



FOUR32

Responsible Sourcing Policy

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1. PURPOSE & SCOPE

- 1.1 This policy sets out Four32's policy on the expectations it has from its Suppliers regarding sustainable business practices.
- 1.2 This policy applies to all employees and sourcing decisions.

2. APPROVAL & RESPONSIBILITY

- 2.1 This policy has been approved by the board of directors, who have ultimate responsibility for this policy and for ensuring it is adequately communicated.
- 2.2 All Employees are responsible for observing and complying with all applicable provisions of this policy and for avoiding any activity that might lead to, result in or suggest a breach of this policy.

3. POLICY STATEMENT

- 3.1 It is the business's policy to require high standards of sustainable business practices from its suppliers.
- 3.2 The business expects its suppliers to aspire to be sustainable in their operations and their own supply chain, with high standards of environmental, social and ethical responsibility.
- 3.3 As a minimum, the business's Suppliers are expected to comply with all relevant laws, respect human rights and share the business's social and environmental commitments.

4. ENVIRONMENTAL

- 4.1 The business is committed to respecting and protecting the environment, minimising the potential negative impact that its business may have on the environment over the longer term, and complying with environmental laws. The business expects the same approach from its Suppliers.
- 4.2 In this regard, the business expects the following from its Suppliers:
 - (a) High Environmental Standards. Suppliers must conduct their business in a way which safeguards the natural environment.
 - (b) Environmental Compliance. Suppliers must comply with all applicable environmental laws and regulations, including those relating to regulated chemicals and substances, obtain and comply with all necessary environmental permits and properly dispose of all hazardous and regulated substances.



- (c) Climate Change. Suppliers must proactively work to decarbonise and reduce their emissions, including taking steps to improve energy efficiency, utilise renewable energy, and reducing or eliminating greenhouse gas emissions. Suppliers must measure their carbon footprint in line with international best practice and set targets to reduce their scope 1, 2 and 3 carbon emissions to help achieve a net-zero global economy by 2050. Suppliers must also work to ensure their products and/or services are contributing towards the decarbonisation of the industries in which they operate.
 - (d) Water. Suppliers must understand their impact on water and manage their water usage appropriately in line with responsible water stewardship practices. Suppliers must aim to reduce water consumption where appropriate.
 - (e) Environmental Degradation. Suppliers must refrain from activities which have negative short or long-term consequences to the health of the planet. This includes avoiding or minimising water pollution, air pollution, land degradation and natural resource depletion.
 - (f) Biodiversity. Suppliers must avoid any damage to local biodiversity and ensure that their operations and business activities do not contribute to deforestation.
 - (g) Waste & Resource Use. Suppliers must manage resources such as metals and plastics appropriately and reduce waste going to landfill by implementing recycling and other waste reduction initiatives. This includes adopting circular economy principles when designing and supplying those products to reduce the amount of resources required and waste produced in manufacturing, supplying and using those products. Suppliers must also seek to eliminate unnecessary packaging, using reusable packaging where possible.
- 4.3 The business also expects its Suppliers to provide data on their own businesses and operations necessary to enable the business to track, monitor and improve its environmental performance.

5. HUMAN RIGHTS

- 5.1 The business is committed to respecting internationally recognised standards and principles of human rights, including those set out in the United Nations Universal Declaration of Human Rights, the 10 principles of the United Nations Global Compact and the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work. The business expects the same approach from its Suppliers.
- 5.2 In this regard, the business expects the following from its Suppliers:
- (a) Force Labour, Slavery & Human Trafficking. The business has a zero-tolerance approach to slavery & human trafficking in its business. The business expects the same zero-tolerance approach to slavery & human



trafficking from its Suppliers, which amongst other things means that Suppliers must not any form of forced, bonded or involuntary labour or engage or participate in any way in slavery or human trafficking. Suppliers must not ask their employees or workers to pay recruitment or agency fees; confiscate, destroy, conceal, and/or deny access to workers' passports or other identity documents; or engage in any activities intended to restrict worker freedom of movement. Suppliers must ensure that all work is conducted on a voluntary basis and Suppliers' employees are free to terminate their employment by giving notice in accordance with the terms of their employment.

