



## ETHICAL CONDUCT

### Alignment with UN SDGs



### Why does it matter?

As an international Group, we recognise that acting ethically towards our employees and other stakeholders shows our commitment to doing business in a responsible manner:

- Protecting ourselves and our employees
- Creating a sense of pride in our employees that we always 'do the right thing'
- Ensuring transparency when dealing with customers and suppliers
- Supporting the communities in which we work with fair and equitable employment policies and opportunities
- Maintaining our reputation with all our stakeholders

The Group is committed to treating all people, whether employed directly by the Group or its subsidiaries or employed in its supply chain, fairly and equitably and we are committed to upholding their human rights. The Group recognises all individuals' basic human rights and is committed to respecting the Universal Declaration for Human Rights. The Group respects the human rights of all those working for or with us, and of the people in the communities where we operate. We will not knowingly do business with companies, organisations, or individuals that we believe are not working to at least basic human rights standards.

Our Group companies also comply with all applicable wage and working-time laws and other laws or regulations affecting the employer/employee relationship and the workplace. We oppose the exploitation of all workers, children and young people, we will not tolerate forced labour, or labour which involves physical, verbal, or psychological harassment or intimidation of any kind, and we will not employ child labour in any of our operations. Nor will we permit the exploitation of, or discrimination against, any vulnerable group. We have a zero tolerance approach to the fundamental violation of an individuals' basic human rights that slavery and

human trafficking represents. We aim to make a positive impact on society from our operations. The Group's business activities incur a substantial amount of different taxes, and the Group is committed to complying with tax laws in the geographies in which it operates and works closely with tax authorities in those countries. The Group does not operate in countries considered as partially compliant or non-compliant, according to the OECD Tax Transparency report and blacklisted or grey-listed by the EU, except for Australia, where the Group has a roads business.

### What have we done?

The Group is committed to conducting its business activities responsibly and ethically and in accordance with the laws and regulations applicable to the jurisdictions in which we operate and we have a series of policies that support this objective. These are supported by training and educational programmes for employees, together with a Group Code of Business Conduct ('CoBC') which underpins all our activities. The CoBC presides over areas such as health and safety, ethical business practice, gifts and entertainment, conducting international business, protection of individuals, resources and assets and outlines the Group's legal and compliance responsibilities in areas such as anti-bribery and corruption, export laws and regulations and international fair and open competition.

For employees who wish to raise concerns without fear of reprisal or victimisation, we provide an external confidential, independent whistleblowing hotline and email facility, which is available in local languages, or they can contact senior managers within their business, the Group Company Secretary, or the Chair of the Audit Committee, without fear of reproach. During 2023, 10 such issues were reported and investigated (2022: 12).

Specific policies have been developed and the following are available on the Group website [www.hsgroup.com](http://www.hsgroup.com):

- Supply Chain
- Code of Business Conduct
- Anti-Bribery & Corruption
- Modern Slavery
- Whistleblowing

### What will we achieve?

We will regularly review operating companies' standard terms and conditions of purchase, and standard long-term supply agreements across the Group. The terms and agreements must include requirements concerning ethical operations, including provisions addressing a supplier's obligation to comply with the UK Modern Slavery Act or similar local legal obligations. We will conduct annual audits to ensure that we fulfil our obligations under the UK Modern Slavery Act.

We will act in accordance with our CoBC, upholding a zero-tolerance approach to bribery and corruption. There were no incidents of bribery and corruption reported in 2023 (2022: nil).

We will monitor and investigate all Whistleblowing reports as well as learning the lessons from such incidents in order to manage such reports to an acceptable level.

We conduct our dealings with tax authorities with honesty, integrity, respect, and fairness and in a spirit of co-operative compliance.

### How do we ensure we are compliant?

- Annual Modern Slavery audits
- Board oversight of all Whistleblowing Reports
- Annual approval of all ethical policies by the PLC Board or Executive Board
- Maintain online training to ensure compliance with relevant legislation
- Annual certification by Group operating subsidiaries that they have complied with policies issued by the Group, and in particular with the CoBC