



# CITY OF VANCOUVER CORPORATE POLICY

<b>SUBJECT:</b> Ethical Purchasing Policy	
<b>CATEGORY:</b> Finance	<b>POLICY NUMBER:</b> AF-014-01

## PURPOSE

The goal of the City of Vancouver's Ethical Purchasing Policy (EPP) is to ensure that all suppliers to the City meet, at a minimum, the performance standards outlined in the Supplier Code of Conduct, which includes core labour conventions of the International Labour Organization (ILO). It demonstrates a commitment to sustainability by seeking to ensure safe and healthy workplaces for the people who make products for the City of Vancouver, where human and civil rights are respected. The EPP also ensures that purchasing activities are aligned with the City's Mission Statement and Values.

The policy establishes an avenue whereby complaints of abuses in workplaces that are involved in the manufacture of apparel and agricultural products purchased by the City can be made to the City. The City will determine the level and the degree necessary to investigate and act upon complaints.

The policy is not intended to interfere with the City's collective agreements.

## SCOPE

All City staff. The EPP applies to the City's procurement of apparel items and fair trade agricultural products, including coffee, as well as Animal-related products and services.

## DEFINITIONS

**Animal** means free-living or captive wildlife including but not limited to deer, rodents (eg. mice, rats), coyotes, deer, raccoons, mink, raptors, reptiles, and farm animals or livestock (e.g. chickens, cattle, pigs, goats).

**Certified Organic** is a certification system that requires agricultural production without the use of synthetic pesticides, herbicides, or chemical fertilizers, and that contributes to a healthy environment including clean groundwater.

**Factories or Production Facilities** are factories producing products for the City of Vancouver, whether it is a supplier's factory or subcontractor's facility.

**Fair Trade Agricultural Products** are products that are agricultural in origin that can be Fair Trade Certified by Transfair Canada, or if unavailable, another National Initiative (NI) of the Fair Trade Labeling Organization (FLO) International. Examples of commodities currently include coffee, green and black tea, cocoa products, sugar, and bananas and other tropical fruit.

**Fair Trade Certification** is a system that seeks to improve the lives of agricultural product producers in origin countries by ensuring that the owners of farms receive a guaranteed fair price for their harvest. Transfair is the recognized certification body in Canada.

**Fair Trade Labeling Organization (FLO) International** is the global Fair Trade standard setting and certification organization for products bearing Fair Trade certification labels. FLO certifies producer organizations, and audits trade between certified producer organizations and registered traders in consuming countries, including all steps of processing and industrial manufacturing.

**Higher Animal Welfare Standard** means a standard of care above legal minimum requirements as established by recognized independent or 3rd party certification or accreditation entities that ensures the ethical and Humane treatment of Animals under human control during their life and death (e.g. transport, housing, care, slaughter).

**Humane** means the treatment of Animals to ensure they have quality of life, as measured by evidence-based animal welfare standards for the applicable species, where a Humane death is painless, quick, causes least overall harms and is justified.

**Pest** means any insect or animal that poses a measureable health or safety risk to City of Vancouver property or personnel.

**Pest Control** means animal related services to prevent or manage Pests, and which may include providing insect extermination and/or wildlife and rodent control by using other Animals (eg. raptors or dogs).

**ILO Core Labour Conventions** means the minimum labour standards set out in the Supplier Code of Conduct.

**International Labour Organization (ILO)** is the UN specialized agency which seeks the promotion of social justice and internationally recognized human and labour rights. The ILO formulates international labour standards in the form of Conventions and Recommendations setting minimum standards of basic labour rights.

**National Initiative (NI)** is a FLO member organization based in a consuming country that monitors Fair Trade Certified product supply chains from the point of importation, and is responsible for monitoring and setting standards for usage of the Fair Trade Certified logo.

**Purchasing** refers to the process of procuring products from manufacturers or vendors.

**Sub-contractors** are companies that have been sub-contracted by our suppliers. They do not have a direct business relationship with the City of Vancouver.

**Supplier Code of Conduct (SCC)** sets the minimum performance standards for the City of Vancouver's Ethical Purchasing Policy. The goal of the SCC is to ensure safe and healthy workplaces for the people who make products for the City of Vancouver; where human and civil rights are upheld in accordance with the conventions of the ILO.

**Suppliers** are companies that have a direct business relationship to the City of Vancouver. These companies may have factories or production facilities of their own or they sub-contract parts or their entire production.

