

# Supplier Code of Conduct

## 1. Document Information

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<b>Approved date:</b>	18/08/2025
<b>Audience:</b>	All Employees, Suppliers, Contractors and Sub-Contractors

## 2. Objective and Scope

This Supplier Code of Conduct articulates the core values and expectations Southern Communications Group (SCG) places on its suppliers, contractors and subcontractors and all employees and upstream supply partners. Our commitment to ethical, socially responsible, and environmentally sustainable operations is foundational to our business relationships. Compliance with this Code of Conduct is a condition of doing business with SCG and reflects a shared responsibility to uphold trust, integrity and corporate responsibility throughout the supply chain.

- SCG values long-term supplier partnerships and invests in mutual growth, capability building and accountability.
- Suppliers are required to maintain their own Supplier Code of Conduct which is aligned with SCG's principles and standards.
- This Code of Conduct should be shared with employees, contractors, subcontractors and upstream supply partners. Likewise, suppliers should share their own Supplier Code of Conduct with their own employees, contractors, subcontractors and upstream supply partners.

This Code of Conduct is in no way intended to conflict with or modify the terms and conditions of any existing contract. In the event of a conflict, suppliers must first adhere to applicable laws and regulations, then the contract terms, followed by this Code of Conduct.

**Definition** - For the purposes of this Code of Conduct, "Supplier" is defined as any third party that directly or indirectly sells, or seeks to sell, any kind of goods or services to SCG or on SCG's behalf, including suppliers, contractors, subcontractors, distributors, dealers, sales/marketing representatives, intermediaries, partners, resellers, systems integrators, or similar entities.

### 3. Ethical Business Practices

Suppliers must demonstrate integrity in all business dealings. SCG expects adherence to internationally recognised ethical standards that promote trust, lawful conduct and transparency.

#### 3.1 Anti-Bribery and Anti-Corruption (AB&C)

SCG enforces a zero-tolerance policy towards any act of bribery, facilitation payments, or corrupt influence.

- Suppliers must never offer, give, receive, or solicit anything of value intended to influence decisions, gain unfair advantage, or divert from ethical governance.
- Financial transactions should be clearly documented and auditable, and compliance with laws such as the UK Bribery Act 2010 and the U.S Foreign Corrupt Practices Act are required.
- Robust internal controls and employees must be trained in recognising and preventing unethical practices and should be encouraged to report concerns confidentially, which are essential to support anti-corruption commitments.

#### 3.2 Fraud

All suppliers must agree to meet the anti-fraud commitments applicable under the Fraud Act 2006

- Keep accurate and up to date records showing all payments made and received and all other advantages given and received.
- Business records must be compiled and maintained in accordance with the law and best practice.
- Confidential information is treated in accordance with the law, contractual commitments and best practice.
- Suppliers should recognise obligations under local, national and international laws to safeguard personal data and the privacy of individuals and take the necessary steps to ensure compliance.

#### 3.3 Money Laundering

Suppliers must comply with all applicable laws and regulations relating to the prevention of money laundering and the financing of terrorism. Engaging in transactions that disguise the origin of funds or facilitate illegal activity is strictly prohibited.

- Implement internal controls to detect and prevent suspicious financial activity.
- Maintain transparent and accurate records of all financial transactions.
- Cooperate with regulatory authorities and investigations when necessary.
- Avoid engaging in any transaction that may involve criminal proceeds

#### 3.4 International Trade Restrictions

Suppliers must operate within the relevant national and international frameworks on trade and avoid transactions that contravene national or international restrictions or controls. This includes taking steps to avoid working with third parties who are subject to restriction controls and complying with relevant import and export controls.

### 3.5 Fair Competition

- Suppliers must operate within the bounds of anti-trust and competition law, ensuring fair market practices.
- Engaging the price-fixing, market sharing, cartel behavior, or other anti-competitive conduct is strictly prohibited.
- Working hours, overtime, and rest periods must be managed in line with local labour laws.

### 3.6 Conflicts of Interest

The Procurement Act 2023 may be compromised if it is influenced by external or private interests. Under the Act it is mandatory to exclude a supplier from the procurement where a conflict of interest puts SCG at an unfair advantage.

- Conflicts of interest must be effectively prevented, identified and managed during procurement to ensure that competition is not distorted, and that fair and equal treatment is upheld.
- All disclosures should be in full and include the business interests, any changes to conflicts of interest that may arise during the commercial lifecycle must be declared.

