

# Acal BFi Group - Supplier Code of Conduct

## ABOUT THIS CODE

Corporate integrity, responsible sourcing and the safety and wellbeing of workers in the countries where we conduct business are of paramount importance to the Acal BFi Group. These core principles are reflected in this Supplier Code of Conduct (**Code**), which establishes the minimum standards that must be met by any entity that supplies goods, products or services to the Acal BFi Group.

## DEFINITIONS AND SCOPE

In this Code:

**Supplier** means a company, partnership or individual that provides goods or products to one or more members of the Acal BFi Group of companies but could extend to the provision of services.

**Worker** means any individual whom the Supplier employs, hires or engages, or otherwise uses to conduct its business.

**Representative** means the Supplier's suppliers, vendors, agents, and subcontractors who are involved in the Acal BFi Group supply chain.

### SUPPLIER'S COMMITMENT

The Supplier agrees that:

It will comply with the requirements in this Code.

It has appropriate systems in place to ensure continuous compliance and to demonstrate such compliance.

Acal BFi Group reserves its right to terminate its relationship with the Supplier in the event of a breach of this Code, if the Supplier fails to remedy a breach within a reasonable period after being notified to do so. In the most severe of failures this could include the cancellation of all open purchase orders.

## 1. Compliance with laws and regulations and priority of standards

1.1 In carrying out its agreement with the Acal BFi Group, the Supplier shall, in addition to complying with the standards set out in this Code, comply with all applicable UK and EU laws and regulations (and if applicable, the laws and regulations of any other jurisdiction where it or its Representatives operate) including but not limited to the laws and regulations relating to issues addressed in this Code.

1.2 Competing standards shall be addressed as follows:

- (a) If there is a conflict between any applicable laws or regulations, the provisions of an agreement with the Acal BFi Group and the provisions of this Code, the Supplier shall meet the most stringent standard.
- (b) If there is a conflict between the provisions of an agreement with the Acal BFi Group and the provisions of this Code, the Supplier shall meet the more stringent standard.

## 2. Updating this Code

The Acal BFi Group has the right to modify this Code from time to time on giving the Supplier at least 10 days' notice in writing (writing includes email).

### 3. Workforce issues

3.1 **Slavery, human trafficking and child labour.** The Supplier shall comply with all applicable anti-slavery and human trafficking laws, statutes, regulations and codes from time to time in force including but not limited to the UK Modern Slavery Act in any part of its supply chain. This includes, but is not limited to, not supporting or engaging or requiring any forced labour, the use of child labour, bonded labour, indentured labour and prison labour.

3.2 **Human rights.** The Supplier shall comply with all internationally recognised human rights understood, at a minimum, as those expressed in the International Bill of Human Rights and the principles concerning fundamental rights set out in the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work from time to time in force.

3.3 **Equal opportunities.** Acal BFi Group is an equal opportunities employer and Suppliers shall not discriminate in hiring, compensation, training, advancement or promotion, termination, retirement or any employment practice based on race, caste, colour, national origin, gender, gender identity, sexual orientation, religion, age, marital or pregnancy status, disability, union membership or political affiliation or any other characteristic other than the worker's ability to perform the job subject to any accommodations required or permitted by law.

3.4 **Freedom of association and collective bargaining.** The 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.

3.5 **Working environment.** The Supplier shall provide a safe, healthy, and sanitary working environment and comply with Global health and safety regulations and any other relevant laws where it operates. This includes, but is not limited to, implementing general and relevant industry-specific procedures and safeguards to prevent workplace hazards and work-related accidents and injuries. Where such hazards cannot be adequately prevented or controlled, the Supplier shall provide workers with appropriate safe work procedures, technical protective measures and adequate maintenance to mitigate health and safety risks in the workplace to prevent accidents and occupational illnesses in the workplace. In addition, Suppliers shall provide workers with personal protective equipment to protect against hazards typically encountered in that scope of work.

Safety information relating to any identified workplace risk or hazardous materials – including compounds in intermediate materials – shall be available to educate, train and protect workers from hazards. A safe and healthy working environment shall include as a minimum the provision of potable drinking water, adequate lighting, temperature, ventilation and sanitation.

3.6 **Wages and remuneration.** The Supplier must compensate all workers with wages, and benefits that at a minimum meet the higher of:

- (a) the minimum wage and benefits established by applicable law;
- (b) collective agreements;
- (c) industry standards; and
- (d) an amount sufficient to cover basic living requirements.

3.7 **Harassment.** Acal BFi Group does not tolerate any form of harassment in the workplace, including sexual harassment. The Supplier must take appropriate measures to prevent harassment, including sexual harassment, occurring in the workplace including as part of the service provided to the Acal BFi Group, and provide evidence of any such measures to the Acal BFi Group on request.

