



Macfarlane Group

Supplier Code of Conduct

Version 1.0

Overview

This supplier code of conduct applies to any organisation that supplies goods or services to Macfarlane Group (“Macfarlane”) and its subsidiary organisations.

Macfarlane intends to work only with suppliers from a position of trust, teamwork and mutual respect. Our expectation is that Macfarlane suppliers support our commitment to doing not only what is good for business, but also what is good for employees, the communities in which we operate and our environment.

This document outlines the minimum expectations we have of our suppliers in key areas. Every supplier is expected to meet these standards and establish policies and procedures to ascertain assurance that they do.

It is the supplier’s responsibility to comply with the code. Any failure to comply with the code should be reported immediately to us upon identification. While Macfarlane reserve the right to take any action it deems appropriate, we strive to work with all suppliers on a collaborative basis that helps facilitate the most constructive response.

Nothing in this Code is meant to supersede more stringent provisions in any particular contract. Suppliers are expected to be aware of, understand and build processes to comply with all applicable laws in all jurisdictions where they operate.

Where the provisions of the law and this Code address the same subject, to the extent legally permitted, suppliers should apply the provision which furthers the intent of this Supplier Code.

Employment

Child Labour

Supplier shall not exploit child labour and shall not employ any workers under the age of 15 or the minimum legal working age, whichever is greater.

Employment of workers under the age of 18 should not interfere with their compulsory education or require that child to undertake duties unsuitable for their age, including operating heavy machinery, with chemicals and/or heavy lifting.

Forced Labour

Suppliers shall not use forced or involuntary labour. All work must be conducted under freely agreed terms.

Workers are not required to lodge deposits or their identity papers with their employer and are free to leave employment after reasonable notice.

Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively.

Forced Labour (*continued*)

The employer adopts an open attitude towards the activities of trade unions and their organisational activities.

Factories shall carry out risk assessments to understand areas of vulnerability, raise awareness internally and externally to establish clear policies and due diligence on human trafficking.

Discrimination

Suppliers shall foster a culture that seeks to promote equal opportunity for all. Supplier shall not tolerate discrimination on the basis of gender, race, religion, age, disability, gender identity, sexual orientation or those categories protected by local law.

Wages and working hours

Supplier shall meet applicable standards regarding working conditions across its entire workforce, including, without limitations, law, regulations and standards relating to the payment of the minimum legal wage or a wage that meets local industry standards, if greater.

All workers shall be provided with written and understandable information about their employment conditions in respect to wages before they enter employment.

Working hours must comply with national laws. All overtime shall be used responsibly and in line with legal and contractual agreements.

Workers shall be provided with at least two days off in a 14-day period and holidays will be granted in accordance with local laws.

Environmental

Climate Change

Supplier shall take reasonable steps to understand and reduce their greenhouse gas emissions. We would expect these plans to be ambitious but also proportionate to the relative size of the organisation and their respective level of influence across the supply chain.

Increasingly we will ask our suppliers to formally report on progress with reducing greenhouse gas emissions and suppliers should be prepared to respond to this effectively.

Resource Efficiency and waste reduction

Supplier shall proactively seek to improve resource efficiency and reduce resource consumption, including raw materials, energy, water and fuel.

Supplier shall make reasonable efforts to eliminate or reduce levels of waste generated and to increase the level of reuse and recycling wherever possible in support of a more circular economic model.

Supplier is encouraged to develop and use environmentally friendly innovations and practices that reduce negative environmental impacts.

Biodiversity

Suppliers shall ensure that raw materials are responsibly sourced from sustainable and well managed operations and take steps to ascertain appropriate assurances around that.

Supplier shall take all reasonable steps to remove toxic and hazardous chemicals and pollutants from operations and clearly label and disclose any potentially harmful chemicals that are strictly necessary for the purposes of production.

Human Rights

Humane Treatment

Supplier shall treat all workers with dignity and respect and not subject them to demeaning conditions.

