

AMNESTY INTERNATIONAL EU OFFICE ETHICAL PROCUREMENT POLICY

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1. Background

This procurement policy arises from concerns that the AI EU Office, belonging to a human rights organisation, should take account of ethical considerations in carrying out its business, and that our work or reputation could be harmed by association with suppliers of goods and services who infringe ethical standards in their own businesses. Moreover, the aim is to promote good practices in relation to procurement policy.

This policy has been devised in light of relevant AI policies and the need to secure best value, maintain adequate service standards and minimise the cost of supplies and services purchased.

Amnesty International is currently developing uniformed rules on ethical procurement for the whole movement in accordance with its policies on corporate accountability. Once these rules are approved, they will be duly incorporated in the AI EU Office policy.

2. Purpose and Principles

The purpose of this policy is threefold:

- (i) to ensure that the AI EU Office, through the purchase of goods and services, is not contributing to the violation of human rights;
- (ii) to avoid association with companies engaged in activities which constitute grave violations of human rights, and mitigation and/or managing that risk;
- (iii) to protect the reputation and credibility of AI in order to protect the effectiveness of achieving its human rights objectives.

These purposes are aspects of the single overriding purpose which guides all policies, i.e. to maximise the effectiveness of the AI EU Office in preventing the violation of human rights in accordance with the AI Statute.

In carrying out the policy, it is also essential to adhere to the following principles to the closest extent possible:

- a. Consistency with other relevant AI policies: in particular, procurement policy must be consistent with current AI policy on the non-advocacy of boycotts or sanctions against companies or countries. This policy does not prevent the AI EU Office from making *positive* choices based on ethical considerations. It does, however, prevent us from making threats or setting conditions, excluding what is stated in this document, based on ethical criteria.
- b. Minimum Product and Service Standards: for each product or service purchased by the AI EU Office, there will be a minimum quality of supply which will need to be achieved based on which ethical criteria would apply. The Ethical Procurement Policy will apply to the selected supplier(s) who meet the essential minimum quality/service standard required by the AI EU Office.
- c. Simplicity and practicability: this means that the policy must be capable of implementation without using disproportionate resources, which would have to be diverted from other priority tasks. In particular, application without excessive cost, and significant research, specifically where such research would go beyond the core vision and mission of Amnesty International.
- d. Transparency and accountability: this means that this policy commits the AI EU Office and every individual responsible for the purchasing and supply process to use their best endeavours to deal with all suppliers and contractors in a professional, transparent and accountable manner.

3. Scope

The policy applies to the all purchase and procurement activity by the AI EU Office (goods, services, building works and professional services including consultants).

The application of ethical criteria will be primarily to companies or organisations with which the AI EU Office does business, but will also take into account the application of those criteria to associate, subsidiary and parent companies.

The policy will not normally be applied to other companies with whom the relevant supplier conducts business provided it is unconnected to the AI EU Office, i.e. if another customer of the company is ethically problematic, this will not prevent the AI EU Office from doing business with its own supplier. However, serious concerns regarding high profile business associations of potential suppliers may give rise to public concern such as to justify avoidance of that supplier.

The policy may be applied to companies or organisations who supply our supplier, where this is part of the supply chain which produces the final product or service purchased by the AI EU Office. This will depend on considerations of public perception and on our ability to follow the supply chain without undue cost (see 2 above).

4. Ethical purchasing criteria

The Ethical Procurement Policy will consider the following criteria:

4.1 Value for money

AI EU Office's purchases are not solely judged on obtaining goods or services for the lowest possible price, but on value for money. This includes the quality and other relevant attributes of the service or goods. It is a judgment based on the best combination of the cost of a product or service, spread over its whole lifetime including disposal costs, ongoing maintenance, parts and supplies costs and its ability to meet, but not necessarily exceed, user requirements. This is achieved through comparing suppliers' quotes and by generally 'testing the market'.

4.2 Human rights

- 4.2.1 Human rights issues falling within AI's vision and mission;
- 4.2.2 Human rights issues covered by the Universal Declaration of Human Rights (UDHR);
- 4.2.3 Issues which may extend beyond those covered by AI's vision and mission or the UDHR, and where association is likely to be detrimental to the public reputation, standing and effectiveness of Amnesty International.

