



# Supplier Sustainability Code of Conduct

## 1. Introduction

Corporate integrity, responsible product sourcing, and the safety and wellbeing of workers across the global supply chain are of paramount importance to HF Group Limited and each of its subsidiaries (individually and collectively, "HF Group"). These principles apply to all aspects of HF Group's business, and encompass all contractors, sub-contractors, manufacturers, distributors, and other suppliers (each a "Supplier" and collectively "Suppliers") that supply the products that HF Group sells.

These principles are reflected in this Supplier Sustainability Code of Conduct ("Code of Conduct"), which establishes the minimum standards that must be met by any Supplier that provides goods and/or services to HF Group, regarding:

- Supplier's treatment of workers;
- workplace safety;
- the impact of Supplier's activities on the environment; and
- Supplier's ethical business practices.

## 2. Applicability

This Code of Conduct applies to all Suppliers that provide goods and/or services to HF Group. Supplier is responsible for compliance with the standards set out in this Code of Conduct ("Standards") throughout its operations and throughout its entire supply chain.

Without limiting Supplier's obligations hereunder, Supplier shall comply with the Standards in:

- all of its facilities where goods destined for HF Group are installed, manufactured, distributed, packaged or otherwise handled ("Facilities"); and
- all of its operations, including with respect to manufacturing, distribution, packaging, sales, marketing, product safety and certification, intellectual property, labour, immigration, health, worker safety, and the environment.

Without limiting Supplier's obligations hereunder, Supplier is responsible for compliance with the Standards by all of its suppliers, vendors, agents, and subcontractors and their respective Facilities ("Partner(s)").

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## 3. Compliance with Laws and the ETI Base Code

Supplier shall comply with all applicable national and local laws and regulations, including laws and regulations relating to all the Standards. Additionally, recognizing that there are differences in laws, cultures and economic conditions that affect business practices around the world, HF Group requires Suppliers to fully comply with the requirements of the Ethical Trading Initiative Base Code ('ETI Base Code'), and any amendments thereto. The ETI Base Code, a copy of which is available at <http://www.ethicaltrade.org/resources/eti-base-code>, is founded on the conventions of the International Labour Organization (ILO) and is an internationally recognized code of labour practice. Where this Code of Conduct requires Supplier to meet a higher standard than set out by law or regulation or the ETI Base Code, Supplier shall meet such higher standard.

## 4. Human Rights and Labour

**4.1 Child Labor, Forced Labour and Human Trafficking.** Supplier shall not engage in or support child labour, forced labour or human trafficking in any part of its supply chain. Without limiting Supplier's obligations hereunder, Supplier shall not, and shall ensure that its Partners do not, support or engage in, or require any:

- compelled, involuntary, or forced labour;
- labour performed by children under the minimum employment age limit as set by International Labour Organization (ILO) standards or, if more stringent, applicable law or regulation;
- bonded labour;
- indentured labour; or
- prison labour.

**4.2 Financial Obligations.** Supplier shall not, whether or not as a condition to the right to work, require any worker (or worker's family member) to, directly or indirectly:

- pay recruitment or other fees or other amounts (monetary or in-kind);
- incur debt.
- make financial guarantees; or
- incur any other financial obligation.

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**4.3 Freedom of Movement and Association.** Supplier shall ensure that workers have the right to freedom of movement without delay or hindrance or the threat or imposition of any discipline, penalty, retaliation, or fine or other monetary obligation.

Worker freedom of movement rights include each worker's right to leave the Facilities without retaliation:

- at the end of each workday;
- based on reasonable health and safety-related justifications; and
- based on any reasonable circumstances, such as personal or family emergencies.

Supplier shall respect, and shall not interfere with, the right of workers to decide whether to lawfully associate with groups of their choice, including the right to form or join trade unions and to engage in collective bargaining.

**4.4 Freedom to Terminate Employment.** Supplier shall allow workers to terminate their employment or work arrangement without restriction and without the threat or imposition of any discipline, penalty, retaliation, or fine or other monetary obligation.

**4.5 Working Hours, Wages and Benefits.** Supplier must compensate all workers with wages and benefits that at a minimum meet the higher of:

- the minimum wage and benefits established by applicable law;
- collective agreements; or
- industry standards;

Supplier shall not make any deductions from wages, except income tax withholding and those that are legally allowed under applicable law. HF Group encourages Suppliers to work toward paying a wage that is sufficient to meet basic needs and provide some discretionary income.

Working hours for workers shall reflect applicable legal norms and overtime hours shall be paid at the legally mandated rate or in line with the guidance provided by ILO Convention 1 (the rate of pay for overtime shall not be less than one-and-one-quarter times the regular rate) if there is no mandated rate.

Suppliers shall ensure that work schedules and rest periods are consistent with applicable local legal requirements. Work hours and schedules should not be excessive and negatively impact employees' health or safety.

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**4.6 No Discrimination, Abuse, or Harassment.** Supplier shall not discriminate in hiring, compensation, training, advancement or promotion, termination, retirement, or any other employment practice based on race, colour, national origin, gender, gender identity, sexual orientation, military status, religion, age, marital or pregnancy status, disability, or any other characteristic other than the worker's ability to perform the job.

Supplier shall treat workers with respect and dignity.

Supplier shall not subject workers to corporal punishment, or physical, verbal, sexual, or psychological abuse or harassment. Supplier must not condone or tolerate such behaviour by its Partners.

