**Contract Clauses on Responsible Sourcing**

*Sample Contract Clauses*

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| **Instructions:**Below you can find sample contract clauses which you could include in your contracts with suppliers and other business partners, to ensure they uphold your responsible sourcing commitments. If you do use the following text in your business contracts, make sure to update the relevant sections so they reflect your business name, context and needs. |

**Sample A**

1. The supplier agrees to adopt and implemented the Responsible Supply Chain Policy and all applicable state, national, and international laws, rules and regulations.
2. The supplier agrees to require its suppliers, subcontractors and any person(s) under its control to comply with the Responsible Supply Chain Policy and all applicable state, national, and international laws, rules and regulations.
3. The supplier agrees to undertake all reasonable and appropriate measures to ensure that the Responsible Supply Chain Policy is implemented in its own facilities and its supply chain.
4. The supplier agrees to the implementation of **[NAME OF BUSINESS]** due diligence and data collection procedures reasonably designed to monitor compliance with the Responsible Supply Chain Policy.
5. The supplier agrees to be subjected to regular audits, either directly or through a third-party auditor, to monitor compliance efforts. The supplier also agrees to monitor its own suppliers and subcontractors regarding compliance with the Responsible Supply Chain Policy.
6. The supplier agrees that it has sufficient resources in place to meet the requirements of the Responsible Supply Chain Policy and continuous improvement during policy implementation.
7. The supplier acknowledges that neglecting the implementation of the Responsible Supply Chain Policy or violating any of the terms set out in clause (vi) are sufficient grounds for termination of the business relationship with the supplier.

**Sample B**

1. The Supplier hereby declares to have read and understood the Responsible Supply Chain Policy published on the web at **[WEB ADRESS].**
2. The Suppliers understands that the Responsible Supply Chain Policy replaces all previous supplier codes.
3. The Supplier agrees:
4. that all entities of the supplier group will comply with the requirements set out in the Responsible Supply Chain Policy; and
5. to take at its own cost any action reasonably required by **[NAME OF BUSINESS]** to:
	1. verify compliance by all entities owned or under management control of the supplier with the Responsible Supply Chain Policy Requirements; and
	2. rectify any non-conformances by an entity of the Supplier within the agreed time frames.
6. The Supplier acknowledges that **[NAME OF BUSINESS]** has the right, at any time, to verify, either directly or through third parties, its compliance with the obligations herein undertaken.
7. The Parties hereby agree that **[NAME OF BUSINESS]** may terminate the Contract/s and/or the Order/s in the event that the Supplier has breached any of the requirements set out in the Responsible Supply Chain Policy.

**Sample C**

1. The Supplier agrees to comply with the requirements of the Responsible Supply Chain Policy attached hereto and incorporated herein as part of this Supplier Agreement. **[NAME OF BUSINESS]** reserves the right to cancel any outstanding order, refuse and/or return any shipments and otherwise cease to do business with the Supplier in the event that the Supplier fails to comply with any and all terms of said Responsible Supply Chain Policy requirements.
2. At any time, with or without advance notice and at the Supplier’s expense, **[NAME OF BUSINESS]** reserves the right to audit and/or authorise a third party to audit, without any restrictions, any or all of its entities (including any of its suppliers or subcontractors). The Supplier shall require that the entities’ management provides free access to the entity and all of its books and records to allow for a comprehensive audit to be conducted, including an opportunity for confidential and private interviews with entity workers selected by an auditor/auditing firm selected by **[NAME OF BUSINESS]**. No retaliation of any sort shall be taken against any workers or auditors. Upon review of any unsatisfactory audit results, **[NAME OF BUSINESS]**, in its sole discretion, reserves the right to terminate its relationship with the Supplier, cancel a purchase order, return or revoke acceptance of affected goods and/or require corrective action be taken. The Supplier shall be liable for all related damages incurred by **[NAME OF BUSINESS]**, including lost profits.

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