

# Ethical Policy

## Code of Conduct for Ethical Practices in Purchasing and Supply Management

As one of the UK's leading experts in outdoor durable graphics for vehicles and premises, with significant emphasis on its impact on the wider environment and community it serves, Stewart Signs Limited is committed to taking Corporate Social Responsibility (CSR) seriously.

Stewart Signs Ltd complies with all of the requirements within this Ethical Policy and expects all its suppliers to do likewise.

## Modern Slavery Act 2015 and Human Trafficking

### Introduction from the Management

We are committed to improving our practices to combat slavery and human trafficking.

### Organisation's structure

We are a manufacturers of vinyl signage. The Group has 80-100 employees and operates in the UK.

While 2017 dropped below £10m, we expect in FY17-18 to have an annual turnover between £10-15m.

### Our business

Our business is organised into the attached organisation structure.

### Our supply chains

Our supply chains include: suppliers of printing inks (EFI, Roland) and vinyl for graphic production (3M, Avery Dennison, Arlon, Metamark).

### Our policies on slavery and human trafficking

We are committed to ensuring that there is no modern slavery or human trafficking in our supply chains or in any part of our business. Our Anti-slavery Policy reflects our commitment to acting ethically and with integrity in all our business relationships and to implementing and enforcing effective systems and controls to ensure slavery and human trafficking is not taking place anywhere in our supply chains.

### Due diligence processes for slavery and human trafficking

As part of our initiative to identify and mitigate risk we have contacted all of our partners in our supply chain.

We have in place systems to:

- Identify and assess potential risk areas in our supply chains.
- Mitigate the risk of slavery and human trafficking occurring in our supply chains.
- Monitor potential risk areas in our supply chains.
- Protect whistle blowers.
- Supplier adherence to our values.

We have zero tolerance to slavery and human trafficking. To ensure all those in our supply chain and contractors comply with our values we have in place a supply chain compliance programme.

We have a dedicated compliance team, which consists of Senior Managers from the following departments:

Operations/Procurement:	Daniel Field
Audit & Compliance:	Robert Pearce
Finance:	Sarah Shaw
Sales & Marketing:	James Harris

The Supply Chain Compliance Programme (SCCP) members agree to:

- Meet at least annually to review the list of current suppliers
- Take reasonable steps (sending the ethical policy to current suppliers and asking them to confirm they have read and understand it) to ensure that these suppliers understand Stewart Signs' zero tolerance to slavery and human trafficking.
- Each review, briefly research suppliers online via news articles or official media to identify any potential issues that are affecting current suppliers.
- Review any reports of supply chain human trafficking that have been raised with Stewart Signs
- Put corrective actions and timescales in place or liaise with current suppliers if issues exist

## Training

To ensure a high level of understanding of the risks of modern slavery and human trafficking in our supply chains and our business, we provide training to our staff. We also request our installation business partners to provide information, guidance and training to their staff.

## Further steps

Following a review of the effectiveness of the steps we have taken to ensure that there is no slavery or human trafficking in our supply chains we intend to take the following further steps to combat slavery and human trafficking:

- Meet periodically with our key suppliers to ensure they are compliant
- Reviewing training internally to ensure it is fit for purpose

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes Stewart Signs' slavery and human trafficking statement for the financial year ending 2017.

## Anti-Corruption and Bribery Policy

It is our policy to conduct all of our business in an honest and ethical manner. We take a zero-tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity in all our business dealings and relationships. Any employee who breaches this policy will face disciplinary action, which could result in dismissal for gross misconduct. Any non-employee who breaches this policy may have their contract terminated with immediate effect.

This policy does not form part of any employee's contract of employment and we may amend it at any time. It will be reviewed regularly.

## Who must comply with this policy?

This policy applies to all persons working for us or on our behalf in any capacity, including employees at all levels, directors, officers, agency workers, seconded workers, volunteers, interns, agents, contractors, external consultants, third-party representatives and business partners.

## What is bribery?

**Bribe** means a financial or other inducement or reward for action which is illegal, unethical, a breach of trust or improper in any way. Bribes can take the form of money, gifts, loans, fees, hospitality, services, discounts, the award of a contract or any other advantage or benefit.

**Bribery** includes offering, promising, giving, accepting or seeking a bribe.

All forms of bribery are strictly prohibited. If you are unsure about whether a particular act constitutes bribery, raise it with your manager or a Director

Specifically, you must not:

- a) Give or offer any payment, gift, hospitality or other benefit in the expectation that a business advantage will be received in return, or to reward any business received;
- b) Accept any offer from a third party that you know or suspect is made with the expectation that we will provide a business advantage for them or anyone else;
- c) Give or offer any payment (sometimes called a facilitation payment) to a government official in any country to facilitate or speed up a routine or necessary procedure;

You must not threaten or retaliate against another person who has refused to offer or accept a bribe or who has raised concerns about possible bribery or corruption.

## Gifts and hospitality

This policy does not prohibit the giving or accepting of reasonable and appropriate hospitality for legitimate purposes such as building relationships, maintaining our image or reputation, or marketing our products and services.

