

# Aferian plc

## Supplier Code

ENSURING ETHICAL BUSINESS CONDUCT

22nd July 2021

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## 1 INTRODUCTION

### 1.1 Purpose of the Supplier Code

Aferian engages with a large number of suppliers around the world and wishes to ensure that all of its suppliers, wherever they are located, operate with the same respect for established principles of employment practice, environmental protection and anti-corruption practice.

We believe that these principles promote respect, protect individual dignity, and help to protect our suppliers from unfair competition.

We invite all of our suppliers to show their commitment to our shared values by agreeing to abide by our supplier code.

Aferian is committed to conducting its business with high ethical standards and is committed to taking action to address the Climate Emergency we all face. We have updated this Supplier Code of Conduct ("the Code") which we require all suppliers and business partners to accept and comply with.

Aferian expects this Code to be applied and upheld in the organisations of every business partner to Aferian, including affiliates, suppliers, sub-suppliers and vendors and producers to Aferian, regardless of whether the suppliers or vendors deliver services or goods.

Aferian requires our Suppliers & Business Partners to:

- Read and understand the Code
- Sign a written acknowledgement giving their commitment to work in line with the Code and related conditions.

### 1.2 Legal compliance and the Code

Aferian complies with the local laws and regulations of every country in which it operates. This Code establishes a minimum requirement for Aferian's suppliers. If provisions in other laws, regulations or rules - whether local, national or international - have more stringent requirements than those mentioned in this Code, they shall be observed and complied with. In cases of conflict between this Code and a mandatory local regulation, the local regulation shall prevail. In situations where neither the law nor the Code gives guidance, the UN Global Compact principles shall apply.

## 2 CEO MESSAGE

Dear Sir/Madam,

Aferian's mission is to provide our customers with the most exciting and competitive products in the markets in which we operate. However, it does not end there: our customers and other stakeholders should be confident that the way we do business does not only comply with legal requirements, but also strives to meet the highest ethical standards.

As part of the company's Environmental, Social and Governance (ESG) plan, Aferian has updated and widened the scope of its supplier code to ensure that it is compliant with current regulations, the climate emergency and aligned with future developments.

I believe that complying with this code goes hand in hand with doing good business. To uphold a well-deserved reputation of honesty and strictly ethical business conduct is one of highest priorities for me and for my management team. The purpose of this document is to help each of us understand our responsibilities. All business partners to Aferian, such as dealers, consultants, suppliers, vendors and others are therefore required to adhere to this code.

At Aferian, we believe that the success of the company depends on the success of the communities in which we operate. Sustainable growth in society and sound business goes hand in hand. In order to maintain a sustainable business model and help build a better society, we have to take responsibility for the impact our operations have on the surrounding environment. This also includes all our business partners. By taking responsibility, we create opportunities as well as challenges not only for ourselves, but for all companies.

In the context of the Code, I would like to point particularly at 'openness'. Being open and transparent is important to us in terms of complying with the Code. Aferian's belief is that sound business practices shall prevail throughout our operations and our daily business. This is why Aferian has chosen to approach our Environmental, Social and Governance policy in the same way as we do throughout our business – with flexibility, cost consciousness, quality, challenge, openness and action.

Sincerely,

Donald McGarva  
CEO, Aferian plc.

## 3 BASIS OF THE CODE

The foundation of the Aferian Supplier Code is the Ten Principles of the UN Global Compact, and the Responsible Business Alliance Code of Conduct

- <http://www.unglobalcompact.org/AboutTheGC/TheTenPrinciples/index.html>
- <http://www.responsiblebusiness.org/code-of-conduct/>

### 3.1 The Ten Principles

The UN Global Compact's ten principles in the areas of human rights, labour, the environment and anti-corruption enjoy universal consensus and are derived from:

- [The Universal Declaration of Human Rights](#)
- [The International Labour Organization's Declaration on Fundamental Principles and Rights at Work](#)
- [The Rio Declaration on Environment and Development](#)
- [The United Nations Convention Against Corruption](#)

The UN Global Compact asks companies to embrace, support and enact - within their sphere of influence - a set of core values in the areas of human rights, labour standards, the environment and anti-corruption:

#### Human Rights

- [Principle 1](#): Businesses should support and respect the protection of internationally proclaimed human rights; and
- [Principle 2](#): make sure that they are not complicit in human rights abuses.

