



Supplier Code of Conduct

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Message from our Chief Executive Officer

Arco's mission is to keep people safe at work. As a family-owned business spanning five generations, we are committed to delivering that mission through our core values. Our values are more than just statements; they define our reasons for being in business and what it means to be part of our extensive Arco family.

As market leaders we offer the widest range of PPE in the UK.

It's our ethos of putting customers and people at the centre of everything we do that is the real key to our success - an approach best summed up by our core values and purpose:

- Respect for people
- Hard work and enterprise
- Excellence in reputation

Our suppliers are an integral part of our business and key to ensuring that Arco achieves its objectives to minimise environmental impact and support the communities around us. We work with our suppliers to create strong business relationships that are about more than merely the supply of products or services.

This Code of Conduct is intended to set the standards we expect of ourselves and our suppliers.

By setting high standards for ourselves and encouraging our suppliers to achieve those same standards, we believe that we can have a positive impact around the world. We recognise our role in supporting and assisting those in our supply chain to achieve and maintain those high standards.



Guy Bruce

Chief Executive Officer

This Code of Conduct is approved by the Board of Directors of Arco Limited

Leading the Way

Our Code of Conduct is intended to set out a basic framework of standards reflecting the differences in laws, customs, and economic conditions around the world. We expect Suppliers to (a) ensure they always meet local and national laws; and (b) consider what steps they can take to operate above the basic standards to demonstrate best practice. Arco wants to build long term relationships with Suppliers that want to lead the way in addressing responsible, sustainable and ethical trading.

Working with the ETI

The Ethical Trading Initiative (ETI) is a leading alliance of companies, trade unions, and NGOs that promotes the respect for workers' rights around the globe. Their aim is to improve the lives of workers around the world by eradicating exploitation and discrimination, so they can enjoy conditions of freedom, security and equity.

Arco became members of the ETI in 2007. We are committed to the ongoing and continual improvement in ethical trade in line with the ETI Base Code. Arco have a strategic plan in place with the ETI which aims to improve the welfare of safety of workers.

As a long-term member of the ETI, Arco has in place a more detailed **Ethical Guide for Vendors** focused on the treatment of workers. Arco believes that Suppliers should consider the Ethical Guide when assessing compliance with this Code of Conduct and best practice. All suppliers will be expected to comply with the Ethical Guide in addition to this Code of Conduct.

What we expect from you

Applicability of this Code of Conduct

This Code of Conduct applies to all Arco Suppliers. Throughout this Code of Conduct, we use **Supplier** to mean any third-party supplying goods or services to Arco, whether for resale or otherwise. This Code of Conduct shall be deemed incorporated into Arco's standard terms of purchase and all contracts entered into by Arco with Suppliers. If you accept any purchase order from Arco, you are agreeing that you have read, understood and will comply with this Code of Conduct.

Arco's objective and preference is to work with Suppliers who strive to and/or consistently exceed the standards in this Code of Conduct.

Top Level Commitment

We expect senior management of our Suppliers to demonstrate commitment to upholding the standards set out in this Code of Conduct and creating a continuous improvement culture in their business. We expect the commitment to extend to ensuring that Suppliers can demonstrate the standards they aspire to and achieve through appropriate evidence, systems, documents, accreditations, and certifications.

We recognise that many Suppliers may demonstrate compliance with our Code of Conduct by providing their own equivalent document(s). Others may wish to use this Code of Conduct to help focus and report on their compliance programs.

Manage the standards in your supply chain

We expect all direct Suppliers to adhere to the Code of Conduct and take the necessary steps to do so. This includes ensuring that the standards in the Code of Conduct are met by subcontractors. We therefore encourage Suppliers to engage with their sub-contractors to set and enforce an equivalent set of standards.

Putting things right

We want to help Suppliers attain and maintain high standards. We will work with Suppliers to promptly address identified failings and will be supportive of efforts to continuously improve.

We expect Suppliers to engage with us in relation to identified failures and improvement plans. Where Suppliers fail to engage with us and/or fail to address any remediation and/or improvement actions, we may suspend or, as a last resort, terminate the trading relationship.

