



SUDBURY SILK MILLS

Our Commitment to Corporate Responsibility and Sustainability

This guidance outlines the focus and commitment of our group of companies to high standards of responsibility in all areas of social and environmental best practice, which are considered to be material by our stakeholders and are vital to the success of our business.

Our culture is one of integrity, openness and accountability. We recognise the importance our customers place on social and environmental responsibility and measure this through meaningful key performance indicators to enable our company to monitor progress in fulfilling our objectives and responsibilities.

We require all our stakeholders to commit to adopting these best practices and adhere to all applicable legal requirements; our entire organisation and those we do business or partner with, particularly service providers, vendors, contractors, all companies and individuals engaged in our supply chain. This will also enable us to further provide full traceability and transparency, with sufficient audit controls to ensure standards are adhered to.

Health and safety

Health and safety is critical to the Group and a high priority for us. We strictly adhere to all applicable laws, and we expect all our suppliers to operate in this way too. The Group collects internal health and safety data to monitor the effectiveness of our policies and procedures. We expect all Group companies and those in our supply chain to seek continuous improvement and promote a strong health and safety culture. To ensure an excellent health and safety record, through a deeply embedded culture of safety and wellbeing, driven by the delivery of training in best practices for our people. Our Health & Safety Policy requires Group businesses to manage their activities in a way which prevents unnecessary or unacceptable risks to health and safety in full compliance with local health and safety laws. We recognise the necessity of safeguarding the physical and mental health and safety of our people while at work and operate in a way that provides a safe and comfortable working environment for our people, visitors and the public.

The environment

We celebrate our environment, our surroundings and community. We support the concept of sustainability and recognise that, in common with all businesses, our activities have an environmental impact.

This is fundamental to our strategy to achieve the best possible environmental impact of our operations. We continually improve our environmental performance, deploying resources to identify and act on these opportunities.



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We are committed to controlling our consumption of water, energy, natural resources and raw materials to best effect, minimise the waste from our processes and actively promote the principles of recycling and reusing resources.

We operate in full compliance with all applicable laws and regulations, including waste stream, chemical management, emissions and effluent, and adhere to high standards at all times with policies and training that uphold our responsibilities.

We expect our stakeholders to fulfil and uphold these standards and legal compliance.

Our culture and people

We expect our people to act fairly in their dealings with colleagues, customers, suppliers and business partners.

We recognise that our people determine our success, and we continue to invest in them, encouraging their development. We use external training and development programmes, but also provide clear leadership and decisive action. Working closely with our teams to ensure that we have the right capabilities and best talent to match our growth ambition.

Our employees are treated with dignity at all times, exceeding the requirements of local labour laws. This includes protection from any corporal disciplinary measure, and or any means of physical or mental coercion. These same expectations are extended to all our stakeholders.

Human rights and labour conditions

Human rights

The Group is committed to protecting the human rights of all our people. We engage with organisations who can help us implement this policy effectively over time.

The Group supports the protection of international human rights within the sphere of our influence and will not be complicit in human rights abuses.

Our policy ensures that Group companies and our stakeholders comply with legislative and regulatory requirements. We do not tolerate practices which contravene international standards.

Our Human Rights and Labour Conditions practices reflects the core requirements of;

- The Universal Declaration of Human Rights (such as freedom from torture, unjustified imprisonment, unfair trial and other oppression)



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- The UN Global Compact
- The OECD guiding principles
- The International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work

Compliance with, and respect for these fundamental principles are integrated throughout our organisation. We provide leadership that promotes human rights as an equal priority to other business issues, and our people are responsible for ensuring that their own actions do not impair the human rights of others. We expect our global supply chain to reflect these high standards and comply with the international human rights conventions.

Labour conditions

The Group observes the ILO Declaration on Fundamental Principles and Rights at Work which upholds basic values in four areas which we expect all our suppliers to adhere to:

1. Forced Labour (Modern Slavery)

We will not tolerate forced labour, bonded labour or labour which involves physical or mental abuse, including actual or threatened physical punishment, verbal or sexual harassment, or domination or restraining of workers by force, authority or threats.