4.3 Sustainable criteria

Additionally, the AI EU Office's policy is to purchase goods and services which are produced and delivered under conditions that do not involve the abuse or exploitation of any persons; and have the least negative impact on the environment. Such considerations will form part of the evaluation and selection criteria for all goods and services provided.

5. The Code of Conduct – minimum standards

The Code of Conduct¹ sets the minimum standards that suppliers should be committed to within both their own companies and those of their suppliers:

The AI EU Office will seek alternative sources where the conduct of suppliers demonstrably violates the minimum standards and there is no willingness to address the situation within a reasonable time period, or where companies in the supply chain are involved in breaching these standards.

5.1 Labour standards

The labour standards in this code are based on the conventions of the International Labour Organisation (ILO).

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 provide 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, proper 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 recruitment of child labour. *Companies shall develop or participate in and contribute to policies and programs, 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 procedure shall conform to the provisions of the relevant International Labour Organization (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 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 measure 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 voluntary, shall not exceed 2 hours per week, shall not be demanded on a regular basis and shall always be compensated at a premium rate.

¹ The formulation of the ILO in the code was negotiated by Ethical Trading Initiative, an alliance of companies, non-governmental organizations and trade unions committed to working together to identify and promote good practice in the implementation of codes of labour practice, see www.ethicaltrade.org.

No discrimination is practiced: - *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 recognized 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.

5.2 Environmental standards

Suppliers should as a minimum comply with all statutory and other legal requirements relating to the environmental impacts of their business. Detailed performance standards are a matter for suppliers, but should address at least the following:

Waste management: - *Waste is minimized and items recycled whenever practicable. Effective controls of waste in respect of ground, air and water pollution are adopted. In the case of hazardous metals, emergency response plans are in place.

Packaging and Paper: - *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.

Energy use: - *All production and delivery processes, including the use of heating, ventilation, lighting, IT systems and transportation, are based on the need to maximize efficient energy use and to minimise harmful emissions.

5.3 Business behaviour

Suppliers should not be engaged in:

1. The manufacture of arms connected with human rights violations;
2. The sale of arms to governments which systematically violate the human rights of their citizens; or where there is internal armed conflict or one major tensions; or where the sale of arms may jeopardise regional peace and security.

6. The Human Rights tests

The policy is based on the application of four tests associated with the above criteria:

6.1 The Vision and Mission Test

Where a supplier or its associate, subsidiary or parent, is in direct contravention of the vision and mission of Amnesty International, the AI EU Office will not conduct business with that company. This includes for example any company engaged in the supply of military, security or police equipment in respect of which the AI EU Office is making a cessation call. Evidence for this test will come from AI's own research.

6.2 The UDHR Test

Where, on the balance of probabilities, a supplier, or its associate, subsidiary or parent is engaged directly in activities which constitute a grave breach of the UDHR or other international treaties, laws and standards which develop, define or interpret the UDHR, the AI EU Office will seek an alternative supplier who can better meet the requirements of the Ethical Procurement Policy. This might, for example, include the purchase of products produced by bonded labourers. Evidence for this test will be based initially on passive research, i.e. action will be taken in the event that evidence is brought to our notice which derives from a relevant and reputable organisation. However, monitoring of a limited range of relevant subscription materials would be appropriate in order to ensure that well-known problems did not escape our attention.

6.3 The Public Perception Test

Where it is determined that the public perception (and particularly the perception of AI members) of an association with a supplier may be detrimental to AI's reputation, standing and/or effectiveness, alternative suppliers will be sought. In determining whether public perception would be damaged, the primary focus will be on judging the likely concerns of AI members and potential members. Evidence will be as for 6.2 above.

6.4 The Positive Test

Where other considerations (e.g. cost, quality etc) are equal determining factors, the AI EU Office will give preference to suppliers who have adopted ethical policies which most closely match our own. Thus, where there is no evidence that a supplier has infringed the criteria in this policy, we will in principle conduct business with an alternative supplier which has adopted explicit ethical guidelines. It is noted that we cannot practically investigate and analyse the policies of every supplier. We will seek at tender, in relation to supply of goods or services of significant value (i.e. over 20.000 €), information on relevant ethical policies from all competing suppliers, in order that the positive test may be applied where appropriate.