Transparency

Increasingly our customers and Governments around the world are demanding greater insight into global supply chains. Arco is supportive of all efforts to raise standards around the world, and particularly of efforts to improve the health, safety and economic well-being of workers. To support our legal and contractual obligations, we expect suppliers to share details of their supply chains and to work with us when we need to undertake or facilitate audits and otherwise collate/provide evidence of supply chain standards. In a world where transparency is becoming more important, where Suppliers do not show sufficient understanding and support, we may suspend or, as a last resort, terminate the trading relationship.

Speak Up

Is Arco operating to the high standards we have set ourselves?

It is important that we know when and where Arco does not meet the standards we set ourselves.

If you think Arco or its employees are not operating to the standards set out in the Code of Conduct or required by law, you should contact your usual Arco contact. If the issue relates to or involves your usual contact, you may contact Arco's General Counsel via **whistleblowing@arco.co.uk**.

Are our Suppliers operating to the standards we have set in this Code of Conduct?

We also encourage anyone working for or with a Supplier to let Arco know where a Supplier is not:-

- operating to the standards we require in this Code of Conduct
- complying with any applicable contract, or
- complying with applicable laws.

If you think this is the case, you should contact your usual Arco contact or contact Arco's General Counsel at **whistleblowing@arco.co.uk**.

Is there an alternative way to report concerns?

Yes.

We have engaged an independent third party, Safecall, to manage a whistleblowing service on our behalf. This is open to all Arco colleagues as well to any third parties wishing to report concerns about Arco or Arco's supply chain. You can use this service anonymously but the more information that you provide, the easier it will be for Arco to resolve any issues identified. Safecall is able to support multiple languages.

You can contact Safecall on **+44 800 915 1571**

People and Community

We believe that good businesses have respect for all people with whom they engage and that the communities in which they operate are respected and supported.

IMPORTANT:

In addition, Arco expects all vendors to consider the more detailed guidance in its Ethical Guide for Vendors. Arco may use the Ethical Guide as a basis for any supplier audit.

Arco requires all of its 'own brand' vendors to comply with the ETI Base Code on which the ethical guide is based will form the basis of all vendor and site audits. Audits may be conducted by Arco employees or certified 3rd Party auditors.

Employment Relationship

- Suppliers should adopt and adhere to conditions of employment that are compliant with relevant laws, safeguard worker and employee rights under local and national laws, and respect employees and workers.

Child Labour

- Child labour is prohibited. Unless a permitted exception applies, no worker shall be under 18.
- Controlled employment of those under-18 in strict compliance with local laws and ILO conventions is permitted.

Forced Labour

- All forms of human trafficking and forced labour, such as withholding deposits, salary and benefits or the retention of identity documents from workers, are forbidden.
- Workers shall have the right to leave the workplace premises after completing the standard workday and be free to terminate their employment provided that they give reasonable notice to their employer.

Discrimination

- Suppliers are expected to provide equal opportunities.
- No discrimination shall be tolerated by the supplier in hiring, remuneration, access to training, working conditions, promotion, termination or retirement.
- Discrimination includes less favorable treatment based on factors including gender, gender identity, sexual orientation, age, religion, race, disability, ethnic, national or social origin, nationality, membership in workers' organisations including unions, political affiliation or opinions, and marital status.

Abuse and Harassment

- All workers shall be treated with dignity and respect.
- The supplier will not engage in and implement clear policies and procedures to prevent any kind of harassment, threat, intimidation, bullying or abuse of any worker, including physical punishment or disciplinary measures and mental or physically coercion.

Apply Reasonable Working Hours

All applicable national laws and industry standards on working hours and public holidays are to be respected by the supplier. In the absence of applicable laws or collective agreements, normal working hours shall not on a regular basis exceed 48 hours and the maximum allowable overtime hours in a week shall not exceed 12 hours. Employees are entitled to at least one day of rest in every seven-day period.

