



# Supplier Code of Conduct

***Document Details:***

**Owner/Lead Officer:** Head of Procurement and Supply Chain Management, Corporate Resources Department

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## Supplier Code of Conduct

Leicestershire County Council (the "Council") commissions suppliers to provide a wide variety of goods and services. Unsurprisingly, it is important that the Council can procure goods and services of suitable quality which represent good value for money. However, securing goods and services on economically advantageous terms is not the Council's sole criteria.

The Council also has a wide range of responsibilities on environmental, social and governance (abbreviated to "ESG") matters. Some of those responsibilities arise from the Council's own legal duties. For example, public bodies are required to proportionately consider how a procurement might improve the economic, social and environmental well-being of their area<sup>1</sup>. However, many of the Council's commitments on ESG matters are rooted in its own public service values.

The Council recognises that suppliers may have many different obligations (*including to maximise shareholder returns*). Accordingly, the Council does not expect or require contracting partners to share all of its goals on ESG related matters. However, where this code sets out explicit obligations on suppliers, the Council will expect those obligations to be met in full.

The starting point is that the Council expects all of its contracting partners to comply with all laws, rules and regulations (*particularly regarding human rights*) in the countries in which they operate and seek similar commitments across their supply chains. Secondly, the Council expects suppliers to behave ethically in respect of ESG matters and ensure that the Council does not suffer reputational harm from its commercial relationship with the supplier.

Thirdly, the Council will expect reasonable co-operation on ESG matters. This may include sharing information on ESG issues (*particularly regarding the environmental sustainability of supply chains*).

References in this Code of Conduct to "the Council" also apply to ESPO.<sup>1</sup> Through Leicestershire County Council and in accordance with an agreement between the member authorities (the "Consortium Agreement") ESPO procures services and goods which it supplies to member authorities (which include the Council) and other contracting authorities, as defined in the Public Contracts Regulations 2015 and Procurement Act 2023.

This Supplier Code of Conduct sets out the main principles which the Council expects Suppliers to adhere to, as follows.

### 1. Law and Ethical Standards

The Supplier shall comply with all UK laws applicable to its business together with any national laws where it operates or sources goods or services. The Council recognises that many suppliers source goods and services from overseas where UK law is not applicable. Accordingly, Suppliers should support the principles of the following international conventions, in accordance with national law and practice:

- United Nations Global Compact<sup>2</sup>;
- United Nations Universal Declaration of Human Rights;
- The European Convention on Human Rights as incorporated into UK law<sup>3</sup>;
- 1998 International Labour Organisation (ILO) Declaration on Fundamental Principles and

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<sup>1</sup> Section 1 of the Public Services (Social Value) Act 2012

<sup>2</sup> This commits organisation to meeting fundamental responsibilities in four areas: human rights, labour, environment and anti-corruption.

<sup>3</sup> Human Rights Act 1998

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### Rights at Work

The Supplier shall also comply with the requirements of the Modern Slavery Act 2015 (UK legislation) (see section 3 – Modern Slavery).

#### ***Conflicts of interest must be avoided or managed***

- Suppliers should have suitable systems to identify and manage conflicts of interest<sup>4</sup> and / or apparent conflicts of interest.
- Suppliers shall avoid placing themselves under any obligation to people or organisations that might try, inappropriately, to influence them in their work with the Council. They should not act or take decisions in order to gain financial or other material benefits for themselves, relatives, friends and close associates, other than payment from the Council for the services they are contracted for. They shall declare any conflicts of interest and share, for agreement, with the Council how they manage the conflict to the benefit of the Council.
- Suppliers should avoid seeking to obtain an unfair competitive advantage in procurement processes by utilising either confidential knowledge or personal connections of individuals who themselves owe conflicting duties (*for example serving or former Council employees*).

#### ***Offers of gifts and hospitality should be avoided***

- No gifts or hospitality shall be given or promised that could create suspicion of an intention to influence business transactions with the Council, or give the impression that individuals have been or may have been influenced in their Council duties (please refer to Leicestershire County Council's Policy on the Receipt of Gifts and Hospitality available on the Leicestershire County Council' website (<https://www.leicestershire.gov.uk/>)).

