

ETHICAL BUSINESS PRACTICE POLICY

Policy brief & purpose

Q3 Services Group Limited (Q3) seeks excellence in every aspect of its business and is committed to minimise the social, environmental and ethical impacts of its supply chain.

Our policy is to seek the purchase of goods and services that minimise negative and enhance positive impacts on the environment and society whilst meeting our business requirements.

We seek to incorporate social, environmental and ethical considerations into purchasing decisions and endeavour to make a positive contribution to the environment and society. To this end, we have developed **Ethical Business Practice Policy** that are applicable to both our suppliers and to ourselves.

In support of our Ethical Business Practice Policy we will:

- Assign responsibility for the Ethical Business Practice Policy to named responsible individual(s) and provide Management Board oversight of this policy
- Measure and monitor the application of our policy
- Review and revise the Policy on an annual basis.
- Conduct an environmental, social and ethical assessment of our key suppliers.

Policy Principles

This sits within our established purchasing practices to ensure a robust procurement process in line with all applicable laws and regulations. Q3 will:

- Work collaboratively with suppliers to improve environmental, social and ethical standards with the aim of realising continuous improvement in all three areas for both our suppliers and ourselves.
- Protect the confidentiality of information entrusted to us.
- Recognise the supplier's own standard where they are working to environmental, social and ethical standards similar to those stipulated in the policy.
- Not require suppliers to realise environmental, social and ethical standards more onerous than our own.
- Ensure that all relevant employees are aware of the Policy.
- Ensure that procurement management is responsible for establishing the compliance of key suppliers the policy.
- Ensure that supplier's staff working on our premises are treated with the same respect for diversity and workplace safety as our own staff.
- Base our supplier selection on objective and transparent criteria that include the consideration of environmental, social and ethical performance.
- Cease trading with suppliers showing persistent disregard for important elements of environmental, social and ethical performance.
- Act as an advocate for responsible supply chain practices within our industry sector.

- Use a risk based approach to ensure we focus on those areas where the risk is greatest and maximum impact can be achieved.

Supplier Principles

We expect that all our suppliers adhere to the policy principles set out below.

- Suppliers are expected to have management systems in place for delivering compliance with our policy in their own operations and those of their suppliers.
- Suppliers should comply with all relevant legislation in the countries in which they operate and all relevant International Labour Organisation (ILO) conventions.
- Suppliers are expected to communicate their expectations for compliance on all the issues raised within the Operating Principles to all relevant employees and suppliers.
- Suppliers should provide evidence to enable assessment of the implementation of our policy to those acting on their behalf and other relevant independent 3rd parties, where applicable.
- Suppliers should demonstrate continuous improvement in their approach to sustainable and responsible purchasing.

Society

We seek to ensure that the working conditions at suppliers of the products and services we purchase meet the standards of the International Labour Organisation (ILO) and the Universal Declaration of Human Rights (UDHR).

We expect our suppliers to adopt and demonstrate the following standards of social Compliance:

- **Child Labour:** Organisations should ensure the effective long-term elimination of child labour, in a manner consistent with the interests of the children concerned. Children or young persons under 18 shall not be employed at night or in hazardous conditions.
- **Forced Labour:** There should be no forced, bonded or involuntary labour and no workers are required to lodge “deposits” or identity papers with their employers and should be able to leave after giving reasonable notice.
- **Health, Safety and Hygiene:** All employees should expect to work in an environment that is both safe and healthy. Adequate steps should be taken to prevent accidents occurring in the normal course of work. Workers should receive suitable health and safety training and have access to clean toilet facilities and clean drinking water as required.
- **Discipline:** Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation is not acceptable. Disciplinary and grievance procedures shall be clearly documented and communicated to all employees. All disciplinary measures of a serious nature shall be recorded.
- **Freedom of Association and Employee Representation:** All workers and employers have the right to form and join organizations of their own choosing without prior authorization.

- **Working Hours:** working hours should not be excessive and shall comply with relevant UK laws. Overtime should be voluntary.
- **Equality of Treatment:** Organisations will seek to eliminate discrimination in access to employment, training and working conditions, on grounds of race, colour, sex, age, religion, political opinion, national extraction, sexual orientation, disability or social origin and promote equality of opportunity and treatment.
- **Remuneration:** Wages and benefits afforded to workers should meet national standards. Workers should be provided with clear written information on their pay and conditions. Excessive deductions on wages should not be permitted as a disciplinary measure.
- **Employment terms:** All workers should be provided with simple, written contracts which must detail the terms and conditions of their employment. Contracts should be clearly understandable to each worker. Work performed should be on the basis of recognised employment law and practice.
- **Community impact:** Organisations are encouraged to support the communities in which they operate through appropriate community initiatives.

It is understood that organisations must comply with national and other applicable laws and regulations and where there is conflict between these and this policy then the highest standards linked with such laws and regulations shall be applied. Where there is no conflict we would expect that the provisions that give the greatest protection to workers should be applied.

Environment

We seek to ensure that appropriate attention is paid to environmental issues when Q3 purchase products and services.

In all cases suppliers should be able to demonstrate environmental policies and management systems sufficient to ensure continuous improvement in environmental performance. Therefore, suppliers should be able to demonstrate:

- Documented policies regarding environmental management.
- The ability to monitor and review environmental performance.
- The degree to which operations are covered by recognised environmental management systems or the organisations intentions towards such accreditation.
- The awareness of potential environmental risks inherent in their production, service or sourcing activities.
- The implementation of mechanisms and processes in place to mitigate or minimise potential environmental risks.
- The degree to which products and services have been designed with environmental considerations in mind.

Suppliers should seek to:

- Minimise the use of energy, water and raw materials where practical.
- Maximise the use of recyclable and renewable materials including energy where possible.
- Make practical efforts to minimise waste and dispose of it in a safe, efficient, and environmentally responsible manner.
- Avoid contamination of the local environment and ensure that emissions, air, noise and odour pollution is, as a minimum, within nationally defined limits.

Ethics

Q3 has clear ethical standards and arrangements to promote and encourage compliance: similar standards are expected of our suppliers. Suppliers should be able to demonstrate the existence of processes and procedures to implement appropriate staff guidelines and codes of conduct.

Suppliers should ensure that management systems and practices are in place to ensure the prevention of:

- Money Laundering.
- Insider Trading.
- Conflicts of Interest.
- Fraud, Bribery and Corruption and other improper Payments or Gifts.
- Unauthorised access to personal and business information.



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Date: 1st April 2023
Review date: 31st March 2024