### 3.7 Whistleblowing

Whistleblowing has legal protection under the Public Interest Disclosure Act 1998. We are committed to conducting our business with honesty and integrity and we expect all suppliers to maintain high standards. You must report any of the following

- A criminal offence, for example fraud
- Someone's health and safety are in danger
- Risk or actual damage to the environment
- A miscarriage of justice
- The company breaking the law, for example does not have the right insurance
- You believe someone is covering up wrongdoing.

If anytime you feel you need to raise a concern, you can contact:

- Group Head of HR – [HR@SCGConnected.co.uk](mailto:HR@SCGConnected.co.uk)
- Chief Information and Security Officer – [Compliance@SCGConnected.co.uk](mailto:Compliance@SCGConnected.co.uk)
- Protect (independent whistleblowing charity) Helpline: 02031172520 E-mail: [whistle@pcaw.co.uk](mailto:whistle@pcaw.co.uk), Website: [www.pcaw.co.uk](http://www.pcaw.co.uk)

## 4. Information Security & Data Privacy

Suppliers must safeguard the integrity and security of their systems, comply with relevant government standards, and adhere to contractual and legal obligations for protecting commercial and sensitive information. This includes recognising our right to disclose information when legally required.

Suppliers are required to:

- Comply with all applicable data protection and privacy laws, including the UK GDPR, DPA 2018, PECR 2003 (as amended), EU GDPR (where applicable), and relevant guidance from regulatory authorities.
- Implement robust physical and electronic security measures to protect our data, customer information, and other sensitive assets from unauthorised access, use, modification,

destruction, or disclosure. This includes using industry-standard encryption and cybersecurity protocols.

- Maintain incident response plans to ensure the ongoing confidentiality, integrity, availability and resilience of their systems and services, and promptly report any data breaches or compromises.
- Detect, categorise, and monitor breach events consistently, and respond appropriately.
- Take immediate containment actions in the event of a breach, such as revoking access, securing systems, and initiating legal proceedings where necessary.
- Report serious breaches to the Information Commissioner as required.
- Apply mitigation measures to prevent recurrence.
- Respect laws governing data residency, sovereignty, and processing.
- Use information solely for its intended business purpose unless authorised by the data controller.
- Respect and protect our intellectual property, including trademarks, patents, copyrights, and proprietary technologies, as defined in contractual agreements.
- Ensure all intellectual property - whether created internally or by third parties - is used only for approved purposes and not shared externally without explicit written permission.

## 5. Human Rights and Labour Standards

SCG promotes and defends the dignity of every individual within its own and supply network. Suppliers must uphold the highest human rights standards and labour protections. We are also committed to upholding the principles set out in the International Bill of Human Rights, including The Universal Declaration of Human Rights (UDHR), International Covenant on Civil and Political Rights (ICCPR) and International Covenant on Economic, Social and Cultural Rights (ICESCR), we expect all suppliers to respect and promote human rights across their supply chains.

- Avoid all forms of discrimination in hiring, treatment and promotion.
- Support unionization and grievance mechanisms.
- Providing training on Human rights, DE&I and anti-harassment awareness.
- Freedom of association allows workers to join unions and engage in collective bargaining.
- Safe working conditions, ensure health and safety and security in the workplace.
- Protect personal data and secure communications.

### 5.1 Modern Slavery

SCG are committed to ensuring there is transparency in our own business and in our approach to tackling modern slavery throughout our supply chains, consistent with our disclosure obligations under the Modern Slavery Act 2015. We expect the same high standards from all of our contractors, suppliers and other business partners, and as part of our contracting processes, we include specific prohibitions against the use of forced, compulsory or trafficked labour, or anyone held in slavery or servitude, whether adults or children, and we expect that our suppliers will hold their own suppliers to the same high standards.

- You must notify the Relevant Person as soon as possible if you believe or suspect that a conflict with this policy has occurred or may occur in the future.
- You are encouraged to raise concerns about any issue or suspicion of modern slavery in any parts of our business or supply chains of any supplier tier at the earliest possible stage.
- If you believe or suspect a breach of this policy has occurred or that it may occur, you must notify the Relevant Person as soon as possible.
- Suppliers, and sub-contractors must comply with all applicable anti-slavery and human trafficking laws.

- Suppliers must not employ children who are below the local minimum working age.
- Suppliers must check their hiring practices and integrate questionnaires/controls to mitigate any form of forced labour.

## **5.2 Forced and Child Labour**

Suppliers must uphold the highest standards of human rights and labour ethics by prohibiting all forms of forced, bonded, involuntary or child labour across their supply chain. Supplier must not engage in or support:

- Debt bondage
- Involuntary prison labour
- Human trafficking
- Coercion through threats or withholding of wages, documents, or freedom of movement
- Suppliers must not employ individuals that are below the national minimum age for employment and comply with the Involuntary Labour Organization (ILO)
- Age verification, fair recruitment practices, and risk assessments must be in place to prevent exploitation.

