

CODE OF CONDUCT FOR SUPPLIERS

1- MOTIVATION AND CONTEXT

The Municipality of Loures, as a socially responsible organization, conscious of its duty to promote and materialise sustainable policies integrating social and environmental concerns, aims to draw all its suppliers and subcontractors into these concerns, in relation to public procurement for the acquisition of goods and services.

Thus, the Municipality of Loures aims to involve its suppliers and subcontractors in a procurement framework ensuring that the supply of goods and services is conducted under conditions of respect for the rights of the human person and the environment.

In this perspective of active engagement in the pursuit of sustainable policies, this Code of Conduct for Suppliers and Subcontractors of the Municipality of Loures aims to establish a compromise between the parties with respect to the principles of the Universal Declaration of Human Rights, the International Labour Organization's Conventions and the National and European Law in force, which must be observed in the development of commercial activity.

On the other hand, in accordance with policies of environment protection, the Municipality of Loures wants its suppliers and subcontractors to make a commitment to a culture of respect for the environment, establishing and implementing management practices of their environmental aspects, in a perspective of continuous improvement of their environmental performance.

Thus, the Municipality of Loures, guided by the principle of good faith and a spirit of cooperation, aims to create and intensify long-lasting, trustful relationships with its suppliers and subcontractors, aligned with the promotion of the principles identified in this Code of Conduct.

2- EMPLOYMENT STANDARDS AND WORKING CONDITIONS

In developing their activity, the supplier and subcontractors shall comply, in any circumstances, with the following requirements:

A) Child labour (ILO Convention 138)

- Child labour is intolerable. Workers cannot be younger than the minimum age set by the law of their country.
- The supplier agrees to comply with all legislation applicable to the employment of minors.
- The supplier is obliged to keep records showing the date of birth of each of its employees.
- The supplier is obliged to establish and implement compensation procedures for workers who are found working in situations which fit the definition of child labour.

B) Forced labour (ILO Conventions 29 and 105)

- Forced labour shall not be tolerated in any form.
- The supplier shall not allow acts which fit the definition of forced labour (all work or service which is exacted from any person under the menace of any penalty and for which that person has not offered himself voluntarily, or whose work or service is required as a payment means of a previous debt).
- Under no circumstances shall workers be obliged to lodge any money or their identification documents to the employer so that they can maintain the employment relationship.

C) Work environment

- The supplier shall take all measures necessary to ensure a safe and healthy work environment for all employees.
- The supplier shall comply with the Hygiene and Health at Work Law applicable to its facilities, promoting best practices in health and safety at work, bearing in mind the prevailing knowledge of the industry and of any specific hazards.
- The supplier shall take adequate steps to prevent accidents and injury to the employees' health, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.
- Physical abuse, the threat of physical abuse, punishments or unusual disciplinary measures, sexual or other harassment, and other forms of intimidation by the employer shall be strictly prohibited.

D) Freedom of Association and the Right to Collective Bargaining (ILO Conventions 87, 98 and 135, and ILO Recommendation 143)

- The supplier shall not interfere with the exercise of its employees' rights in relation to Freedom of Association and their Right to Collective Bargaining.
- The supplier shall ensure that conditions exist for employees to decide freely whether or not to join trade unions of their choice.

E) Discrimination (ILO Conventions 100 and 111)

- Equality of opportunity and treatment shall be guaranteed, regardless of race, caste, nationality, colour, gender, religion, sexual orientation, political or trade union affiliation, social origin or other distinguishing features, so it must be ensured non-discriminatory treatment with regard to recruitment, compensation, access to training, promotion and retirement of the employees.

- Recruitment, remuneration, access to training, promotion and retirement of employees should be made based on their ability to do the job, and not on personal characteristics or beliefs.

F) Disciplinary practices

- The supplier shall not engage in or support the use of corporal punishment, mental or physical coercion, or verbal abuse.
- The supplier shall not allow corporal punishment to employees.
- The supplier shall not allow other forms of punishment, such as threats, sexual harassment and verbal abuse.

G) Working hours

- The supplier shall ensure compliance with applicable laws and industry standards for this requirement.
- Overtime hours shall be paid at a higher rate than normal hours, and their number cannot exceed what is prescribed by law.
- Employees may refuse to work overtime without fear of punishment.

H) Compensation (ILO Conventions 26 and 131)

- The supplier shall pay its employees according to what is prescribed by applicable legislation.
- Each employee shall receive in accordance with minimum standards applicable in their country.
- Employees shall take advantage of social benefits provided by the law of their country.

- In the absence of specific legislation, the supplier shall pay according to the average standards practised by local businesses in their industry.
- Deductions of pay due to disciplinary action shall not be allowed, as well as any wage deductions not provided for by national law or permitted by it.
- Employees shall be clearly informed in writing about the specifications of their wages, including wage rates and pay period.

I) Control of Suppliers and Subcontractors

- The supplier shall ensure that its suppliers and subcontractors comply with the commitments and requirements of this code.
- The supplier should select and assess its suppliers and subcontractors based on their ability to comply with the requirements contained in this code.

3- VERIFICATION OF CONFORMITY DURING THE EXECUTION OF THE CONTRACT

Based on the spirit of cooperation and trust and on the principle of good faith that characterise this code, the supplier shall:

- When requested by the Municipality of Loures, provide information on all aspects of its activity and its subcontractors' activity considered relevant to the topic under discussion.
- Allow representatives of the Municipality of Loures to visit its premises to assess the compliance of its practices with what is described in this Code of Conduct.

4- CORRECTIVE ACTIONS AND SANCTIONS

When any non-compliance is identified, a corrective action plan shall be drafted and negotiated between the supplier and the Municipality of Loures, so the implementation of actions contained in the plan shall be followed by the Municipality of Loures or their representative.

If the corrective action plan is not met within agreed deadlines, the Municipality of Loures reserves the right to set penalties, which, in the limit, can lead to the revocation of the contractual relationship with the supplier in question.

If any non-compliance with the requirements stated in this Code of Conduct is identified, the Municipality of Loures reserves the right to communicate the situation to the relevant authorities.