Workers must not be required to lodge "deposits" or their identity papers with their employer, and they must be free to leave their employer after reasonable notice.

2. Child Labour

Exploitation of child labour is unacceptable under any circumstances. No person under the minimum legal working age applicable to their country may be employed by any company within the Group.

3. Freedom of Association and the Right to Collective Bargaining

Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively. All Group companies will adopt a non-discriminatory attitude towards the activities of trade unions and their organisational activities.

Workers' representatives will not be discriminated against and must have access to carry out their representative functions in the workplace.



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Where the right to freedom of association and collective bargaining is restricted under law, we will facilitate and not hinder the development of parallel means for independent and free association and bargaining.

4. Discrimination

All Group companies will not discriminate in hiring, compensating, access to training, promotion, termination or retirement based on race, ethnicity, national origin, marital status, religion, beliefs, pregnancy, health, age, disability, gender, sexual orientation, union membership or political affiliation or any other status protected by local law.

Remuneration & Working Hours

We create a safe working environment, where the right to favourable conditions at work, as well as the right to rest and break, and limitation of working hours are strictly adhered to.

We respect the importance of living wages to meet the basic standards of living for our people, as well as gender-equality in wages for work of equal value. We do not engage in excessive overtime and ensure that hours are monitored accordingly for this purpose. All Group companies and our suppliers are required to adhere to local labour laws regarding working hours and remuneration.

Child Labor policy

This policy states our position on employing children and aims to ensure that our Group of companies and everyone we are connected to complies with the law and cares for children's interests. "Child labour" refers to work that deprives children of their childhood and affects their schooling, their potential and their dignity. It's work that's harmful to them mentally, physically and socially.

As an organisation, we want to do business in a legal, ethical manner adding value to society and the environment. Helping stop child labour is fundamental to that aim and we want to make sure that our organisation doesn't take part in children's exploitation.

The [International Labour Organization \(ILO\)](#) and the [U.N Convention on the Rights of the Child](#) guide our policy on child labour. When it comes to legal aspects, we always:

- Follow the stricter law if more than one law apply (e.g. state and federal, local and international).



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- Require suppliers, partners and vendors to follow the stricter applicable laws and recognise children's rights. They must also require their own suppliers, subcontractors and stakeholders to hold the same high standards.

Young people (under the age of 18)

We believe in the value of students completing their full education, and fulfilling their potential as they learn and grow. We do not employ anyone under the age of 18 on our site.

We recognise we have a responsibility to enhance education and as such we support the education of many students by hosting educational visits from local schools and offering work experience placements.

All our work experience placements and hosted school visits are risk assessed and we sign up to the child protection policies in place. We have stringent Health & Safety requirements in place.

If our suppliers employ children from the age of 16, we expect them to always follow the local and international laws and support those children to complete their compulsory educational pathway. Children working should never jeopardise their health and safety or affect their schooling and development. We will decline to work with any company who employs children of any age in hazardous or exhausting jobs or doesn't follow applicable laws on working hours or pay.

Actions and Implementation

To make sure we enforce this policy and help eliminate child labour, we require our stakeholders to be committed to:

- Educating their staff on the identification and reporting of child labour if they see or suspect it.
- Train hiring managers and HR to avoid hiring minors under the legal age for working.
- Keep accurate records and validate documentation verifying staff members age at the start of their employment.
- Communicate the expectation of no child labour to organisations we're connected with, ensuring high standards and compliance within our supply chain



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Code of Conduct

The Code of Conduct applies to all Group company employees and those with whom we have a business relationship. The Code of Conduct aims to ensure that the Group maintains consistently high ethical standards, while acknowledging that our businesses operate in markets and countries with cultural differences and practices. Our company values play a crucial role in upholding the standards of behavior we expect from our people and those we choose to work with in our supply chain.

The Code of Conduct sets out our ethical commitment and expectations and includes Anti-Bribery & Corruption, Anti money laundering, Anti-Trust and Conflicts of Interest.

