



Supplier Code of Conduct

As a stockist and manufacturer of high-quality components, providing unrivalled service and technical expertise supporting customers in the U.K. and Worldwide, Shoal Group recognises the constantly changing global business environment. As a subsidiary of Diploma PLC, we work with suppliers to form mutually beneficial business partnerships whilst also looking to meet the core values of *Delivering Value Responsibly*.

Our code of conduct sets out Shoal Groups' expectations for all suppliers and supplier sub-contractors to maintain high standards of ethics & compliance across all of its operations. Suppliers are required to acknowledge and sign this document and adhere to the minimum standards of behaviour stated below.

Legal Compliance

- To operate in full compliance with all applicable statutes, rules and regulations in the respective countries in which they operate.

Employment Standards

Shoal group follow internationally recognised employment standards and expect all business partners to act responsibly and follow the below principles -

- Forced Labour

To prohibit the use of any forced, bonded or involuntary labour. Workers shall not be required to lodge "deposits" or their identity papers with their employer and are free to leave their employer after reasonable notice.

- Child Labour

To prohibit the recruitment of child labour and conform to the provisions of the relevant International Labour Organization (ILO) standards.

To participate and contribute to programs that provide for the transition from any child found to be performing child labour in your supply chain.

- Working hours

To ensure working hours comply with the applicable national statute and collective agreements.

- Fair remuneration

To comply with all national regulations or industry standards on pay and benefits for a standard working week.

- Discrimination

To make no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex or sexual orientation.



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- Harassment

To prohibit unwanted conduct related to a relevant protected characteristic (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex or sexual orientation) that has the purpose, or effect of violating someone's dignity or creating an intimidating, hostile, degrading, humiliating or offensive working environment

- Free association of employees

To respect workers' rights, without distinction, to have the right to join or form trade unions of their choosing and to bargain collectively.

Anti-Bribery and Corruption

Any form of bribery is strictly illegal under the U.K. Bribery Act 2010, and Shoal Group is committed to upholding all relevant laws relating to anti-bribery and corruption. This Code of Conduct sets out a zero-tolerance approach to Bribery and Corruption. It forbids any business partners to engage in activities that would violate any applicable statute, directives and regulations relating to bribery, corruption or illegal payments.

Shoal Group will not, and you should never offer any form of facilitation payment on our behalf, even where it might be common practice or permitted by local law. Facilitation payments are (usually) small amounts of money paid to public officials to speed up a process that they are already duty-bound to provide.

Suppliers must not offer any illegal payments to, or receive any illegal payments from, any customer, supplier, their agents, representatives or others. The receipt, payment, and/or promise of sums of money or anything of value, directly or indirectly, intended to exert undue influence or improper advantage is prohibited.

Suppliers are expected to avoid all conflicts of interest or situations, giving the appearance of a potential conflict of interest. Suppliers are expected to provide notification to all affected parties if an actual or potential conflict of interest arises.

As part of the Diploma PLC group of companies, we support the group's corporate responsibilities and follow the guidelines set out in the below group policies -

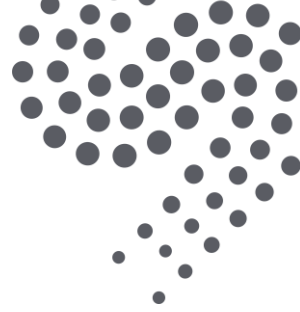
- Diploma Anti Bribery and Corruption Policy
- Diploma Modern Slavery Act transparency statement

All Diploma Corporate Responsibility policies can be found here:

<https://www.diplomapl.com/governance/corporate-responsibility/>

Health and Safety

- To operate in full compliance with all applicable statutes, rules and regulations in the respective countries in which they operate.
- Shoal Groups' preference is for its partners to adopt an appropriate occupational health and safety management system and are encouraged to gain the appropriate third-party accreditation such as ISO45001.



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Sustainability

- To operate in full compliance with all applicable environmental statutes, rules and regulations in the respective countries in which they operate.
- Shoal Groups' preference is for its partners to adopt a formal environmental management system accredited to an internationally recognised standard such as ISO14001 by a third party.
- We encourage suppliers to do everything to reduce excess primary and secondary packaging and implement the use of packaging containing a minimum of 30% recycled content. We promote engagement and communication between ourselves and our partners to meet our sustainability goals.

Quality Management

- As a minimum standard, have a Quality Policy signed by the head of the organisation
- Established a defined set of procedures in the form of a quality manual and set targets while adopting a culture of continual improvement through its supply chain.
- Quality records must be kept as evidence in the event of a product failure and further investigation.
- Shoal Groups' preference is for its partners to implement a formal Quality management system that a third party accredits to an internationally recognised standard such as ISO9001.

Conflict Minerals

On August 22nd 2012 the U.S. Securities and Exchange Commission (SEC) adopted the Conflict Minerals provision of the Dodd-Frank Wall Street Reform and Consumer Protection Act, Section 1502. The rule requires SEC listed companies to disclose annually whether tin, tantalum, tungsten or gold in their products originate in the Democratic Republic of the Congo (DRC) or adjoining countries and if "Conflict Minerals are necessary to the functionality or production of a product manufactured".

Shoal Group is committed to a socially responsible supply chain and in order to create transparency Shoal Group promotes the traceability of these minerals in the supply chain.

Shoal Group encourages our suppliers & sub-contractors to support these efforts and make information on the origin of their product components available upon request.