1. **PURPOSE**

Ferguson Marine (Port Glasgow) Ltd FMPG is committed to the highest standards of social and environmental responsibility and ethical conduct. Our suppliers are required to provide safe working conditions, treat workers with dignity and respect, act fairly and ethically, and use environmentally responsible practices wherever they make products or perform services for FMPG. We require our suppliers to operate in accordance with the principles in this Supplier Code of Conduct and in full compliance with all applicable laws and regulations.

1. **SCOPE**

The policy covers all suppliers and subcontractors who provide goods and services to FMPG.

1. **INCLUSION AND DIVERSITY**

At FMPG, we believe diversity is more than age, race, colour, ethnic origin, religious, sexual orientation, gender, marital status or disability.

We believe diversity is also about embracing the advantages different experiences, skills and outlooks can bring. This approach includes but is not limited to unfair discrimination based on race, age, sex, pregnancy and maternity, marriage and civil partnership, religion and belief, disability, sexual orientation, or gender reassignment.

We all have responsibility for our own behaviour, and for maintaining an environment in which prejudice is eliminated and where everyone is treated fairly, with respect and dignity. FMPG believes that everyone can only give their best if we are an inclusive organisation and can demonstrate the value we place on diversity. As a result, we expect our suppliers to have processes in place that ensure that selection for employment, promotion, training, or any other benefit will be based on skills and ability only. All applicants, employees and third parties must be treated fairly and with equality of opportunity, and all forms of unlawful and unfair discrimination must be opposed. Our suppliers are expected to have equivalent policies and procedures to promote inclusivity and diversity within their business and extended supply chain.

1. **DIGNITY AND RESPECT**

We believe in creating a working environment based on dignity and respect, bringing together individuals from many different backgrounds to give us fresh perspectives and new ideas.

**Our Suppliers will:**

* fulfil all their legal requirements under relevant Equality Legislation;
* fulfil their duty to adjust as far as reasonably practicable, to enable employees and all its stakeholders to have access and carry out their work and responsibilities;
* be aware of the value their organisation places upon respect and inclusion, and that formal investigations may be taken in the event of any breach of policy;
* have inclusive and open recruitment and selection, progression and development process to encourage employees and clients to develop and progress.

**Our Suppliers will promote Respect and Inclusion by:**

* actively promoting quality of opportunity and good relations between all sections of the business;
* promoting respect and inclusion throughout all operational activities;
* actively encouraging the participation of underrepresented groups in all the diverse activities of the organisation;
* ensuring service delivery, communications, actions, resources demonstrate sensitivity to issues of respect and are adapted as necessary;
* delivering an inclusive approach to celebrating success; and
* reinforcing our commitment to respect and inclusion in appropriate publicity materials.

1. **LABOUR AND HUMAN RIGHTS**

FMPG believe all employees in our supply chain deserve a fair and ethical workplace. Employees must be treated with dignity and respect, and suppliers shall uphold the highest standards of human rights.

**Anti-discrimination**

* suppliers shall not discriminate against any employee based on age, disability, ethnicity, gender, marital status, national origin, political affiliation, race, religion, sexual orientation, or union membership, in hiring and other employment practices.

**Anti-Harassment and Abuse**

* suppliers shall commit to a workplace free of harassment and abuse. Suppliers shall not threaten employees with, or subject them to, harsh or inhumane treatment, including but not limited to verbal abuse and harassment, psychological harassment, mental and physical coercion, and sexual harassment.

**Prevention of Underage Labour**

* suppliers shall employ only employees who are at least 16 years of age or the applicable minimum legal age, whichever is higher.

**Working Hours**

* suppliers must not exceed prevailing local work hours and must appropriately compensate overtime. Suppliers shall follow all applicable laws and regulations with respect to working hours and days of rest, all employees are entitled to at least one day off every seven day period.

**Wages and Benefits**

* suppliers shall ensure that all employees receive at least the legally mandated minimum wages and benefits.
* suppliers shall compensate employees for overtime hours at the legal premium rate. Suppliers shall communicate pay structure and pay periods to all employees. Suppliers shall pay accurate wages in a timely manner, and wage deductions shall not be used as a disciplinary measure.