## **5.3 Fair Wages and Working Hours.**

- Workers must be paid at least the legal minimum wage in their jurisdiction and receive compensation on time and transparently.
- Working hours, rest periods, and overtime must comply with international and local labour legislation, avoiding exploitative scheduling or excessive workloads.

## **5.4 Freedom of Association**

- SCG supports the rights of workers and ensures they are treated fairly, honestly and with respect. Suppliers must ensure that workers are not discriminated against, harassed, or retaliated against for exercising their right to freedom of association
- Dialogue between suppliers and worker representatives is essential to fostering mutual respect and improving working conditions.

## **5.5 Diversity, Equity, and Inclusion**

SCG are committed to promoting equal opportunities, and fostering a culture of respect, fairness and belonging for all individuals, regardless of background or identity. The Equality Act 2010 legally protects people from discrimination in the workplace. We expect you to comply with the Equality Act 2010 and to ensure that the Public Sector Equality Duty (PSED) is supported.

- We expect suppliers to foster workplaces that reflect the diversity of society and promote inclusive environments free from harassment or discrimination.
- Respect human dignity and equality, no discrimination based on race, gender age, religion, nationality disability or other protected characteristics
- Non-discrimination, suppliers must not discriminate in hiring, promoting, or treatment of workers.
- Training and awareness, suppliers are encouraged to educate their teams on DE&I principles and human rights.

## 6. Environmental Responsibility

SCG is committed to mitigating environmental impact across its operations and partnerships. We expect suppliers to share this responsibility through decisive and measurable action. In 2019, the UK government introduced a target of net zero emissions in the UK by 2050. We will assess your plans to address social value as part of our supply chain evaluation.

### 6.1 Emissions Reduction

- Suppliers must quantify and report greenhouse gas emissions including carbon emissions, setting targets aligned with international climate agreements (e.g. Net Zero by 2050).
- Adopting renewable energy, low-emission transport, and sustainable logistics is strongly encouraged.

### 6.2 WEEE Waste Management

- Adherence to WEEE (Waste Electrical and Electronic Equipment) regulations is mandatory.
- Suppliers should ensure responsible handling, segregation, treatment, and recycling of electronic waste, supported by evidence of compliance.

### 6.3 Sustainable Material and Energy Efficiency

We require all suppliers to adopt environmentally responsible practices and contribute to our shared sustainability goals by reducing material waste, conserving energy and improving resource efficiency.

- Suppliers must participate in third-party environmental audits or internal sustainability reviews.
- Use of sustainable materials, prioritise renewable, recycled, or certified materials.
- Track and report energy consumption, emissions and material sourcing.
- Monitoring and reporting – Year on year reductions in energy and carbon emissions.
- Adoption of energy saving practices throughout the supply chain.

## 7. Supply Chain Traceability

Transparency and traceability are non-negotiable pillars of supply chain integrity. SCG demands robust visibility in supplier sourcing and operational practices.

### 7.1 Component Origin Traceability

- Suppliers must document and disclose the origin of key components, raw materials, and assemblies used in products supplied to SCG.
- Traceability systems such as blockchain, or serialised labeling are strongly recommended.

### 7.2 Conflict Zone Sourcing Avoidance

- Suppliers must avoid sourcing from regions or entities associated with armed conflict, human rights, or illicit mining operations.

- Responsible mineral sourcing programs e.g. Organisation for Economic Co-operation and Development (OECD) Due Diligence Guidance should be implemented and disclosed.

### **7.3 Recycled Rare Earth Materials**

- Preference is given to suppliers utilising recycled rare earth elements and actively reducing reliance on extracting directly from nature without processing, examples of raw materials are timber, coal, natural gas. Use recycled materials instead of mining products from nature.

### **7.4 Third-Party Audits**

To ensure transparency, accountability and alignment with our ethical standards, all suppliers are required to participate in third party audits relating to their operational, social, environmental and governance practices.

- Suppliers must participate in independent social, environmental, and governance audits, providing documentation and corrective action plans where necessary.
- Certificates such as ISO 14001, ISO 45001 Validated Audit Process (VAP) are highly desirable.
- Suppliers need to actively manage their supplier chains, conduct due diligence and perform risk assessments to ensure sustainability and compliance across the supply chain.
- Suppliers are encouraged to track ESG performance and collect sustainability documentation.

