



## Ethical Trading Policy

Ultimate Products UK Ltd (UP) believe that ethical and responsible sourcing is a vital part of the supply chain. This policy outlines UP's commitment to promoting ethical trading practices throughout our operations and supply chain. The policy aims to ensure that UP maintains compliance with international and local regulations while also ensuring that our suppliers meet the same standards.

### Scope

This policy applies to all UP colleagues, including management, and all suppliers and subcontractors.

### Requirements

UP is committed to ensuring that our products and services are produced in a manner that promotes social, environmental, and economic sustainability. We require our suppliers to meet the following ethical standards:

- Legal Compliance - Suppliers must comply with all applicable laws and regulations, including but not limited to labour laws, human rights laws, and environmental laws.
- Labour Standards following the UP Code of Conduct which aligns with requirements such as those set out by the International Labour Organisation (ILO) and the Ethical Trading Initiative (ETI).
- Environmental Sustainability - Suppliers must take steps to minimize their environmental impact, including reducing waste and emissions and managing natural resources sustainably.
- Business Ethics - Suppliers must maintain the highest standards of business ethics, including honesty, transparency, and fair dealing.
- Ethical Audits – Suppliers must have a valid ethical audit to the following requirements:
  - BSCI audit – Grade C or above within 1 year of audit date.
  - SMETA audit – Amber rating within 1 year of audit date.
  - SA8000 audit – within 1 year of audit date.
- All audits must be conducted on a semi-announced basis as a minimum.

### UP Code of Conduct

UP expects our suppliers to abide by a code of conduct that outlines the above requirements. The code of conduct should be communicated to all colleagues and suppliers, and suppliers must agree to comply with the code of conduct as a condition of doing business with UP. The Ethical Code of Conduct sets out the following key rights for workers:

- Employment is freely chosen.
- Freedom of Association and the right to collective bargaining is respected.
- Working conditions are safe and hygienic.
- Child labour is not used.
- Living wages are paid.
- Working hours are not excessive.
- No discrimination is practiced.
- Regular employment is provided.
- No harsh or inhumane treatment is allowed.
- Environmental impact is managed.



#### Definitions:

*Child* – Any person less than 16 years of age unless local minimum age law stipulates a higher age for work or mandatory schooling, in which case the higher age shall apply.

*Young person* – Any worker over the age of a child as defined above and under the age of 18.

*Child Labour* – Any work by a child or young person, younger than the age(s) specified in the above definitions which do not comply with the provisions of the relevant ILO standards, and any work that is likely to be hazardous or to interfere with the child's or young person's health or physical, mental, spiritual, moral, or social development.

The provisions of this code should not be used to prevent companies from exceeding these standards. Companies applying this code are expected to comply with national and other applicable law.

#### **Ethical Policy Procedure**

To ensure compliance with our Ethical Trading Policy, UP has implemented the following procedure:

- **Assessment of Suppliers:** UP will assess potential suppliers to ensure that they meet our ethical standards before entering a business relationship with them. This assessment will include factory visits by the UP Sourcing team and Ethical and Social Compliance Officer and may include a review of the supplier's audit reports, policies and procedures.
- **Monitoring of Suppliers:** UP will monitor our suppliers regularly to ensure that they continue to comply with our ethical standards. This monitoring may include on-site visits, document review, and worker interviews.
- **Reporting:** UP colleagues and suppliers are encouraged to report any suspected violations of our Ethical Trading Policy. Reports can be made confidentially via the UP Whistleblowing Policy, and UP will investigate all reports promptly and take appropriate action.
- **Training:** UP will provide training to our colleagues and suppliers to ensure that they understand our Ethical Trading Policy and their responsibilities in upholding it.
- **Continuous Improvement:** UP is committed to continuously improving our Ethical Trading Policy and procedures. We will review our policy regularly to ensure that it remains up to date with the latest industry standards and best practices.

#### **Ethical Audit Process**

UP has a commitment to ensuring that all suppliers comply with our Ethical Trading Policy. To achieve this, UP requires that 100% of our suppliers undergo ethical audits. The ethical audit process includes the following steps which is conducted by the UP Ethical and Social Compliance Officer:

- **Selection of Suppliers:** UP selects suppliers for ethical audits based on a risk assessment that considers factors such as the supplier's location, the nature of the products or services supplied, the supplier's previous performance and if the supplier has provided an existing audit report according to our requirements.
- **Notification:** UP notifies the supplier of the upcoming ethical audit and provides information about the audit process and requirements.
- **On-Site Visit:** An independent auditor visits the supplier's facility to conduct the ethical audit. The auditor conducts interviews with workers, reviews documents and records, and inspects the facility to assess compliance with our Ethical Trading Policy.