7. Sustainable tests

The following sustainable tests are taken into account:

7.1 Fair Trade

The AI EU Office includes Fair Trade considerations in all purchasing when possible and supports product and services with an internationally certified Fair Trade label. Economic operators can prove compliance with the requirements by any other appropriate means.

The suppliers who fulfil the Fair Trade criteria will be preferred, provided their products or services do not exceed costs by more than 20 percent than the products or services of other suppliers.

7.2 Organic products

Products and services with an internationally certified organic (bio) label are to be preferred under the same conditions as Fair Trade products.

If a choice between Fair Trade and organic products has to be taken, it will be made on a case-by-case basis, taking into account the quality and other relevant attributes of the goods.

7.3 Reuse and recycling

Wherever possible an economical product or service should be reviewed to ensure expanded use of durable products, reusable products, and products that contain the minimum level of post-consumer waste and/or recyclable content or that minimize environmental impacts.

8. Implementation

This policy will come into effect once approved by the board of the AI EU Association. Evidence will be as described above for each test. The positive test will be only applied in the competitive action which includes the formal invitation to tender (value over 20.000 €). However, in the case of existing major suppliers with contracts over 20.000 €, the AI EUO will request information on ethical policies as soon as practically possible. Nevertheless, no action will be taken in relation to the positive test until the supply comes up for tender again. In relation to the other tests and in the cases where founded allegations are made, existing suppliers may be subject to the AI EUO requests for information on ethical policies. Where this results in a decision to change supplier, transitional arrangements may need to be applied in order to make the transfer without undue cost. Such transitional arrangements may include retaining a business relationship at a reduced level pending transfer if the cost of transfer would be disproportionate.

A table compiling the criteria and tests of this policy is in Annex 1.
Clear procurement methods are attached in Annex 2.

9. Roles and responsibilities

Board

- Adopt an Ethical Procurement Policy.
- Establish and support purchasing procedures.
- The Treasurer, on behalf of the board, will monitor procurement activities above 5.000 € ensuring policies and procedures are adhered to.

Director

- Monitor and apply procurement activities above 2.500 € up to 5.000 € ensuring policies and procedures are adhered to.
- Adopt exceptional decisions on procurement when duly justified.
- Advise on process.

Administration and Finance Officer

- Apply and monitor procurement activities up to 2.500 € ensuring policies and procedures are adhered to.
- Report any concerns to the Director.
- Maintain records so an appropriate audit trail of purchasing activity is available.
- Monitor supplier performance in the cases required.

When decisions in relation to procurement under this policy are made by the AI EU Office Director or Administration and Finance Officer, they may consult the Policy Officer for ESCR, in the event they wish to seek advice on the application of the tests, or in the event that transfers of supplier have serious adverse costs or operational consequences.

10. Records, systems and data

The AI EU Office will implement systems, for all purchases and contracts above the level of 5.000 €, which will record, identify as appropriate -dependant on value and frequency of purchase- provide justification for:

- Originator of the requirement
- Why the purchase was made
- Approval for the acquisition
- Methods adopted for the procurement
- Source of the supply
- Why this source was chosen

11. Operating principles for the AI EU Office and Suppliers

The implementation of this Ethical Procurement Policy, in particular the Code of Conduct, will be a shared responsibility between the AI EU Office and its suppliers, informed by a number of operating principles, which will be reviewed from time to time.

AI EU Office will:

1. Ensure compliance with the Ethical Procurement Policy, including the Code of Conduct, by applying the procurement procedures.
2. Ensure wide communication of the Ethical Procurement Policy, including the Code of Conduct, to the stakeholders by publishing the document on the AI EU Office's website.
3. Make appropriate resources available to meet its stated commitments, including training and guidelines for relevant personnel.
4. 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.
5. Implement the systems, which will record and identify the data on the AI EU Office procurement practices.

AI EU Office expects suppliers to:

1. 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-of office workers.
2. Submit a written commitment to comply with the Code of Conduct when the value of the purchase is over 5.000 €.
3. Submit relevant ethical policies and 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 the AI EU Office. This is mandatory when the value of the purchase is over 20.000 € (the Positive test).
4. Report progress in implementing the Code annually by describing actions taken to fulfil the statement of intent, if requested by the AI EU Office and always when the value of the purchase is over 20.000 € (the Positive test).

