

Supplier Code of Conduct

September 2020

1. The Code

- 1.1. This Code of Conduct (“**this Code**”) sets out the obligations on Picton’s suppliers in relation to social, ethical and environmental compliance.
- 1.2. This Code is designed to promote safe and fair working conditions and the responsible management of social, ethical and environmental issues in Picton’s supply chain.
- 1.3. Where appropriate to individual contracts, the requirements below will be adapted and specific requirements established.

2. General

- 2.1. The phrase “Supplier” in this Code shall, where relevant, also include contractors, subcontractors and agents of the Supplier. All references to “Picton” include the relevant contracting entity and all other Picton group entities that benefit from the goods and services being provided.
- 2.2. The Supplier shall comply with all relevant laws, regulations and standards in all of the countries in which it operates.
- 2.3. The Supplier is encouraged to make all reasonable endeavours to promote this Code to its suppliers and subcontractors.

3. Monitoring and Reporting

- 3.1. The Supplier is expected to identify, correct and monitor the continued compliance of any activities that fall below the standards of this Code.
- 3.2. The Supplier shall immediately report to Picton any serious breaches of this Code and, together with Picton, agree a schedule for corrective action.
- 3.3. A breach of this Code may be considered to be a material breach of contract with Picton and Picton accordingly reserves all its legal rights and remedies in respect of any such breach.
- 3.4. Picton may report the progress (or extent thereof) of the Supplier’s compliance with this Code in the annual Picton Sustainability Report and the Supplier agrees to such disclosure.

- 3.5. The Supplier shall provide Picton with reasonable access to all relevant information for the purposes of assessing performance against this Code. Audits may be conducted by prior appointment by Picton or an independent third party on behalf of Picton.

4. Principles

4.1. Health and Safety

- 4.1.1. The Supplier shall provide a healthy and safe working environment for employees, contractors or others who may be affected by the Supplier's activities, in accordance with international standards and national laws.
- 4.1.2. The Supplier shall put in place procedures to ensure that health and safety requirements are communicated and applied to parties under its control.
- 4.1.3. The Supplier shall ensure it meets general principles of health and safety risk prevention. General principles include identifying, minimising and preventing hazards, using competent and trained people, providing and maintaining safe equipment and tools, including personal protective equipment as required.
- 4.1.4. The Supplier shall have procedures in place to ensure that all its employees are competent to carry out the health and safety aspects of their responsibilities and duties. This shall include the nomination and training of people at an appropriate level (in particular executives), who are responsible for discharging the Supplier's health and safety obligations.
- 4.1.5. The Supplier shall ensure facilities and amenities shall be hygienic, safe and meet the basic needs of employees.
- 4.1.6. The Supplier shall have systems and training to prepare for and respond to accidents, health problems and foreseeable emergency situations. The Supplier shall have means and procedures in place for recording, investigating and implementing learning points from accidents and emergency situations.

4.2. Environment

- 4.2.1. The Supplier shall comply with relevant legislation and international standards, and, in countries where environmental legislation is not evident or enforced, ensure reasonable practices for managing environmental impacts are in place.
- 4.2.2. The Supplier shall implement an internal environmental management system to the extent applicable to the Supplier's business.
- 4.2.3. The Supplier shall obtain, maintain and keep current all necessary environmental permits (e.g. waste management, transportation), approvals and registrations.
- 4.2.4. The Supplier shall respect all applicable laws, regulations and customer requirements regarding prohibition or restriction of specific substances and hazardous materials.

4.2.5. The Supplier shall identify, minimise, monitor, control and treat all hazardous air pollutants and all emissions should be avoided in accordance with international standards and applicable laws.

4.2.6. The Supplier shall promote recycling and reduce wastage in materials sourcing, handling, transport and disposal.

4.2.7. The Supplier shall seek to promote energy and carbon efficiency where appropriate.

4.3. Conflict of Interest

4.3.1. The Supplier must avoid all conflicts of interest or situations that may be interpreted as a conflict of interest. The Supplier must promptly report to Picton any instances involving actual or apparent conflicts of interest between the Supplier's interests and those of Picton, such as a direct personal or financial interest in a business decision or supplier selection. Likewise, the Supplier shall not, without prior written notification, enter into any business relationship with any director, employee, or representative of Picton that may create a conflict with their fiduciary obligations or the interests of Picton.

4.4. Child Labour

4.4.1. The Supplier shall strictly prohibit child labour. No person shall be employed who is below the minimum legal age for employment.

4.4.2. The minimum age for employment shall be the age for completing compulsory education in the relevant country or not less than 15 years of age, whichever is higher.

4.4.3. Children (anyone under the age of 18) shall not be employed for any hazardous or night work, or work that is inconsistent with the child's personal development.

4.4.4. In the event that the Supplier discovers a child is employed, the best interests of the child shall be the primary consideration. The Supplier shall contribute, support and/or develop policies and programmes that assist any child found to be performing child labour.

4.5. Forced Labour

4.5.1. The Supplier shall not use any form of forced, bonded or compulsory labour, slavery or human trafficking.

4.5.2. The Supplier's employees shall be entitled to leave work or terminate their employment with reasonable notice. Employees shall be free to leave work after such reasonable notice period expires. The Supplier shall provide each of its employees with an employment contract which contains such a reasonable notice period.

4.5.3. The Supplier shall not require employees to lodge deposits of money, withhold payment, place debt upon employees or require employees to surrender any government-issued identification, passports, or work permits as a condition of employment.

