



Social, Environmental and Ethical Policy

Version Control

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Contents

1. Definition	3
Commitment.....	3
Purpose and Aims.....	3
2. Standards of Business Conduct	3
3. Business Governance	4
4. Environment	5
Biodiversity	5
5. Equal Opportunities Equality, diversity and inclusion	5
6. Anti-Bribery and Corruption (Honesty) Policy	7
Summary of the Bribery Act 2010	7
Penalties	7
7. Anti-Slavery	7
8. Ethical Purchasing.....	8
9. Appendix 1 – Supplier code of conduct	9
Purpose	9
Code of Conduct for Suppliers	9
A. Labour Standards - Code of Conduct	9
B. Environmental Standards - Code of Conduct	11
C. Business Behaviour - Code of Conduct.....	12

1. Definition

Social, Environmental and Ethical Policy (SEE) is defined as the integration of business operations and values, whereby the interests of all stakeholders including investors, customers, employees, the community and the environment are reflected in the company's policies and actions.

Commitment

We are committed to:

- continuous improvement in our SEE strategy.
- encouraging our business partners to strive for matching performance.
- acting in a socially responsible way.
- continually improving our performance and meeting all relevant legislation.
- encouraging our colleagues to be mindful of the effect of their actions on any natural resource.

Purpose and Aims

The purpose of the policy is to make clear to all stakeholders what we mean by Social Responsibility and how we propose to work towards achieving it. The policy applies throughout all of the procurement services and governs our approach to all our activities.

In implementing this policy, we aim to be:

- responsible.
- an exemplar of good practice.

2. Standards of Business Conduct

- ✓ We recognise that we are responsible for all aspects of sustainable development and the way we affect people through our business operations.
- ✓ We will assess which social issues are of most relevance to the contract and decide at what stage in the procurement life cycle this social policy could most effectively and legally be included.
- ✓ We shall operate in a way that safeguards against unfair business practices.
- ✓ We believe that a responsible approach to developing relationships between companies and the communities they serve, global or local, is a vital part of delivering business success.

- ✓ When carrying out our business, in consultation with our customers, we will determine the environmental, social and economic issues.
- ✓ Our contracts will clearly set out the agreed terms, conditions, and the basis for our relationship.
- ✓ We will continually review our policies and business practices to encourage engagement with local services to promote the development of the regional supply chain.

Business Governance

- ✓ We will share and declare information on personal and business conflicts of interest and seek guidance from higher authority before acting.
- ✓ We are committed to ensuring that our business is conducted in all respects according to rigorous ethical, professional and legal standards.
- ✓ All the laws that regulate and apply will be complied with.
- ✓ We endeavour to ensure that stakeholders have confidence in the decision-making and management processes of the Procurement Service, by the conduct and professionalism of all colleagues. We do this by continually training & developing our colleagues.
- ✓ All groups and individuals with whom we have a business relationship will be treated in a fair, open and respectful manner.
- ✓ Competition will be reasonable and based upon the quality, value and integrity of the products and services being supplied.
- ✓ Feedback on performance will be actively sought, and we will continually review all activities to ensure best practice is always observed.
- ✓ We will allow our customers and vendors to give feedback on our performance and ensure that all customer comments are analysed, responded to and, where appropriate, acted upon.
- ✓ An action plan will be developed to ensure continuous improvement is achieved.
- ✓ Feedback on performance will be actively sought, and we will continually review all activities to ensure best practice is always observed.
- ✓ We are committed to the Sustainability School's People Charter and will endeavour to ensure that our supply chain meets the associated requirements.

3. Environment

HI Group recognise the need for sustainable development and will continually aim to improve the environmental effect of its activities. To achieve this, we will establish sound environmental working practice through:

- ✓ Meeting or improving upon relevant legislative, regulatory, and environmental codes of practice.
- ✓ Developing objectives that target environmental improvements and monitor performance by regular review.
- ✓ Considering any environmental issues in the decision-making process.
- ✓ Developing a relationship with suppliers and contractors to facilitate our collective environmental responsibilities.
- ✓ Educating colleagues so that they conduct their activities in an environmentally responsible manner.

We will provide for the effective use of resources by:

- ✓ minimising waste - recycling or finding other uses for by-products whenever economically viable.
- ✓ using energy and fuel efficiently throughout the company's operations.
- ✓ co-operating with the communities in which we operate, with the government, regulatory bodies, and other interested parties.
- ✓ developing a culture of being a good and trusted neighbour

Biodiversity

We actively encourage the use of sustainable practices in the maintenance of the Company grounds and premises.