#### Labour

- [Principle 3](#): Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- [Principle 4](#): the elimination of all forms of forced and compulsory labour;
- [Principle 5](#): the effective abolition of child labour; and
- [Principle 6](#): the elimination of discrimination in respect of employment and occupation.

#### Environment

- [Principle 7](#): Businesses should support a precautionary approach to environmental challenges;
- [Principle 8](#): undertake initiatives to promote greater environmental responsibility; and
- [Principle 9](#): encourage the development and diffusion of environmentally friendly technologies.

#### Anti-Corruption

- [Principle 10](#): Businesses should work against corruption in all its forms, including extortion and bribery.

## 4 Protecting our customers

Aferian seeks to win customers and build long-term relationships by providing products and services that lead on price and quality. This is done by demonstrating honesty and integrity in all interactions.

### 4.1 Safety of products and services

Aferian seeks the support of its partners to ensure that all of its products comply with or exceed the relevant national and international norms for product safety.

#### 4.1.1 Exposure to electromagnetic fields

When in use, electric equipment creates electromagnetic fields (EMF). In handling EMF related to its products, Aferian follows recommendations made by relevant authorities.

#### 4.1.2 Hazardous Materials

All products shall comply with the relevant national and international regulations concerning hazardous materials. All suppliers shall reduce and eliminate the use of hazardous materials wherever possible.

### 4.2 Customer Data

In the course of its operations, Aferian may have access to customer data, or data of our customers' customers, for processing and storage.

Aferian complies with applicable laws and regulations on the right to privacy and on personal data retention and disclosure. Aferian will endeavour to prevent any unauthorized access to personal information. Aferian does not process personal data other than as allowed by applicable legislation.

When handling any information pertaining to Aferian's customers (or their customers), all suppliers shall take into account Aferian's customers' rights to maintain personal integrity and privacy.

## 5 BUSINESS INTEGRITY

### 5.1 Approach

Aferian's contractual relationships with suppliers, vendors, dealers and customers are important elements of the company's success. Supplier, vendor selection and purchasing decisions shall be made objectively, striving for the best deal by evaluating costs, ability of the supplier to meet the requirements, expected delivery capability, quality and other relevant factors.

Aferian will always ensure that business decisions are made without any influence from, or benefit to, a third party. Suppliers and vendors which are proven to attempt to unduly influence Aferian's purchasing decisions may be excluded from any future transaction with the Aferian group of companies.

### 5.2 Anti-corruption

The following is a summary. Full, detailed requirements are set out in Aferian's *Anti-Bribery and Corruption Policy*.

Aferian is firmly committed to fair competition and open markets. We firmly believe that free and fair competition works in the favour of all parties by allowing Aferian and its partners to provide the Best Deal, i.e., to deliver expected quality and price leading communication services to our customers.

None of Aferian's business partners may offer, ask, give or accept, directly or indirectly, any undue advantage for personal gain from any third party, unless it can be constituted as being within the boundaries of accepted business practices, such as legitimate representation and reasonable hospitality given in the ordinary course of business.

In most countries gifts or benefits to government employees or public officials are considered a violation of law or regulation. Aferian's business partners must not offer money or any gift to an official or employee of a governmental entity, except for symbolic gifts of insignificant monetary value provided this is allowed by all applicable laws.

Specific requirements:

- Supplier must give a written undertaking not to engage in any practices that might be in contravention of the UK Bribery Act 2010.
- Supplier shall have written procedures to prevent bribery.
- On Aferian's request, copies of procedures shall be provided to Aferian.
- On Aferian's request, supplier shall evidence that it has trained its staff in following the required procedures.
- 'Don't ask, don't tell' policy is not acceptable.
- Support for whistle-blowing: promotion and/or employment prospects of staff shall not be impacted by their reporting of any improper activity.
- Any conflict of interest (personal or involving any friend or relative) should be declared.
- Aferian will not make donations to any political parties or funds.

## 5.3 Financial Reporting & Corporate Governance

Aferian strongly believes in transparent and consistent corporate governance practices and abides with the applicable regulations and standards in each of its geographical markets. This protects the legitimate interests of all Aferian's shareholders and stakeholders and Aferian expects its business partners to respect this.

Aferian is required to follow strict accounting principles and standards (IFRS), to report financial information accurately and completely, and to have appropriate internal controls and processes to ensure that accounting and financial reporting complies with legislation.

The integrity of Aferian's financial records is critical to the operation of Aferian business and is a key factor in maintaining the confidence and trust of our shareholders. We must ensure that all transactions are properly recorded, classified and summarised in accordance with applicable procedures and standards.

