

# FOP1: Supplier Code of Conduct

<b>Time of Effectiveness</b>	Mid-Term Long term
<b>Repeatability</b>	75% (15 reports out of 20)
<b>Level of Confidence</b>	<b>7.91/10</b>
<b>Category</b>	Fair Operating Practices
<b>Outcomes</b>	<ul style="list-style-type: none"> <li>• More responsible supply chain</li> <li>• Possibility to rank suppliers by compliance</li> <li>• Easier identification of high risks suppliers</li> <li>• Increased supply chain sustainability awareness</li> </ul>
<b>Metrics</b>	<ul style="list-style-type: none"> <li>• Compliance with the code of conduct (audits)</li> <li>• Number of sanctions given to suppliers by gravity</li> <li>• Number of regulations or laws infractions per year in the supply chain</li> </ul>
<b>Problematic</b>	<ul style="list-style-type: none"> <li>• Paris Agreement Article 11</li> <li>• UN SDG 8: Good Jobs and Economic Growth</li> <li>• UN SDG 10: Reduced Inequalities</li> <li>• UN SDG 16: Peace and Justice</li> </ul>
<b>Additional Components</b>	<b>NONE</b>

## Description

The supply chain of an IT company represents its main activity, especially for manufacturers. In order to ensure that their sustainability will not be pulled down by their supply chain, 75% of the companies decided to establish a “Supplier Code of Conduct” which contains all the different policies required by the company for its supply chain regarding employees’ treatment, sustainability management and way of operating. Then the company proceed internal as well as external audits to evaluate the compliance of the suppliers. It allows companies to establish an heatmap of their supply regarding sustainability and then identify high risks suppliers.

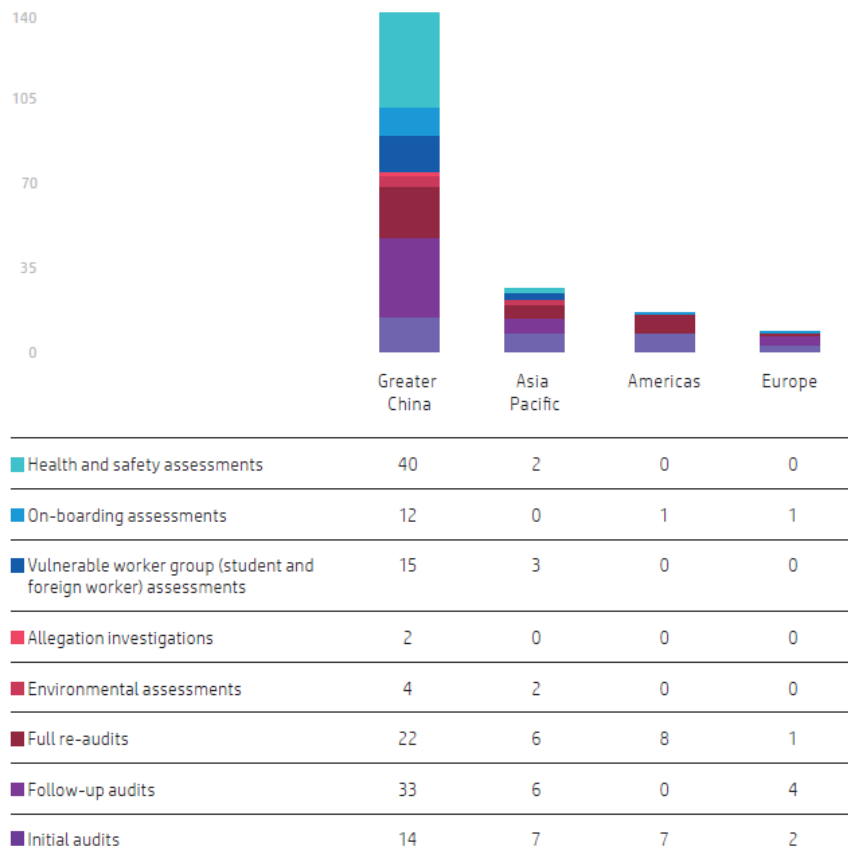
## Example HP (p.83-87,111)

In order to integrates sustainable development in their supply chain, HP edited a Supplier Code of Conduct. This Code of Conduct contains every mandatory compliance required by HP in order to be one of their suppliers, such as laws compliance, environmental policies, employees’ treatment or human rights requirements. In order to verify the compliance with the Code of Conduct, they proceed audits in their supply chain which are shown in the figure below, the detailed results are shown in HP’s report from page 109 to 111. These audits help HP to identify their high-risk suppliers regarding their Code of Conduct, which gives them the opportunity to identify the different misconducts of their supply chain and fix it as fast as possible.



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SER audits and assessments conducted per region, 2015



*Results of Social and Environmental Responsibility (SER) audits in HP Supply Chain*