#### ***Improper payments/Bribery***

- The supplier shall comply with international anti-bribery standards as stated in the United Nations' Global Compact and local anti-corruption and bribery laws including The Bribery Act 2010.
- Suppliers shall take suitable steps to prevent its staff engaging in bribery. A failure to take steps to prevent staff engaging in bribery can result in an offence being committed (see Section 7(1) of the Bribery Act 2010).
- Further information on relevant Council policy and practice can be found in the following documents, which are available on the Leicestershire County Council website:
  - The Constitution (includes Financial Procedure Rules, Contract Procedure Rules, Members' Code of Conduct and Officers' Code of Conduct)
  - Anti-Fraud and Corruption Policy
  - Confidential Reporting Procedure (Whistleblowing Policy)

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<sup>4</sup> A conflict of interest arises when a set of conditions are present in which an individual's professional judgment or behaviour concerning a primary interest tends to be unduly influenced by a secondary interest

***Anti-Competitive Behaviour***

- Policy on the Receipt of Gifts and Hospitality
- Anti-Money Laundering Policy
- Anti-Bribery Policy
- There are two methods for raising concerns regarding fraud within the Council:
  - Email – [fraud@leics.gov.uk](mailto:fraud@leics.gov.uk)
  - Complete a fraud e-referral web form on the Councils website - [Fraud | Leicestershire County Council](#)

***Finance***

- Suppliers shall avoid practices that may be viewed as anti-competitive, for example: -
  - sharing confidential or commercially sensitive information,
  - price fixing, bid rigging,
  - limiting supply,
  - collusion,
  - cartels,
  - market sharing,
  - abusing a dominant position etc.

- Suppliers shall abide by the UK Laws and Regulations regarding the payment of applicable taxes.
- Suppliers shall pay suppliers in a timely manner and comply with the Late Payment of Commercial Debts (Interest) Act 1998.
- The Council is accountable for its use of public funds. If requested, Suppliers shall co-operate in relation to any audit or investigation related to any commercial contract with the Council.

***Unlawful discrimination of Customers/Service users should not take place***

- Suppliers should always comply with the requirements of equality law (in the UK the Equality Act 2010) in their respect of the supply of goods or services to customers and service users,
- Organisations wishing to provide services on the Council’s behalf must be able to demonstrate that all reasonably practical steps are taken to allow fair access for all service users.
- Some public contracts deliver services to service users with particular needs such as physical or mental disabilities, medical conditions or other factors that place them in a vulnerable position. Equality issues will be a core requirement in the contract specification for such procurements. However, suppliers should in any event ensure that these service users are treated at all times with courtesy and respect ensuring that their wellbeing is always treated as a priority concern.

***Public Sector Equality Duties***

- Suppliers should recognise that the Council has an obligation to comply with the ‘public sector equality duty’ (PSED). The PSED requires public authorities to have due regard to the need to:

- *Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.*
- *Advance equality of opportunity between people who share a protected characteristic and those who do not, and*
- *Foster good relations between people who share a protected characteristic and those who do not.*
- The Council's PSED is non-delegable (this means that the duty will always remain the Council's responsibility). The Supplier can accordingly expect equalities issues to be closely supervised.
- However, private sector bodies will themselves become subject to the PSED in their own right where they "perform services of a public nature" Accordingly, where a Supplier is delivering a public facing contract, the Supplier should be able to explain how, at an appropriate time, it conscientiously considered ways of complying with its PSED. <sup>5</sup>.

## 2. Employment and Welfare Standards

We believe that suppliers should protect the human rights of their employees and treat them with dignity and respect. Suppliers are expected to provide a fair and ethical workplace which integrates appropriate employment and welfare standards into their business model (including relevant health and safety legislation).

### ***Employment is freely chosen***

- There shall be no forced, bonded or involuntary prison labour or human trafficking in connection with the provision of any goods or services to the Council, its customers or service users
- Workers should not be required to deposit their identity papers with their employer (*other than for checking following which papers should be promptly returned*) and should be free to leave their employer after reasonable notice
- Suppliers shall maintain employment records to enable them to provide the Council with any information needed to publish an annual supply chain transparency statement (see Section 54 of the Modern Slavery Act 2015).

### ***Freedom of association***

- Workers, without distinction, should have the right to join or form trade unions of their own choosing and employers should recognise the resulting right to bargain collectively.
- The Supplier should adopt an open attitude towards the

<sup>5</sup> Section 149(2) of the Equality Act 2010.