This provides guidance on our expectations that define how we run our business and ensure we offer a consistent response to situations that may arise. Conducting business in this way will help deliver consistently high standards of conduct throughout the Group, reinforcing our reputation around the world. Compliance with the Code is required across the Group, and we expect our business partners, as well as our people, to act with similarly high ethical standards. We all share responsibility for ensuring that individually and collectively we are operating with integrity in compliance with this Code.

We support our people and our business partners to identify and avoid situations that might breach legislation or neglect best practice. For any circumstance that is not sufficiently covered by this guidance, or if there is insufficient information about how to deal with any specific situation, this should be reported to senior management within the company for further advice.

Anti-Money Laundering

We acknowledge that the practice of money laundering for the purposes of funding criminal activity is a significant concern for business and as such we operate in full compliance with local laws. We adopt a risk-based approach to Anti-Money Laundering practices, following a robust set of procedures that ensure our compliance with Anti-Money Laundering regulations. We expect all those we have a business relationship with to follow the same requirements of Anti Money laundering which includes;

- Undertaking due diligence in relation to business relationships (including verifying business identity, source of funds, full details of the business, and identity verification).
- Specific control criteria including a regularly reviewed policy, nominated officer, and training as appropriate.
- Maintenance of financial records for a retention period as appropriate.



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International trade

We will abide by international sanctions and embargoes as relevant to the country with which we are trading. We will exercise caution to prevent, as far as possible, any transaction involving a country under embargo/restriction. This is regularly reviewed to ensure full compliance. We require country of origin from our suppliers and these are used for additional supply chain verification. We expect this standard of compliance with all companies we are associated with.

Anti-bribery and corruption

The Group has a zero-tolerance policy on bribery and corruption which extends to all business dealings and transactions in which we are involved. This includes a prohibition on making political donations, offering or receiving inappropriate gifts or making undue payments to influence the outcome of business dealings.

“Bribery undermines democracy and the rule of law and poses a very serious threat to sustained economic progress in developing and emerging economies, and to the proper operation of free markets” (UK Government). The company policy ensures our people are clear on their conduct in relation to this area, and our people are prohibited from giving or receiving gifts that are for the purposes of coercing an outcome. Our policy includes a robust reporting system and controls in place to ensure any items are recorded and controlled. We expect those we have business relationships with to follow this robust level of control and prevention.

Conflicts of interest

Any conflict of interest must be declared to the company, which includes connections that may affect or influence any business relationship or outcome. This includes any business transaction that an individual may be a beneficiary of, whereby they may have used their position/influence to change the outcome. Any political affiliation or membership of other organisations or professional bodies should have no impact on any decision made by an employee.

Competition (Anti-Trust)

It is the company’s belief that a healthy relationship with our competitors is crucial to supporting our industry, improving and innovating, for the benefit of our customers. Competition will be maintained in a way that is fair between businesses, and we will protect our customers from anti-competitive practices. We will never knowingly enter into a supply chain agreement that actively incites or solicits unprofessional conduct by restriction of supply as part of healthy competition, this may include the practice of price fixing, refusal to deal with other parties (boycotts), or sales that are conditional



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on an expectation to purchase goods that the customer does not actually want to procure (sale dependencies). Our people will avoid discussions with competitors that may create advantage as suppliers (this could include price comparisons leading to market control, or allocation of certain market territories reducing consumer choice).

Responsibility

We believe that everyone is responsible for having due regard for human rights, health and safety, the environment, and following the high standards of our code of conduct.

Our commitment to corporate responsibility and sustainability is integral in the way in which existing operations and new opportunities are developed and managed.

- Directors, Managers and supervisors provide visible leadership that promotes our commitment to corporate responsibility and sustainability, uphold the requirements of policies, and give an equal priority to other business issues.
- All our people are responsible for ensuring that their own actions do not contravene our commitment to corporate responsibility and sustainability, and that any breaches are actively reported.
- We will work with our suppliers to ensure they understand our expectations and can commit to the standards by which we operate.

We will uphold these high standards for our customers, ensuring compliance through our business relationships. The company welcomes audits on these standards by external bodies, and value the partnerships with our customers to ensure that we are fulfilling the standards we have set for our business.