

Ethical Sourcing Policy

1 Introduction

Acuity is committed to operating responsibly and meeting the highest standards of ethics and integrity. This ethical sourcing policy describes the expectations we have of our suppliers regarding business integrity and ethics, labour standards, human rights, and environmental protection. We have created this policy as we, and our stakeholders, care about how we conduct business and who we conduct it with. We expect that our suppliers support us in these efforts by complying with the behavioural standards set out in this policy. We also encourage our suppliers to communicate this policy to their own suppliers.

We believe that the people that work for our suppliers should be treated with respect. This means that they should work in a safe environment and that their human rights are protected. We also expect that our suppliers take steps to minimise any negative impacts that their operations have on the environment.

We place a high value on our supplier relationships. We are committed to working with you to meet the standards outlined in this policy and to address these important social, environmental and integrity issues. We believe that aligning to these standards will make both Acuity and our suppliers more successful and sustainable businesses.

If you are aware of, or suspect any instances of non-compliance with this policy, please report them to acuity@arap.co.uk. We also encourage any suppliers that are experiencing challenges in complying with this policy, or do not feel that Acuity's own conduct is consistent with the substance or spirit of this policy to raise these concerns with us through the same channel. We are committed to addressing issues raised to us and working with all relevant stakeholders to identify an appropriate response.

We also recognise that we are all learning and improving as we work towards greater transparency and appreciation for the challenges we face. Acuity is committed to a process of continuous improvement, and to working with our suppliers and business partners as we seek to deliver better outcomes.

2 Acuity's commitment to ethical business conduct

2.1 Acuity's commitment to delivering on the principles in this ethical sourcing policy

Acuity is equally committed to delivering on the principles set out within this ethical sourcing policy. Our own code of conduct specifies that the company and its subsidiaries, as well as all directors, employees, consultants and business partners must behave in accordance with the highest legal, moral and ethical standards. Breaches of our internal code of conduct must be reported to Acuity's senior managers or directors, to enable the remediation of any harm caused and if warranted, disciplinary action.

The behavioural standards outlined in our code of conduct also extend to the way we conduct business. Specifically, we are committed to:

- Health Safety and wellbeing of our team members, customers and suppliers





- Being fair and transparent in the way in the way we deal with team members, customers and suppliers
- Diversity, Inclusion and Equal Opportunity
- Confidentiality and Privacy Acuity's internal code of conduct is reviewed on a periodic basis so that it evolves in alignment with the expectations of our stakeholders.

3 Understanding this ethical sourcing policy

3.1 Purpose of this ethical sourcing policy

The purpose of this ethical sourcing policy is to identify the minimum expectations that Acuity has of its suppliers. The expectations outlined in this ethical sourcing policy are guided by international human rights and labour standards frameworks including:

- The United Nations Guiding Principles on Business and Human Rights,
- The Ethical Trading Initiative (ETI) base code, and
- The International Labour Organisation (ILO) fundamental conventions concerning rights at work.

3.2 Application of this ethical sourcing policy

Acuity believes that companies have community responsibilities above and beyond the contribution made by their employment and wealth creation activities. We are committed to seeking to make positive economic, social, and environmental contributions in the communities in which we operate and to ensuring that good corporate behaviour is integrated into all aspects of our operations.

We recognise that some of our suppliers may need to work towards compliance with the expectations set out in this policy. We are committed to working with our suppliers to achieve compliance with this ethical sourcing policy over an agreed timeframe. If non-compliance is detected, the supplier is obliged to take appropriate remedial measures. If appropriate measures are not implemented, or in the case of continued non-compliance or serious breach, we reserve the right to terminate business relationships with the supplier. We reserve the right to obtain information from our suppliers, including the results of social audits, in relation to their compliance with this ethical sourcing policy.

3.3 Scope

This ethical sourcing policy applies to all suppliers of goods and services to Acuity. A 'supplier' is defined as any individual, company or other legal entity that sells products or services to Acuity. Suppliers must have adequate policies and practices in place to ensure that its subcontractors or agents comply with the spirit and intention of this ethical sourcing policy. All sourcing undertaken on behalf of the Acuity, must be from suppliers who also comply with the spirit and intention of this ethical sourcing policy.



4 Business integrity and ethics

4.1 Legal compliance

Suppliers shall comply with the laws and regulations of the jurisdictions in which they operate. Where the content in this ethical sourcing policy and the laws or regulations and jurisdictions in which the supplier operates cover the same topic, whichever affords the greatest protection shall apply.

4.2 Bribery and corruption

Suppliers shall not offer, provide, request, or receive bribes, gifts or facilitation payments in order to influence business partner decisions or gain an improper advantage.

4.3 Intellectual Property

Suppliers must respect the intellectual property rights of the Acuity and other third parties. Any transfer of technology and knowhow must be handled in a manner that protects intellectual property rights, with all relevant laws and regulations complied with.

4.4 Access to grievance mechanisms

Workers should have access to a grievance mechanism through which complaints can be made and investigated. These are to be resolved in a fair and equitable manner. Procedures enabling workers to confidentially communicate concerns relating to noncompliance with this ethical sourcing policy should be in place and communicated to workers, with an avenue for anonymous disclosure and protection against detrimental treatment.

4.5 Responsible Sourcing

Suppliers must exercise due diligence in sourcing raw materials to minimise the risk of sourcing materials from jurisdictions and suppliers connected with human rights and/or environmental issues.

4.6 Privacy

All personal and sensitive information must be treated and protected in accordance with relevant Privacy laws and regulations.