#### **4. Data protection and information security**

- 4.1 The Supplier shall comply with all data protection laws and requirements (including but not limited to the UK GDPR) when processing any personal data on the Acal BFi Groups' behalf.
- 4.2 The Supplier shall have in place appropriate measures to:
  - (a) protect the integrity and confidentiality of information (including information belonging to or supplied by the Acal BFi Group) held on its systems (which include physical and online or electronic systems); and
  - (b) ensure that there is no unauthorised access of the information by third parties, including its Representatives.

#### **5. Artificial intelligence (AI)**

- 5.1 The Supplier shall give the Acal BFi Group as much advance notice as possible if it proposes to use an artificial intelligence (AI) system to provide goods or services to the Acal BFi Group. This applies to the Supplier's use of AI systems to directly provide goods services, and not to use of AI systems as part of the Supplier's internal management.
- 5.2 The Supplier shall implement and adhere to the highest standards of responsible and ethical practices when designing, implementing, monitoring, training, testing, deploying, or otherwise developing or using AI systems. This includes adhering to all applicable:
  - (a) laws and regulations;
  - (b) industry requirements and standards; and
  - (c) guidance and codes of practice issued by a relevant regulatory authority.
- 5.3 Without limiting the Supplier's obligations under paragraph 5.2, the Supplier shall:
  - (a) ensure that any AI systems developed or used by the Supplier are robust, secure, and safe throughout their entire lifecycle;
  - (b) develop and use AI systems in a way that respects human rights and human-centric values, including:
    - (i) fairness, equality, diversity, privacy and data protection; and
    - (ii) avoiding discrimination and bias;
  - (c) be transparent about when and how AI is used;
  - (d) ensure the explainability, auditability and traceability of any AI systems used or developed by the Supplier, including their outputs;
  - (e) establish and maintain appropriate governance, risk management, policies and procedures that promote the responsible, accountable and ethical use of AI systems; and
  - (f) where appropriate, ensure that decisions or outcomes from an AI system are contestable.

The Supplier must be able to demonstrate to the Acal BFi Groups' satisfaction that it has embedded these requirements into its responsible AI practices.

- 5.4 The Supplier must not use or retain the Acal BFi Groups' data or confidential information for the purposes of training or inputting into any AI system or model without prior written approval of the Acal BFi Group.

5.5 Where the Supplier uses third-party providers to develop an AI system, it must implement appropriate risk management and supervision measures to ensure that such third-party provider adheres to the standards set out in this paragraph 5.

## **6. Environmental responsibility**

6.1 The Supplier shall ensure that:

- (a) its operations seek to reduce negative environmental impacts and comply with all applicable environmental laws, including laws and international treaties relating to (but not limited to) waste disposal, emissions, pollution, discharges and the handling of hazardous and toxic materials;
- (b) the goods it manufactures (including the inputs and components that it incorporates into its goods) comply with all applicable environmental laws and treaties;
- (c) it will only use packaging materials that comply with all applicable environmental laws and treaties; and
- (d) it will ensure that goods supplied to the Acal BFi Group do not contain metals derived from minerals or their derivatives originated from conflict regions that directly or indirectly finance, or benefit armed groups and cause or foster human rights abuses and that the Supplier will adhere to the Acal BFi Groups' policy on Conflict Minerals and regulations relating to conflict minerals.

6.2 The Supplier shall have in place a suitable environmental management system for managing its environmental risks. We would value Supplier's who are working towards or have a certified management system, such as, or similar to ISO14001 (UKAS Accredited). As a minimum, the system should include and address the following:

- (a) an assessment of the environmental impact of all historical, current and likely future operations;
- (b) steps to continuously improve environmental performance, reduce pollution, emissions and waste;
- (c) measures to reduce the use of all raw materials, energy and supplies; and
- (d) raising awareness and training workers in environmental matters.

## **7. Product Safety**

Suppliers must comply with product safety regulations, label products properly and communicate product-handling requirements. They shall provide relevant parties with the applicable documentation containing all necessary safety-relevant information for all hazardous substances in case of a legitimate need, under relevant regulations such as REACH Regulation and RoHS Directive. All suppliers shall provide updated information relating to product compliance upon request.

## **8. Quality**

Suppliers shall meet generally recognised manufacturing, product or service quality standards or contractually agreed quality requirements and accreditations. Suppliers shall immediately address all critical issues that have the potential to negatively affect the quality of goods and services. Suppliers must inform the Acal BFi Group about changes to the manufacturing or supply process that have the potential to impact the specification of goods and services provided. We would value Supplier's who are working towards or have a certified quality management system, such as, or similar to ISO9001 and ISO14001 (UKAS Accredited).

