

VOLUNTARY CODE OF CONDUCT FOR BETTER COORDINATION BETWEEN THE CBN AND ICC FOR PREVENTION OF DIVERSION OF SCHEDULED AND NON-SCHEDULED CHEMICALS

THE BUSINESS SECTOR'S CHALLENGE

The business sector's social responsibility used to be limited to the creation of wealth, jobs, and fiscal revenue, but today it is much broader—extending to areas of social concern such as the environment, the fight against drugs, civic participation, etc.

It is a new area of challenges for the business sector, and for public sector officials, especially those involved with control, who must provide mechanisms for cooperation and collaboration with the business sector.

CODE OF CONDUCT FOR RESPONSIBLE COMPLIANCE WITH REGULATIONS FOR CONTROL OF CHEMICAL INPUTS AND CONTROLLED PRODUCTS

OBJECTIVE OF THE VOLUNTARY CODE FOR RESPONSIBLE CONDUCT

As part of the business sector's voluntary commitment that is encouraged by its associations and in coordination with the Administrative Control Authority, the Code is intended to support authorities responsible for monitoring controlled chemical substances in the fight against diversion, through close communication and the expansion of mutual cooperation.

PURPOSES OF THE CODE

- To make corporate employees aware of the problem of non-scheduled chemical substances.
- To promote the responsible use of non-scheduled chemical substances, especially in the stages of production, storage, sale, and transportation.
- To improve coordination and exchange of information between the companies and the authorities.

AREA OF APPLICATION

The voluntary code has been designed so that companies that use non-scheduled chemical substances in a scheme of social responsibility can implement it in the organizational culture under the main idea of **"KNOW YOUR CLIENT."**

CORPORATE PROCEDURES

- A. Designation of a "contact person"
- B. Information and awareness-building
- C. Follow-up of operations
- D. Dissemination of the Code

A. Designation of a "contact person"

- A "contact person" will be chosen and the business association will be informed.
- Preferably, he or she will be from the management, sales, logistics, security, legal, or administrative areas.

The "contact person" plays a key role in the success of the voluntary system for responsible conduct.

Role of the "contact person"

- The "contact person" promotes close cooperation between the company and the Central Bureau of Narcotics.
- The "contact person" stimulates:
 - Corporate actions to teach staff about special care in the use of non-scheduled chemical substances as well as controlled chemical substances that may be used for diversion and illicit drug trafficking and manufacture.
 - The exercise of special care by personnel responsible for maintaining the special registers.
 - Identification and reporting of any suspicious or unusual action involving as well as non-controlled chemical substances that may be used for diversion and illicit drug trafficking and manufacture.

The "contact person" plays a key role in the success of the voluntary system for responsible conduct.

Information and awareness-building

Information:

- The "contact person" will give information to the personnel about the civil and criminal penalties they will face if they assist drug traffickers through negligence or imprudence.

Awareness-building:

- Awareness-building of the personnel targets those likely to be involved with Non Scheduled Chemicals as well as controlled chemical substances that may be used for diversion and illicit drug trafficking and manufacture and whose work involves their storage, handling, sale, transportation, and use.
- Awareness-building is supplemented with the introduction of internal procedures that support proper surveillance and monitoring.

B. Follow-up of operations

- When the "contact person," acting as discreetly as possible and based on his or her experience, identifies any suspicious circumstance, he or she immediately notifies the administrative authority or the authority's representative without tipping off the questionable buyer.
- The "contact person" will do his or her best to get the questionable buyer's fax and telephone number, e-mail, etc. This information will enable the administrative authority or the authority's representative to transmit the information to the Central Bureau of Narcotics.
- The "contact person" will provide notification of:
 - Any suspicious purchase order
 - Suspicious deliveries and any other unusual circumstances
 - Any other fact of which they become aware that could be relevant for investigation of the suspicion (unjustified breaking of the cargo, abnormal routing, destruction, taking of samples, missing items, etc.)

The "contact person" will transmit communications regarding the suspicious action.

C. Dissemination of the Code

The company's "contact person" will promote dissemination of this Voluntary Code of Responsible Conduct, organizing meetings with the personnel for that purpose in coordination with management, in order to transmit information on the Code, receiving assistance for that purpose from the administrative authority or the authority's representative.

CHARACTERISTIC ELEMENTS THAT AROUSE SUSPICIONS

- Identification of the client and the client's behaviour
- Business practices
- Delivery methods
- Use of the products
- **Identification of the client and the client's behaviour**
 - New client (unknown in the sector, insufficient technical knowledge of chemical substances.
 - Client who appears without contact or prior recommendation.
 - Client lacking business sense, for example one that shows no interest in negotiating the price.
 - Reluctance (or refusal) to provide a telephone number or address or to submit a written order.
 - Orders from previously unknown corporations or ones that is hard to find in the directories.
 - Orders from a company that cannot provide normal commercial references.
- **Business practices**
 - Unregistered address for delivery of products or from which the order was placed.
 - Orders from companies not found in the Register.
 - Orders received at irregular intervals.
 - Unusual request for payment in cash or money order.
 - Proposal that includes payment of an excessive price for a specific type of product or for rapid delivery.
 - Orders from universities or well-known corporations that are issued following established procedures but for delivery to be made to a person whose name or address is not registered.
 - Delivery order to a third party who is not registered, at variance with internal procedures.

➤ **Delivery methods**

- Pick up of chemical substances with the aid of an unknown private vehicle.
- Request to package the substances in small individual lots even though the delivery is ostensibly for industrial use.
- Request for delivery in non-commercial or unlabeled packages.
- Unjustified requests for air delivery.
- Complicated delivery itinerary (e.g., involving apparent deviation from regular routes) or unjustified transfers (seeking to justify breakage or losses).
- Requests for which the delivery or shipping charges exceed the cost of the substances.

➤ **Use of the products**

- Requests for non scheduled chemicals as well as controlled chemical substances that may be used for diversion and illicit drug trafficking and manufacture in amounts that are excessive or abnormal for the stated use.
- Unplanned internal use.
- Losses of non-scheduled chemicals as well as controlled chemical substances that may be used for diversion and illicit drug trafficking and manufacture outside the production process through spills, filtrations, leaks, accidents, or other losses.
- Shipping of non scheduled chemicals as well as controlled chemical substances that may be used for diversion and illicit drug trafficking and manufacture outside the established hours

ACTION TO BE TAKEN REGARDING A SUSPICIOUS ORDER

What should be done in the case of suspicious orders for (non scheduled chemicals as well as controlled chemical substances that may be used for diversion and illicit drug trafficking and manufacture?

1. Ask the client to provide the GSTIN number and contact information (telephone number, fax, e-mail).
2. Ask for an explanation of the final use.
3. After the conversation:
 - Verify the accuracy of the information after checking the registers.
 - Review the documents provided by the company.
4. Inform the administrative authority or designated representative.

This information must be placed near the telephones and computers in the company's sales office.