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***Working conditions are safe and hygienic and occupational health and safety is promoted and maintained***

***Child labour shall not be used***

<p>activities of trade unions and their organisational activities. The Supplier should not be involved in the practice of blacklisting, contrary to the Employment Relations Act 1999 (Blacklists) Regulations 2010</p> <ul style="list-style-type: none"><li>• Workers' representatives should not be discriminated against and have access to employees in order to carry out their respective functions in the workplace.</li><li>• Where the right to freedom of association and collective bargaining is restricted under law, the Supplier facilitates, and does not hinder, the development of parallel means for independent and free association and bargaining.</li></ul>	<ul style="list-style-type: none"><li>• A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards.</li><li>• 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.</li><li>• Where appropriate, employees shall, at the cost of the Supplier or its contractors, be provided with suitable PPE and safety equipment.</li><li>• Workers shall receive regular and recorded health and safety training, and such training shall be repeated for new or reassigned workers.</li><li>• Accommodation, where provided, shall be clean, safe and meet the basic needs of the workers.</li><li>• The Supplier shall assign responsibility for health and safety to a senior management representative.</li><li>• The Supplier should comply with applicable occupational health and safety regulations and good practice to provide a work environment that is conducive to the good health of employees and prevents accidents and injury to both employees and others.</li></ul>
<ul style="list-style-type: none"><li>• There shall be no recruitment of child labour – the Supplier will comply with laws and regulations related to minimum working age.</li><li>• No employee of any age, including apprentices or vocational students, may be employed in breach of local regulations governing the minimum age of work or the compulsory age for schooling, consistent with ILO Minimum Age Convention No. 138.</li><li>• Whilst the ILO minimum Age Convention permits children as young as 13 years to be employed (<i>to undertake light duties</i>), the Council requires that:-</li></ul>	

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***Living wages are paid***

- (a) children must not be recruited before they have reached the age of completion of compulsory schooling, and
  - (b) in any case not before the age of 15 years old; and
  - (c) those under 18 must not be required to perform hazardous duties
- Policies and programmes developed by the Supplier regarding child labour shall conform to the provisions of the relevant ILO standards.

***Working hours are not excessive***

- Wages and benefits paid for a standard working week meet, at a minimum, national legal standards.
- All workers shall be provided with written and understandable information about their employment conditions in respect to wages before they enter employment.
- 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 permission of the worker concerned. All disciplinary measures should be recorded.

- Working hours shall comply with national laws and/or collective agreements.
- Where overtime is worked it must comply with national laws and/or collective agreements.
- Adult workers shall be entitled to either – (i) two uninterrupted rest periods each of not less than 24 hours in each 14 day period; or (ii) one uninterrupted rest period of not less than 48 hours in each such 14 day period;
- Suppliers shall uphold entitlements to at least the minimum amount of paid annual leave as prescribed by relevant national laws.

***No discrimination is practiced***

- There shall be no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, age, disability, gender, gender identity, marital status, sexual orientation, union membership or political affiliation.
- The Council would, if requested, expect a supplier to share information on equality issues if the supplier is required to possess such information (*e.g. pursuant to The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017*).

***No harsh or inhumane***

- To every extent possible work performed shall be on the basis of recognised employment relationships established through national

***treatment is allowed***

law and practice.

- Obligations to employees under labour or social security laws and regulations arising from regular employment relationship shall not be avoided through the excessive 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 bullying and intimidation shall be absolutely prohibited.

### **3. Modern Slavery**

Leicestershire County Council is committed to better understanding our supply chains and working towards greater transparency and responsibility towards people working in them in accordance with our policy of observing the spirit of the Modern Slavery Act 2015. Where suppliers are required to submit a Modern Slavery Statement (i.e. have an annual turnover of £36m or more) they should do so.

***Suppliers are required to observe both the letter and spirit of the Modern Slavery Act 2015***

- Suppliers shall ensure they and their contractors are not directly engaged in slavery, holding any persons in servitude, forced or compulsory labour or human trafficking.
- Suppliers shall take reasonable and proportionate steps, having regard to the nature of their business, to identify potential high and medium risks of slavery, servitude, forced and compulsory labour or human trafficking in their supply chains. To the extent it is commercially practicable suppliers should use their buying power to influence their sub-contractors from such prohibited activities.
- Suppliers shall be prepared to provide to the Council names and geographical locations of their own suppliers, to the extent that these are the source of products supplied to the Council or its service users.
- Suppliers shall permit any of the Council's staff, consultants acting on its behalf or similar, to inspect the supplier's premises and interact with workers without notice at any reasonable time.
- Employees should not be restricted as to where they can source their own accommodation, food or other necessities as a condition of their employment. The Council would for example generally consider it to be exploitative if employees were required to spend their wages in an employer's shop and have the costs of such items deducted from their pay.