4. Equal Opportunities, Equality, Diversity and Inclusion

HI Group regards the protection and promotion of equality, diversity, and inclusion as a mutual objective for the Company and all members of staff (colleagues) and will proactively pursue a policy to prevent discrimination. This will include direct, indirect and combined discrimination, victimisation and harassment and will apply to all the company's procedures and operations, but not limited to ensuring that:

- a) No employee or person making an application for employment is discriminated against because of their age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, sexual orientation.
- b) That all parts of the business are committed to ensuring equality and diversity. This policy covers (but is not limited to) recruitment, selection, promotion, training, career management, grievance procedures, disciplinary procedures, dismissal, retention, monitoring.
- c) The Company provides a working environment (with regards to working conditions, pay and opportunities for promotion) which is free from discrimination of any sort.
- d) Any instances, occurrences or incidents of discrimination of any sort will be considered unacceptable and could be classed as misconduct. All incidents will be investigated, and the offender may be subject to disciplinary action up to summary dismissal.
- e) The Company will promote equality by methods such as posters, leaflets and by dissemination of this policy, as well as working together with external organisations as required.
- f) The company will review and revise this policy at regular intervals and/or as necessary.

And by ensuring compliance with all relevant Legislation, including:

ACTS OF Parliament	REGULATIONS
• Equal Pay Act 1970	• Sex Discrimination (Gender Reassignment) Regulations 1999
• Sex Discrimination Act 1975	• Race Relations Act 1976 (Amendment) Regulations 2003
• Race Relations Act 1976 – (Amended 2000)	• Employment Equality (Religion or Belief) Regulations 2003
• Disability Discrimination Act 1995 & 2005	• Employment Equality (Sexual Orientation) Regulations 2003
• Human Rights Act 1998	• Disability Discrimination Act (Amendment) Regulations 2003
• Civil Partnership Act 2004	• Employment Equality (Sex Discrimination) Regulations 2005
• Equality Act 2006 2010	• Employment Equality (Age) Regulations 2006
• Modern Slavery Act 2015	• Exploitation of people for personal or commercial gain

5. Anti-Bribery and Corruption (Honesty) Policy

HI Group regards the honesty and integrity of all employees as a minimum standard across all activities of the business.

HI Group are committed to acting ethically and with integrity in all our business dealings and relationships. We are committed to implementing and enforcing effective systems and controls to ensure bribery and corruption are not facilitated through our working practices or through supply chains and will adopt a zero-tolerance approach to any act that breaches this policy.

The Prevention of Corruption Act applies to all contracts that are entered into. The Act makes it a criminal offence to give or offer bribes or rewards to any employee of an organisation with the intention of influencing them in their duties. These offences could lead to loss of contracts, loss of future opportunities and/or prosecution under the Act.

It is a criminal offence to knowingly supply false or fraudulent information.

Summary of the Bribery Act 2010

The two main aspects of the Act that affect businesses are the commercial aspects of

a) bribing foreign public officials and

b) the failure of commercial organisations to prevent bribery.

The offence can be committed by companies and partnerships as well as sole traders, and also committed if a person associated with the business bribes another person. In addition, the offences can be committed outside the UK.

An associated person is someone who performs services for and on behalf of the business. This includes employees but also other people working for them.

Penalties

If found guilty, the penalties under the Bribery Act 2010 can include up to 10 years imprisonment and an unlimited fine for commercial organisations.

6. Anti-Slavery

Modern slavery is a crime and a violation of fundamental human rights. It takes various forms, such as slavery, servitude, forced and compulsory labour and human trafficking, all of which have in common the deprivation of a person's liberty by another to exploit them for personal or commercial gain.

HI Group have a zero-tolerance approach to modern slavery. We are committed to acting ethically and with integrity in all our business dealings and relationships and to

implementing and enforcing effective systems and controls to ensure modern slavery is not facilitated by our working practices or through our supply chains.

7. Ethical Purchasing

HI Group policy is to seek to purchase goods and services which:

- are produced and delivered under conditions that do not involve the abuse or exploitation of any person.
- have the least negative impact on the environment.

Such considerations will form part of the evaluation and selection criteria for all goods and services purchased by HI Group Ltd.

In addition, HI Group Ltd will seek alternative sources where the conduct of suppliers demonstrably violates the basic rights of HI Group Ltd intended beneficiaries, and there is no willingness to address the situation, or where companies in the supply chain are involved in the manufacture or sale of arms in ways which are unacceptable to HI Group Ltd.

All suppliers will be required to meet the supplier code of conduct in Appendix 1 of this document.

8. Appendix 1 – Supplier code of conduct

Purpose

The purpose of this code is to:

- a) Promote good labour and environmental standards in the supply chain of HI Group Ltd in line with the Supply Chain Sustainability School People Matter Charter commitments.
- b) To protect HI Group Ltd reputation.