## **8. Legal and Regulatory Compliance**

### **8.1 Legal and Regulatory Compliance**

- All suppliers must operate in full compliance with relevant national and international laws, statutes, regulations and codes, particularly those governing telecommunications, trade, and data.

### **8.2 Telecommunications Regulation**

- Suppliers working in telecommunications must adhere to network safety standards, equipment certification, and serve licensing regulations in each region of operation.
- Regular audits, declarations, and renewal of operating permissions should be maintained.

### **8.3 Export and Import Controls**

Suppliers must comply with all applicable export, import and customs regulations in the jurisdictions where they operate, ensuring lawful and ethical movement of goods, services, software and technology across borders.

- Classify goods accurately under relevant tariff codes and export control lists.
- Obtain required licenses for controlled items, including dual-use goods and technologies
- Avoid transactions with sanctioned entities or countries.
- Declare imports truthfully and comply with customs valuation, origin, and documentation rules.
- Suppliers shall ensure compliance with multilateral export controls, sanction regimes, and customs requirements.

- Screening against international denied-party lists and transactional risk assessments must be conducted systematically.

#### **8.4 Jurisdictional Data Laws**

- Suppliers handling cross-border data must respect jurisdiction-specific laws governing data residency, transfer and cloud services.
- Operational transparency regarding infrastructure, processing locations and third-party providers is expected.

## **9. Training, Health and Safety and Development**

Suppliers must adhere to all the applicable sections of the Health and Safety Work Act 1974. Which covers the Safe Work Environment, Emergency Procedures, Risk Minimisation, Training and Competency, Security Measures and Wellbeing Support.

- Suppliers are expected to provide a safe and healthy workplace, preventing accidents and injuries.
- Suppliers should have emergency response plans for incidents such as fires, natural disasters, and other hazards.
- Practices should be in place to identify, assess and minimise health and safety risks.
- Workers and subcontractors must be adequately trained and competent to perform their duties suitably and safely.
- Some codes also include broader wellbeing initiatives, such as mental health support and ergonomic practices.
- Suppliers should provide regular training and development programs covering ethics, data privacy and information security, compliance, human rights, health and safety, and environmental protection and sustainability.

## **10. Quality Assurance and Customer Care**

Suppliers must take due care to ensure their products and services meet our quality standards. This includes:

- Implementing quality assurance processes to detect defects, identify areas for improvement, and apply corrective actions.
- Facilitating the delivery of products and services that meet or exceed contractual and regulatory requirements.
- Preventing the use of counterfeit parts or materials by sourcing only from original manufacturers, authorised distributors, or trusted sources with full traceability (e.g. serial numbers, lot codes, certificates of conformity), and using secure packaging and labelling to avoid substitution or tampering.

Suppliers must also maintain effective customer care and complaints handling procedures:

- Respond to complaints promptly, professionally, and transparently.
- Investigate issues thoroughly and implement corrective actions where necessary.
- Monitor complaint trends to identify systemic issues and drive continuous improvement.
- Ensure customer service practices align with our values of fairness, accountability, and responsiveness.



## 11. KPI Monitoring and Improvement

SCG supports proactive KPI monitoring which helps identify opportunities for suppliers to improve their performance and contribute to the overall efficiency and effectiveness of the supply chain.

Suppliers will be evaluated through quantified KPIs which can cover various aspects of performance, including delivery, quality, cost, risk management, sustainability and compliance, and ethical, social, and environmental standards. These KPIs will serve as the foundation for ongoing supplier assessments, ensuring alignment with the organisation's standards, strategic goals and corporate values.

The Procurement Act 2023 mandates the use of Key Performance Indicators (KPIs) for monitoring and improving contract performance, particularly for contracts valued over £5 million. These KPIs serve as benchmarks to assess supplier performance throughout the contract lifecycle and enhance transparency and accountability

## 12. Acknowledgment and Acceptance

By accepting this Code, the supplier confirms its understanding and commitment to uphold SCG's standards of business conduct, ethics, data privacy and information security, compliance, human rights, health and safety, and environmental protection and sustainability.

SCG reserves the right to audit, assess, and take necessary action in cases of non-compliance, including contract termination.

### **Consequences of Breaching the Supplier Code of Conduct**

SCG will conduct a rapid but thorough investigation using audit data and self-assessment questionnaires. If a supplier were to breach this Code of Conduct, they will be invited to explain the breach, propose remediation and demonstrate transparency. If the breach is severe (e.g. human rights violations / fraud) or if the supplier is uncooperative, then SCG may terminate the contract and report the issue to relevant authorities.