

# RESPONSIBLE PURCHASING CHARTER



**INTERPIPE**

# PREAMBULE

Interpipe is an international vertically integrated pipe and wheel company, a member of the top 10 list of the world's largest producers of seamless steel pipes and the third largest producer of solid-rolled railway wheels in the world under the K LW brand. Interpipe aims to effectively satisfy the needs of its clients, provide opportunities to its employees and add value for its shareholders.

As a responsible and committed player in social and environmental matters, Interpipe is committed to respecting fundamental rights and reducing the social, environmental and ethical impacts of its purchasing process.

This Charter, based on a principle of reciprocity, sets out the commitments expected by Interpipe in terms of ethics, fight against corruption, respect for human rights and labor standards, health and safety protection and environmental protection.

The purpose of this Charter is to inform suppliers of Interpipe's commitments in terms of responsible purchasing, and of Interpipe's expectations of suppliers in terms of compliance with these principles.

In other words, this Charter clarifies the Interpipe's expectations of its suppliers in terms of corporate social responsibility and sets out the commitments throughout the purchasing and supply chain.

Suppliers play a key role in Interpipe's success. We want to share with them our commitment to sustainable development and involve them in a continuous improvement process. We want to work together with them to build and improve a relationship that is both profitable and responsible.

Our CSR ambition has become a real commitment and must be shared with all Interpipe suppliers.

We expect our suppliers to respect and promote the principles of the Universal Declaration of Human Rights, the Fundamental Conventions established by the International Labour Organization (ILO), the Rio Declaration on the Environment and the United Nations Convention against Corruption, as well as the various applicable laws and regulations.

Interpipe Purchasing Department asks its suppliers to join this approach by adhering to this Responsible Purchasing Charter and to take all appropriate corrective measures in a continuous improvement process. Compliance with the principles of this Charter is essential for the continuity of the relationship between Interpipe and its suppliers.

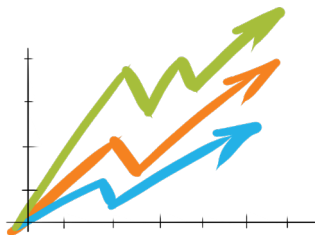


# OUR CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITMENT

At Interpipe, we are very attached to our values which are the responsibility, the involvement and the focus on results and on customers. These values reflect the way we work both internally with our teams and externally with our partners. Based on these values, we have been able to formalize our challenges, priorities and commitments in a Corporate Social Responsibility (CSR) approach. This CSR approach allows us to improve the impact of our activities and create shared value, not only for our employees who work on our sites on a daily basis, but also for our partners and suppliers.

Aware of the social and environmental challenges that we must face together, we are constantly striving to improve the quality of our employees' working conditions and to reduce the environmental impact of our activities.

As part of its sustainable development policy, Interpipe is committed to deploying a CSR strategy, a key element of the company's strategy, based on three pillars:



- **Economic** by developing the growth and efficiency of the company, through more sustainable production methods. Interpipe also attaches great priority to have a quality management system and is certified in accordance with ISO 9001, IRIS, AAR M-1003.

• **Social:** key priority of Interpipe is placed on the health, safety and well-being of its employees in all of the company's business activities. Interpipe provides safe working conditions to all its workers and the company operates according to international norms and standards such as OHSAS 18001 and ISO 14001. Interpipe continuously invests in the development of its human resources, creating training and vocational opportunities for its workers and takes an active part in creating a new, better quality of life not only for its employees and their families, but also for local communities.



• **Environmental** by reducing the environmental impact of our activities, transforming our production facilities by the modernization of our production methods and technologies as well as having a system for ecological management. Our pipe and wheels production facilities are certified ISO 14001.

As a leading producer of steel tubes, wheels and axles for the railway industry, it is fundamental to our sustainability goals that our suppliers share the same values. This is why we want to share our values and involve our suppliers in the deployment of this sustainability strategy as they play a key role in the success of our business.

# INTERPIPE'S COMMITMENTS TO ITS SUPPLIERS

Interpipe is committed to promote social responsibility in its value chain, and to maintain business relationships with its suppliers based on transparency, integrity and fairness, in accordance with the following principles:

## **FAIR AND EQUITABLE TREATMENT OF SUPPLIERS**

- Selecting suppliers impartially according to predefined, explicit and transparent criteria: quality, service, technology, cost, lead time and environmental and social impact of the products and services offered.
- Treating suppliers honestly and fairly, in compliance with applicable laws and regulations, paying suppliers in accordance with the terms of their contracts and in a timely manner, provided that they have fully met their obligations.
- Use of mediation to facilitate the amicable settlement of any disputes arising during the performance of the contract.