5 Labour standards and human rights

5.1 Freely chosen employment

The use of forced or involuntary labour, including debt bondage, human trafficking and prison labour is prohibited. Suppliers shall not use deceptive practices, threats, fraud or abduction in the recruitment, transportation or harbouring of workers. Suppliers shall respect workers' freedom of movement. Workers' freedom of movement shall not be inhibited by withholding of property, including identify documents such as passports or licenses. Workers shall be free to cease employment after providing reasonable notice their employer.



5.2 Prohibition on the use of child labour

Children shall not be employed. As per the ILO convention, 'Children' are defined as individuals aged less than 15 years old. Suppliers must verify the age of workers prior to their commencing employment. Workers aged less than 18 (identified as a 'Young person') shall be provided with training and supervision appropriate to their role and shall not perform work that may harm their physical or mental wellbeing. The right of workers aged less than 18 years old to education should be respected in accordance with the laws of the jurisdictions in which they work. The age of all young workers should be verified prior to their employment. Where instances of child labour are identified, either in the suppliers' operations or supply chains, we encourage our suppliers to work constructively with the parties involved to find a solution that puts the interests of the child first.

5.3 No Illegal Labour

Suppliers must be able to verify legal entitlement of the Supplier employees to work in the country of employment.

5.4 Workers' right to freedom of association

Suppliers shall recognise and respect the right of employees to freedom of association and collective bargaining in accordance with the laws and regulations of the jurisdictions in which they operate. Employees have the right to elect a worker representative who shall not be discriminated.

5.5 Reasonable working hours

Employee working hours shall comply with the laws of the jurisdictions in which they work. As per the LIO convention, overtime hours shall be performed on a voluntary basis and shall not be excessive (i.e., greater than 60 hours per week). Workers shall be provided with one day off for every seven days worked on average. Suppliers should consider the health and wellbeing of workers when assigning overtime hours. Suppliers must maintain a complete record of hours worked for all employees.

5.6 Payment of fair wages

Suppliers shall pay employees wages and benefits that meet or exceed the minimum standards of the jurisdictions in which they operate. All employees must be provided with written information in a language they understand relating to their employment contract and wages for each pay period. Deductions from wages as a disciplinary measure is not permitted.

5.7 Provision of regular employment

Suppliers shall not avoid providing the obligations and benefits to employees that arise from a regular employment relationship through the use of sub-contracting, the use of apprenticeship schemes, labour-only contracting or home-working arrangements or through the excessive use of fixed-term employment contracts.



5.8 Fair treatment and non-discrimination

Suppliers shall not discriminate against prospective or current employees on the basis of race, gender, age, religion, disability, sexual orientation, marital status or union membership status during the hiring process, when determining compensation, when providing access to training or promotion opportunities or through the termination of employment process.

5.9 Harassment and abuse

Employees of suppliers must be treated with dignity and respect. Employees of suppliers must not be subjected to physical, sexual, psychological, or verbal harassment or abuse. Suppliers must ensure there is no harsh or inhumane treatment of employees.

5.10 Migrant Workers

Migrant workers shall have the same entitlements as local workers as stipulated by local laws and regulations.

6 Healthy and safe working conditions

Suppliers shall meet the requirements of applicable laws and regulations of the country and have systems in place to detect and respond to potential risks to the health and safety of employees. This includes;

- Understanding and responding to occupational hazards – suppliers shall adopt measures to minimise health and safety hazards present in the working environment and shall provide adequate safeguards against them.
- Hygienic working environment – suppliers shall provide workers with a clean and hygienic workplace, including providing access to toilet facilities and safe food storage.
- Emergency preparedness – suppliers shall maintain a documented emergency response plan, including worker and emergency service notification procedures, identification of emergency exits and access to emergency response and first aid equipment.
- Provision of training – on an annual basis, suppliers shall provide workers with health and safety training, including responding to emergency situations and applying the emergency response plan, emergency drills and employment facility evacuations. Records of training provided shall be maintained.
- Assigning responsibility for health and safety – suppliers shall assign responsibility for managing workplace health and safety to an officer of appropriate seniority.

7 Environmental protection

7.1 Minimising impact and harm

Suppliers shall adopt reasonable measures to minimise the negative impacts that their operations have on the environment. We also expect that our suppliers encourage their suppliers to minimise negative impacts on the environment throughout their supply chains. In addition to maintaining compliance with relevant laws and regulations, suppliers shall maintain current permits and licences as required by the jurisdictions in



which they operate. Suppliers shall ensure that their production facilities dispose of solid, liquid and hazardous waste in accordance with local regulations and permit requirements.

7.2 Environmental planning and management

Suppliers shall ensure that all operated production facilities develop and maintain appropriate environmental management systems or plans. These management systems or plans must identify the key environmental impacts of each production facility and document the safeguards, controls or mitigating activities maintained to manage the impacts. Such impacts may include:

- Reducing, reusing, recycling and disposing of waste
- Air emissions and water discharges
- Use and storage of hazardous chemicals

8 Reporting issues and obtaining further information

If you require further information or clarification on any aspects of Acuity's ethical sourcing policy, or wish to inform Acuity of suspected or actual breaches of this ethical sourcing policy please contact us at acuity@arap.co.uk.

THIS POLICY WAS ADOPTED BY ACUITY DECEMBER 2022

Alison White

Director

9 Monitoring and Review

The policy will be reviewed on an annual basis or following any changes in legislation or statutory guidance.

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Last Reviewed: 28 December 2023

Next Review: 31 December 2024