

SUPPLIER

# Code of Conduct



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## Document Control

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# 1 Purpose

Diploma PLC (“Diploma”) is committed to achieving the highest ethical and legal standards across its Group companies and supply chain. Our commitment to do so is set out in our [Code of Conduct](#).

The relationship between Diploma Group companies, its suppliers and business partners are an important component of our commitment to trading ethically and sustainably. As part of this commitment, we also seek to extend these standards across our supply chains.

This Code sets out the requirements for doing business with any company that is part of the Diploma Group and covers compliance, ethical and environmental standards. We continue to work with our suppliers and business partners to not only meet these minimum requirements but also continuously improve in line with industry best practice.

# 2 Scope

This Code applies to all Diploma suppliers, agents and third-party business partners (“suppliers”).

# 3 Compliance

## 3.1 Legal Compliance

All suppliers are required to comply with all applicable national and international laws and regulations including without limitation:

- regulations aiming to protect human rights, health, the environment, anti-trust, data protection, international trade compliance, workplace safety, and
- regulations aiming to combat corruption, money laundering and terrorism.

## 3.2 Conflicts of interest

All suppliers are required to:

- have processes in place to avoid conflicts of interest and provide a mechanism for employees to report potential conflicts of interest between them, or any relative, close friend or associates and the Diploma Group,
- notify Diploma without delay of any conflicts of interests or potential conflicts of interest including but not limited to:
  - family and personal relationships with Diploma Group employees,
  - others acting on the behalf of Diploma Group,
  - previous employment with Diploma Group, or
  - any other interest by relevant persons in the business which may (or which appears likely to) affect impartial decision making.

## 3.3 Fair Competition

Fair competition is good for business, driving innovation and improving services. Antitrust and competition laws ensure a fair and competitive free market system in which no one company has a monopoly on a product or service.

All suppliers are required to comply with antitrust and competition laws. For example, under these laws, certain actions are prohibited such as:

- agreeing prices with competitors,
- agreeing with competitors to boycott a supplier or customer,
- sharing competitively sensitive information with other competitors,
- entering a business arrangement or strategy with the intention of harming a competitor,
- using your size to create an unfair advantage.

### 3.4 Government Sanctions & Anti-Money Laundering

Diploma is governed by international trade laws in the UK and similar regulations in other countries. These laws prohibit us from doing business with or supporting criminals, terrorists, prohibited parties and money launderers trying to hide illicit funds.

Suppliers should always be sure to comply with all applicable anti-money laundering and counterterrorism financing laws, and only accept funds from legitimate sources.

### 3.5 Bribery and Corruption

All suppliers are required to:

- have in place adequate procedures to manage the risk of bribery and corruption in its business and supply chains including regular training of employees,
- comply with the Diploma [Anti-Bribery and Corruption Policy](#) as if it applied to the supplier or to have equivalent principles in place through its own policies.

Specifically, the supplier will;

- employ reasonable due diligence when entering business relationships to detect and prevent all forms of corruption,
- not accept or offer improper gifts and hospitality that could affect or appear to affect impartial business decision making,
- not engage in any form of bribery or corruption either directly or indirectly or through a third-party,
- not make facilitation payments or offer other gifts to government officials, candidates for public office or other persons,
- not use third-parties or business partners as a channel to make improper payments.

### 3.6 Complying with Tax Rules

Diploma has a zero-tolerance attitude to all forms of tax evasion. We are committed to ensuring full compliance with all statutory obligations and to conducting our business affairs to ensure that we do not engage in or facilitate any form of tax evasion. All suppliers are required to:

- comply with the Diploma [Anti-Facilitation of Tax Evasion Policy](#) as if it applied to the supplier, or have equivalent principles in place through its own policies ,
- not engage in or facilitate in any form of tax evasion, either directly or through any third-party, or any activity designed, or can reasonably be construed as being designed, to perpetuate a fraud.

### 3.7 Health & Safety

All our suppliers are expected to have in place minimum requirements as set out in the Diploma [Health & Safety Policy](#) as if it applied to the supplier, or have equivalent principles in place through its own policies. Specifically suppliers are required to:

- provide a safe and healthy working environment for all employees including providing appropriate personal protective equipment where applicable,
- have policies and procedures in place to prevent accidents and injury when undertaking duties related to supplier's business,
- provide training and education for all workers on health and safety issues,
- take all commercially reasonable steps to minimise detrimental effects of supplier's business and operations on the environment,
- ensure all products and services supplied to Diploma businesses are safe when put to intended use used according to supplier specifications and provide on request all relevant safety data sheets.

