

Ethical Sourcing Policy

At V.J. Donegan & Co Ltd we are committed to taking a leadership role in subscribing to high standards of ethical conduct by working with all of our suppliers to positively influence our social, ethical and environmental performance.

We recognise our corporate and social responsibilities reside as much in our supply chain as in our own activities and continually seek to ensure that the products and services we source are ethically produced. Suppliers who respect, comply with or interpret at the organisational level relevant laws, regulations treaties, covenants or other agreements, such as the International Labour Organisation (ILO) standards are preferred and we look for suppliers that demonstrate a commitment to implementing policies and practices consistent with and complementary to, our own.

We believe these considerations to be the platform from which responsible behaviours can build.

Labour Standards

Donegan expects suppliers to adopt sound labour practices and to treat their employees fairly in accordance with local laws and regulations regarding labour and employment. We expect our suppliers to adhere to the following requirements:

- Employment is freely chosen

Suppliers will not use forced, bonded or involuntary prison labour. Workers are not required to lodge 'deposits' or their identity papers with the employer and are free to leave once their shift ends or after giving their employer reasonable notice.

- Child Labour

Suppliers shall not use child labour. "Child" is defined as a person who is younger than the local legal age for completing compulsory education. Suppliers shall verify the age of their workers and maintain copies of their workers' proof of age. Suppliers shall follow all applicable laws, regulations and the ILO standards regarding working hours and conditions for all employees.

- Involuntary Labour

In accordance with the requirements of the Modern Slavery Act, suppliers shall not use involuntary labour. "Involuntary Labour" is defined as work or services which are extracted from any person under threat or penalty for its non-performance and for which the worker does not offer himself or herself voluntarily, and includes all manner of prison, bonded, indentured and forced labour. Workers must be free to leave once their shift ends and free to leave their employment after reasonable notice.

- Immigration Law Compliance

Suppliers shall only employ workers with a legal right to work, including workers obtained through an employment agency. Workers' legal right to work must be validated by reviewing original documentation prior to commencement of work.

- Non Discrimination or Harassment

Suppliers shall employ workers solely on the basis of their ability to do the job and shall not discriminate on the basis of age, gender, racial characteristics, maternity or material

status, pregnancy, sexual orientation, disability, national, cultural, religious or personal beliefs in relation to hiring, wages, benefits, termination or retirement. There shall be no inappropriate medical testing used in determining employment. Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.

- Freedom of Association & Collective Bargaining

Suppliers shall respect the rights of workers to associate, organise and bargain collectively in a legal and peaceful manner. Suppliers shall ensure that employee representatives are not discriminated against and have access to carry out their representative functions in the workplace.

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

- Working conditions are safe and hygienic

Suppliers shall provide a safe and hygienic working environment, including monitoring of compliance with applicable legislation, regulations and the ILO standards. Suppliers shall ensure that personal protective safety equipment is available and workers are adequately trained in its use. Safeguards on machinery must meet or exceed local laws, and workers shall be provided with all appropriate protective equipment.

- Working Hours

All working hours will comply with national laws and benchmark industry standards, whichever affords greater protection. Overtime work should be voluntary, and overtime should not be requested on a regular basis. Suppliers shall guarantee workers breaks and days off in compliance with applicable law.

- Wages and Benefits

Suppliers shall provide wages and benefits that comply with all local laws and regulations or match prevailing local manufacturing or industry rates, whichever is higher. Overtime pay shall be calculated at the legally required rate, regardless of whether workers are compensated hourly or by piece rate.

- Regular employment is provided

To every extent possible suppliers must ensure work performed must be on the basis of a recognised employment relationship established through national law and practice. Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the imposed use of labour-only contracting or home-working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive and prevalent use of fixed-term contracts of employment.

Environmental Standards

Suppliers shall as a minimum comply with all applicable laws and regulations relating to the environmental impacts of their business, and maintain procedures for notifying local authorities in the event of an environment accident resulting from the supplier's operation.

Supplier compliance with environmental law shall include any international or applicable local laws affecting the source of materials and processes used to manufacture products. Detailed performance standards are a matter for suppliers, but should address at least the following:

- Waste Management

Waste is minimised and items recycled whenever this is practicable. Effective controls of waste in respect of ground, air, and water pollution must be adopted. In the case of hazardous materials, emergency response plans must be put in place.

- Packaging and Paper

Undue and unnecessary use of materials shall be avoided, and recycled materials should be used whenever appropriate.

- Conservation

Processes and activities shall be monitored and modified as necessary to ensure conservation of scarce resources, including water, flora and fauna and productive land in certain situations.

- Energy Use

All production and delivery processes, including the use of heating, ventilation, lighting, IT systems and transportation, must be based on the need to maximise efficient energy use and to minimise harmful emissions.

