

PART A - INTRODUCTION

1. POLICY STATEMENT

- 1.1 The Company is committed to ensuring that it supplies high quality products that are sourced and manufactured in a fair, ethical and environmentally responsible way. The Company must work closely with its suppliers ("**Suppliers**") to ensure this commitment is met.
- 1.2 This Ethical Trading Policy (this "**Policy**") sets out the minimum standards the Company requires itself and its Suppliers to comply with. In addition, the Company requires that its Suppliers ensure that their suppliers, agents, and sub-contractors comply with standards no less strict than as set out in this Policy.
- 1.3 In addition to the above, AG Barr Procurement processes include actions to ensure supplier awareness and compliance of our Ethical Trading Policy requirements.
- 1.4 If any Supplier fails to comply with this Policy, the Company may terminate its contract with the Supplier with immediate effect upon giving the Supplier written notice.

PART B – ETHICAL TRADING STANDARDS

2. LAW & REGULATION

- 2.1 Suppliers must comply with this Ethical Trading Policy and with all applicable national and international laws, regulations, directives, codes of practice, and standards, in the countries in which they operate ("**Applicable Laws**").
- 2.2 Suppliers must comply with any applicable Company policies notified to them from time to time.
- 2.3 Without limiting Sections 2.1 or 2.2, Suppliers must comply with the Company's Anti-Bribery & Corruption Policy and Anti-facilitation of Tax Evasion Policy (copies of which are available at <https://www.agbarr.co.uk/termsofbusiness/> or such replacement URL as may be notified to the Supplier from time to time).

3. EMPLOYMENT

- 3.1 Without limiting Sections 1 and 2, Suppliers must ensure that all its workers are:
 - 3.1.1 free to choose to work for the Supplier - there must be no forced or compulsory labour;
 - 3.1.2 free to leave employment with the Supplier after reasonable notice is served; and

3.1.3 provided with an easy to read contract of employment with particular clarity in relation to wage levels. If any worker is unable to read, the contract of employment should be read and explained to them by a union representative or another appropriate third party.

3.2 Suppliers must:

3.2.1 establish recognised employment relationships with their workers that are in accordance with all national laws;

3.2.2 ensure that wages comply with all national laws (including in relation to minimum wage);

3.2.3 not make deductions from wages unless permitted by national laws or with the express permission of the worker in question (such permission having been obtained lawfully and freely);

3.2.4 not prevent or discourage workers from joining trade unions and must respect their workers' rights to freedom of association and the right to collective bargaining;

3.2.5 ensure that discrimination, harsh or inhumane treatment of any worker is prohibited and systems are in place to prevent this; and

3.2.6 be FSC certified for the supply of timber based products to meet the Company's sustainable sourcing standards.

3.3 The following will apply in relation to working hours:

3.3.1 Working hours must comply with national laws, collective agreements, and the provisions defined in Sections 3.3.2 to 3.3.5 below, whichever affords the greater protection for workers.

3.3.2 Working hours, excluding overtime, shall be defined by contract, and shall not exceed 48 hours per week.

3.3.3 All overtime shall be voluntary. Overtime shall be used responsibly, taking into account all the following: the extent, frequency and hours worked by individual workers and the workforce as a whole. It shall not be used to replace regular employment. Overtime shall always be compensated at a premium rate, which is recommended to be not less than 125% of the regular rate of pay, except where a consolidated rate of pay has been negotiated with worker representation.

3.3.4 The total hours worked in any 7 day period shall not exceed 60 hours, except where covered by Section 3.3.5 below.

3.3.5. Working hours may exceed 60 hours in any 7 day period only in exceptional circumstances where all of the following are met: (A) this is allowed by national law, (B) this is allowed by a collective agreement freely negotiated with a workers' organisation representing a significant portion of the workforce, (C) appropriate safeguards are taken to protect the workers' health and safety, and (D) the employer can demonstrate that exceptional circumstances apply such as unexpected production peaks, accidents or emergencies.

3.3.6 Workers shall be provided with at least 1 day off in every 7 day period or, where allowed by national law, 2 days off in every 14 day period.

3.4 Suppliers must:

3.4.1 under no circumstances, abuse or intimidate their workers;

3.4.2 ensure that any disciplinary measures are recorded; and

3.4.3 have a grievance/appeal procedure that is clear, easy to understand and given to the worker in writing. If any worker is unable to read, the grievance/appeal procedure should be read and explained to them by a union representative or another appropriate third party.

4. **DISCRIMINATION**

Suppliers should have a policy of equality for all in the workplace with no discrimination on the basis of race, caste, religion or belief, nationality, age, gender, marital status, sexual orientation, disability, union membership or political affiliation.

5. **CHILD LABOUR**

- 5.1 The Company is against the use of child labour and believes its long-term elimination is ultimately in the best interests of children. However, the elimination of child labour must always be undertaken in a manner consistent with the best interests of the children concerned.
- 5.2 Suppliers shall develop or participate in and contribute to policies and programmes which provide for the transition of any child found to be performing child labour to enable her or him to attend and remain in quality education until no longer a child.
- 5.3 Suppliers shall not employ children or young persons under 18 at night or in hazardous conditions.
- 5.4 In each of the above instances, the Supplier shall endeavour to act in the best interests of the child, to conform to the provisions of International Labour Organisation (ILO) Convention 138 and be consistent with the United Nation's Convention on the Rights of the Child.
- 5.5 In this Section 5, 'child' or 'children' refers to any persons less than 15 years of age unless Local Laws on the minimum age stipulates a higher age for work or mandatory schooling, in which case the higher age shall apply. 'Young person' refers to any worker over the age of a child, as defined above, and under the age of 18.

6. **HEALTH AND SAFETY**

- 6.1 Suppliers should:
- 6.1.1 assign responsibility for workplace health and safety to a senior management representative;
 - 6.1.2 have appropriate health and safety policies and procedures in place and these should be demonstrable in the workplace;
 - 6.1.3 ensure that its workers are trained in health and safety policies and procedures and monitor compliance with such policies and procedures;
 - 6.1.4 provide workers (at the Supplier's expense) with any health and safety equipment necessary in the course of their employment (for example, gloves, masks, helmets, and so on);
 - 6.1.5 ensure that working conditions are comfortable and hygienic;
 - 6.1.6 identify specific hazards (for example, substances or equipment) and should implement processes to minimise risk to workers in respect of such hazards;

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6.1.7 ensure that workers have access to clean toilets; and

6.1.8 provide workers with regular breaks and access to water suitable for drinking and washing, as a minimum.

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