## 5.4 Disclosure of information

Suppliers should disclose, in accordance with applicable regulations and current accepted practice, information about:

- Labour
- Health & Safety practices and performance
- Environmental practices and performance
- Business activities
- Business structure
- Financial security

Such information must not be falsified or misrepresented.

## 5.5 Fair business

Aferian strives to conduct business fairly, and expects suppliers avoid any anti-competitive behaviour.

Suppliers must protect Aferian's intellectual property rights/ Aferian and its suppliers will expect the intellectual property rights of third parties and clarify the situation with the experts in case of doubts.



## 6 TREATING PEOPLE WITH RESPECT

### 6.1 Legal Minimums

All suppliers shall without exception comply with all applicable local employment regulations.

### 6.2 Fair Working Conditions

All employees are entitled to fundamental human rights which shall be respected and be applied equally.

- No one shall be subject to corporal punishment, physical, sexual, psychological or verbal harassment or abuse.
- Use of forced labour, exploited or bonded labour is strictly forbidden.
- Employees shall not be required to lodge deposits or original identity papers as a condition for employment.
- Employees shall not be forced to work more than the limits on regular and overtime hours allowed by the law of the country in which they are employed.
- Overtime shall be compensated at the legally required rate. All employees shall have contracts specifying their terms of employment.
- Children under the minimum working age established by local law or fifteen (15) years, whichever is greater, shall not be used as labour force.
- Employees under eighteen (18) years shall not be engaged in hazardous or heavy work, or on night shifts.
- The rights of employees to freely associate and to bargain collectively, in accordance with the law of the country in which they are employed, shall be recognised and respected.

Aferian regards diversity as a lever for profitability. Aferian does not accept discrimination, whether active or by means of passive support, whether based on ethnicity, national origin, religion, disability, gender, sexual orientation, marital or parental status, union membership, political affiliation or age. The ambition is to focus on behaving in a way that attracts diversity.

### 6.3 Compensation and Benefits

Employees shall be paid at least the minimum total wage required by applicable national law, including all mandated wages, allowances and benefits.

## 6.4 Health and Safety at Work

All suppliers shall without exception comply with all applicable local employment regulations. They shall take adequate steps to prevent accidents and injury to health by minimising hazards in the working environment, and by providing appropriate safety equipment and training.

Aferian encourages suppliers to adopt a recognised Health & Safety Management system such as OHSAS 18001, and they are expected to undertake this on an ongoing basis, as a minimum:

1. **Occupation Safety** – Identify, assess and control potential worker exposure to safety hazards e.g., vehicle movements, fall hazards, chemicals etc. Reasonable steps must be taken to remove vulnerable people from working in areas hazardous to them, including making reasonable accommodations for them e.g., pregnant women.
2. **Emergency Readiness** – Identify and assess potential emergency events and situations. Put in place appropriate emergency plans, procedures and triggers to minimise harm to people, property, the environment and ongoing business viability.
3. **Occupational Injury and Illness** – Put in place systems and controls to prevent, record and manage occupational injuries and illness. Proactively support return to work for anyone affected.
4. **Industrial Hygiene & Physically Demanding Work** – Apply a hierarchy of controls to potential worker exposure:
  - a. to physical, chemical and biological agents
  - b. manual material handling
  - c. high force / highly repetitive tasks
  - d. prolonged standing or working in unnatural positions.
5. **Plant & Machinery Safeguarding** – All plant and machinery should be risk assessed for Health & Safety hazards, including people plant interface for moving vehicles. Barriers and physical guards should be provided where risks cannot be eliminated by design.
6. **Working Environment and Facilities** – Workers should be provided with potable water, clean toilet facilities, secure storage for personal items and sanitary food storage, preparation and eating areas. If worker accommodation is provided it should have the same features and in addition be safe, secure, have bathing and showering facilities, adequate personal and circulatory space and reasonable entry and exit control.
7. **Communication** – Information and training related to all aspects of Health & Safety should be provided in formats, languages and locations suitable and accessible to all workers. There should be mechanisms and forums for workers to raise Health & Safety concerns and receive feedback without fear of sanction.

## 7 ENVIRONMENTAL POLICY

All suppliers shall without exception comply with all applicable local environmental regulations.

