



Responsible Business Conduct
in the Global Maritime Industry

Your Comprehensive Guide to Responsible Business Conduct

How maritime purchasers and suppliers can work together to improve sustainable practice in the global shipping industry using the IMPACT sustainability platform. Join the movement.



MEET THE GLOBALLY-AGREED MINIMUM STANDARD FOR SOCIAL, ENVIRONMENTAL AND ECONOMIC SUSTAINABILITY

BUILD STRONGER BUSINESS RELATIONSHIPS AND INCREASE VISIBILITY IN YOUR VALUE CHAIN



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The importance of Responsible Business Conduct

Going above basic legal compliance with local and international laws and regulations, CSR or RBC requires corporations to work with the ten internationally-agreed principles of the UN Global Compact and:

- Regularly manage their operational adverse impacts on these principles, as dictated by the UN Guiding Principles on Business and Human Rights (UNGPs) and the OECD Guidelines for Multinational Enterprises (OECD-GME).
- Positively contribute to these principles, as guided by the 17 Sustainable Development Goals (widely considered the "blueprint to achieve a better and more sustainable future for all").

In a nutshell, CSR or RBC is how corporations take responsibility for contributing to – while managing their adverse impacts on – internationally-agreed principles for sustainable social, environmental and economic development. This includes extending the same expectations to their business relationships (also known as responsible supply chain management).



How does Responsible Business Conduct look in a practical context?

In a practical context, a company that implements Responsible Business Conduct standards has successfully:

- Established a policy commitment that outlines and embeds the company's responsibility to respect human rights, the environment and anti-corruption principles.
- Created a continuous process of due diligence that addresses and documents the company's actual adverse impacts or potential adverse impacts (risks) on the internationally-endorsed principles for sustainable social, environmental and economic development.
- Set up a or been actively participating in a remediation system that enables the remediation of any adverse human rights, environmental or economic impacts the company causes or to which it contributes.

This work also involves embedding this commitment in all contracts governing relations with the company's business relationship and extending the same requirements of RBC standards to all business relationships. The best way to do this, as will be seen further, is through a process of active collaboration and knowledge exchange.

A company that implements Responsible Business Conduct standards as described above can indisputably claim that it meets the globally-agreed minimum standard for social, environmental and economic sustainability, i.e. the UNGPs and the OECD-GME. The company has, in other words, "a social licence to operate".



What then constitutes a company's supply chain (or a company's business relationships)?

The shipping industry has a global nature and companies build relationships both with their upstream value chain (suppliers) and the downstream value chain (distributors, customers and clients).

While a company's supply chain is usually understood to only be limited to the upstream value chain, the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises extended the responsibility to respect internationally-endorsed principles for human rights, environment and anti-corruption to all business relationships established by a company. Thus, a corporation's duty to work with CSR covers suppliers, distributors, customers and clients.

In the process of responsible supply chain management, however, it is often the case that a company's suppliers will often demand the most resources, so it is a good idea to prioritise this engagement.

This is why IMPA ACT primarily facilitates collaboration around CSR between all companies in maritime and their suppliers. This includes collaborative work between ship-owners and their first-tier suppliers, as well as between maritime suppliers and their own suppliers.

Why is Responsible Business Conduct important?

Responsible Business Conduct, implemented in accordance with the standards of the UNGPs and OECD Guidelines, can give a company its social licence to operate. Not only does it increase its visibility in its value chain, but it also allows the company to identify current and potential risks that could endanger its reputation or financial success. Here are some more benefits:



Fulfilling global expectations on RBC

By implementing the UNGPs and OECD-GME, you are complying with the globally-endorsed standard on business and human rights, environment and anti-corruption.



Managing risks in supply chains

Regular social, environmental and economic due diligence is preventative and can give you the knowledge to foresee risks and end, mitigate or prevent them from materialising.



Riding the wave

Identifying your impacts on human rights, environment and anti-corruption will help you avoid unpleasant surprises and enable you to show how your company respects these.



Preventing near misses

By regularly identifying impacts on all rights and principles, you become aware of those you may have overlooked and can prevent them from escalating.

How difficult are Responsible Business Conduct standards to implement?

