

## EUROPEAN RENTAL ASSOCIATION SUSTAINABLE SUPPLIER FRAMEWORK

### Introduction

Members of the European Rental Association (ERA) are committed to running their businesses responsibly. We strive to maintain high ethical principles, respect human rights, prevent pollution, protect the environment and minimise the impact on the environment of our operations globally.

We expect the same from our suppliers. This framework proposes a best practice code of conduct that equipment rental companies can use to engage their own supply chains. It is designed to provide an example of a code of conduct that rental companies can adapt and then adopt to engage their own supply chains to ensure that their suppliers deliver against the a high standards. It is suggested that when adopting this framework as a code of conduct, rental companies ask their suppliers to comply with this code of conduct as well as complying with applicable laws, regulations and standards and all relevant International Labour Organisation (ILO) conventions. If there is any conflict between national laws and any supplier obligations outlined in this framework, we suggest that rental companies ask their suppliers to follow the standard that promotes the higher level of protection for workers and the environment.

This framework is suitable to be adopted as a code of conduct by rental companies and applied to all suppliers, their group companies and subcontractors that provide goods or services to rental companies.

### Purpose

The purpose of this framework is to provide a template of a best practice Supplier Code of Conduct (hereinafter referred to as the “Supplier Code of Conduct”) that can be adopted by rental companies and used to define minimum sustainability requirements and aspirations for all Suppliers to rental companies, in the areas of:

- Human Rights and Working Conditions,
- Health and Safety,
- Responsible Sourcing of components and raw materials,
- Environmental Performance,
- Business Ethics,
- Product sustainability performance.

The framework has been organised into five areas to assist suppliers who are asked to respond to a code of conduct adopted by a rental company based on this framework, by engaging relevant experts within the supplier’s organisation:

1. Corporate – companywide aspects of sustainability
2. Operations – aspects that are impacted by your operations
3. Human Resources and social aspects – aspects of sustainability that apply to your workers
4. Supply chain – how you, in turn, address sustainability within your supply chain
5. Products and services – the sustainability of the products and services supplied to ERA members and the sustainability impact on our customers operations.

Topics have been placed in the area of the organisation where it has the greatest interaction or impact, it may apply to other areas of the business as well, but the organisation of the sections of this code of conduct has been designed to suggest which areas of the organisation should lead on responding to which topic.

The framework is based on individual ERA member codes of conduct, sustainable supply chain policies and procedures as well as international conventions and standards such as the United Nations Global Compact, the OECD Guidelines for Multinational Enterprises, the International Bill of Human Rights and the International Labour Organisation's (ILO) Fundamental Principles and Rights at Work.

### **Scope**

We suggest that when this framework is adopted by rental companies as a Sustainable Supplier Code of Conduct, ideally it should form an integral part of the agreement between the Supplier and the rental company.

The term "Employee" used throughout this framework covers everyone working for or on behalf of a Supplier, including but not limited to full and part-time employees, consultants, contractors, trainees, temporary workers, migrant workers, senior management and board of directors.

When adopting this framework as a Sustainable Supplier Code of Conduct, the rental company should apply it to all Suppliers that deliver goods and/or services to the member company, including their parent, subsidiary or affiliate entities of suppliers as well as their respective employees and agents (hereinafter individually and collectively referred to as "Supplier").

Throughout the framework, we have defined what rental companies should require from suppliers in terms of sustainability performance and actions – these are indicated as the Requirements, in addition and where appropriate, we have also provided guidance where we suggest that rental companies should ask suppliers to go beyond the requirements and strive for best practice, these are indicated as the Aspirations.

This framework is comprehensive and represents a best practice code of conduct and covers the areas likely to be requested of rental companies by their customers. We expect that a rental company will review and adjust the code of conduct as required by the needs of their business before they adopt it within their own supply chain. If a rental company wishes to adopt a summary version that just covers the minimum requirements it should expect from its supply base, then we suggest they adopt a shortened version that just covers the areas highlighted for a shortened version in the table below. The table also indicates the changes that can be made to the code of conduct for a supplier that does not supply products and only suppliers services (such as software, labour etc).

Section	Comprehensive code of conduct	Summary version	For non product suppliers
<b>1.0 CORPORATE</b>			
1.1 Leadership, strategy and stakeholder engagement	Requirement and aspiration	Requirement only	No change
1.2 Management systems	Requirement and aspiration	Requirement only	No change
1.3 Business integrity including anti-corruption and bribery (ACB)	Requirement and aspiration	Requirement only	No change
1.4 Data privacy	Requirement and aspiration	May be omitted	No change
<b>2.0 OPERATIONS</b>			
2.1 Resource efficiency and energy consumption	Requirement and aspiration	May be omitted	No change
2.2 Emissions and waste management	Requirement and aspiration	May be omitted	No change
2.3 Hazardous substances	Requirement and aspiration	Requirement and aspiration	May be omitted
2.4 Health and safety	Requirement and aspiration	Requirement only	No change
<b>3.0 HUMAN RESOURCES</b>			
3.1 Child labour	Requirement and aspiration	Requirement only	No change
3.2 Non-discrimination, diversity and fair treatment	Requirement and aspiration	Requirement only	No change
3.3 Human rights / Modern slavery	Requirement and aspiration	Requirement only	No change
3.4 Working conditions – wages, social security, working hours	Requirement and aspiration	Requirement only	No change
3.5 Union agreements / workforce representation	Requirement and aspiration	Requirement only	No change
<b>4.0 SUPPLY CHAIN</b>			
4.1 Supply chain engagement	Requirement and aspiration	Requirement – scope as summary	Requirement – scope as non product supply
4.2 Conflict minerals	Requirement and aspiration	May be omitted	May be omitted
<b>5.0 PRODUCT</b>			
5.1 Management of regional and global requirements and regulations	Requirement and aspiration	Requirement only	May be omitted
5.2 Packaging, design, use, recycling (for products which use packaging)	Requirement and aspiration	May be omitted	May be omitted
5.3 Sustainability impact of products and services	Requirement and aspiration	Requirement only	May be omitted
5.4 In use product and service health and safety promotion	Requirement and aspiration	Requirement only	May be omitted

### Legal compliance

Fundamental to all areas outlined in this framework, and when adopted by an rental companies as a code of conduct, is that the rental company requires their Suppliers to be knowledgeable about, and to comply with, all applicable laws and regulations as well as the contractual terms and conditions agreed between individual rental companies and suppliers. All legally required permits, approvals, licenses, registrations, inspections and related reports shall be in place, up to date and available for inspection upon request.

In case local laws and regulations are less restrictive, the principles of this framework, when applied as a Sustainable Supplier Code of Conduct, should apply. In case a requirement is covered by this framework as well as by applicable laws and/or the agreement with individual rental companies, the stricter regulation, or requirement, offering the greatest protection should apply. In cases where there is a direct contradiction between mandatory local law and the principles contained in this framework, the local law should prevail, however the Suppliers shall strive to honour the intentions of this framework, when applied by a rental company ERA member as a Sustainable Supplier Code of Conduct.

### Continuous improvement

ERA believes in continuous improvement and recognise that implementing the standards outlined in the framework into the Suppliers' operations and supply chains is a dynamic rather than a static process. It is important that Suppliers show dedication towards embedding not only the Requirements but also the Aspirations into their operations and across their supply chains and to seek continuous improvement over time in order to be able to show progress in all areas covered by this framework.

### Further information

For further information on any topic in this code of conduct please contact ERA at [era@erarental.org](mailto:era@erarental.org).