## **FIGHT AGAINST CORRUPTION**

- Fight against all forms of corruption, active or passive, and exclude all situations of conflict of interest by complying with the rules of ethics established by their company. Interpipe has a Leaflet entitled "Interpipe anti-corruption policy" which can be referred to.

## **IMPROVING OUR SUPPLIERS' PERFORMANCE AND LOCAL COMMITMENT**

- Building long-term relationships with our suppliers, with a view to joint improvement. We are committed to helping our suppliers improve if their performance falls short of expectations.
- Seek mutual benefits with our suppliers in terms of sustainable development.

- Sharing best practices and supporting our suppliers in improving their social and environmental performance.
- Integrate local suppliers and service providers wherever possible to promote local economic development.

### **REFUSAL OF ECONOMIC DEPENDENCE**

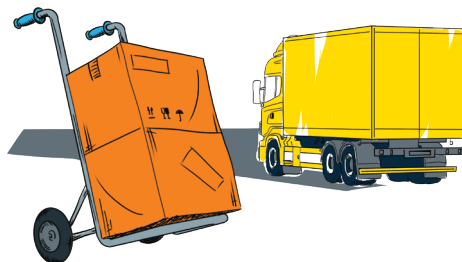
- Vigilance against any economic dependence that could endanger either party. We develop methodologies and action plans to control, minimize this risk and take action if necessary.

### **TRANSPARENCY AND COMMUNICATION**

- Commitment to communicate regularly and transparently, both internally and externally, on our responsible purchasing policy, notably by distributing this Charter to all our suppliers.

### **CONFIDENTIALITY**

- Commitment to keep confidential the technical, commercial and financial information communicated by our suppliers and to protect their personal data in compliance with the regulations in force.
- Respect of the confidentiality of technical, commercial and financial information communicated to us by our suppliers.
- Respect also the patrimonial and intellectual property rights of our suppliers.
- Respect and compliance with applicable laws for protection of privacy, including, without limitation, the European Union General Data Protection Regulation (GRPD) and other applicable regulations.



# SUPPLIERS' COMMITMENTS

## **SOCIAL COMMITMENTS AND RESPECT FOR HUMAN RIGHTS**

Interpipe expects suppliers to comply with the core conventions of the International Labour Organization (ILO), the fundamental principles and rights as described in the Universal Declaration of Human Rights and any regulations applicable to their activities in the area where they operate. Interpipe's suppliers must also promote and respect Human Rights within their sphere of influence and throughout their supply chain.

### **ABOLITION OF CHILD LABOR**

- The supplier undertakes not to use child labor under any circumstances. The term "child" refers to any person below the minimum legal age for employment in the country where the work is performed, provided that the legal age is in accordance with the provisions defined by the International Labour Organization (ILO Conventions 138 and 182).

### **ELIMINATE ALL FORMS OF FORCED, COMPULSORY OR ILLEGAL LABOR**

- Under no circumstances shall the supplier use forced and/or compulsory labor or slavery, or any other practice of servitude or involuntary labor (ILO Conventions No. 29 and 105).
- Work is considered forced/compulsory or slavery whenever it is imposed by means of a threat.
- The supplier undertakes not to resort to concealed work and to fulfil the obligations in terms of declaration and payment to the administrative, social and fiscal authorities as provided for in the countries concerned.



## **WORKING HOURS AND REMUNERATION**

- Suppliers agree to comply with all regulations set forth by national legislation or collective agreements to which they are subject concerning remuneration, social benefits and working hours. In particular, those concerning minimum wages, overtime pay, piecework wages and any other element of remuneration and limits on working hours and supplies (ILO Conventions No. 1, 30, 95, 100, 131, 163 and 171).
- All forms of work, including overtime work, are voluntary. Workers are free to leave their jobs as long as they respect the notice period specified by law.

## **ELIMINATION OF DISCRIMINATION AND FAIR TREATMENT IN THE WORKPLACE**

- The supplier undertakes not to discriminate between persons on the basis of age, sex, religious belief, political opinion, social or ethnic origin, sexual orientation or identity, disability, marital status, nationality, patronymic or physical appearance (ILO Convention No. 111).
- The supplier must promote equal treatment and equal opportunities in accordance with the ILO principle of non-discrimination (ILO Conventions No. 100 and 111).
- The Supplier recognizes the principle of equal remuneration for men and women without discrimination on the basis of sex (ILO Convention No. 100).