## **9. Bribery and corruption**

9.1 The Supplier shall comply with all applicable laws, statutes, codes and regulations relating to the prevention of bribery and corruption (including but not limited to the Bribery Act 2010). To that end, the Supplier shall not accept, offer, promise, pay, permit or authorise:

- (a) bribes, facilitation payments, kickbacks or illegal political contributions;
- (b) money, goods, services, entertainment, employment, contracts or other things of value, in order to obtain or retain improper advantage; or
- (c) any other unlawful or improper payments or benefits.

## **10. Unfair business practices**

10.1 The Supplier shall comply with all applicable competition laws (including but not limited to the Competition Act 1998), including but not limited to those relating to teaming and information sharing with competitors, price fixing and rigging bids.

## **11. Export Laws**

11.1 The Supplier shall comply with all relevant export control and sanctions legislation when exporting or importing goods or technology and shall plan for and obtain all necessary authorisations and permits to ensure timely and compliant delivery of their products. Where an authorisation or permit so requires, Suppliers shall also have in place all the necessary processes to manage access to export controlled goods or technology only by staff or other entities authorised to have such access. Suppliers should also be alert for suspicious enquiries from those who might be attempting to gain illicit access to goods, software, or technology.

## **12. Procuring and managing Representatives**

12.1 When assessing the Supplier's performance against the requirements set out in this paragraph, the Acal BFi Group shall have due regard to the risk profile of the transaction, the Supplier's ability to comply with the requirements and the consequences where the Supplier fails to meet those requirements.

12.2 With regard to prospective Representatives, the Supplier shall carry out appropriate due diligence on prospective Representatives that will form part of the Acal BFi Groups' upstream supply chain. At a minimum, the due diligence must include the following:

- (a) investigations into prospective Representatives' stance, public statements and actions on human rights, treatment of workers, bribery, ethical behaviour and environmental outlook;
- (b) risk assessments for countries from which materials, components or finished goods are sourced; and

- (c) the prospective Representative's ability to meet the requirements and principles that are covered in this Code.

**12.3** In its dealings with Representatives, the Supplier shall:

- (a) ensure that agreements with Representatives include provisions that require the Representatives to comply with applicable provisions of this Code, having due regard to the risk profile of the transaction, the Representative's ability to comply with those provisions and the consequences where the Representative fails to meet those requirements;
- (b) ensure that it has measures to monitor that those Representatives are complying with those compliance-related provisions and that it has systems in place to address any deficiencies or breaches of those requirements; and
- (c) pay its Representatives promptly, with the maximum payment period and within any defined regulatory period.

**13. Training**

- 13.1 The Supplier shall implement a system of training for its workers to ensure that they are aware of the requirements of this Code.
- 13.2 The Supplier shall keep a record of all training offered and completed by its workers and shall make a copy of such record available to the Acal BFi Group on request.

**14. Certifying compliance and audit**

- 14.1 The Supplier shall provide written confirmation to the Acal BFi Group at least once per year that:
  - (a) it has appropriate systems in place to monitor its compliance with this Code; and
  - (b) it is able to comply with this Code for the duration of its relationship with the Acal BFi Group.
- 14.2 In addition to the written confirmation at paragraph 14.1, the Acal BFi Group may conduct audits to verify the Supplier's compliance with this Code. The Acal BFi Group has no obligation to conduct such audits.

**15. Self-monitoring and reporting breaches**

- 15.1 The Supplier shall monitor its compliance with the Code and shall report any breaches (actual or suspected) of this Code as soon as possible to your Purchasing Contact or Business Development Director.
- 15.2 The Supplier shall not retaliate or take disciplinary action against any worker that has, in good faith, reported breaches of this Code or questionable behaviour, or who has sought advice regarding this Code.

**16. Breach, remediation and termination**

- 16.1 Where the Acal BFi Group becomes aware of a breach of this Code by the Supplier or its workers, the Acal BFi Group may require the Supplier to produce a remediation plan specifying the actions that the Supplier will take that will lead to compliance with the Code and present it to the Acal BFi Group within 5 days of being requested to do so. If the Supplier fails to produce the remediation plan within this timeframe or fails to implement it within a reasonable time, the Acal BFi Group reserves its right to terminate its business relationship with the Supplier (which could include any contracts or open purchase orders).

- 16.2 Where the Acal BFi Group becomes aware that a Representative has been involved in an incident (or incidents) that would constitute a breach of any of the requirements under this Code, were they bound directly by it, the Acal BFi Group may require the Supplier to remedy that incident (or incidents) with that Representative. If the Supplier is not able to remedy such incident with that Representative within 5 days, the Acal BFi Group reserves its right to terminate its business relationship with the Supplier (which could include any contracts or open purchase orders).