

Supplier Code of Conduct

This Supplier Code of Conduct sets out Grafton's expectations of our suppliers and forms part of the terms and conditions of doing business with Grafton. We expect our suppliers to comply with this Code and should inform the Group if there are any aspects they can't or don't comply with.

A message from our CEO

At the Grafton Group, we want to build a more sustainable future, providing our customers with responsibly sourced products that will contribute to a low carbon future. We have committed to becoming net zero across our value chain no later than 2050 and will need to work with all our suppliers to make this a reality.

As a business we follow a robust Code of Business Conduct and Ethics which sets out our values and our commitment to operating to the highest standards of ethical business conduct. All our colleagues have a responsibility to deliver these standards.

As well as holding ourselves to these standards, we are committed to working with suppliers who share our values. We want to develop and keep long term relationships with suppliers who are driving the social and environmental improvements that are needed to tackle climate change, address biodiversity loss and respect the human rights of people throughout the supply chain.

This Supplier Code sets out our expectations of our suppliers to respect human rights, improve environmental sustainability, operate with integrity and comply with the law. This Code forms part of the terms and conditions of doing business with all Grafton Group businesses. Suppliers should be able to demonstrate the policies and procedures they have in place, and we reserve the right to assess the effectiveness of a supplier's adherence to this Code.

To deliver the change that society needs to tackle the environmental and social challenges that we face, we know we need to go beyond this Code and we encourage all our suppliers to engage in open communication with us to share ideas, innovations, concerns and best practice.

Eric Born
Chief Executive Officer

Date



Definitions

'Supplier/s' means any third party that supplies or provides direct product materials or indirect goods or services to any Grafton Group company.

'Worker/s' means suppliers' employees, workers and contractors including permanent, full-time, part-time and temporary workers.

'Code' means this Supplier Code of Conduct.

'Grafton', 'Group', 'we', 'us', and 'our' means Grafton Group PLC and all its subsidiaries.

Introduction

Grafton Sustainability Priorities

Grafton wants to build a more sustainable future and there are five priority areas of our sustainability strategy. It is important that we work with supplier partners who share our ambitions and will help us to deliver them.



International standards

This Code supports our commitment to respect human rights based on international standards including:

- ▶ The United Nations (UN) Guiding Principles on Business and Human Rights;
- ▶ The International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work; and
- ▶ The Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises.

Legal Priority

If this Code conflicts with local laws, then the laws take precedence.

Putting the Code into Practice

Open Communication

At Grafton we aim to be transparent, open and proactive in all communications with stakeholders and people connected to the Company. This must be achieved without disclosing sensitive information that could damage the Company's competitive position.

We encourage all our suppliers to engage proactively with Grafton on the topics covered in this Code to share best practice and to raise any concerns.

Due diligence

- ▶ Suppliers should ensure that their workers understand and adhere to the contents of this Code through policy, procedures, due diligence, training and support.
- ▶ As well as their own operations, suppliers should promote adherence to this Code, and conduct appropriate due diligence, within their own supply chain for their new and existing suppliers.

How to contact the Group

Any information that should be provided to the Group can be communicated to the supplier's usual commercial contact.

Any breaches or incidents of non-compliance with the Code, or other concerns should be reported to the Group with the assurance that there will be no recrimination or other negative consequences for anyone acting in good faith. Concerns can be reported, anonymously if preferred, via Grafton's confidential reporting service

SpeakUp:

via the website: **SpeakUp**

<https://graftonplc.speakup.report/en-GB/SpeakUp/home>

or by calling:

UK: 0800 0224188

Ireland: 1 800 800636

Finland: 0800 392912

Netherlands: 0800 0222473

Spain: 900 752088

If reporting by phone, please

use the organisation code **128845**

Respecting people through our value chain

This section is about respecting the human rights of the people who work in our supply chain.

Diversity, equality, equity and inclusion

Suppliers should provide equal opportunities to, and fair treatment of, all workers.

This should include:

- ▶ Working to eliminate any form of harassment and bullying within the workplace, whether it is of a sexual, verbal, non-verbal or physical nature; and
- ▶ Treating all workers with dignity and respect, promoting diversity and inclusion, and not practicing any form of unlawful discrimination.

There should be no discrimination or harassment based on age, ancestry, colour, marital status, medical condition, disability (in any form), national origin, race, religion, political affiliation, sex, sexual orientation or gender identity, or any other factor as established by law.

Health and Safety

Suppliers should provide and maintain safe and healthy working conditions.

This should include (but not be limited to):

- ▶ Adopting procedures to identify and address occupational health and safety hazards and associated risks, and implement safe working practices;
- ▶ Providing (where relevant) appropriate personal protective equipment to prevent occupational injuries or illnesses;
- ▶ Implementing (where relevant) appropriate control measures to ensure the safe handling, storage, transfer and disposal of substances hazardous to health or the environment, including flammable materials;
- ▶ Providing appropriate and regular training and communications so that workers are aware of the health and safety risks and procedures relevant to their work; and
- ▶ Where accommodation is provided, ensure it is clean, safe and meets basic standards for acceptable living conditions and the needs of the workers.