### 3.8 Human Rights & Modern Slavery

All our Suppliers are expected to comply with local legislation and principles set out in our Diploma [Human Rights Policy](#) and [Modern Slavery Statement](#), or have equivalent principles in place through its own policies. Specifically suppliers are required to:

- confirm contracts prohibit the use of child labour with any vendor, supplier or other third-party,
- maintain an inclusive workplace free of harassment and discrimination,
- provide a safe and healthy workplace for employees and prevent accidents to employees, customers and visitors,
- comply with laws and regulations dealing with wages to employees and the hours they work,
- respect the rights of employees regarding freedom of association and collective bargaining.

### 3.9 Supply Chain

Suppliers and third-party providers play an important role in ensuring we uphold the highest ethical and legal standards throughout our supply chain. Suppliers are required to:

- take all reasonable steps to ensure the principles of this Code are adhered to by its own suppliers and third parties,
- have in place due diligence processes for legal and ethical compliance across the supplier's supply chain.

## 4 Environmental & Ethical Standards

### 4.1 Environmental

Environmental matters are a key aspect of our business activities. Our strategic focus is to work to limit our environmental impacts and tackle climate change, so ensuring we deliver value responsibly. All suppliers are required to:

- comply with the Diploma [Environment Policy](#) as if it applied to the supplier, or
- have equivalent principles in place through its own policies.

Specifically, the supplier should endeavour to:

- conserve energy and natural resources, prevent pollution and environmental incidents and promote sustainable transportation, production and consumption,
- reduce scope 1,2 and 3 Green House Gas emissions,
- reduce waste, increase recycling and minimise waste to landfill,
- reduce packaging use and increase recycled and recyclable packaging where appropriate,
- set targets to continually improve environmental performance.

Where appropriate suppliers should adopt Science Based Targets to reduce their Scope 1 and Scope 2 Greenhouse Gas emissions and to address Scope 3 emissions in their supply chain.

- These targets should be aligned with the current guidance from the Science Based Targets initiative (SBTi) and where possible approved by the SBTi.
- Where appropriate, preference will be given to suppliers with or committed to Science Based Targets and where possible Diploma will work with suppliers to encourage and facilitate this.

## 4.2 Whistleblowing

We are committed to an open and accountable culture where employees and others can express concerns in the knowledge they will be taken seriously and treated fairly without retaliation.

The Diploma [Whistleblowing Policy](#) encourages reporting of concerns about an illegal act or a breach of our [Code of Conduct](#).

If you become aware, or have reason to suspect, that unethical, illegal or other improper circumstances or behaviours connected to any Diploma business are contemplated, occurring, or may have occurred, you are encouraged to raise your concerns in a timely manner using our Confidential Hotline. Reports will be treated in accordance with our [Whistleblowing Policy](#) acknowledged and acted upon as appropriate.

## 5 Associated Policies

These Policies are published on the Diploma corporate [website](#) and should be read and complied with in conjunction with the Diploma [Code of Conduct](#):

- [Anti-Bribery and Corruption Policy](#)
- [Anti-Facilitation of Tax Evasion Policy](#)
- [Health & Safety Policy](#)
- [Human Rights Policy](#)
- [Modern Slavery Statement](#)
- [Environment Policy](#)
- [Whistleblowing Policy](#)

## 6 Contacts

### 6.1 Diploma

Group Legal Team  
[Legal@diplomapl.com](mailto:Legal@diplomapl.com)

Group Sustainability Team  
[Sustainability@diplomapl.com](mailto:Sustainability@diplomapl.com)

### 6.2 Confidential Hotline

The Diploma Confidential Hotline is managed by Safecall, a respected, confidential and independent third-party organisation.

Safecall provides a 24-hours a day, 7 days a week service and can be contacted as follows:

- Freephone (full list Freephone numbers available on their [website](#))
- Raising an official report on their website (<https://www.safecall.co.uk/file-a-report/>)
- Email ([diploma@safecall.co.uk](mailto:diploma@safecall.co.uk))

When contacting Safecall via telephone, you will be put through to an operator who is trained to receive your report about concerns in the workplace that you feel cannot be addressed in any other way. Your call will not be recorded and will be treated confidentially and should you wish, Safecall will guarantee your anonymity.

When raising a report on their website you have the option to be named, semi anonymous or anonymous.

## Supplier Code of Conduct Declaration

Diploma is committed to working with companies who meet the requirements and standards in our Supplier Code of Conduct. Please sign below to confirm that:

- you are duly authorised to sign this acknowledgment form on behalf of your Company;
- you have read and understood, and agree that your Company will comply with the requirements set out in the Supplier Code of Conduct;

Diploma Business: .....

Supplier Name: .....

Signature: .....

Name/Position: .....

Date: .....