## **FREEDOM OF EXPRESSION, ASSOCIATION, EMPLOYEE REPRESENTATION AND RIGHT TO COLLECTIVE BARGAINING**

- The supplier undertakes to respect and comply with the right of workers to free association, whether or not they belong to an association of their choice, and to collective bargaining. The supplier guarantees to its personnel the rights to form unions and to communicate freely with their management on the principle of social dialogue (ILO Conventions No. 87 and 98).

## **RESPECT OF THE HEALTH, SAFETY AND WELL-BEING OF EMPLOYEES IN THE WORKPLACE**

- The supplier undertakes to implement a health and safety policy that aims to provide each employee with a safe and healthy working environment and to maintain an environment in which the dignity of individuals is respected (ILO Conventions No. 155 and 120).

- The supplier undertakes to take all necessary measures to limit work-related accidents.
- The supplier shall refrain from any form of corporal punishment, physical, sexual, verbal or psychological harassment, or any other form of abusive conduct (ILO conventions No. 29 and 111).



# ENVIRONMENTAL COMMITMENTS

Interpipe's suppliers and their own suppliers must have adopted environmental measures to ensure continuous improvement of their performance in terms of environmental impact, including compliance with all applicable environmental laws and regulations, throughout their value chain.

Interpipe's suppliers must demonstrate their actions in the following areas:

## **COMPLY WITH APPLICABLE ENVIRONMENTAL LAWS AND REGULATIONS**

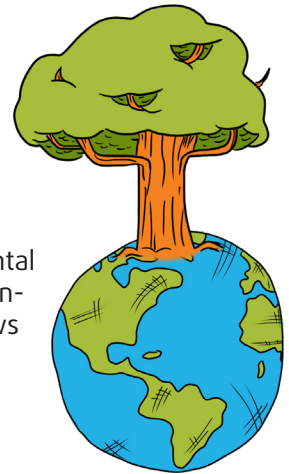
- Suppliers must apply and comply with all applicable environmental regulations. They shall maintain and update all required environmental accreditations.

## **MONITOR AND MEASURE THE ENVIRONMENTAL IMPACT OF THEIR ACTIVITIES**

- Suppliers shall adopt the precautionary principle in approaching environmental issues and shall implement an environmental management system that enables them to detect, identify and evaluate potential environmental risks in a timely manner. They shall take all appropriate measures to mitigate or eliminate them where possible.
- In order to improve their environmental performance, suppliers are committed to implementing the necessary control systems through permanent and reliable measures.

## **WASTE MANAGEMENT**

- Suppliers are committed to eliminate at source, reducing and monitoring all types of waste. Waste can also be disposed of through reprocessing, recycling or reuse. Therefore, waste management must be responsible.



## **LOCAL POLLUTION AND AIR EMISSIONS**

- Levels of noise, emissions of dust, odors, particles and any other source of local pollution are monitored, and action plans are put in place to control, minimize and adequately treat these emissions. Suppliers undertake to ensure that such local pollution does not exceed the thresholds set by the standards in force.

- Chemicals and other materials whose release into the environment constitutes a danger are identified, labeled and managed to ensure that they are handled, transported, stored, recycled or reused, and disposed of safely. emergency procedures are in place under the control of authorized personnel.

## **GHG EMISSIONS AND SUSTAINABLE USE OF RESOURCES**

- Suppliers limit their impact on the environment by evaluating and reducing their greenhouse gas emissions and measuring the energy and water consumption of their activities. They set up programs to improve their energy efficiency, optimize the use of water and non-renewable natural resources or non-environmentally friendly products. Whenever possible, Interpipe and K LW invites the supplier to periodically review its greenhouse gas emissions

# ETHICS

## **FAIR PRACTICES AND CONFIDENTIALITY**

- Suppliers shall comply in all areas with the laws and regulations relating to the principle of fairness in force in all countries in which they operate. They undertake to behave ethically in their business practices. This means conducting their business in accordance with the principles of honesty and fairness and the applicable regulations regarding competition and the prohibition of corruption in business transactions.
- Suppliers respect the confidentiality of information received that is the property of Interpipe and KLW, and never use this information for their own benefit. Information provided in the course of business must be accurate and fair and must not be misleading.