Many companies find it challenging to navigate the guides and principles, especially where they cannot benefit from internal CSR expertise. This is where IMPA ACT comes in, a platform for the global shipping industry that not only helps you implement RBC standards internally through in-depth guidance and a state-of-the-art online platform, but also provides an ecosystem for collaborating with your business relationships towards doing the same.

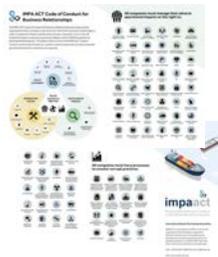


Meet IMPA ACT

IMPA ACT is a comprehensive initiative offering state-of-the-art support to companies wanting to meet the globally-agreed minimum standard for social, environmental and economic sustainability.

Established more than ten years ago under the umbrella of the International Marine Purchasing Association (IMPA), IMPA ACT has been assisting its member companies (ship-owners, ship-operators and maritime suppliers and manufacturers) implementing Responsible Business Conduct standards within their own operations and extending these requirements to and collaborating with their business relationships (primarily suppliers) through Responsible Supply Chain Management.

IMPA ACT Code of Conduct for Business Relationships



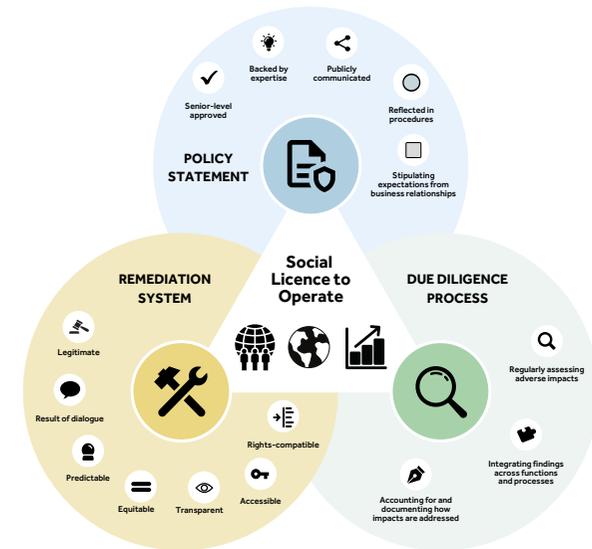
At the core of the IMPA ACT initiative is the IMPA ACT Code of Conduct for Business Relationships, a set of social, environmental and economic principles and standards that are based on internationally-endorsed UN minimum expectations for businesses and represent current best practice.

The IMPA ACT Code of Conduct is based on the UN Global Compact's ten principle, as derived from the International Bill of Human Rights, ILO's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the UN Convention Against Corruption, and made operational by the UNGPs and the OECD Guidelines. In full reflection of the universally-agreed principles for sustainable social, environmental and economic development, the IMPA ACT Code of Conduct is intended to be used

as best practice and covers all the requirements that businesses need to meet in order to implement Responsible Business Conduct standards.

In a nutshell, this involves the efficient management of the company's operational impacts on human (including labour) rights, the environment (including climate) and anti-corruption principles through the establishment of a policy commitment, a continuous process of due diligence and an impact remediation system (see below diagram). In addition to this, it also involves the extension of these requirements to a company's business relationships.

The IMPA ACT initiative works in the background to provide member companies with tools towards complying with the Code and facilitates partnerships between companies and business relationships.





How does IMPA ACT work in practice?

Implementing the requirements of the IMPA ACT Code of Conduct internally and extending its requirements to your business relationships requires a considerable effort.

IMPA ACT helps this by advising a gradual implementation phase split in six steps.

IMPA ACT member companies are advised to begin work towards implementing Responsible Business Conduct standards by first committing internally to meeting the requirements of the IMPA ACT Code. This is done through the publishing of a policy commitment and the beginning of work towards the regular assessment of operational impacts (using the csrCloud online platform run by IMPA ACT partner Global CSR). Going forward, member companies are advised to start informing their business relationships of their new commitment and requirements (step two), then gradually starting to choose suppliers (step three) with whom to work together and exchange knowledge in both companies' journeys to compliance with the IMPA ACT Code of Conduct (steps four and five). Resources and questionnaires are available in the Members' Area for IMPA ACT members, and member companies are encouraged to invite their business relationships to also become members to gain access to the same guidance.