#### 4. Sustainability, Environment & Social Responsibility

The Council is committed to reducing our environmental impact and net zero carbon emissions from its own operations by 2030. Suppliers are expected to consider their environmental performance and procedures to minimise any negative impact on the environment, community and natural resources. Suppliers should also be aware of their social responsibility and seek to optimise opportunities to deliver social value<sup>3</sup> benefits to the citizens of Leicestershire.

**Suppliers are expected to comply with current UK Environmental Legislation and other legislative and best practice requirements**

- Suppliers shall approach sustainability as a process of continuous improvement, look to realise the positive sustainability benefits and manage the negative sustainability impacts relative to their core business activities over the lifespan of contracts with the Council.

**Suppliers should be aware of how their activity can contribute to wider social impact for the community**

- Suppliers should seek to support and contribute to the social and economic wellbeing of the communities they work in.

**Suppliers should be aware of how their activity can contribute to the Net Zero Strategy**

- Suppliers should seek to support and contribute to the net zero target by 2050.
- Suppliers should co-operate with the Council by sharing information when requested (*see for example due diligence duties under Schedule 17 of the Environment Act 2021.*)

#### 5. Supply of products

Suppliers should ensure that any goods supplied to the Council, its customers or service users are safe.

**Product Safety**

- Suppliers should ensure that all goods supplied under its contracts are:-
- of merchantable quality,
  - lawful for sale in the United Kingdom
  - safe for use
  - suitably labelled
  - Fit for purpose

## 6. Information Management

The Council expects Suppliers to deal with information shared by the Council (particularly personal information) responsibly.

**Suppliers are expected to comply with their duties under data protection legislation.**

- The Council expects Suppliers (and sub-contractors) to discharge their responsibilities as data controllers and properly manage the personal information of staff and service users.
- Unless otherwise agreed, personal information supplied by the Council in relation to service users should be treated as confidential.

**Suppliers should co-operate on information sharing**

- Suppliers should co-operate with the Council in respect of its responsibilities under information governance legislation.

**Cyber Security**

- It is essential that suppliers safeguard the integrity and security of their IT systems and comply with relevant government standards and guidance.

## 7. Artificial Intelligence

The Council expects Suppliers to adopt responsible and ethical practices in relation to their use of Artificial Intelligence (AI).

**Use of AI in the provision of goods or services**

- Suppliers shall give the Council as much advance notice as possible if it proposes to use an artificial intelligence (AI) system to provide goods or services to the Council. This applies to the Supplier's use of AI systems to directly provide goods services, and not to use of AI systems as part of the Supplier's internal management.

**Responsible and ethical practices in use of AI systems**

- Suppliers shall implement and adhere to responsible and ethical practices when designing, implementing, monitoring, training, testing, deploying, or otherwise developing or using AI systems. This includes adhering to all applicable:
  - (a) laws and regulations;
  - (b) industry requirements and standards;
  - (c) guidance and codes of practice issued by a relevant regulatory authority

**Use of Council data to train or input into an AI system**

- Suppliers must not use or retain the Council's data or confidential information for the purposes of training or inputting into any AI system or model without prior written approval of the Council.
- Where Suppliers uses third-party providers to develop an AI system, they must implement appropriate risk management and supervision measures to ensure that such third-party provider adheres to the standards set out in this code of conduct.

## **8. Compliance with the Supplier Code of Conduct**

The Council expects Suppliers throughout the supply chain to support the principles contained in the Code of Conduct, and to actively communicate and promote the principles to their own supply chains. The Council reserves the right to request details of how Suppliers and their supply chains comply with the Supplier Code of Conduct and take action where appropriate, including termination of the business relationship and/or legal action. The Council's contract managers may visit (and/or appoint external partners to visit) the Supplier (or their sub-contractors or agents) to assess compliance with the Code.

Suppliers are requested to disseminate a copy of this policy to all their staff and sub-contractors dealing with Council contracts.

## **9. Review of Code of Conduct**

Responsible Officer:                      Head of Procurement and Supply Chain Management, Corporate Resources Department

Review date:                                  October 2026 (or as required in the event of changes in legislation etc.)