## **CONTROL OF SUBCONTRACTING AND PROMOTION OF SOCIAL RESPONSIBILITY**

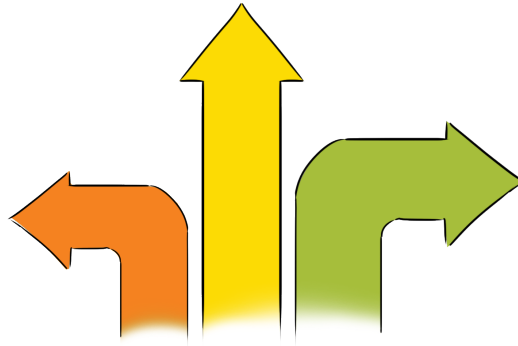
- Suppliers undertake to promote a socially responsible approach among their suppliers and subcontractors, in order to disseminate and apply the principles of the Charter throughout the value chain. Implement all due diligence measures with regard to their own subcontracting chain.

## **COMMITMENT OF SUPPLIERS**

- Suppliers acknowledge that they have read this Charter and undertake to promote its principles to their own suppliers as well.
- Suppliers shall respond promptly to reasonable requests from Interpipe representatives regarding the implementation of the principles of this Charter. They must also agree to be assessed or audited by Interpipe or a third party appointed by Interpipe on the above principles.

## NON-COMPLIANCE WITH THE CHARTER

- In the event of non-compliance with one or more of the principles of the Charter, Interpipe may assist the Supplier in complying with its principles. However, Interpipe reserves the right, if necessary, to withdraw from suppliers who do not comply with this Charter.



# REFERENCE TEXTS



UNITED NATIONS

**UNITED NATIONS GLOBAL COMPACT PRINCIPLES**  
[www.unglobalcompact.org](http://www.unglobalcompact.org)

## **HUMAN RIGHTS**

**Principle 1:** Businesses should support and respect the protection of internationally proclaimed human rights; and

**Principle 2:** make sure that they are not complicit in human rights abuses.

## **LABOUR**

**Principle 3:** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

**Principle 4:** the elimination of all forms of forced and compulsory labour;

**Principle 5:** the effective abolition of child labour; and

**Principle 6:** the elimination of discrimination in respect of employment and occupation.

## **ENVIRONMENT**

**Principle 7:** Businesses should support a precautionary approach to environmental challenges;

**Principle 8:** undertake initiatives to promote greater environmental responsibility; and

**Principle 9:** encourage the development and diffusion of environmentally friendly technologies.

## **ANTI-CORRUPTION**

**Principle 10:** Businesses should work against corruption in all its forms, including extortion and bribery.



**ISO 14001:2015**  
**ENVIRONMENTAL MANAGEMENT SYSTEMS**  
[www.iso.org](http://www.iso.org)



UNITED NATIONS

**THE UNIVERSAL DECLARATION OF HUMAN RIGHTS**  
[www.un.org](http://www.un.org)



UNITED NATIONS

**RIO DECLARATION ON THE ENVIRONMENT**  
[www.un.org](http://www.un.org)



UNITED NATIONS

**UNITED NATIONS CONVENTION AGAINST CORRUPTION**  
[www.unodc.org](http://www.unodc.org)



**ISO 9001:2015 – QUALITY MANAGEMENT SYSTEMS**  
[www.iso.org](http://www.iso.org)



**OHSAS 18001**  
**OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM**  
**(REPLACED BY ISO 45001)**  
[www.iso.org](http://www.iso.org)



**THE INTERNATIONAL LABOUR ORGANIZATION'S**  
**FUNDAMENTAL CONVENTIONS**  
**(ILO), including:**

- **Convention No. 29** on Forced Labour.
- **Convention No. 87:** Freedom of Association and Protection of the Right to Organize Convention.
- **Convention No. 98:** Right to Organize and Collective Bargaining Convention.
- **Convention No. 100** on Equal Remuneration.
- **Convention No. 105** on the Abolition of Forced Labour.



- **Convention No. 111** on discrimination (employment and occupation).
- **Convention No. 138** on the minimum age for admission to employment.
- **Convention No. 155** on the safety and health of workers.
- **Convention No. 182** on the worst forms of child labor

[www.ilo.org](http://www.ilo.org)

## UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

[www.un.org/sustainabledevelopment](http://www.un.org/sustainabledevelopment)