Remuneration

- The salary and benefits for workers meet or exceed legal minimum or appropriate prevailing industry standards. This includes wages, overtime pay, and paid leave.
- Wage and benefit entitlement is clearly stated in writing for workers and is in full compliance with all applicable laws.
- Overtime shall be reimbursed at a premium rate as defined by national law and/or industry standard.
- Collective bargaining agreements that are legally binding are applied to all relevant workers.

Respect Freedom of Association and the Right to Collective Bargaining

Workers have the right to or not to form, join, and organise trade unions of their choice and for them to bargain collectively on their behalf with the company. In situations where the right to freedom of association and collective bargaining are restricted under law, the company shall facilitate workers freely to elect their own representatives. Suppliers ensure open communication channels available and that employee representatives do not suffer any discrimination, reprisal, intimidation or harassment.

Respect the Rights of Local Communities

Suppliers follow all applicable national laws and respect international standards in respect of the land, natural resources, flora and fauna, and inhabitants of the areas where they operate. This includes respecting the rights of individuals, indigenous people and local communities impacted by development, business operations, and use of natural resources.

Workplace

We believe that good businesses ensure that the workplace is a safe environment in which people can work.

IMPORTANT:

In addition, Arco expects all vendors to consider the more detailed guidance in its Ethical Guide for Vendors. Arco may use the Ethical Guide as a basis for any supplier audit.

Arco requires all of its 'own brand' vendors to comply with its Ethical Guide for Vendors The ETI Base Code on which the ethical guide is based will form the basis of all vendor and site audits. Audits may be conducted by Arco employees or certified 3rd Party auditors.

Provide a Safe and Healthy Workplace

A safe and healthy workplace environment is provided, and the supplier takes effective steps to prevent potential accidents and injury to workers' health occurring in the course of work or as a result of the employer's operations, by minimizing the sources of hazards inherent to the work environment.

Occupational Safety

Worker's exposure to potential safety hazards (e.g., electrical and other energy sources, fire, on-site transport of any kind, and fall hazards) is to be controlled by risk assessment, administrative controls, preventative maintenance and effective safe work procedures, with appropriate safety training. Where hazards cannot be adequately controlled, workers are provided with appropriate, well-maintained, personal protective equipment. Workers are involved in identifying further safety concerns.

Emergency Preparedness

Potential emergency situations and events are to be identified and assessed. Policies, emergency plans and response procedures are to be in place which must include evacuation plans and exercise, fire detection systems, emergency reporting, employee notification, and recovery plans.

Occupational Injury and Illness

Procedures and systems are to be in place to drive risk assessment to prevent, protect, track, report and manage occupational injury and illness including provisions to encourage near-miss self-reporting by workers and the classifying and the recording of injury and illness. In addition, the investigation of each safety incident with the implementation of corrective actions to eliminate its root causes will reduce workplace safety incidents.

Sanitation, Food and Housing

Workers are provided with ready access to clean toilet facilities, drinkable water and sanitary food preparation, storage, and eating facilities. Worker accommodations, when provided by the supplier, are to be maintained, clean and safe, and provided with appropriate emergency exits. Hot water for bathing and showering, adequate heat and ventilation, and reasonable personal space along with reasonable entry and exit privileges are provided. These measures are under regular control to avoid the creation of new risks.

Environment

We believe that good businesses accept their duty to safeguard the environment and take active steps to minimise any adverse environmental impacts.

Respect the Environment

Suppliers must observe all applicable laws and regulation relating to the preservation of the environment in the countries in which they operate. Suppliers should recognise and seek to implement global best practice in the management of environmental impact.

Supplier shall identify and assess the environmental impact of its business and determine the potential environmental risks associated with its business. Supplier shall implement appropriate measures to manage environmental impact and mitigate or avoid environmental risks.

Suppliers are encouraged to continuously review their impact on the environment and strive to go beyond minimum legal requirements to reduce carbon emissions, water usage and waste across its own business and those in its supply chain.

Sustainable Sourcing

Supplier shall promote the development of agricultural processes and technologies which respect the environment and shall endeavour to preserve natural habitats and biodiversity, and reduce environmental impact.

