

IDS PURCHASERS CHARTER

DECEMBER 2022



General Principles of Conduct

- Purchasing Compliance
- Integrity
- Service-focus

General Rules for Purchasers

- Professionalism
- Confidentiality
- Environment – Health – Safety (EHS)
- Competition

Notes

This document is a supplement to IDS Principles of Conduct and Action and represents an application of these principles to the Purchasing function. It applies to all purchasing managers, and all employees (buyers, technical staff and managers) who in the course of their work engage in dealings with one or more external suppliers. This document aims to provide in accordance with Group rules the guidelines to be applied on a daily basis, without seeking to cover all possible situations. These guidelines are completed by a “Responsible Purchasing” policy note detailing, in the field of Purchasing, the social and environmental requirements stemming from IDS Responsible Development initiative.

Group Purchasing Compliance

Purchasers must comply with IDS master agreements, or ask for special dispensation, giving precise reasons to back-up their request. Dispensation will only be granted under special circumstances (e.g. joint venture situations, significant business opportunity); the grounds for the dispensation must be stated and all exemptions are subject to the approval of the lead purchaser of the category concerned. > Purchasers are encouraged to systematically consult approved suppliers.

Integrity

Purchasers must comply with IDS Gifts Policy. In particular:

- Purchasers shall refrain from communicating their personal contact details to current or potential suppliers
- Purchasing goods or services on behalf of IDS must not entail discounts or refunds to the purchaser (or a family member).
- Invitations to special events organized by suppliers can only be justified if there is an additional interest for IDS beyond the current relationship with the supplier. Prior management approval is required.
- Presents from suppliers may only be accepted under certain conditions defined in the Gifts Policy. Employees will comply with IDS policy on Conflicts of Interest. In particular they must have no direct or indirect personal interest, whether financial or otherwise in any supplier companies.

Service-focus

- Beyond the negotiation process itself, the purchaser should always take into account the longer term: he or she should come up with new ideas and be ready to challenge established working practices while making sure that what is being negotiated is feasible and then effectively implemented.
- Communication is part of the purchaser's job: this means explaining inside the company any choices made after a negotiation, especially to those at the origin of the requirement.
- By keeping in touch on an on-going basis with the supplier, the purchaser ensures service quality and sees that improvements are made.
- Generally speaking, purchasers should understand that they have a major role to play in risk management system concerning purchasing.

Professionalism

- To avoid status quo setting in, the purchasing function shall regularly review contracts reaching the end of their term, and avoid as much as possible renewals by tacit agreement.
- Discussions with suppliers on important details shall be formally recorded to facilitate the passing on of this information to the appropriate level within IDS.
- A special monitoring of strategic suppliers is to be carried out.

Confidentiality

- The purchaser shall not disclose any strategic information, whether commercial or technical.
- When ever confidential information has to be exchanged with a supplier, a confidentiality agreement must be signed. The term “confidential information” includes all information and all non public data, including without limitation any written or printed documents, any sample or model, disclosed by the purchaser in writing, orally or by any other means of disclosure.
- Plant or branch tours by suppliers (current or potential) are subject to strict surveillance: subcontractor employees may not organise such visits, and any visit is subject to the prior approval of the site manager (of the plant, R&D center, branch, etc.).

Environment, Health Safety (EHS)

- Environment, Health and Safety issues are systematically taken into account when preparing purchasing specifications.
- Suppliers proposing their services must satisfactorily address EHS requirements in their proposals starting with relevant legal requirements. This should not give rise to any price supplement, unless some very specific requirements have been included in the purchase specifications.
- Purchasing managers regularly implement an EHS control especially of hazardous materials and sub-contractor on-site interventions.
- Purchasers take into account EHS group requirements accessible on the EHS intranet including a best-practices guide.

Competition

- Purchasers acknowledge that they have read and apply the provisions of the IDS practical guide to competition compliance, and have passed the Comply e-learning module.
- Purchasers must not exchange internal trade or technical information with competitors of IDS.
- Purchasers must not resort to unfair practices in order to obtain business secrets from a supplier or a sub-contractor.
- Purchasers shall ensure that they do not transfer information between competitors which supply IDS.