Both parties will:

1. Require the immediate cessation of serious breaches of the Code of Conduct, and, where these persist, terminate the business relationship.
2. Recognise official regulation and inspection of workplace standards, and the interests of legitimate trades unions and other representative organizations.
3. Seek arbitration in the case of unresolved disputes.

AI EUO Ethical Procurement Policy					
Annex 1 -Table on procurement guidelines					
	Responsible person	Administration & Finance Officer	Director	Board	Board
	Amount of purchase	0-2.500 €	2.501-5.000 €	5.001-20.000 €	> 20.000 €
	Procurement method	Direct purchase	Direct purchase	Request for quotation or proposals	Tender
	Procurement tests				
	Value for money	√	√	√	√
Human rights tests	The Vision and Mission Test	√	√	√	√
	The UDHR Test	√	√	√	√
	The Public Perception test	√	√	√	√
	The Positive test	-	-	-	√
Sustainable tests	Fair Trade	√ (≤ 20%)	√ (≤ 20%)	√ (≤ 20%)	√ (≤ 20%)
	Organic products	√ (≤ 20%)	√ (≤ 20%)	√ (≤ 20%)	√ (≤ 20%)
	Reuse and recycling	√	√	√	√
Due diligence obligations	Publication of the Ethical Proc. Policy in website	√	√	√	√
	Applying procurement tests	√	√	√	√
	Suppliers submit a written commitment to the Code of Conduct	-	-	√	-
	Suppliers submit ethical policies and statement of intent	-	-	-	√

ANNEX 2: PROCUREMENT METHODS

The method of procurement employed will depend on the value of the goods or services. The method will generally be proportionate to the value, frequency of purchase and risk to the AI EU Office. Where possible the administration burden will be minimised.

The options for the method of procurement available are:

- Direct purchase: up to 5.000 €
- Competitive action: over 5.000 €

1. Direct purchase [For up to 5.000 €]

Purchasing guidelines are defined in the Ethical Procurement Policy document.

2. Competitive action [over 5.000 €]

The determining factors in relation to the competitive action will be taken into account according to the following order:

1. Price and quality of the product or service – Value for money test
2. Ethical policies related to human rights of the supplier – Human rights tests
3. Ethical policies related to sustainability of the supplier – Sustainable tests

3. Competitive Action methods

Competitive action is taken always, when the value of the purchase is over 5.000 €. There are three different methods depending on the nature of the products and projects and the value.

3.1 Request for quotation [over 5,000 € up to 20,000 €]

This can be used for items that can easily be defined, for example discreet products and projects where there is no possibility for misunderstanding between the AI EU Office and the potential supplier.

3.2 Request for proposals [over 5.000 € up to 20.000 €]

This involves sending out a specification of requirements to selected potential suppliers and requesting a proposal. This is not as formal as the full invitation to tender.

3.3 Invitation to tender [over 20.000 €]

The positive test will normally be applied only if value of the goods or services exceeds 20.000 €. The AI EU Office will request information on relevant ethical policies from competing suppliers. The positive test requires that where other considerations (e.g. of cost, quality etc) are equal determining factors, the AI EU Office will give preference to suppliers who have themselves adopted ethical policies which most closely match our own.

Invitation to tender is a formal process, inviting sealed bids. The documentation sent to prospective tenders should include:

- Covering letter
- Instructions for return of bids and evaluation criteria
- Terms of offer
- AI EU Office terms and conditions of contract
- Specification including key performance indicators
- Offer schedule
- Form of offer

4. Single tender actions

Single tender actions should normally be avoided. However, by exception and subject to the Director's approval, single tendering may be justified where:

- The work concerns a new contract that is directly related to a recently completed contract, and the added value gained from the additional work being given to the same contractor outweighs any potential reduction in price that may be derived through competitive process
- The expertise required is only available from one source. This may be due to ownership of exclusive design rights or patents. However the specification should be reviewed to ensure that no other product or service would meet user requirements.
- Short time scales, for example materials for a Crisis Response occurring outside of the team plans.

Single tendering still requires a formal invitation and the issue of an appropriate contract.

5. Emergency purchases

In emergency circumstances including; health and safety, legislative issues, critical impact on operations and reputation, emergency fast track options are permissible.