A gift or hospitality will not be appropriate if it is unduly lavish or extravagant or could be seen as an inducement or reward for any preferential treatment (for example, during contractual negotiations or a tender process).

Gifts must be of an appropriate type and value (to a maximum of £10.00) depending on the circumstances and taking account of the reason for the gift. Gifts must not include cash or cash equivalent (such as vouchers) or be given in secret. Gifts must be given in our name, not your name.

Promotional gifts of low value such as branded stationery may be given to or accepted from existing customers, suppliers and business partners.

## Record-keeping

You must declare and keep a written record of all hospitality or gifts given or received. You must also submit all expenses claims relating to hospitality, gifts or payments to third parties in accordance with our expenses policy and record the reason for expenditure.

All accounts, invoices, and other records relating to dealings with third parties including suppliers and customers should be prepared with strict accuracy and completeness. Accounts must not be kept "off-book" to facilitate or conceal improper payments.

## How to raise a concern

If you are offered a bribe, or are asked to make one, or if you suspect that any bribery, corruption or other breach of this policy has occurred or may occur, you must notify your manager or report it in accordance with our Whistleblowing Policy as soon as possible.

## Human Rights and Labour Conditions

### Employment is Freely Chosen

- Employees should be free to choose to work for the supplier.
- Employees should be free to leave the supplier after reasonable notice is served.
- Suppliers will not use forced, bonded or non-voluntary prison labour.

### Employment Relationships

- Suppliers will establish recognised employment relationships with their employees that are in accordance with their national law and good practice.
- Employees will be provided with an easy to read contract of employment with particular clarity in relation to wage levels.
- In the event that workers are unable to read, the contract of employment should be read and explained to them by a union representative or another appropriate third party.
- Suppliers should not seek to avoid providing employees with their legal or contractual rights.

### Freedom of Association

- Suppliers' employees should not be prevented or discouraged from joining trade unions or bargaining collectively.
- Employees' representatives shall be protected against discrimination and provided free access to the workplaces, to ensure that they can exercise their function in a lawful and peaceful way.
- Where the law restricts freedom of association and collective bargaining, suppliers should facilitate alternative means of representation.

### Living Wages are Paid

- Wages and benefits should at least meet industry benchmarks or national legal standard
- Suppliers should not make deductions from wages unless permitted by national law or with the permission (without duress) of the employee.
- Suppliers should always pay in cash and not in kind, e.g. goods or vouchers.

### Suppliers' Employees' Working Hours

- Suppliers' standard working hours should adhere with national laws and industry standards.
- On average, suppliers' employees should be given one day off approximately every seven days.
- Employees may voluntarily choose to work more hours, provided that they are not pressured to do so.
- Overtime should be voluntary and not demanded on a regular basis. Where overtime is requested by the employer it should be reimbursed at an appropriate rate.

### Suppliers' Treatment of Employees

- Under no circumstances should suppliers abuse or intimidate employees in any fashion.
- Suppliers will provide their employees with a workplace free of harsh and inhumane treatment, without any sexual harassment, sexual abuse or corporal punishment.
- Any disciplinary measures should be recorded.
- Suppliers should have a grievance/appeal procedure that is clear, easy to understand and should be given to the employee in writing. If employees are unable to read, the grievance/appeal procedure should be read and explained to them by a union representative or another appropriate third party.

## Law

- Suppliers should always work with national and other applicable law. If statutory requirements and published industry standards conflict, suppliers must, as a minimum, be in compliance with the one which, by law, takes precedence.

## Health and Safety

- Employees will work in a safe and healthy environment in accordance with industry standards and knowledge of any existing hazards. Health and safety policies and procedures will be demonstrable in the workplace.
- Suppliers will assign responsibility for health and safety to a senior management representative.
- Suppliers' employees will be trained in health and safety policy and procedures.
- Suppliers shall monitor compliance with health and safety policy.
- Suppliers will provide employees (at the supplier's expense) with any necessary health and safety equipment, e.g. gloves, masks, helmets.
- Suppliers shall identify specific hazards, e.g. substances or equipment, and should implement processes to minimise risk.
- Employees are to be provided with clean toilet facilities, access to potable water and sanitary food preparation and storage facilities.
- Working conditions will be comfortable and hygienic.

## Child Labour

The long-term elimination of child labour should always be undertaken in a manner consistent with the best interests of the children concerned. Stewart Signs Ltd. will seek to ensure that suppliers comply with the following:

Development or participation in and contribution to policies and programmes which provide for the transition of any child found to be performing child labour to enable him or her to attend and remain in quality education until no longer a child.

Children and young persons under 18 shall not be employed at night or in hazardous conditions.

In any event that the course of action taken shall be in the best interest of the child, conform to the provisions of ILO Convention 138 and be consistent with the United Nation's Convention on the Rights of the Child.

In this context local legislation on the minimum age may stipulate a higher age for work or mandatory schooling, in which case the higher age shall apply.

## Discrimination

A policy of equality for all in the workplace with no discrimination on the basis of race, caste, religion, nationality, age, gender, marital status, sexual orientation, disability, union membership or political affiliation will exist.

