



Supplier Principles

Our Guidance for Responsible Business Partnerships

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"It is our belief that building strong relationships with all of our suppliers will lead to effectively and efficiently meeting our customer's expectations. However, in order to do this there has to be a set of principles that are understood and implemented"

Tim Harwood
CEO

Creating a successful and, perhaps more importantly, sustainable business requires much more than just financial results. Responsible behaviour is instrumental to the way we conduct business here at HS and TC Group - it's not just what we do; it's how we do it. It is our commitment to this strategy that helps us drive achieving high ethical standards and this underpins our role as a trusted partner to our customers. HS and TC's relationships with its suppliers are a critical part of this commitment.

In order that all of our Suppliers (and their Supply Chains) are clear about our expectations, we have developed these Supplier Principles which outline a set of 'best practices'. It should be noted that these do not, in any way, modify or conflict with any existing contracts.

In order to protect our reputation, responsible behaviour is seen by us as vitally important to any business relationship.

What We Expect From Our Suppliers

Code of Conduct and Compliance

The HS and TC Code of Conduct is central to our responsible business environment and applies to all HS and TC subsidiary entities. We encourage all of our suppliers to implement and adhere to their own similar code of conduct (including an Acceptable Use Policy). Additionally, dependent on their size and business activities, we place an expectation on our suppliers to have the relevant management systems in place which support demonstrable compliance with any applicable laws and/or regulations.

Anti-Bribery and Corruption

We expect all of our suppliers and subsidiaries to comply with all relevant laws and regulations regarding anti-bribery and corruption including, where applicable, the UK Bribery Act and Foreign Corrupt Practices Act. The HS and TC Group maintains zero tolerance for any corrupt activity. We will not offer, give or receive any payment, benefit or gift that may be construed as a bribe whether directly or through a third party. The HS and TC Group expects its suppliers to operate the same level of intolerance towards corrupt activity and to have appropriate and adequate procedures to prevent any such activity taking place.

The HS and TC Group does not accept 'facilitation' payments and will not make any payment for the expediting of normal government activity unless there is a formal lawful fee schedule for expedited service, and we similarly expect that our suppliers will not make such

payments in connection with any HS and TC Group business. We expect our suppliers to ensure that the offering or receipt of any gift or business courtesy is permitted by law and regulation, does not violate the rules and standards of the recipients organisation, and is consistent with all reasonable market terms and conditions.

International Trade Compliance

We expect all of our suppliers to conduct their business in compliance with all applicable laws and regulations governing:

- export, re-export, import of products, technical data, software and services; and
- economic sanctions and embargoes

Anti-Trust and Competition

We expect all of our suppliers to conduct any business in accordance with all applicable anti-trust and competition laws and regulations. We also maintain the expectation that our suppliers will not enter into formal or informal anti-competitive arrangements that may fix prices, rig bids, limit supply, aim to control markets or otherwise improperly restrict and/or impact competition.

Counterfeit Components

We expect all our suppliers to develop, implement and maintain methods and processes appropriate to their product catalogue that prevent counterfeit parts and

materials being delivered. Processes should be in place that detect, report and, potentially, quarantine counterfeit parts and materials and prevent those parts from re-entering the Supply Chain. We maintain an expectation that our suppliers only use parts or materials from Original Equipment and Component Manufacturers or authorised sources, and to comply with any applicable laws, regulations and industry best practices when conducting business with the HS and TC Group.

Conflicts of Interest

We expect our suppliers to avoid conflicts of interest or situations giving the appearance of a potential conflict of interest in their dealings with the HS and TC Group. We understand that such actual or potential conflicts do arise in the course of business from time to time, in which case we expect our suppliers to timely disclose them to HS and TC Group and all other affected parties.

Accurate Record Keeping

We expect our suppliers to accurately and securely capture, store, and retain, as appropriate, business records.

Personal, Confidential and Proprietary Information

We expect our suppliers to protect all sensitive information, including confidential, proprietary and protected personal information. Information should not be used for any purpose other than the business purpose for which it was provided without prior authorisation. Where such information is held or transferred electronically, we expect our suppliers to implement appropriate IT cyber security and to notify us of any suspected or actual data breaches. We expect our suppliers to comply with applicable intellectual property rights and data privacy laws.

Workplace/Employees

We expect our suppliers to foster an inclusive work environment where individuals are treated with dignity and respect. To that end, we expect our suppliers to comply with applicable non-discrimination laws and

regulations. We also expect our suppliers to ensure that employees may perform work in an environment that is free from harassment or other abusive conduct.

We expect our suppliers to not engage in the use of forced or bonded labour, slavery or trafficking of persons. Suppliers should allow employees to freely choose to work or to leave employment. We also expect our suppliers to ensure that child labour is not used in the performance of work. The term 'child' refers to any person under the minimum legal age for employment where the work is performed. (for further information please see the HS and TC Modern Slavery Statement)

We expect our suppliers to comply with applicable laws and regulations on pay, benefits, working hours, health and safety, and the rights of individuals to join trade unions and participate in collective bargaining.

We expect our suppliers to provide employees and third parties with access to adequate reporting channels to seek advice or raise legal or ethical concerns without fear of retaliation, including opportunities for anonymous reporting. We expect our suppliers to take action to prevent, detect and correct retaliatory actions.

Environment

We expect our suppliers to comply with all applicable laws and regulations regarding the protection of the environment and to conduct their business in a manner that actively manages, and reduces, environmental risks.

Timely Payment

We expect our suppliers to pay their suppliers on time in accordance with all agreed contractual payment terms.

Ethics Helpline

If any of our suppliers has a concern regarding these Principles, contact our Ethics Helpline at

mail: ethics_helpline@hsandtc.com
Tel: +44 (0)20 3441 7642

It's not just what we do - it's how we do it!

For more information:
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