Code of Conduct for Suppliers

Suppliers adopting this Code of Conduct should commit to continuous improvement towards compliance with the labour and environmental standards specified, both in their own companies and those of their suppliers.

A. Labour Standards - Code of Conduct

The labour standards in this code are based on the conventions of the International Labour Organisation (ILO).

Employment is freely chosen: There is no forced, bonded or involuntary prison labour. Workers are not required to lodge 'deposits or their identity papers with the employer and are free to leave their employer after reasonable notice.

Freedom of association and the right to collective bargaining are respected: Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively.

The employer adopts an open attitude towards the legitimate activities of trade unions. Workers' representatives are not discriminated against and have access to carry out their representative functions in the workplace. Where the right to freedom of association and collective bargaining is restricted under law, the employer facilitates and does not hinder the development of parallel means for independent and free association and bargaining.

Working conditions are safe and hygienic: A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards.

Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.

Workers shall receive regular and recorded health and safety training, and such training shall be repeated for new or reassigned workers. Access to clean toilet

facilities and potable water, and, if appropriate, sanitary facilities for food storage shall be provided.

Accommodation, where provided, shall be clean, safe, and meet the basic needs of the workers. The company observing the standards shall assign responsibility for health and safety to a senior management representative.

Child Labour shall not be used. There shall be no new recruitment of child labour.

Companies 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/him to attend and remain in quality education until no longer a child.

Children and young people under 18 years of age shall not be employed at night or in hazardous conditions. These policies and procedures shall conform to the provisions of the relevant International Labour Organisation (ILO) standards.

Living wages are paid. Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmarks, whichever is higher. In any event wages should always be high enough to meet basic needs and to provide some discretionary income.

All workers shall be provided with written and understandable information about their employment conditions in respect to wages before they enter employment, and about the particulars of their wages for the pay period concerned each time that they are paid. Deductions from wages as a disciplinary measure shall not be permitted nor shall any deductions from wages not provided for by national law be permitted without the express and informed permission of the worker concerned. All disciplinary measures should be recorded.

Working hours are not excessive. Working hours comply with national laws and benchmark industry standards, whichever affords greater protection. In any event, workers shall not on a regular basis be required to work in excess of 48 hours per week and shall be provided with at least one day off for every 7-day period on average.

Overtime shall be voluntary, shall not exceed 12 hours per week, shall not be demanded on a regular basis and shall always be compensated.

No discrimination is practised. There is no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on Age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, or sexual orientation.

Regular employment is provided. To every extent possible, work performed must be on the basis of a recognised employment relationship established through national law and practice. Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided

through the use of labour-only contracting, sub-contracting or homeworking arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment.

No harsh or inhumane treatment is allowed. Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.

B. Environmental Standards - Code of Conduct

Suppliers should, as a minimum, comply with all statutory and other legal requirements relating to the environmental impacts of their business. Detailed performance standards are a matter for suppliers but should address at least the following:

Waste Management. Waste is minimised, and items are recycled whenever this is practicable. Effective controls of waste in respect of ground, air, and water pollution are adopted. In the case of hazardous materials, emergency response plans are in place.

Packaging and Paper. Undue and unnecessary use of materials is avoided, and recycled materials are used whenever appropriate.

Conservation. Processes and activities are monitored and modified as necessary to ensure the conservation of scarce resources, including water, flora and fauna and productive land in certain situations.

Energy Use. All production and delivery processes, including the use of heating, ventilation, lighting, IT systems and transportation, are based on the need to maximise efficient energy use and to minimise harmful emissions.

C. Business Behaviour - Code of Conduct

The conduct of the supplier should not violate the basic rights of HI Group Ltd intended beneficiaries. The supplier should not be engaged:

1. In the manufacture of arms.
2. In the sale of arms to governments which systematically violate the human rights of their citizens; or where there is internal armed conflict or major tensions; or where the sale of arms may jeopardise regional peace and security.

HI Group Ltd will:

1. Communicate its commitment to the Code of Conduct to employees, supporters, and donors, as well as to all suppliers of goods and services.
2. Make appropriate human and financial resources available to meet its stated commitments, including training and guidelines for relevant personnel.
3. Provide guidance and reasonable non-financial support to suppliers who genuinely seek to promote and implement the Code standards in their own business and in the relevant supply chains, within available resources.
4. Adopt appropriate methods and systems for monitoring and verifying the achievement of the standards.
5. Seek to maximise the beneficial effect of the resources available e.g., by collaborating with other Non-Governmental Organisations and by prioritising the most likely locations of noncompliance.