Respect Controls on Substances and Products

Supplier must observe all applicable laws, regulations and customer requirements regarding prohibition or restriction of specific substances within the product or the packaging. Where restricted substances and/or products are used, products must be packaged and labelled in accordance with all applicable laws, regulations and customer requirements.

Respect Water Resources

Supplier optimizes the use of water to minimize water consumption and waste. Waste water of any kind shall be controlled and treated before discharge.

Safeguard Climate

Supplier monitors CO₂ emissions linked to combustion of fossil fuels, transport or any other activities having an impact on climate (refrigeration system, fertilizers use etc.) are identified, monitored, and actions are put in place by the Company to minimize them.

Supplier is able to provide the CO₂ emissions information to Arco to support its own reporting requirements as well as those of its customers.

Sustainable design

The supplier understands the environmental impact of its products and packaging and takes active steps to reduce that impact through design. Impacts are assessed, and improvements made, throughout the product and packaging lifecycle. Packaging is minimized, uses recycled materials wherever feasible and Supplier is able to report accurately, with supporting evidence, the constituent parts of its packaging and the amount of packaging used.

Safeguard the Local Environment

Noise, smoke, dust, odours, particles and all other sources of local nuisance are identified by the supplier and, when possible, minimised.

Managing Waste

Supplier takes steps to minimize or avoid waste arising from its business activities. All wastes shall be sorted and disposed of in an approved/accredited waste management centre. Hazardous waste shall be labelled, handled, and disposed of in accordance with local laws, international standards, and in a manner designed to minimize risk to people and environment.

Animal Welfare

The supplier shall not fund, conduct, or commission any tests on animals unless they are explicitly required by law.

Governance and Compliance

We believe that good businesses operate legally and with due regard to accepted global business practice.

Bribery and Corruption

The highest standards of integrity are to be upheld by the supplier in all business interactions. Suppliers shall have a zero-tolerance policy towards any, and all, forms of bribery, corruption, extortion and embezzlement (covering promising, offering, giving or accepting any bribes), fraud. All business dealings should be transparently performed and accurately reflected on participant's business books and records. Monitoring and enforcement procedures shall be implemented to ensure compliance.

Slavery and Human Trafficking

- Suppliers should not permit or facilitate slavery or human trafficking in their own business or any part of their supply chain. Efforts should be taken to identify risks and monitor compliance.
- Slavery and human trafficking covers four distinct types of activity: (i) Slavery- Exercising powers of ownership over a person; (ii) Servitude- The obligation to provide services is imposed by the use of coercion; (iii) Forced or compulsory labour- Work or services are exacted from a person under the menace of any penalty and for which the person has not offered themselves voluntarily; and (iv) Human trafficking- Arranging or facilitating the travel of another person with a view to their exploitation.
- Suppliers are expected to co-operate fully with Arco to allow Arco to satisfy its obligations under the UK's Modern Slavery Act. Suppliers subject to the Act should also be able to demonstrate compliance.

Products and Packaging Compliance

- Suppliers should ensure that any product supplied to Arco (including product packaging) meets the contractual requirements as well as relevant local, national and international laws. Products requiring accreditation or certification should be fully accredited/certified in accordance with the applicable law/standard, using a reputable third party where required. All product compliance documentation should be made available to Arco on request.
- Suppliers should ensure they have clear quality management processes/systems that support the Supplier to maintain and evidence compliance. Supplier should hold any accreditation/certification of those quality management systems where required by law or the applicable product/certification standards but ideally should hold such accreditation/certification in any event.
- To support supply chain standards and transparency, Arco may agree specific manufacturing sites with the Supplier. Typically, those sites will have been subjected to specific review and/or audit. Suppliers should only manufacture products at those approved sites.

Conflict Minerals

- Suppliers should take all necessary steps to ensure conflict minerals are not used within their supply chain. Conflict minerals are those defined in the relevant UK, EU and US legislation.
- Suppliers must be able to confirm to Arco on demand that no conflict minerals are contained in products supplied to Arco, or that any conflict minerals are sourced from (i) clearly evidenced scrap or recycled materials; or (ii) supplied from validated conflict-free sources
- Suppliers should identify the risks related conflict minerals and demonstrate clear policies and procedures in place to address those risks. Any use of minerals that may be at risk of originating in a conflict or high-risk area should be subject to appropriate supply chain controls.