Suppliers should also follow safety protocols on Grafton premises and must inform Grafton should an incident or near-incident take place on or around our premises.

Wages and benefits

Suppliers should provide fair wages and benefits to their workers.

At a minimum, these should comply with applicable minimum wage legislation and other applicable laws or collective bargaining agreements.

Working hours

Suppliers should comply with all applicable working time laws and other applicable laws or collective bargaining agreements, including taking account of any legally mandated maximum working hours requirements.

Respect freedom of association

Suppliers must ensure all workers are able (subject to applicable laws) to exercise their right to freedom of association and collective bargaining.

This includes the right to be represented by recognised trade unions or other suitable representatives. Such representatives should not be discriminated against and be able to carry out their activities in the workplace within the framework of law, regulation, prevailing labour relations and practices, and agreed company procedures.

No child labour

Suppliers must ensure operations are free from child labour. Specifically, following the guidelines of the International Labour Organization that:

- ▶ Any work which is considered hazardous or likely to harm the health, safety, or morals of children should not be done by anyone under the age of 18 (or 16 under strict conditions); and
- ▶ The minimum age for work should not be below the legal age for finishing compulsory schooling and, in any case, not less than the age of 15.

Where local law permits, children between the ages of 13 and 15 years old may do light work, provided it does not hinder their education or vocational training, or includes any activity which could be harmful to their health or development (for example, handling mechanical equipment). We also recognise training or work experience schemes approved by a competent authority as an exception.

No modern slavery

Suppliers should ensure operations are free from modern slavery and exploitation of labour.

This includes slavery, servitude and forced, compulsory, bonded, involuntary, trafficked or unlawful migrant labour.

As such, suppliers and agents/labour brokers working on their behalf, should not require workers to:

- ▶ Pay recruitment fees, take out loans or pay unreasonable service charges or deposits; or
- ▶ Surrender original identity papers, passports or permits.

Where national law or employment procedures require the use of identity papers, suppliers should use them strictly in accordance with the law. If identity papers are ever retained or stored for reasons of security or safekeeping, this must only be done with the informed and written consent of the worker, which should be genuine; and with unlimited access for the worker to retrieve them, at all times, without any constraints.

Environmental Sustainability

This section is about working to reduce our impact on the environment.

Understanding impacts

Suppliers should identify, understand and actively work towards avoiding, minimising and mitigating their associated impacts on the natural environment.

Impacts can include carbon emissions, pollution, natural resource use, waste management and biodiversity.

Suppliers should have strategy, policies and programmes in place to address these impacts and monitor progress.

Particular priorities for Grafton include:

- ▶ Monitor and report scope 1 and 2 carbon emissions and where possible, scope 3 carbon emissions.
- ▶ Work towards setting Science Based Targets for emissions reductions.
- ▶ Work towards determining the environmental impacts of products through Life Cycle Analysis and associated Environmental Product Declarations.
- ▶ Minimising the impact on the environment from the supply and manufacture of our products.
- ▶ Traceability and transparency of supply chains to raw material and sustainable sourcing of these raw materials.
- ▶ Innovation in products to provide customers with more sustainable options.

Compliance

Suppliers should comply with all environmental laws and regulations relevant to their operations and keep on record any relevant permits, registration, processes and procedures. Suppliers must refrain from trading goods on the Cites endangered species list.

Suppliers should follow Grafton's sourcing policies including our deforestation policy and provide Grafton with the information we need to comply with all relevant legislations.

Business practice and compliance

Responsible marketing

Suppliers must ensure that marketing of products:

- ▶ Adheres to local marketing codes and laws.
- ▶ Is fair, accurate and balanced and does not mislead customers.

Data protection and IT security

Suppliers must have suitable controls and measures in place to protect any information relating to Grafton Group from cyber security threats and breaches of data protection and privacy.

Anti-Bribery and Anti-Corruption

Suppliers must have in place policies, procedures and training to ensure that no bribery and corruption takes place. This includes, but is not limited to, policies setting out the basis for the giving and receiving of reasonable and appropriate gifts and hospitality, and for dealing appropriately with government officials.

Ensure financial integrity and responsibility

Suppliers must maintain a system of internal controls to reinforce compliance with legal, accounting, tax, and other regulatory requirements in every location in which they operate.

Sanctions and export controls

Suppliers must ensure they conduct their business in compliance with all applicable international sanctions regimes, and that they do not engage with, or source materials from, any sanctioned territories or sanctioned parties where it is prohibited to do so.

Fair Competition

We expect all suppliers to do business in a fair and lawful manner, and comply fully with all anti-trust and competition laws applicable in the countries in which they operate.

Paying tax

Suppliers must accept their obligations to pay taxation. Suppliers should have in place appropriate measures to ensure they pay the correct amount of tax, and to prevent workers, agents and contractors from taking part in, or facilitating, tax evasion.

Product Quality, Safety and Standards

Suppliers must ensure all products supplied to the Grafton Group meet all necessary legal standards, and provide, and keep, evidence that these standards have been met. These standards include, but are not limited to, safety and quality standards, and respecting intellectual property.