- Product Selection

Proactively work with and provide assistance to V.J. Donegan in selecting products which are environmentally beneficial.

Arms

Suppliers shall not be engaged:

1. in the manufacture of arms; or
2. in the sale of arms to governments which systematically violate the human rights of their citizens; or where there is internal armed conflict or major tensions; or where the sale of arms may jeopardise regional peace and security.

Counterfeit, Fraudulent and Suspect Items

At V.J. Donegan & Co Limited safety is our overriding priority and we regard the co-operation of our supply chain throughout the tiers as essential to maintain the highest standards for all the goods we supply.

We understand the potential risks concerning the supply of Counterfeit, Fraudulent and Suspect Items (CFSI) within the supply chain, and to this end we only choose suppliers that can demonstrate the quality and source of the goods that we require.

All our employees involved in the purchasing of goods have been informed about the potential for CFSI and advised that all goods must be purchased directly from the manufacturers or from agreed and official distribution channels.



Where examples of CFSI have been identified, appropriate remedial actions must be taken. This means, having suitable quarantine arrangements, investigation and disposal of CFSI. Any information gathered, will be shared within the company, licensee

organisation, supply chain and wider industry as appropriate to support learning, prevent use and encourage remedial measures.

Conflicts of interest

Suppliers and contractors must avoid any situation that may involve a conflict or the appearance of a conflict between their personal interests and the interests of V.J. Donegan & Co Ltd. Each supplier and contractor must make prompt and full disclosure to V.J. Donegan & Co Ltd of any situation which may involve a conflict of interest.

Conflicts of interest include, but are not limited to:

- Ownership of a significant financial interest in any competitor of V.J. Donegan & Co Ltd.
- Serving as a director, officer, partner, consultant or in any competitor of, V.J. Donegan & Co Ltd.
- Acting as a broker, finder or other intermediary for the benefit of a third party in transactions involving V.J. Donegan & Co Ltd or its interests.
- Any other arrangement or circumstance, including family or other personal relationships, which might influence the supplier or contractor from acting in the best interest of V.J. Donegan & Co Ltd.

Insider Trading

Suppliers must ensure that non-public information obtained as a consequence of a relationship with V.J. Donegan & Co Ltd may not be used for the personal profit of the supplier, contractor, and their employees or of anyone as a result of association with their employees.

The Financial Services and Markets Act 2000 contains stringent prohibitions against insider trading. This prohibited conduct applies both to the securities of V.J. Donegan & Co Ltd and to those of its customers, suppliers, or other companies with whom V.J. Donegan & Co Ltd does business.

Business Courtesies and Inducements

Offering, giving, soliciting or receiving any form of bribe or under-the-table payment, including unauthorised gifts, is prohibited. Good judgment and moderation must be exercised to avoid misinterpretation and any adverse effect on the reputation of V.J. Donegan & Co Ltd or its employees.

Intellectual Property

Suppliers and contractors must use V.J. Donegan & Co Ltd trade information and logos only in a manner that is permitted under their contract with V.J. Donegan & Co Ltd, and in any event, safeguard them as assets of V.J. Donegan & Co Ltd, and not misappropriate or infringe the trade information or works of others

Suppliers and contractors must not use trade secrets or proprietary or confidential information for their own purposes or disclose such information to unauthorized third parties.



Suppliers and contractors must use notify V.J. Donegan & Co Ltd of any unauthorized use of the V.J. Donegan & Co Ltd name and logo by a third party.

Confidentiality

Suppliers and contractors must protect V.J. Donegan & Co Ltd information, not disclose it to any third party, and use it only for the business of V.J. Donegan & Co Ltd.

Monitoring and Compliance

Generally, suppliers will not be engaged as a preferred supplier to V.J. Donegan & Co Ltd unless the Ethical Sourcing Policy can be complied with and V.J. Donegan & Co Ltd considers performance is acceptable, or genuine attempts are being made to address violations of this policy.

V.J. Donegan & Co Ltd reserves the right to audit compliance with this policy or appoint a third party to conduct an audit. Any violations will be reported to the supplier's management for their attention and, if appropriate corrective action. Regardless of corrective action required, V.J. Donegan & Co Ltd may terminate its relationship with any supplier who does not comply with the Ethical Sourcing Policy, without liability to the supplier for damages resulting from termination.

The provisions of this policy constitute minimum and not maximum standards and suppliers in the UK and Ireland, together with their contractors, must apply this policy as well as other applicable laws, and where the provisions of law and this policy address the same subject, they must apply that provision which affords the greater protection.

Those suppliers operating off-shore must as a minimum, abide by all laws in that jurisdiction, together with the labour standards set out in this Policy.

V.J. Donegan & Co Ltd reserves the right to apply additional standards on a case-by-case basis, having regard to existing principles already broadly accepted within the community

Signed: 
V J Donegan
Position: Managing Director
Date: January 2021