4.6. Working Hours

4.6.1. The Supplier shall ensure working hours of the Supplier's employees do not exceed the maximum set by local law and each employee's working week does not exceed 60 hours per week including overtime.

4.6.2. The Supplier shall grant its employees the right to paid holiday.

4.6.3. In exceptional circumstances when these hours might be exceeded by the Supplier's employees, working hours shall in any event not be excessive. The Supplier shall be considerate to the type of work performed and the acceptable working hours for the role concerned.

4.7. Payment

4.7.1. The Supplier shall ensure its employees understand their employment conditions and give employees fair and reasonable pay as well as any legally entitled or agreed benefits.

4.7.2. The Supplier is encouraged to pay the voluntary Living Wage Foundation rate to all direct employees and promote the Living Wage Foundation rate further down its supply chain.

4.7.3. The Supplier shall not use deductions from wages as a disciplinary measure. Employees must be paid in a timely manner and the Supplier must clearly convey to its employees the basis on which they are paid.

4.7.4. The Supplier is encouraged to adopt prompt payment for its subcontractors.

4.8. Disciplinary Practices

4.8.1. The Supplier will treat all employees with respect and dignity. The Supplier shall prohibit physical or verbal abuse or other harassment and any threats or other forms of intimidation.

4.9. Discrimination

4.9.1. The Supplier shall not engage in or support any form of discrimination in hiring, employment terms, remuneration, access to training, promotion, termination, retirement procedures or decisions including but not limited to: race, colour, age, veteran status, gender identification, sexual orientation, pregnancy, ethnicity, disability, religion, political affiliation, nationality, indigenous status, medical condition, HIV status, social origin, social or marital status and union membership.

4.9.2. The Supplier shall ensure no form of discrimination is present at any stage of employment, from the selection of suitable applicants, their interview and assessment, to the terms of their employment, payment and grounds for dismissal, and shall provide appropriate training for its employees.

4.9.3. The Supplier should also apply a high standard of engagement as per clauses 4.9.1 and 4.9.2 when liaising with subcontractors, customers and when providing goods or services on any Picton asset; ensuring they observe the same requirements, therefore influencing across the supply chain.

4.10. Freedom of Association

4.10.1. The Supplier shall respect the rights of employees to join or not to join trade unions or similar representative bodies and the rights of employees to collective bargaining to the extent permitted by applicable law. The Supplier shall allow open communication and direct engagement between its employees and management in building employee relations and for the resolution of any issues.

4.11. Bribery

4.11.1. The Supplier shall not tolerate or enter into any bribery, including improper offers or payments to or from employees, customers, suppliers, organisations or individuals.

4.11.2. The Supplier shall:

- have an anti-bribery policy that sets out the principle of zero tolerance to any form of bribery or corruption within their organisation, including facilitation payments;
- not give, promise, receive or request any bribes (financial or other advantage), including but not limited to relations with public officials;
- ensure its employees, contractors and subcontractors are aware of its anti-bribery policy and how to comply with its requirements.

4.12. Fraud and Money Laundering

4.12.1. The Supplier shall:

- act in accordance with all applicable international standards and laws on fraud and money laundering;
- not do or omit to do anything likely to cause any party to be in breach of any such international standards and laws;
- maintain an effective anti-fraud and (where appropriate) an anti-money laundering compliance programme, designed to ensure compliance with the law including the monitoring of compliance and detection of violations.

4.13. Responsible Sourcing of Minerals

4.13.1. The Supplier shall have a clear policy or procedure in place to avoid knowingly purchasing conflict minerals.

4.13.2. The Supplier shall source all timber from sources certified by the Forest Stewardship Council or Programme for the Endorsement of Forest Certification.

4.13.3. In particular, the Supplier shall have a policy or procedure to reasonably assure that the tin, tantalum, tungsten and gold in the products it manufactures does not directly or indirectly finance or benefit armed groups that are perpetrators of serious human rights abuses. The Supplier shall exercise due diligence on the source and chain of custody of these minerals and make their due diligence measure available upon Picton's request.

4.14. Community Engagement

4.14.1. The Supplier is encouraged to support local community initiatives around our properties, where appropriate to its organisation.

4.14.2. The Supplier shall seek to develop positive relationships within its local communities.

4.14.3. The Supplier shall plan to minimise disruption from its activities and is encouraged to contribute to the sustainability and development of the communities in which it operates.

4.14.4. The Supplier shall take a proactive approach in offering local communities and local businesses opportunities to work and engage where appropriate.

4.15. Apprenticeships

4.15.1. The Supplier shall seek to participate in apprenticeship programmes that comply with applicable laws and regulations.

4.16. Whistleblowing

4.16.1. The Supplier shall adopt an internal anonymous complaint, workplace grievances and whistleblowing procedure to the highest ethical standards in line with applicable laws and regulations.

4.17. Privacy

4.17.1. The Supplier shall comply with all applicable data privacy laws in relation to its use, processing and storage of personal data.

5. Compliance

5.1. The Supplier acknowledges, agrees and assumes entire and sole responsibility for full compliance with this Code.

5.2. Picton is exempt from any monitoring duty or from ensuring the Supplier's compliance to this Code.



- 5.3. Should any paragraphs of this Code conflict with any of the Supplier's contractual terms and the contractual terms are more explicit than this Code, the Supplier must abide by the more explicit contractual terms.