## Business to Business Ethics

### Transparency, Confidentiality and Fairness

The purchasing and supply management process will be as transparent as possible, within commercial and legal constraints, and in accordance with the highest standards of integrity and honesty. Ensuring those parties involved have a full appreciation of process including; procedures, timescales, expectations, requirements and criteria for selection.

Suppliers' confidential information must not be disclosed to any third party or used in any way without the consent of the supplier. In particular, it must not be shared with other suppliers. This is particularly important when an output-based specification is being developed. Although it is acceptable business practice to share ideas amongst suppliers in order to develop the most appropriate solution, suppliers' confidence should be respected. Everybody involved in purchasing and supply management should understand the implications of commercial confidentiality and it is the responsibility of the Procurement department to reiterate this to colleagues at the start of each new project.

No relevant information should deliberately be withheld by either party (unless it has been obtained from another supplier in commercial confidence), nor should any misleading information be given.

Unsuccessful suppliers will be debriefed with as much transparency about the procurement process as can be provided, e.g. on the weaker aspects of their tender. All suppliers will be treated fairly at all stages of the procurement process. Suppliers who are known to have no prospect of winning the business should not be invited to tender (unless there is an obligation to invite all suppliers who have expressed an interest in tendering, as may be the case in adherence to the EC procurement rules). Unless they are aware of all the circumstances, suppliers should not be required or encouraged to undertake activities or incur cost when there is little chance of their obtaining business within a reasonable period.

### Corruption

The highest standards of integrity are to be expected in all business interactions. Corruption in any form will not be tolerated and will result in immediate termination and legal actions. If Stewart Signs Limited becomes aware of any corrupt activity, we have a duty to inform senior management.

Stewart Signs Limited is strongly opposed to bribery. Bribery is a criminal offence in the UK and in most other countries. In the UK, legislation now makes it a criminal offence for its citizens to engage in this activity, thus outlawing practices common in some international markets for example facilitation payments.

### Declaring Interest

Stewart Signs employees should declare any material personal interest which may affect or be seen to affect their impartiality or judgement in respect of their duties. Examples include owning a significant shareholding in a supplier or close family members being employed by a key supplier.

Stewart Signs Limited has a clear policy on accepting business gifts and hospitality which is made available to employees. The same rules apply in relation to gifts or hospitality to close family members.

Stewart Signs Limited should not accept hospitality which may be perceived as influencing their judgement or impartiality in any way. Hospitality accepted should never be excessive or frequent, should be managed openly and carefully, and be capable of being reciprocated.

Acceptance of equipment, samples and demonstration models from suppliers without contractual protection can be dangerous e.g. due to a lack of clarification on liability and indemnity. In particular, the ethical implications of appearing to accept these offers without full transparency can be damaging to both the buyer and the buying organisation.

Staff will not accept anything that their taxation authorities would consider to be a taxable benefit.

### **Paid to Agreed Terms**

Stewart Signs will work with suppliers to understand and agree the negotiated payment terms. Payment terms are the subject of EU legislation Late Payment of Commercial Debts (Interest) Act 1998.

Stewart Signs will work to ensure payments are made promptly, in line with current business processes. Any problem with an invoice should be addressed and resolved appropriately in order that the invoice can be processed.

Late payment undermines the organisation's credibility and as such Stewart Signs Limited will use their best endeavours to ensure that valid invoices are paid in accordance with the agreed terms and in the agreed way.

### **Payment towards Joint Projects**

Stewart Signs Procurement may invite suppliers to contribute towards the costs of joint projects or initiatives such as sector-wide supplier databases, marketing a new product range or investing in a new IT system, provided there are clear and tangible business benefits to the supplier.

This process should be undertaken carefully and fairly and must not discriminate against suppliers, for example small and medium-sized enterprises (SMEs). Suppliers should not be selected solely on the basis of their financial contribution.

### **Use of Power**

Power is a key element in supply relationships. Stewart Signs Procurement understands how to use the purchasing power appropriately. For instance, it is common practice to aggregate requirements as a means of leverage to secure greater value for money.

### **Barter**

Barter is trade by exchange of goods or services for other goods or services. There is no exchange of money and, as barter is not usually a condition of contract between two parties, coercion is not an issue. Where it is appropriate, barter is acceptable business practice, provided both parties have a current business need for the goods and/or services of the other party.

### **Reciprocal Trading**

Reciprocal trading (countertrade) which makes being a customer of an organisation a condition for being a supplier is generally unacceptable business practice.

### **Environmental Policy**

Procurement will ensure that suppliers of goods and services undertake business with due regard for environmental probity, both in the production and sourcing of materials, in undertaking services offered and through the conduct of their own business. Suppliers will be expected to provide appropriate levels of proof of activity in this area.

### **Finance and Investment**

Stewart Signs Limited will not accept funding from any third parties where it has reasonable grounds to believe that this money originates from an illegal or criminal act, including terrorism and tax evasion.

Furthermore, Stewart Signs Limited will not enter into a supply relationship with any business where it has reasonable grounds to believe that the payment it makes for goods services will be used to fund, any illegal or criminal act, including terrorism and tax evasion.

Signed

*M J Tawson*

Director

Date: 24<sup>th</sup> April 2018