**Freedom of Association and Collective Bargaining**

* suppliers shall freely allow workers to associate with others, form, and join (or refrain from joining) organisations of their choice, and bargain collectively, without interference, discrimination, retaliation, or harassment. In the absence of formal representation, Suppliers shall ensure that employees have a mechanism to report grievances and that facilitates open communication between management and workers.

1. **ANTI-BRIBERY AND CORRUPTION**

Our Suppliers must be committed to doing business with honesty and integrity. We expect high standards of conduct from our suppliers and will not tolerate any behaviours that conflict with our strict compliance code around Bribery and Corruption.

No Supplier employee or representative of a Supplier may engage in any dishonest practice or any form of corruption anywhere in the world. Corruption includes, but is not limited to, the giving or receiving (directly or indirectly) of bribes, kickbacks or any other improper advantage in the context of a business relationship or transaction.

This policy against corruption is of paramount importance. All employees (and employees of Sub-contractors to the lowest tier) must:

* act honestly at all times;
* comply with the laws of the United Kingdom and any other country in which they are operating or which may otherwise have an impact on its business operations;
* never bribe or give any other improper advantage to any party (whether directly or indirectly), or receive the same from any party (whether directly or indirectly);
* avoid any appearance of impropriety in business relationships or transactions; and
* keep full and accurate records of all payments made by any Supplier company or by third parties on behalf of FMPG.

1. **GIFTS AND HOSPITALITY**

Whilst in themselves corporate hospitality, entertainment and corporate gifts are usually not a problem legally, they can amount to bribery or be perceived as being bribes, or at least suspicious, especially with hindsight. Gifts and Hospitality policy details of which are within our Anti-Bribery and Corruption policy.

We encourage all our Suppliers to maintain a record of all hospitality and gifts given or received during, or because of their engagement with FMPG. Gifts and hospitality should not be offered or accepted during commercial negotiations.

1. **HEALTH AND SAFETY**

Worker health, safety, and well-being is important to FMPG.

* suppliers shall provide and maintain a safe work environment and integrate sound health and safety management practices into its business. Employees shall have the right to refuse unsafe work and to report unhealthy working conditions;
* suppliers shall identify, evaluate, and manage occupational health and safety hazards through a prioritised process of hazard elimination, engineering controls, and/or administrative controls. Suppliers shall provide employees with job-related, appropriately maintained personal protective equipment and instruction on its proper use;

**Incident Management**

* suppliers shall have a system for workers to report health and safety incidents and near-misses, as well as a system to investigate, track, and manage such reports. Suppliers shall implement corrective action plans to mitigate risks, provide necessary medical treatment, and facilitate employees return to work.

**Ergonomics**

* suppliers shall identify, evaluate, and control employee exposure to tasks that pose ergonomic risk such as excessive force, improper lifting positions, or repetitiveness. Suppliers shall integrate this process into the qualification of all new or modified production lines, equipment, tools, and workstations.

**Working Conditions**

* suppliers shall provide employees with reasonably accessible and clean toilet facilities and potable water.

1. **ENVIRONMENT**

Managing environmental matters is an integral part of our activities. We are committed to ensuring that we are compliant not only with environmental laws, regulations, and standards, but our own environmental quality standards to protect the environment.

A core challenge for FMPG is the statutory obligation to support delivery of Scotland’s legally binding target to reduce greenhouse gas (carbon) emissions to net-zero by 2045. We can only carry this out with the active engagement and support of our supply chain.

We therefore require our suppliers to commit to measuring their scope 1,2 and 3 emissions and develop a carbon plan. In these cases, we will work with suppliers to agree the scope and format of such information to ensure its consistency with our carbon management systems.

Increasing the visibility of carbon data throughout the supply chain is a key stage on our journey to reducing our collective carbon emissions, in line with our statutory obligations.

* suppliers are expected to consider the sustainability of the environment and the resources used; and
* suppliers may be required to actively support climate change by providing reliable data on their carbon impacts; and
* suppliers will be encouraged to reduce these impacts over time.

1. **INTELLECTUAL PROPERTY**

We expect our Suppliers to understand the Intellectual Property used or created in their operations and take all necessary steps to minimise the risk of infringing third party rights. Suppliers may not use our name, logo, or images unless expressly permitted in writing by FMPG.