## 5. Health and Safety

**5.1 Workplace safety.** Supplier shall provide a safe, healthy, and sanitary working environment. Supplier shall implement procedures and safeguards to prevent workplace hazards, and work-related accidents and injuries, including procedures and safeguards to prevent industry-specific workplace hazards, and work-related accidents and injuries, that are not specifically addressed in these Standards.

General and industry-specific procedures and safeguards include those relating to:

- health and safety inspections;
- equipment maintenance;
- maintenance of Facilities;
- worker training covering the hazards typically encountered in their scope of work;
- fire prevention; and
- documentation and recordkeeping.

Supplier shall provide workers adequate and appropriate personal protective equipment to protect workers against hazards typically encountered in the scope of work.

**5.2 Health Safety and Quality.** HF Group is dedicated to providing safe, high-quality products and we expect our Suppliers to help us meet this commitment. Products and services delivered must meet or exceed health, safety and quality standards required by applicable law and HF Group's standards. Additional health safety and quality terms and conditions may be put in place by our health, safety & quality teams to comply with applicable legal and customer requirements. Any concerns regarding product health, safety or quality must be reported to HF Group at the earliest opportunity.

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## 6. Environmental Protection and Sustainability

HF Group is committed to reducing our environmental impact across its supply chain and to supporting sustainable operational and production practices. Suppliers should work towards responsibly and sustainably sourcing ingredients, packaging materials and other goods and services in a way that will help reduce our impact on air, land and water.

Supplier shall operate its Facilities in compliance with all environmental laws, including laws and international treaties relating to environmental protection, deforestation, biodiversity, waste and waste water management, emissions, discharges and hazardous and toxic material handling. Supplier shall maintain environmental management policies and procedures as appropriate for each of its Facilities. Any material breach should be reported to HF Group with suitable corrective actions in place to address and prevent reoccurrence.

Additionally, HF Group's regional teams may require information regarding carbon emission, energy consumption, waste, pollution and/or other environmental regulations or markers in order to comply with their respective legal or customer obligations. Suppliers shall timely provide accurate information on these matters.

## 7. Business Ethics

**7.1 No Bribery/Kickbacks.** Suppliers will not engage in any form of bribery or otherwise offer any incentive or kickback to any HF Group employee, HF Group employee's family or friends, or other representative of HF Group in order to obtain or retain HF Group business or secure any business advantage with HF Group. Suppliers will comply with the UK Bribery Act and all other local, regional or otherwise applicable laws and regulations relating to the bribery of government officials and commercial entities.

**7.2 Avoid Conflicts of Interest.** Suppliers will avoid any interaction with a HF Group employee or agent that may conflict, or appear to conflict, with that employee or agent acting in the best interests of HF Group. This includes offering or providing payments or employment opportunities to HF Group employees.

**7.3 Gifts and Entertainment.** Suppliers are prohibited from providing or offering gifts to HF Group employees that could inappropriately influence, or reasonably appear to influence, HF Group's business decisions or attempt to gain an unfair advantage. HF Group employees are likewise prohibited from doing the same with respect to all HF Group business partners. In accordance with applicable law or policy, gifts and entertainment may be allowed for: a) the cost of meals, lodging or travel if, and only if,

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the cost is reasonable, bona fide and directly related to the promotion, demonstration or explanation of products or services or the execution of a contract; or b) promotional gifts of nominal value in recognition of services or to promote goodwill.

**7.4 Fair Competition.** Suppliers will comply with all applicable laws regarding fair competition and antitrust.

**7.5 Protect Information.** Suppliers will protect HF Group 's confidential information, including personal information, and act to prevent its misuse, theft, fraud or improper disclosure and will comply with all applicable data privacy laws. Suppliers must take all due care in handling, discussing or transmitting sensitive or confidential information that could affect HF Group, its employees, its customers, the business community or the general public.

**7.6 International Trade.** Suppliers shall comply with all applicable laws governing international trade, including import and export control, as well as any applicable sanction laws and regulations. Suppliers will provide HF Group with all information and documentation necessary for HF Group to comply with import/export laws, and will implement practices and procedures to ensure security of their supply chain under applicable regulations.

**7.7 Accurate Accounting and Business Records.** Suppliers will create and maintain, and provide access to HF Group upon request, complete and accurate records of all matters related to the supplier's business with HF Group. Supplier shall not create any off-the-book transactions with respect to HF Group, engage in any form of money laundering, or knowingly accept funds acquired through illicit means. Upon request, Supplier shall make available all relevant records to HF Group or its appointed agent. Additionally, integrity and transparency are expected in all transactions and Supplier shall voluntarily and timely submit to HF Group or its appointed agent complete and accurate records supporting any material statements or declarations made by Supplier in conjunction with its business with HF Group. Falsification of any records is strictly prohibited.

## 8. Report Violations

Violations of the Code of Conduct, or any questions or comments, can be submitted to:

Pat Rafferty BSc OSH CMIOSH AIEMA  
HF Group Limited  
100 Albert Drive,  
Glasgow G41 2SJ.  
Email: [pat.rafferty@hf-group.co.uk](mailto:pat.rafferty@hf-group.co.uk)  
Telephone: 0141 429 5575, DD: 0141 429 9308

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Signed:

Hugh R Fulton

Group Managing Director

Date: 1<sup>st</sup> August 2023

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