- Reporting: The auditor prepares a report that outlines the findings of the ethical audit, including any non-compliances identified and recommended corrective actions.
- Corrective Action Plan: UP works with the supplier to develop a corrective action plan to address any non-compliances identified during the ethical audit. The corrective action plan outlines the actions that the supplier will take to address the non-compliances, the timeframe for completion, and the verification process (Follow-Up Audit or Desktop Review of evidence).
- Follow-Up Audit: UP conducts a follow-up audit to verify that the supplier has implemented the corrective actions identified in the corrective action plan.

By requiring 100% of our suppliers to undergo ethical audits, UP aims to ensure that all suppliers comply with our Ethical Trading Policy and that we maintain our commitment to ethical trading practices. This approach also helps to identify areas for improvement and to work collaboratively with suppliers to implement corrective actions. Failure to comply with the Ethical Trading Policy, Ethical Audit Process or the UP code of conduct may result in the termination of our business relationship with the supplier as a last resort.

#### **Child Labour Remediation Policy and Procedure**

UP is committed to ensuring that no child labour is used in the production of our products. As such, we have developed the following policy to address the issue of child labour:

- Definition: See UP Code of Conduct definitions.
- Prohibition: UP prohibits the use of child labour in the production of our products. We require that our suppliers comply with this policy and that they do not use child labour in any aspect of their operations.
- Verification: UP verifies compliance with our child labour policy by conducting ethical audits and factory visits on the manufacturing sites of our suppliers. We assess whether our suppliers are complying with our policy on child labour, including whether they are following local laws and regulations related to child labour.
- Remediation: If we find that a supplier is using child labour, we will work with the supplier to address the issue. We will require:
  - The supplier to immediately remove any child laborers from their operations and placed in a safe environment.
  - A health examination to be conducted at the supplier's cost to ensure the child labourer is healthy and the work environment has had no lasting impact. Any health issues observed will require the child labourer to have treatment completed at the supplier's cost.
  - That contact is to be made with parents/guardians to ensure that they understand that the child should be in education and not working until the age of 16 (as a young worker). The factory is to help find a school for the child.
  - Stipend payments to be made to the child by the supplier, equivalent to wages previously paid or local minimum wage standard. This is to occur until the child turns 16 years old, to avoid the child looking for other work.
  - That the child is placed in the care of the parents or guardians – the supplier paying for any travel.
  - The supplier to implement a remediation plan to prevent the use of child labour in the future. UP's Ethical and Social Compliance Officer will provide Child Labour training, complete a review of supplier procedures, complete an ID record check and age check on the workers at the manufacturing site. We will also conduct follow-up audits to ensure that the supplier is complying with our policy and has implemented the remediation plan.



- Continuous Improvement: UP is committed to continuously improving our child labour policy and procedures. We will review our policy regularly to ensure that it remains up to date with the latest industry standards and best practices.

By implementing this Child Labour Policy, UP aims to ensure that our products are produced in an ethical and responsible manner and that we maintain our commitment to social responsibility. This approach helps to protect the rights of children and to prevent the exploitation of vulnerable populations.

If child labour is discovered in any part of our supply chain, UP will take immediate action to remediate the situation. This may include terminating our business relationship with the supplier, providing support to affected children, and implementing measures to prevent future occurrences.

### **UP Internal Ethics**

UP is committed to conducting business with integrity, honesty, and accountability. Internal policies and procedures have been implemented to set out our ethical standards and guidelines within the business to promote ethical behaviour and prevent unethical or illegal activities, which include:

- Whistleblowing Policy
- Anti-Bribery Policy
- Equality Policy and Procedure
- Modern Slavery Policy and annual statement
- GDPR and Data Protection Policies and procedures
- Health and Safety Policy
- Environmental Policy

These policies are trained to all colleagues on an annual basis and are available as part of the UP Company Handbook.

UP believes that ethical trading practices are essential for creating a fairer and more sustainable global supply chain. We are committed to working with our suppliers to ensure that our products and services are produced in a manner that upholds the highest standards of social and environmental responsibility.