The final step sees the IMPA ACT member company being satisfied with their business relationship's implementation of Responsible Business Conduct standards and advising the IMPA ACT office of this. The business relationship then has the option to request an official audit (evaluation) and become officially "Certified". Any IMPA ACT member company can request an audit of their own company's implementation of Responsible Business Conduct standards at any time.

One of the major benefits of the IMPA ACT programme is its community and its public database of companies engaged in work with Responsible Business Conduct standards (whether certified or in-progress).

This offers IMPA ACT members the opportunity of only engaging those business relationships that are not already working towards compliance with the IMPA ACT Code of Conduct, thus allowing for a larger number of companies to work with CSR.

At the same time, the public database allows for those companies that have been certified by the IMPA ACT office to have correctly implemented Responsible Business Conduct standards, to be recognised in one easy-to-access place. This gives companies out there who want to deal with responsible business a chance to select it from the IMPA ACT pool.



Companies that follow the process as advised will, in time, begin meeting the minimum standard for Responsible Business Conduct and strengthen their relationships with suppliers by collaborating with them towards doing the same.



1 to 6 months

Step One: Committing

Member company commits internally to meeting the requirements of the IMPA ACT Code of Conduct for Business Relationships.

What to do?

- Build capacity and learn about Responsible Business Conduct through perusing the IMPA ACT tools and guides.
- Discuss with senior management. Do you align current approach with the IMPA ACT standards or do you begin anew?
- Create, get senior approval for, publish and communicate your company's policy commitment that outlines and embeds your responsibility to respect internationally-endorsed principles for sustainable social, environmental and economic development.
- Begin familiarising yourself with the csrCloud platform where you can begin conducting your first operational impact assessment (also known as due diligence).

Need help?

Find knowledge-building resources in the IMPA ACT Members' Area and use our tools and templates for building your company's policy commitment, compliant with the IMPA ACT Code of Conduct.



1 to 3 months

Step Two: Informing

Member company informs its business relationships about the new IMPA ACT Code of Conduct for Business Relationships.

What to do?

- Make a list of all the business relationships to whom you will be sending the IMPA ACT Code of Conduct, starting with suppliers.
- Customise the IMPA ACT Code of Conduct and make it your company's, without removing any standards or requirements.
- Integrate the requirement of complying (over time) with the IMPA ACT Code in the legal documents that govern your business relationships.
- Reach out to your business relationships. Mention the business advantages that your business relationships may experience following successful implementation and inform that ample time will be offered for implementation. Suggest membership of IMPA ACT as a way to gain knowledge in the area and access implementation tools.

Need help?

Drafts and templates for reaching out to business relationships, as well as introducing the requirement of compliance with the IMPA ACT Code of Conduct in contracts can be found in the Members' Area.



1 month

Step Three: Choosing and Engaging

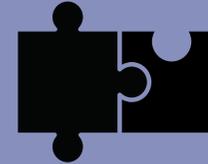
Member company chooses business relationships with whom to collaborate further and engages them in more depth.

What to do?

- Categorise suppliers based on spend, dependency, frequency of purchase and any known CSR risks.
- Engage those suppliers that have ranked highest on the list and send them an in-depth questionnaire to assess their current implementation of Responsible Business Conduct standards.
- Agree on date for return for the Questionnaire. If the supplier is already an IMPA ACT member, simply ask them to share their External Report from the csrCloud system.
- If suppliers have questions about the Questionnaire, either help them yourself or refer them to IMPA ACT.

Need help?

From a Supplier Selection Tool to a comprehensive questionnaire and templates for engagement letters, the IMPA ACT Members' Area will have you covered.



1 to 3 months

Step Four: Partnering

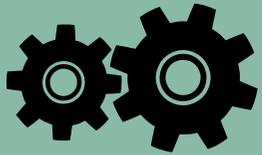
Member company assesses suppliers' feedback and continues IMPA ACT engagement with higher-risk suppliers.

What to do?

- Assess returned Questionnaires and, based on answers, divide suppliers in lower-risk ones and higher-risk ones.
- Contact lower-risk suppliers and advise them of the great work they have been doing and recommend them for certification with IMPA ACT.
- Contact higher-risk suppliers and extend to them a partnership offer to collaborate further towards their alignment with the IMPA ACT Code of Conduct.
- Advise the IMPA ACT team of the status and results, so new partnerships can be recorded in the public database and lower-risk suppliers can be contacted with details about certification.