- (b) Diversity, Equity & Inclusion. The business understands the importance of diversity, equity and inclusion, and aims to ensure its workforce is diverse, equitable, and inclusive, free from bullying, harassment, victimisation and unlawful discrimination. The business expects the same approach from its Suppliers, which means that within the laws, customs and practices of the countries in which they operate, Suppliers must not unreasonably or unlawfully discriminate against any employee or worker, nor engage in actual or threatened physical abuse or discipline, sexual or other harassment, or verbal abuse or intimidation.
- (c) Freedom of Association, Collective Bargaining & Employment Terms. The business recognises employees' rights to join, form or not join a trade or labour union and to bargain collectively as permitted by applicable laws. The business is also committed to operating in compliance with all applicable laws relating to wages, pay, benefits and working hours. The business expects the same approach from its Suppliers, which means that Suppliers must comply with their obligations to their employees and workers relating to wages and benefits, working hours, freedom of association and collective bargaining.
- (d) Health & Safety & Working Conditions. The business is committed to maintaining the highest standards for health and safety, and to providing a safe workplace which complies with all applicable health and safety laws. In addition to ensuring a safe workplace, the business is also committed to ensuring that its workplaces constitute an acceptable working environment for Employees (and any other people who visit or work at our sites) in which they feel comfortable working. The business expects the same approach from its Suppliers, which means that Suppliers must comply with all applicable health and safety laws and regulations; provide a safe, clean and hygienic workplace for their employees and visitors; and properly identify and assess all hazards and risks associated with the use of their products or services and ensure that adequate safeguards and working practices are in place to reduce or eliminate them.



- (e) Child Labour. The business believes that children should not be exploited in any way. The business does not tolerate the use of child labour and prohibit the hiring of those younger than the relevant legal minimum age for employment or the age of completion of compulsory education, other than via legitimate work placement or experience schemes. The business expects the same approach from its Suppliers and will not work with Suppliers who use child labour.

6. ETHICAL CONDUCT

- 6.1 The business is committed to operating to the highest ethical standards and expects the same from its Suppliers.
- 6.2 In this regard, the business expects the following from its Suppliers:
 - (a) Legal Compliance. Suppliers must conduct their business in accordance with all laws and regulations of the countries in which they operate and to which you they subject, including those relating to data privacy and data protection, all applicable trade compliance regimes such as export and import controls, embargoes and sanctions, and applicable anti-trust and competition laws. Suppliers must not fix prices or rig bids with their competitors, allocate customers or markets, or exchange current, recent or future pricing information with or between them.
 - (b) Ethical Standards. Suppliers must maintain high standards of integrity, honesty, professionalism and fair-dealing, and high standards of social responsibility. They must not commit any act which may adversely impact the business's reputation or good standing, and must not engage in or facilitate financial crime, including money laundering or tax evasion.
 - (c) Bribery & Corruption. The business has a zero-tolerance approach to bribery and corruption. It is not acceptable in any form. Suppliers must comply with all applicable anti bribery and corruption legislation, never engage in in any practice which is, or might be perceived to be, corrupt or fraudulent, and never pay nor accept (nor tolerate anyone else paying or accepting) any bribes, 'kickbacks' or other similar payments or inducements. This includes 'facilitation payments' made to facilitate or speed up official or governmental procedures.
 - (d) Conflicts of Interest. Properly identifying and managing conflicts of interest is important for a number of reasons. In particular, conflicts of interest could damage the business's business and reputation and could have a negative impact on Employees and others involved. Accordingly, Suppliers must avoid engaging with Employees in a way which results in, or may be perceived to result in, an inappropriate conflict of interest for them.
 - (e) Ethical Sourcing. Suppliers must engage in sustainable and ethical sourcing practices, including only purchasing from ethically responsible sub-suppliers, seeking to source within the region of consumption, not



knowingly using conflict minerals, or commodities that contribute to deforestation, and conducting the due diligence necessary to ensure they meet these requirements.

- (f) Speaking Up. Suppliers must operate their business in a way which encourages their employees and workers to raise any concerns about ethical or legal conduct, without fear of retaliation and provide grievance and whistleblowing mechanisms that are accessible to their employees and workers.

9. NON-COMPLIANCE BY SUPPLIERS

New Suppliers who are unable to comply with the expectations of the business as set out in this policy, should not be dealt with. In the event that any investigation concludes that any existing Supplier breaching the requirements of this policy, steps should be taken to ensure that such breach will not be repeated and (if appropriate) the Group should cease doing business with the Supplier soon as practicable whilst avoiding any disruption or damage to the Group's operations.