

DOWLAIS

Dowlais Group plc

Responsible Sourcing Policy

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DOWLAIS GROUP PLC
RESPONSIBLE SOURCING POLICY

1. PURPOSE & SCOPE

- 1.1 This policy sets out Dowlais Group plc's policy on the expectations it has from its Suppliers regarding sustainable business practices.
- 1.2 This policy applies to all Business Units and to all Employees.
- 1.3 Individual Business Units may adopt their own responsible sourcing policies and procedures reflecting their own operations and management structures, provided that they comply with the minimum standards of this policy.

2. APPROVAL & RESPONSIBILITY

- 2.1 This policy has been approved by the board of directors of Dowlais Group plc, who have ultimate responsibility for this policy and for ensuring it is adequately communicated to each Business Unit and the Group as a whole.
- 2.2 The CEO of each Business Unit is responsible for ensuring awareness of and compliance with this policy within their Business Unit and for establishing a "culture" of compliance. This includes ensuring effective dissemination of this policy throughout the Business Unit, providing relevant guidance and training, and appropriate safeguards, monitoring and resources.
- 2.3 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 Group's policy to require high standards of sustainable business practices from its suppliers.
- 3.2 The Group 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 Group's Suppliers are expected to comply with all relevant laws, respect human rights and share the Group's social and environmental commitments.

4. ENVIRONMENTAL

- 4.1 In accordance with the Group's **Environmental Policy** (SUS-ENV-001), the Group 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 Group expects the same approach from its Suppliers.
- 4.2 In this regard, the Group 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. We expect suppliers to share the Group's commitment to improving water management practices, as set out in the Group's **Water Policy** (SUS-ENV-003).
 - (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. We expect suppliers to share the Group's commitment to biodiversity protection, as set out in the Group's **Biodiversity Policy** (SUS-ENV-002).
 - (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 Group also expects its Suppliers to provide data on their own businesses and operations necessary to enable the Group to track, monitor and improve its environmental performance.

5. HUMAN RIGHTS

- 5.1 In accordance with the Group's **Human Rights Policy** (LEG-ETH-001), the Group 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 Group expects the same approach from its Suppliers.
- 5.2 In this regard, the Group expects the following from its Suppliers:
- (a) Force Labour, Slavery & Human Trafficking. As set out in the Group's **Anti-Slavery & Human Trafficking Policy** (LEG-ETH-002), the Group has a zero-tolerance approach to slavery & human trafficking in its business. The Group 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 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. As set out in the Group's **Diversity, Equity & Inclusion Policy** (LEG-ETH-003), the Group 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 Group 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 Group recognises employees' rights to join, form or not join a trade or labour union and to bargain collectively as permitted by applicable laws. The Group is also committed to operating in compliance with all applicable laws relating to wages, pay, benefits and working hours. The Group 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. As set out in the Group's **Health & Safety Policy** (LEG-H&S-001), the Group is committed to maintaining the highest standards for health and safety throughout its operations, and to providing a safe workplace which complies with all applicable health and safety laws. In addition to ensuring a safe workplace, the Group is also committed to ensuring that its workplaces constitute an acceptable working environment for Employees (and any other people who visit or work at the Group's sites) in which they feel comfortable working. The Group 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 Group believes that children should not be exploited in any way. The Group 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 Group expects the same approach from its Suppliers and will not work with Suppliers who use child labour.

6. ETHICAL CONDUCT

- 6.1 The Group is committed to operating to the highest ethical standards and expects the same from its Suppliers.
- 6.2 In this regard, the Group 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 Group's reputation or good standing, and must not engage in or facilitate financial crime, including money laundering or tax evasion.

- (c) **Bribery & Corruption.** As set out in the Group's **Anti-Bribery & Corruption Policy** (LEG-COMPL-001), the Group 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.** As set out in the Group's **Conflict of Interest Policy** (LEG-GOV-008), properly identifying and managing conflicts of interest is important for a number of reasons. In particular, conflicts of interest could damage the Group'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 (as set out in the Group's **Conflict Minerals Policy** (SUS-SOUR-002)) 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.

7. SUPPLIER CODE OF CONDUCT

- 7.1 In order to clearly communicate the expectations the Group has of its Suppliers, as set out in this policy, the Group has adopted a Supplier Code of Conduct, a copy of which is available on the Group's website.
- 7.2 Individual Business Units may adopt their own supplier codes of conduct reflecting their own operations and management structures, provided that they comply with the minimum standards of this policy and the Group's Supplier Code of Conduct.
- 7.3 Any Supplier who is unwilling to agree to comply with the basic principles of a Supplier Code of Conduct should not be dealt with. Throughout the duration of our relationship with each Supplier, Employees who deal with that Supplier must be vigilant and monitor the Supplier's behaviour for evidence that they may be engaged in practices which breach the Supplier Code of Conduct.

8. SOURCING PROCESSES

Each Business Unit must implement processes to ensure that their Supplier sourcing, selection, contracting and purchasing comply with the requirements of this policy, including ensuring that Suppliers are provided with copies of relevant Supplier Codes of Conduct and agree to comply with them.

9. NON-COMPLIANCE BY SUPPLIERS

New Suppliers who are unable to comply with the expectations of the Group 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.

10. RAISING CONCERNS

All Employees must raise concerns about any actual or suspected breaches of this policy at the earliest possible stage. This should be done in accordance with the processes set out in the Group's **Whistleblowing Policy** (LEG-COMPL-003).

11. DEFINITIONS

- 11.1 "**Business Unit**" means any business unit from time to time of the Group, including the central functions of the Group.
- 11.2 "**Employee**" means all employees or workers within the Group, which includes full time and part time employees and other workers including contractors, agency workers, interns, apprentices and volunteers.
- 11.3 "**Group**" means Dowlais Group plc and all subsidiary companies over which it exercises control, including all Business Units.
- 11.4 "**Supplier**" means any supplier of goods and/or services to any Business Unit.
- 11.5 "**Supplier Code of Conduct**" means the Group's Supplier Code of Conduct or any supplier code of conduct adopted by a Business Unit in accordance with this policy.