Need help?

The IMPA ACT Members' Area will have ready templates for cover letters, as well as partnership trackers helping you and our team keep an eye on the work with business relationships.



1 to 3 years

Step Five: Implementing

Member company assists partners with implementing the IMPA ACT Code of Conduct, following up on progress and sharing knowledge.

What to do?

- ✓ Collaborate with your partner in implementing the standards and principles in the IMPA ACT Code of Conduct and, where needed, use and share the knowledge of CSR professionals in your company or externally. IMPA ACT also offers third-party consultancy, so get in touch if you need help. Maybe share your own company's impact assessment with them?
- ✓ Set milestones with your partner and monitor progress regularly. The implementation phase can take up to three years, so be patient.
- ✓ Register each milestone reached by your partner in the IMPA ACT Partnership Tracker; send this as often as possible to the IMPA ACT team.

Need help?

The IMPA ACT Members' Area will offer a template for drawing up an action plan with your partners.



1 to 3 months

Step Six: Auditing

Member company conducts the final supplier evaluation, registering results and referring pre-certified (approved) suppliers to IMPA ACT.

What to do?

- ✓ Assess whether your partner now has processes in place aligned with current guidance on Responsible Business Conduct
- ✓ Determine whether the supplier is pre-approved or not.
- ✓ Congratulate pre-approved ones and refer to IMPA ACT for an official audit (evaluation). Contact unapproved ones and continue the partnership until they can pass your evaluation.
- ✓ Inform IMPA ACT of the evaluation results. Approved suppliers will be contacted about the opportunity of gaining official 'certified' status.

Need help?

Plenty of guidance for conducting the final pre-approval (step six) will be found in the IMPA ACT Members' Area, as well as communication templates.



Benefits of the IMPA ACT programme and added value

IMPA ACT adds value to its members by offering:



Community

-  We facilitate the exchange of ideas on work with Responsible Business Conduct standards. Member companies are invited to join our private knowledge exchange group and benefit from continuous dialogue with other members. Members can join anytime by going [here](#).
-  We keep track of all our members' and their business relationships' work with the programme and we share and reward progress. A public database available on the IMPA ACT website recognises those companies that are in the process of implementing Responsible Business Conduct standards in their companies, as well as those that have been certified by the IMPA ACT team as having the right processes in place.



Resource and Guidance

-  The IMPA ACT Members' Area is opened to all active IMPA ACT members and brings forward up-to-date guides and templates to facilitate the work required to meet the global minimum standard for corporate sustainability.

Access the IMPA ACT Members' Area from the homepage of the IMPA ACT website or by clicking [here](#). The password has been given to you in your welcome email.



A unified online platform for conducting CSR due diligence

-  Our long-standing partners over at Danish sustainability consultancy Global CSR have developed a state-of-the-art online platform that can be used by companies to manage and document CSR due diligence, the key component of the IMPA ACT programme. And we have partnered with them to bring our members generously discounted access to the platform, now included in the price of the annual IMPA ACT membership.

As a result, all IMPA ACT members gain access to the csrCloud online platform and are encouraged to use this to conduct their regular assessment of social, environmental and economic impacts for their main business unit (usually headquarters). The platform also allows for generating external reports document due diligence to assist annual CSR reporting, as well as sharing access to the platform with other staff responsible for implementation of IMPA ACT standards.

The csrCloud platform is available [here](#) and members can also find a link to it in the IMPA ACT Members' Area.



Training and Consultancy (separate discounted fees apply)

-  The IMPA ACT team also works with sustainability consultancy Alexony and can help IMPA ACT members struggling with capacity building and needing assistance in conducting their CSR due diligence, as well as communicating their efforts. If you need help, get in touch and we can take it from there. A list of fees (discounted for our members) can be found on the website.



What others have to say about IMPA ACT

"We have been a Member of IMPA ACT since 2015. [...] Many shipping companies share the same suppliers, so a standardised common system helps to keep the industry compliant."



"The CSL Group uses IMPA ACT, a program created by the International Marine Purchasing Association, to guide the way we work with our suppliers to ensure sustainable procurement."