Supplier shall respect individuals right to privacy and comply with all relevant legislation that enshrines those rights in law, such as GDPR.

Harassment

Supplier shall foster a culture and workplace that does not tolerate harassment, including sexual harassment, threats of harassment or retaliation for reporting harassment.

Supplier should proactively put in place procedures to reduce the risk of harassment in the first place and for identifying and robustly dealing with it, wherever it does occur.

Health and Safety

Supplier must be committed to continuous improvement of factory standards and improving working conditions.

A safe and hygienic working environment shall be provided with adequate steps taken to prevent accidents and injury to health.

Workers shall receive a Health and Safety Induction, regular and recorded health and safety training. Such training shall be repeated for new or reassigned workers.

Contractors

Sub-contractors

Suppliers should declare all sub-contractors to Macfarlane before the start of any arrangement and receive authorisation from appropriate personal in advance.

Sub-contracts are expected to fully comply with this code of conduct in the same manner as direct suppliers are. Suppliers are responsible for ensuring the compliance of subcontractors and ascertaining appropriate assurances, wherever necessary.

Agency Labour

If workers are sourced from a third party, suppliers must ensure that the third party is reputable and, if required, properly licensed. Suppliers must also take reasonable steps to ensure that all workers supplied have the right to work in the country of operation and are engaged on terms that at least comply with minimum legal requirements in that country.

Business Ethics

Business Integrity

Supplier shall not knowingly engage in any illegal or unethical behaviour. Supplier is expected to uphold standards of fair business practices and maintain confidential processes to enable employees and contractors to report incidents of unethical behaviour without fear of recrimination.

Anti-Competitive Behaviour

Supplier shall not engage in any anti-competitive behaviour that seeks to deliberately distort market conditions and a fully competitive operating environment. This includes any forms of price fixing, market allocation, production limitations or other actions that could materially distort free competition.

Corruption

Supplier shall neither make bribes nor accept them. Supplier shall use reasonable practices to prevent bribery in all forms and shall support efforts to fight corruption, as applicable. Supplier shall not engage or assist any third party with any money laundering, terrorist financing or other financial crime activities.

Confidential Information

Supplier must protect confidential information provided by Macfarlane that it is privy to. This includes designing and maintaining processes to provide appropriate protection for this information against viable threats, such as Cyber Security.

Conflict of interest

Supplier shall not allow bias, conflict of interest or inappropriate influence of others to override its professional judgments and responsibilities. Supplier shall voluntarily declare any such conflicts involving Macfarlane.

Audit and Compliance

Audit

Macfarlane and its appointed officials reserve the right to undertake audits of suppliers, compliance with this code or other matters at any time. The

supplier is expected to fully comply with any such request in a reasonable timescale and make the appropriate personal and documents available upon request.

Refusing to take part in any such audit or obstructing the process will be seen in itself as a breach of this code.

For all overseas supplies, outside of the UK market, Macfarlane requires the supplier to be members of Sedex and comply fully with the Sedex audit programme.

Supplier Compliance

The Supplier agrees that any non-compliance issues raised by regular audits and inspection will be agreed with Macfarlane and a timetable for the rectification of these points will be implemented to ensure full compliance in a timely manner.

Ongoing business with Macfarlane depends upon full compliance with this code and Macfarlane therefore reserve the right to take any action it deems appropriate should sustained non-compliance occur.

Whistleblowing

Any issues of compliance are best raised wherever possible through the relevant management chain. Where however the relevant management chain may be at fault or prove to be unresponsive, Macfarlane operates an independent whistleblowing helpline to enable suppliers to report breaches of this code or any other wrongdoing, independent of management chains. These reports can be made anonymously if preferred. Our whistleblowing key contacts are Helen Cashmore, HR Director: hcashmore@macfarlanepackaging.com and Stewart Brown, Head of Internal Audit: sbrown@macfarlanepackaging.com