there is no reasonable prospect of securing improvements. Such terminations will be carried out in a responsible way.
- Recognise the fundamental importance of independent and democratic organisations of workers' own choosing – commonly known as trade unions – in achieving sustainable improvements and encourage an open and positive attitude towards trade unions and collective bargaining because they are the essential elements of all mature systems of industrial relations.
- Avoid discriminating against enterprises in developing countries.

## **Oxfam expects suppliers to:**

- Accept responsibility for 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.
- Assign responsibility for implementing the Code of Conduct to a senior manager.
- Develop and report on a step-wise approach for meeting the Code of Conduct. Address issues and take time-bound corrective actions where it has been identified that the Code of Conduct has not been met.

- Make a written Statement of Intent regarding the company's policy in relation to the Code of Conduct and how it will be implemented, if requested by Oxfam, and communicate this to its workers, suppliers and to Oxfam
- Report on progress made to meet the Code of Conduct in their workplaces and supply chains.
- Be open, honest and transparent progress towards the Code of Conduct and any issues that have arisen in their supply chains. Allow Oxfam access to information about their supply chains.
- 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.
- Terminate supplier relationships where serious breaches of the Code of Conduct persist after reasonable attempts have been made to work with the supplier to implement improvements, and where there is no reasonable prospect of securing improvements. Such terminations will be carried out in a responsible way.
- Ensure there are not uncontrolled cost increases or drops in quality. Oxfam accepts appropriate internal costs but will work with suppliers to achieve required ethical standards as far as possible at no increase in cost or decrease in quality.

## Qualifications to the Policy Statement

The humanitarian imperative is paramount. Where speed of deployment is essential in saving lives, Oxfam will purchase necessary goods and services from the most appropriate available source.

### **Annex 1**

Australia  
Belarus  
Bulgaria  
Canada  
Croatia  
EU  
Iceland  
Japan  
Liechtenstein  
Monaco  
New Zealand  
Norway  
Romania  
Russian Federation  
Switzerland  
Ukraine  
USA

### **Annex 2**

Suppliers of the following products must source forest products from recycled sources or well-managed forests, which have been certified to a credible standard.

All paper products sourced from Oxfam GB UK offices.

All New Products carrying the Oxfam Brand with the exception of any product which is Fairtrade Marked or members of the WFTO.