"The IMPA ACT programme helped us further our CSR efforts and spot additional issues that needed to be addressed. It also helped us strengthen our partnership with an important customer."



"The online resources offered to members ease the process of reading into legislation, guidelines and complicated wording that all-too-often deter professionals from addressing societal needs."



"By joining many of our peers and contributing to IMPA ACT, we believe we can contribute to shaping the industry by accelerating the improvements needed to ensure sustainable practice in the maritime supply chain."



"We increased transparency throughout our supply chain by having a closer dialogue and stronger relation with our suppliers."





What next?

If you have read these pages and considered these issues to be relevant and important to your organisation, then we would suggest you begin discussing this within your own company.

Talk with colleagues in your CSR department or with those who are responsible for these matters. Then build a business case for your company to work in this area.

For support, go to the IMPA ACT website where you will find much more information on working with Responsible Business Conduct standards and case studies on companies that are actively working with the programme.

For any questions that cannot be answered from the website, feel free to get in touch with the IMPA ACT team directly; we are here to support you along the way. Finally, present your findings to senior management within your organisation.

Most likely, CSR will not be new on your company's management agenda, and this is why we believe that the IMPA ACT programme will complement it, particularly by providing a genuine business benefit, whether you are a ship-owner, -operator or marine supplier or manufacturer.

Membership is open to all companies operating in the maritime industry and there are different tiers that can cater for different sizes. This ensures that companies big and small have the budget to join our initiative.

For those interested in joining with a bit of help, we also have separate consultancy packages available at a reduced rate for members. We

work in partnership with two sustainability consultancy, Global CSR and Alexony, and we can assist companies with the full lifecycle of due diligence. If you are not sure what you should go for, just get in touch and we will be happy to assist.

For more information on how you can get involved, visit our website, www.impa-act.org, or contact Jasmine Schestak, Head of Sustainability at IMPA, or Stephen Alexander, IMPA COO. Either will be happy to help. Details are available below. at by emailing jschestak@impa.net or by calling on +44 (0) 1206 798900.



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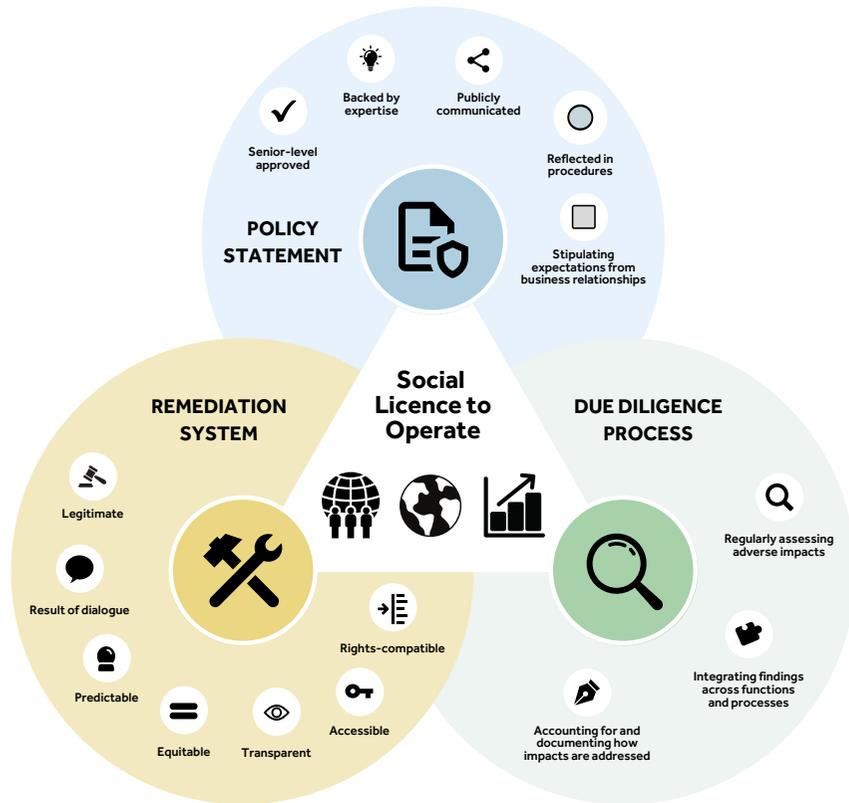
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IMPA ACT Code of Conduct for Business Relationships

The IMPA ACT Code of Conduct for Business Relationships encompasses the expectations that a company must have from itself and its business relationships in order to implement Responsible Business Conduct standards, such as the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. This abbreviated version of the IMPA ACT Code of Conduct summarises the policies, systems and processes that can help companies get and maintain their social licence to operate.