Aferian supports and promotes the use of environmentally sensitive business practices and processes. This means that we will try to minimise the environmental impact before it occurs rather than after and in all operations strive for the lowest environmental footprint. We have adopted this environmental policy to ensure that environmental considerations are taken in all parts of our business.

Environmental laws and regulations applicable to local surroundings and the relevant business sector shall be complied with. Practices minimising the impact on the environment shall be encouraged and care shall be taken with any environmentally sensitive substances or processes. Aferian promotes a sustainable development and cost efficiency by reducing resource consumption and thus the impact on the environment.

### 7.1 Scope of the Environmental policy

Aferian expects the Environmental policy to be applied by its suppliers, whether the party delivers products or services. Services includes, for example, freight and logistics and waste disposal services.

### 7.2 Legal compliance

Aferian complies with local laws and regulations of each country in which it operates. This Environmental Policy sets the minimum requirements. If any regional or national laws, regulations or rules have a more stringent environmental requirement, those shall be observed and complied with.

All required environmental permits, licenses and approvals should be obtained, maintained and complied with.

### 7.3 Natural resources and pollution prevention

At all times, suppliers shall take steps to minimise the use of scarce natural resources.

Material footprints, waste generation and discharge of pollutants to land, air and water should be minimised at every opportunity. Opportunities for materials substitution, reuse and recycling should be taken wherever possible, for incoming materials and outgoing waste.

### 7.4 Hazardous and restricted materials

All products supplied to Aferian must conform with the EU RoHS and REACH regulations, and any other requirements applied by Aferian from time to time. Aferian requires its suppliers to minimise or eliminate use of materials in the REACH List of SVHCs in all of their processes. All suppliers are required to ensure that they handle and dispose of environmentally harmful substances in accordance with applicable regulations.

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Suppliers must adhere to all applicable customer requirements, laws and regulations with respect to hazardous, prohibited or restricted substances. All applicable laws and regulations must also be applied for the labelling, recycling and disposal of said materials.

## 7.5 Solid waste

Suppliers are expected to establish programs to minimise, recycle and re-use excess or non-hazardous waste material. Unavoidable waste shall be disposed of in compliance with legal requirements and recycled whenever possible.

## 7.6 Energy consumption, Green House Gas and other air emissions

Suppliers are expected in their operations to track, record, manage and reduce their energy consumption, and the energy embedded in their materials and supply chain.

Scope 1 and 2 Greenhouse gas emissions should be tracked and recorded in line with the [GHG protocol](#) or an equivalent standard. Aferian would encourage suppliers to also track measurable elements of their Scope 3 GHG emissions and develop a plan to get to Net Zero. We anticipate a Net Zero plan will be a future Code of Conduct requirement.

Air emission control systems should be in place to ensure that potentially harmful emissions are identified, treated where appropriate, controlled and monitored in line with applicable laws, permits and regulations. Such emissions include, but are not limited to:

- Volatile organic chemicals
- Aerosols
- Particulates
- Ozone depleting substances.

## 7.7 Water Management

Water usage should be tracked, monitored and controlled with respect to:

- Sources.
- Quality.
- Potential for contamination.
- Usage and discharge.
- Conservation, particularly for facilities operating in water stressed areas.

Wastewater control systems should be in place to ensure that all wastewater is characterised, treated where appropriate, controlled and discharged or disposed of in line with applicable laws, permits and regulations.

## 8 MANAGEMENT APPROACH

Suppliers should clearly identify to Aferian, the senior executive and employees responsible for the management systems that address the requirements of this Code of Conduct. To satisfy the requirements of our customers and ensure Aferian fulfils its commitment to conduct business with high ethical standards, suppliers are expected to:

- Carry out periodic self-assessments to ensure they conform with legal and regulatory requirements, the content of this code and other communicated customer contractual requirements.
- Carry out to a recognised standard such as RBA, or provide access for Aferian or its authorised providers to carry out, on site or remote facility audits to ensure they conform with legal and regulatory requirements, the content of this code and other communicated customer contractual requirements.
- Have in place a process to correct any performance gaps or non-conformities identified by any assessments or audits, to an agreed timescale.
- Create and maintain documents and records that ensure and demonstrate compliance with laws, regulations and this Code of Conduct.

Aferian would encourage all suppliers to build the scope of this code into their management systems. We welcome any feedback that will help us improve this Code for the benefit of our customers, suppliers, everyone working through our product value chain and the environment

Please address any queries you may have to Mark Carlisle, COO.

Thank you for your continued support.