## POLICY STATEMENTS

### 1 Guiding Principles

#### 1.1. The City of Vancouver will:

- ensure that its Ethical Purchasing Policy (EPP) and accompanying Supplier Code of Conduct (SCC) are reviewed regularly and require compliance with ILO core labour conventions;
- share information with current and future suppliers so they are aware of the City's expectations in terms of product certification and workplace practices;
- rely on a combination of approved external independent certifications, supplier disclosures and certifications, and public disclosure of information about factory and production facilities, to ensure that suppliers comply with the EPP;
- evaluate and accept on a case-by-case basis any instances where it is reasonably determined by the City or supplier practices may differ from policy so long as the purpose and spirit of the policy is always upheld;
- work with suppliers who do not fully comply with the policy to assist them to improve their workplace practices;
- reserve the right to discontinue business with suppliers who are not responsive to requests to address concerns around workplace practices and instances of non-compliance with the EPP;
- where opportunities exist (or are emerging) work collaboratively with other organizations on monitoring and verification processes (e.g. municipalities);
- adhere to all applicable legal requirements and trade agreements;
- commit to a Higher Animal Welfare Standard in its treatment of Animals;
- ensure that the procurement of Animal products and services includes: (i) Humane treatment and a Higher Animal Welfare Standard for Animals under human control; and (ii) obligations on vendors to ensure the basic necessities of Animals are maintained through the production and supply chain;
- contract services and work with Animal related businesses, such as Pest Control, which meet recognized standards for treatment of Animals; and
- require that suppliers ensure subcontractors comply with the SCC.

- 1.2. The City recognizes that to be successful and meet its stated objectives that its EPP must also be based on:
  - *Collaboration*: Working with suppliers and other key stakeholders to continuously improve purchasing activities and workplace practices.
  - *Credible verification*: Working with recognized agencies to ensure compliance with the SCC (E.g. Fair Labour Association, Verite, Worker's Rights Consortium).
  - *Fiscal responsibility*: Ensuring that implementation and management of the EPP is aligned with approved resource allocations.
  - *Fairness and Transparency*: The decision making process must be open, transparent and respect the rights of all key stakeholders to a fair and just process.

## 2 Implementation, Compliance and Monitoring

- 2.1. The City will incorporate criteria in the overall evaluation process of suppliers related to corporate social responsibility, workplace practices and fair trade certification in the award of contracts, and will not knowingly award contracts to any supplier who is not in substantial compliance with the performance standards contained in the SCC. The SCC will be one of the criteria in the overall evaluation process.
- 2.2. The City expects all its suppliers to respect its SCC and to actively do their utmost to achieve the City's standards. The City believes in cooperation and is willing to work with its suppliers to improve performance where necessary.
- 2.3. The City expects that new or potential suppliers commit to respect the attached SCC within a reasonable period of time as mutually agreed to by the City and supplier at the time of contract. In choosing new or potential suppliers, the City will give preference to suppliers who are already in compliance with SCC standards over those who are not.
- 2.4. The City will require that suppliers uphold the SCC through specific language in supplier contracts, including agreement to independent facility inspections if so desired by the City.
- 2.5. The City will require that suppliers provide details on factory and production facility locations of suppliers and subcontractors and will make this information publicly available (e.g. annual reports, web site postings, etc).
- 2.6. The Manager of Materials Management will respond and investigate credible complaints with respect to violations of the SCC that are brought to his/her attention using a combination of research and dialogue with suppliers.
- 2.7. If the Manager of Materials Management believes that workplace conditions do not meet the standards outlined in the City's SCC, he/she will notify the supplier and request that corrective action be taken.

- 2.8. The City reserves the right to ask for proof of compliance with all applicable labour, health, safety, and environmental laws, and may inspect working conditions, at any time (or request independent verification of compliance). Suppliers must maintain current and sufficiently detailed records to substantiate their compliance with the SCC and the City may ask that they are independently verified at the supplier's expense.
- 2.9. Compliance with the SCC will become part of the City's supplier evaluation process (along with other factors including service and performance).

### 3 Reporting and Evaluation

Application of the City's EPP will be monitored by the Manager of Materials Management who will annually report to Council on implementation progress, financial implications, supplier compliance, complaints and remediation activities, supplier feedback, and other stakeholder input. Where the City has knowingly entered into, or maintained, contracts with suppliers and their subcontractors who do not fully comply with the EPP, these exceptions will be reported to Council along with a rationale for maintaining the ongoing relationship.

### 4 Review

The Manager of Materials Management will be responsible for reviewing the EPP and SCC annually and reporting findings to Council annually. Through consultations with key stakeholders (suppliers, subject experts, city staff, etc.) the Manager of Materials Management will identify and recommend revisions to the EPP and SCC. Such review will include a review of new items for potential inclusion within the scope of the EPP (e.g. new fair trade certified agricultural products).

#### REFERENCE

[Supplier Code of Conduct](#)

#### APPROVAL HISTORY

<b>ISSUED BY:</b>	Materials Management	<b>APPROVED BY:</b>	Council	<b>DATE:</b>	2005/02/17
<b>AMENDED BY:</b>	Director of Supply Chain Management	<b>APPROVED BY:</b>	City Manager, Director of Finance and City Solicitor	<b>DATE:</b>	2019/08/07