

Sustainable Procurement Policy

Statement of Intent

The environment is one of our principal concerns and our relationship with our suppliers and local communities demonstrate this. We are committed to understanding and managing the environmental and social impacts of our operations, including the procurement of goods and services.

Ensuring sustainability is embedded across every function of our business, including procurement, is essential to our goal of making a sustainable contribution to society. This sustainable procurement policy explains how we will integrate environmental and social considerations into procurement practices. We recognise that improving our procurement performance is an ongoing process and that our suppliers, both large and small, are important partners in our journey to becoming more sustainable.

Aim

We are committed to ensuring the goods and services we purchase are manufactured, delivered, used and disposed of in an environmentally and socially responsible manner.

Objectives

- To minimise our environmental impact and deliver community benefits through better selection of products and services.
- To foster innovation in our supply markets in order to increase the availability and effectiveness of sustainable behaviour in procurement.
- To encourage our suppliers to adopt practices that minimise their environmental impact and deliver community benefits, in relation to their own operations, and throughout the supply chains in which they operate.

Targets

The UK Government has identified climate change as a key priority in order to ensure that future generations are able to enjoy their natural and built environment. To achieve this goal, the Government has mandated several sustainable procurement policies that our organisation adopts. As a result, our purchasing decisions will give preference to:

- any product, service or supplier which can support our corporate sustainability strategy and further enable this organisation to:
 - reduce carbon emissions
 - increase energy efficiency
 - reduce levels of waste sent to landfill and continually improve recycling figures
 - reduce water consumption.

Supplier Code of Conduct

As the contracting organisation, we expect our suppliers to ensure their practices are supportive of our approach. We would like to procure goods and services that have been produced or are delivered with minimum impact on the environment and with regard for social issues such as employment conditions and welfare.

As a result, we reserve the right to refuse partnerships with organisations that do not achieve, or are unable to provide evidence of an action plan of, the following minimum standards for their operations, employees and supply chain; these are in accordance with International Labour Organization (ILO) conventions and other public sector commitments.

The Supplier Code of Conduct is sent to suppliers for their agreement and signature. This document is available separately as Document Reference 18.1.26.

Working conditions

- *Freedom of Association and Collective Bargaining* — As far as any relevant laws allow, all employees are free to form or join a Union, which pertains to the protection of the terms and conditions of the employment of employees, such as wages, hours of work, working conditions and grievance procedures.
- *Elimination of All Forms of Forced and Compulsory Labour* — Forced, bonded or compulsory labour is not used and employees are free to leave their employment after reasonable notice. Employees are not required to lodge deposits of money or identity papers with their employer.
- *Elimination of Discrimination in Respect of Employment and Occupation* — Discrimination based on factors non-relevant to the terms of employment is prohibited. Examples of non-relevant attributes include race, religion, gender, sexual orientation, disability, ethnicity, height, weight and age.
- *Effective Abolition of Child Labour* — Work undertaken by people of 16 years or under without consideration for their personal development, safety, education or health is prohibited.

Supplier diversity

- Within our sustainable procurement policy, we encourage a diverse range of suppliers to tender to provide services, materials or expertise and our aim is to give equal opportunities to all suppliers.

Environment

- Processes are in place to actively improve the efficiency with which finite resources, including fossil fuels and water, are used, while minimising pollution.

Our Working Principles

- Appropriate environmental and social requirements will be integrated into all procurement activities. These include pre-qualification, specification and evaluation stage.
- We will evaluate the environmental and social impacts of a particular product or service over its whole-life cycle. When we do this, we will use appropriate supplier sustainability performance assessment criteria and weightings.
- We will also encourage and influence our suppliers to improve their sustainability practice and will inform and educate potential suppliers on our corporate sustainability objectives.
- While this sustainable procurement policy applies to all our suppliers, we will strive to ensure that it does not place unnecessary requirements on small to medium enterprises (SMEs), ensuring that they are not put at a disadvantage in doing business with us and addressing any barriers to entry.

Monitoring and Measurement

- The performance of each chemical supplier will be monitored against a number of relevant Key Performance Indicators (KPIs). These include, but are not limited to:
 - Vendor assessment (which includes EcoVadis assessment score).
 - Deliveries are on-time.
 - Certificates of analysis supplied with each delivery.
 - Packaging is satisfactory and compliant with relevant regulations.
 - Order acknowledgement received with each delivery.
- If unsatisfactory performance is demonstrated by a supplier for whatever reason, Thomas Swan may decide to remove this company from the Approved Supplier List.

Ethical Trading

- Our policy concerning competition law and anti-competitive behaviour is laid out in a separate policy (Doc Ref 18.1.70). This requires all suppliers to adhere to UK and EU regulation regarding anti-competitive behaviour.
- We also require all our suppliers and customers to comply with our Anti-corruption and Bribery Policy (Doc Ref 18.1.69).
- Corruption is the misuse of office or power for private gain. Bribery is a form of corruption. It means giving or receiving money, gifts, meals, entertainment or anything else of value as an inducement to a person to do something which is dishonest or illegal in the course of doing business. In other words, bribery is designed to make a person act wrongly to secure an advantage for the giver.
- Our position is simple. We conduct our business to the highest standards. We will not be party to corruption or bribery in any form.
- We expect the same of our suppliers.

Conflict Minerals

What are Conflict Minerals?

- Conflict minerals currently include the metals tantalum, tin, tungsten and gold, which are the extracts of the minerals cassiterite, columbite-tantalite and wolframite, respectively. These are often referred to as 3TG.
- The US Dodd-Frank Act became law. Section 1502, of the Act, requires publicly traded US companies to disclose the use of 'conflict minerals' required for the functionality of their products. Conflict Minerals come from the Democratic Republic of Congo ("DRC") and adjoining countries. The mining of these minerals has been partially co-opted by militant groups which engage in human rights abuses to mine these materials and use the proceeds to finance armed conflict in the region.
- In 2017, the EU laid down a regulation (Regulation (EU) 2017/821) that imposed similar requirements to the Dodd-Frank Act in the US.
- England, Scotland and Wales do not currently have an equivalent regulation.
- These can be extracted at many different locations around the world including the Democratic Republic of Congo (DRC). The SEC (the US Securities and Exchange Commission) rules define conflict minerals as 3TG metals, wherever extracted.

Thomas Swan policy

- Although the UK does not have an equivalent regulation, Thomas Swan will ensure that any use of 3TG metal products comply with the US Dodd-Frank Act and the EU regulation.

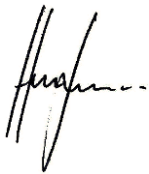
- Consistent with our respect for individuals, as can be seen in our Labour and Human Rights Policy (Doc. Ref. 18.1.58) Thomas Swan & Co. Ltd. is concerned with the humanitarian abuses involved in the mining of these materials and subsequent financing of armed conflict and takes its obligations under the aforementioned regulations seriously.

Target

- We will make every effort to ensure we maintain zero content of conflict minerals in our manufacturing processes.
- Where it is necessary to use 3TG in products manufactured by Thomas Swan, suppliers are expected to provide full detail of the supply chain involved to ensure that it is conflict-free.

Our Accountability

- All our business premises and relevant members of staff have shared responsibility for integrating the provisions of this policy into their procurement decision-making.
- We will monitor and report, where appropriate, on the environmental and social outcomes achieved from the application of this sustainable procurement policy.



Harry Swan,
CEO