

ICRC PROCUREMENT

GUIDELINES AND INFORMATION ON HOW TO DO BUSINESS WITH THE ICRC

This document is destined to inform ICRC stakeholders, including suppliers, partners and donors, on the fundamental principles for doing business with ICRC.



ICRC

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The ICRC requires its suppliers to ensure social compliance, environmental and quality management match with international standards such as ISO 26000, ISO 14001, ISO 9001 and SA 8000. Also, neutrality towards conflicting parties is a must.

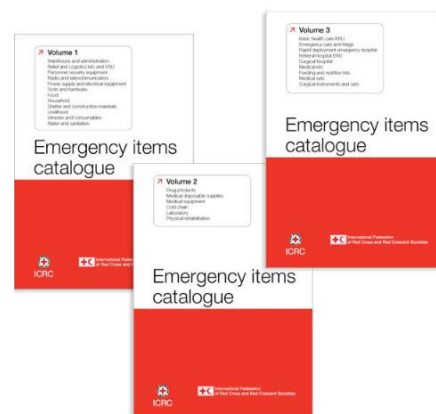
Internal Code of Conduct for Procurement

Turnover Policy

Due to the unpredictability of long-term needs and requirements with relation to volumes, the ICRC shall not become a major or exclusive partner of any one



supplier. Hence, as a policy, **the ICRC's share in suppliers' annual turnover should not exceed 30%** in order to reduce risks for suppliers. In case of excess of this threshold, relevant measures should be taken, whenever



Compliance with specifications

Emergency items specifications, based on international standards, **are available online.**




<http://procurement.ifrc.org/catalogue/>

Goods delivered to the field must comply with the right quality standards to fulfill beneficiaries' needs. The catalogue includes three volumes dedicated to:



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ICRC LONG-TERM RELATIONSHIP STRATEGY

-  Volume 1: Relief, food, shelter, household, water and sanitation
-  Volume 2: Drugs, medical equipment and renewable items
-  Volume 3: Medical, surgical & nutrition specific kits

Article 20 GCP: Human rights, Working and Employment Conditions

"By virtue of the Universal Declaration of Human Rights, and ILO's Fundamental Conventions and Declaration on Fundamental Principles and Rights at Work, the Seller must respect the following:

- Freedom of association & collective bargaining (C. 87 and 98)
- Prohibition on the use of forced labour (C. 29 and 105)
- Prohibition on the use of child labour (C. 138 and 182)
- Elimination of all forms of discrimination (C. 100 and 111)
- National laws regarding working time, occupational health and safety and labour rights.

The application of these principles shall be based on the laws of the country in which the items are produced. For countries in which the legal framework is less protective than ILO fundamental conventions, ICRC should promote the application of the latter.

Should those laws fail to be observed by the Seller and/or its suppliers, the Buyer may make recommendations. If these recommendations are not followed, the Buyer shall be entitled to suspend or cancel the contract. Already rendered Services that cannot be returned, or goods and services that the Buyer keeps, must be paid but no compensation for the cancellation of the contract will be due."

Long Term or Frame agreements for strategic items

The ICRC concludes Frame agreements with suppliers for strategic items to be supplied any time throughout the year to fulfill urgent needs. The suppliers maintain stocks ready to ship at their premises

Article 23 GCP: Environmental Protection

"The Seller's environmental policy shall commit to limit its environmental footprint, by reducing, whenever applicable, the consumption of natural resources (raw materials, energy and water) and emissions to air, water and ground, including waste. Environmental protection shall be taken into consideration in the complete production process and distribution chain, from the raw materials production to the point of sale, and is not limited to own activities and suppliers: local, regional and global environmental concerns shall be considered.

Whenever possible, the Buyer shall seek to procure goods and services that lessen the burden on the environment."

under this frame agreement. These are high turnover items, such as a large majority of Essential Household Items (EHI), which constantly on request and are covered by the frame agreements.

All manufacturers or suppliers participating in tenders must guarantee access to their production lines.

General Conditions on Purchasing

The General Conditions on Purchasing (GCP) are subject to the acceptance by and signature of the supplier.

Acceptance of the ICRC Purchase Order entails waiving by the seller/ supplier of their General Sales Conditions.

Social and environmental compliance orientations, such as human rights, working and employment conditions or



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ICRC ACTIVE SOURCING POLICY

environmental concerns are integrated in the GCP, and developed in:

⊕ *Article 20: Human rights and Working and employment conditions.*

⊕ *Article 23: Environmental protection.*



ICRC Sourcing strategy

The ICRC buyers/ purchasing teams conduct sourcing campaigns and visits to manufacturing plants throughout the year, to identify potential suppliers able to fulfill the needs in terms of quality, quantity, price and service with timely delivery respecting social and environmental requirements.

Supplier assessment

When working with traders, their sources are assessed and manufacturing plants audited for strategic items. The factory assessment comprises a visit to the production areas, storage and raw material facilities, review of working conditions, personal protection equipment provided, production capacity and quality management systems, financial performance of the supplier, ability to meet the ICRC specifications and their compliance to social and environmental principles.

Thus, the pre-selection of suppliers is based on their ability to meet ICRC specifications, production capacity as well as their financial strength and social and environmental compliance.