1. **CONFIDENTIAL INFORMATION**

We always expect the highest controls of commercial confidentiality. Our Suppliers must take all necessary steps to effectively manage the handling, use, storage and disposal of confidential information. Suppliers should not share information with anyone unless authorised to do so by FMPG. Disclosure of sensitive information, including financial information, could violate securities laws and the obligation on our Suppliers and their subcontractors remains active even after the assignment with FMPG has ended.

1. **CYBER SECURITY**

We require vigilant cyber security measures, and any compromise of information, whether malicious or not, increasingly poses a serious threat to the economic well-being of our company and customer organisations. Suppliers must ensure that the cyber security arrangements among their supply chains are appropriate to the requirements of the information assets concerned. This must include appropriate governance and management arrangements to manage risk, monitor compliance and report and respond effectively to any incidents. Suppliers must comply with FMPG and our customer’s mandated cybersecurity standards, including flow-down through the onward supply chain in accordance with any stipulated contractual obligations.

1. **SUPPLIER DUE DILIGENCE**

We pre-qualify suppliers, and this involves satisfying ourselves that they can meet our standards. Certain suppliers will be selected for audit and close monitoring based on risk assessment and/or supplier performance.

1. **WHISTLEBLOWING**

We expect our Suppliers to bring to our attention any concerns that they have with regard to matters covered by this Supplier Code of Conduct, including whether:

a) bribery or corruption has taken place, or is likely to take place;

b) there may be fraud or other irregularities going on in the way transactions, goods or services are being paid for, recorded or invoiced (or in the failure properly to record or invoice them);

c) the health or safety of any individual is being, or is likely to be, endangered by the way activities are being carried out;

d) any other criminal offence has taken place, or is likely to take place;

e) there has been, or is likely to be, a failure to comply with legal obligations;

f) there has been, or is likely to be, a miscarriage of justice; or

g) the environment has been, or is likely to be, damaged.

Our Suppliers should feel able to bring these matters to the attention of their Account Manager, who are under a duty to pass on the information to the Supply Chain Director at FMPG (Port Glasgow) Ltd. Alternatively, Suppliers may use the confidential “whistleblowing” telephone service to report matters of concern.

1. **MEDIA CONTACT**

As a public sector organisation, no engagement with the media about the business or its activities should be undertaken unless agreed in advance through the existing review and approval process. You must always ensure that any broad communication about FMPG, our customers, or our work together, including but not limited to: marketing materials, press releases, social media posts or media interviews, is formally approved by us prior to publication.

If you have questions about our Supplier Code of Conduct, please contact FMPG at 0147 574 2300.

1. **ETHICS**

FMPG expects the highest standards of ethical conduct. Suppliers shall always be ethical in every aspect of its business, including relationships, practices, sourcing, and operations.

**Business Integrity**

* suppliers shall not engage in corruption, extortion, or bribery to obtain an unfair or improper advantage. Suppliers shall abide by all applicable anti-corruption laws and regulations of the countries in which it operates, including the UK Bribery Act 2010.

**Disclosure of Information**

* suppliers shall accurately record information regarding its business activities, labour, health and safety, and environmental practices and shall disclose such information, without falsification or misrepresentation, to all appropriate parties.

**Protection of Intellectual Property**

* suppliers shall respect intellectual property rights and safeguard customer information. Suppliers shall manage technology and know-how in a manner that protects intellectual property rights.

1. **COMMUNITY ENGAGEMENT**

Suppliers are encouraged to help foster social and economic development and contribute to the sustainability of the communities in which it operates.

1. **SUMMARY**

FMPG wishes to build strong relationships with suppliers who share our values. Therefore, it is incumbent upon any supplier wishing to maintain healthy business relationship with FMPG to respect our Supplier Code of Conduct and follow these guidelines.

1. **FAILURE TO COMPLY**

Failure to comply with any part of the Code of Conduct Policy or associated policies, could lead to disciplinary action against you in accordance with the Company’s disciplinary procedures, up to and including dismissal.

1. **REVIEW DATE**

The Company reserves the right to supplement, amend, rescind, modify or revise the terms of this policy.

This policy will be subject to periodic review in line with changing employment legislation and best practice. The next formal review will be in September 2023.

1. **REVISION HISTORY**

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| --- | --- | --- | --- |
| **Version** | **Date** | **Name** | **Overview of Changes** |
| **1.0** | **September 2022** | **Pauline Macdonald** | **Issued for Release** |
| **2.0** | **February 2023** | **Pauline Macdonald** | **No Change** |