Responsible Sourcing

- Suppliers should ensure that they can identify the source of raw materials and components used in their products. Raw materials and components should be sourced responsibly and in a manner that ensures the Supplier's own supply chain meets the standards set out in this Code of Conduct.
- Suppliers should be aware of and monitor risks associated with particular locations, sectors, and materials and takes active steps to minimise the risk of unethically sourced materials and components entering its supply chain. By 'unethically sourced', we mean sourced from a supply chain that does not meet, as a minimum, the standards set out in this Code of Conduct.

Conflicts of Interest

- Suppliers should not cause Arco or any Arco employees to be placed in conflict of interest position and should avoid situations where a conflict of interest may occur. We expect suppliers to disclose in full any potential conflicts of interest they may have as soon as they have been identified, so that they can be properly considered, and the right action taken.
- Suppliers are expected to take steps to identify and manage conflicts of interests in their own business and their supply chain, for example by having clear policies and ensuring clear buying/procurement processes.

Business Records and Confidential Information

- Business records must be compiled and maintained in accordance with the law and best practice. Information regarding the Supplier's business activities, structure, financial situation and performance is to be disclosed in accordance with applicable regulations and prevailing industry practices.
- Confidential information is treated in accordance with the law, contractual commitments and best practice. Business, commercial and financial information regarding Arco and its commercial partners must be treated as confidential and should not be disclosed to third parties without Arco's prior written approval and should be treated in compliance with the terms of any relevant clause provided in any agreement between the supplier and Arco.

Privacy and Data Protection

Supplier 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. Suppliers who act as a 'data processor' of personal data on behalf of Arco must act strictly in accordance with Arco's instructions and applicable laws.

Intellectual Property

Intellectual property rights are to be respected by the supplier. The transfer of technology and know-how is to be carried out in a manner that protects intellectual property rights.

Open and Fair Competition

High standards of fair business, advertising and competition are to be upheld by the Company. Appropriate measures to safeguard customer information must be used. Suppliers must comply with competition and antitrust laws which apply to their business and to ours.

Tax Evasion

Suppliers shall comply with all applicable tax laws, regulations and industry standards in the countries where they operate. Suppliers shall not engage in deliberate tax evasion or facilitate such evasion on behalf of others. As such, suppliers are expected to have in place adequate procedures and effective controls to minimize the risk of tax evasion or its facilitation, and to enforce them where appropriate.

Money Laundering

Suppliers should take all necessary steps to ensure that they are not involved in or facilitate money laundering, whether deliberate or inadvertent.

International Trade Restrictions

Suppliers 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 transactions with third parties who are subject to specific restrictions or controls and complying with relevant import and export controls.

Declaration

We acknowledge receipt of the Arco Supplier Code of Conduct.

We have reviewed the requirements set out in the Arco Code of Conduct.

We agree to abide by the Arco Supplier Code of Conduct.

We recognise the importance of being able to demonstrate to Arco (and its customers) the steps we have taken to meet the standards set out in the Code of Conduct.

We agree that our relationship with Arco may be suspended or terminated in the event or breach of the Code of Conduct.

We agree to work in good faith with Arco where any actual or potential breaches of the Code of Conduct are identified and will implement agreed remediation actions.

We agree to permit and facilitate audits by Arco and its nominated third parties of our facilities and those of our sub-contractors upon reasonable notice.

Signature: _____ Date: _____

Name: _____

Title/Position: _____

For and on behalf of: _____

This statement must be signed by a Director or other senior authorised representative of your company. Failure to sign and return this Code of Conduct may result a vendor being excluded from a tender process and/or in the suspension or termination of the commercial relationship with Arco.

Version History

Version	Date	Summary of Changes
1.0	May 2021	Initial Version
2.0	Jan 2023	Updated to include new CEO signature
3.0	Sep 2023	CEO title updated; Included reference about fraud



Your world made safer.

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