All companies must manage their adverse operational impacts on the right to:

- Self-Determination (Indigenous Peoples')
- Non-Discrimination
- Work (Training, Contract, Termination)
- Equal Pay for Equal Work
- Living Wage
- Safe and Healthy Working Conditions
- Equal Opportunity to Promotion
- Rest, Leisure and Paid Holidays
- Form and Join Trade Unions and Strike
- Social Security and Social Insurance
- Protection of Mothers Pre and Post Childbirth
- No Child Labour
- Adequate Food and Its Fair Distribution
- Adequate Clothing
- Adequate Housing
- Water and Sanitation
- Health
- Education
- Take Part in Cultural Life
- Benefit from Scientific Progress
- Material Gains from Inventions
- Moral Rights of Authors
- Life
- Not Be Subjected to Torture
- Consent to Medical Experimentation
- Not Be Subjected to Slavery/Forced Labour
- Liberty and Security of Person
- Humane Treatment for Detained Persons
- No Detention if Unable to Fulfill Contract
- Freedom of Movement
- Due Process When Seeking Asylum
- Fair Trial
- Be Free from Ex Post Facto Law
- Recognition as a Person Before The Law
- Privacy
- Freedom of Thought, Conscience, Religion
- Freedom of Opinion
- Freedom of Expression
- Freedom of Information
- Freedom from War Propaganda
- Freedom from Incitement of Hatred
- Freedom of Peaceful Assembly
- Freedom of Association
- Marry and Protection of the Family
- Child Protection and Acquire a Nationality
- Participate in Public Affairs
- Equality Before the Law
- Culture, Religious Practice, Language (Minorities)



All companies must manage their adverse operational impacts on:

| | | | |
|--|--|---|--|
|  Climate Change Mitigation |  Climate Change Adaptation |  Sustainable Use and Protection of Water and Marine Resources |  Transition to a Circular Economy |
|  Pollution, Prevention and Control |  Protection/Restoration of Biodiversity and Ecosystems |  Use of Energy |  Use of Raw Materials (in Particular Scarce Natural Resources) |
|  Use of Chemicals |  Use of Ozone Depleting Substances or Organic Pollutants |  Transportation and Waste Management of Hazardous Substances |  Surface Water Emissions |
|  Soil and Groundwater Emissions |  Noise Emissions and Light Emissions |  Odour Emissions |  Animal Welfare |
|  Wastewater Management |  Solid Waste Management |  Food Waste Management |  Use and Diffusion of Environmentally-Friendly Technologies |



All companies must have processes to counter corrupt practices.

| | | | |
|--|--|--|---|
|  Keeping of accurate books and records, including income data from past five years |  Bribes to or corruption of public officials (including active and passive corruption) |  Bribes to or corruption of private counterparts (including active and passive corruption) |  Trading in influence in relation to business partners, government officials or employees |
|  Bribes, corruption or trading in influence through the use of intermediaries |  Use of facilitation payments unless you are subject to threats or other coercion |  Political contributions and donations in expectation of undue advantages |  Offering or accepting gifts beyond stated value (approvals) |
|  Permitting or participating in money laundering |  Hiring government employees to do work representing conflicts of interest |  Abstain from cronyism and nepotism |  Clearly define job duties based on skills, qualifications and experience |
|  Extortion or blackmail |  Fraud or embezzlement |  Anti-trust and anti-competition |  Tax evasion |




impaact
Responsible Business Conduct
in the Global Maritime Industry

International Marine Purchasing Association

IMPACT is an initiative of IMPA, a non-profit organisation that facilitates cooperation between marine buyers and suppliers and develops best practice standards within the shipping industry. As of 2022, IMPA has more than one thousand members internationally.

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Visit: www.impa-act.org