Quality, Social and Environmental audits

Before signing any Frame agreement, the ICRC mandates third party auditors for Quality, Social and Environment audits. These audits focus on fundamental requirements related to three topics:



Social compliance: Child labour; Forced/ bonded labour; Health & safety; Compensation & working hours; Hardship working conditions



Production Performance and Quality Management



Environmental Performance:
Environmental accountability & impact

Key setups for Quality Control

Quality Control in ICRC warehouses comes in addition to the tests conducted by testing laboratories or inspection companies. Based on a process approach, the control is undertaken with the appropriate setup which includes documentation, equipment and adequate training of the controllers (or those undertaking the quality control checks).



The Logistics office in Nairobi (Kenya)



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ICRC ETHICAL PROCUREMENT POLICY

ICRC Position on Ethical Procurement

The latest 2020 strategic objectives for procurement include the extension of Ethical Procurement Policy: major suppliers are currently being assessed.

Presently, quality, social and environmental audits are mostly covering manufacturers of EHI's in developing and leading competitive countries. For each audit, an ICRC member is present to witness the third party audit and validate the final outcomes.

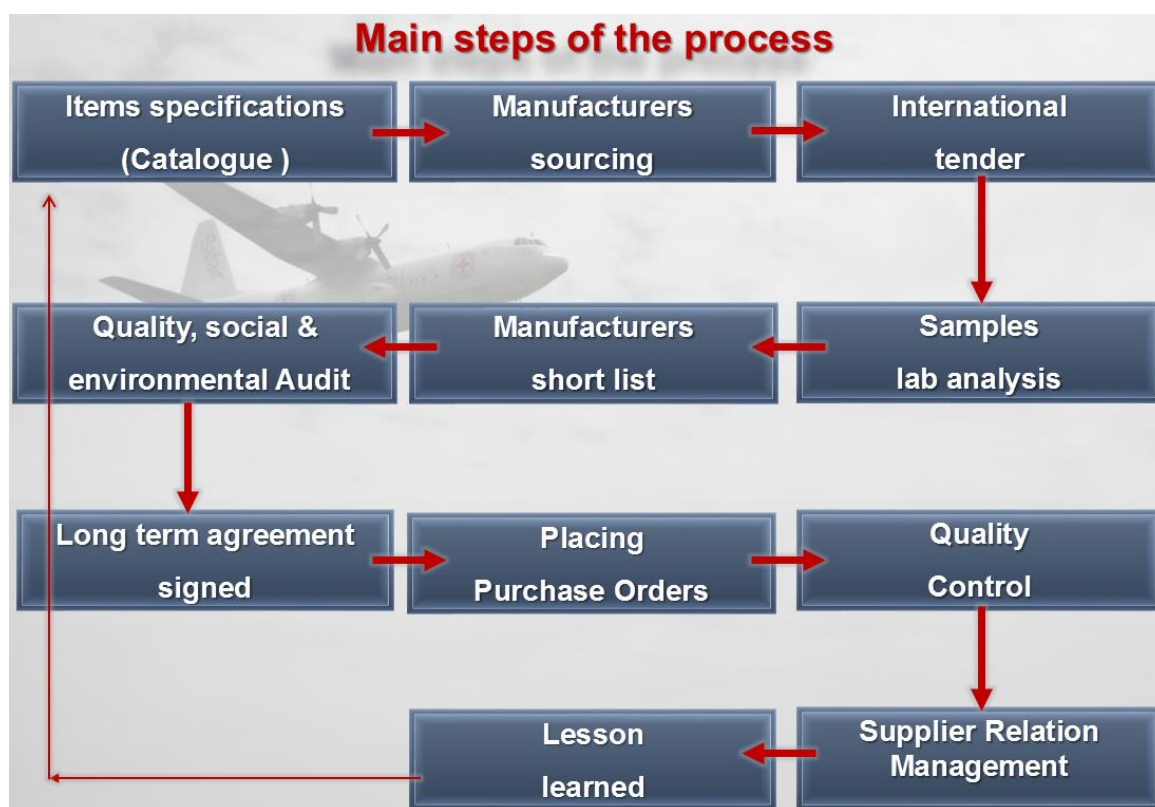
The social aspects of the audit specifically investigate:

- ✚ employee working environment
- ✚ wages, benefits and work hours
- ✚ subcontracting, child labour
- ✚ environmental health and safety

The reports and final documents are open to the Red Cross and Red Crescent (RCRC) procurement units. Frame agreements are also extended to the RCRC Movement.

Within the framework of its Sustainable Development programme, most commonly defined as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs," the ICRC has a moral duty to take into consideration future generations when designing and implementing its procurement action.

Important note: all ICRC members involved in procurement are bound by the ICRC Code of Ethics in Procurement. Any breach should be reported to: <https://icrc.integrityplatform.org>



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USEFUL LINKS AND CONTACTS

Emergency Items Catalogue

<http://itemscatalogue.redcross.int/>

Lead buyers:

gva_logpurchcontracts_services@icrc.org

Compliance reporting:

frauds@icrc.org

MISSION

The International Committee of the Red Cross (ICRC) is an impartial, neutral and independent organization whose exclusively humanitarian mission is to protect the lives and dignity of victims of war and internal violence and to provide them with assistance. It directs and coordinates the international relief activities conducted by the Movement in situations of conflict. It also endeavours to prevent suffering by promoting and strengthening humanitarian law and universal humanitarian principles. Established in 1863, the ICRC is at the origin of the International Red Cross and Red Crescent movement.



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