

Code of Conduct Policy

Policy Statement

The Trust places much weight on sustainable development, business practices and Corporate Social Responsibility. In this context, sustainable means that which meets the needs of the present without compromising the ability of future generations to meet their own needs. The Trust expects that its own procurement and that of its External Lottery Manager (ELM) meets the conduct standards described below. This policy lays out the Trust's approach to purchase of products with the aim of treating the planet and people responsibly throughout the entire chain of custody.

It recognises that the production of food and consumer items can have a negative impact on people and the environment, due to (amongst others): poor working conditions, CO₂ emissions, soil exhaustion and the depletion of ecosystems. The social costs involved in this are usually not incorporated into the price of products.

The Trust and its ELM aim to purchase products which treat people and planet in a sustainable and responsible way

Responsible procurement

Responsible procurement consists of four ambition levels:

- Create awareness and encourage improvement. This is achieved by including the Code of Conduct in all suppliers' contracts. Suppliers sign to agree the terms.
- Continuous performance improvement in the market by choosing only those who comply with the Code. When either economic or quality reasons force the Trust to choose a less sustainable option, suppliers are required to present a concrete improvement plan.
- Rule out non-sustainable practices in the supply chain. Supplier facilities may be visited, with or without notice, to assess compliance with this Code. Audits are performed on a regular basis for those suppliers who operate in areas where human rights, labour, environmental, or other abuses have been known to occur. All suppliers from these high risk countries (see appendix I) are audited.
- Drive sustainable innovations. The Trust may develop partnerships in which it cooperates with companies, NGOs and possibly governments to push sustainable innovations into the market.

Introduction to the Code

This Code of Conduct communicates how the Trust and the ELM work with suppliers, and asks them to meet, as a minimum, the health and safety, human rights, ethical and environmental standards set out below. The Trust and the ELM challenge suppliers to go further and advance

Reviewed and updated on 25/08/2015

social and environmental responsibility. They encourage suppliers to work to identify and develop ongoing performance improvements. The aim of this Code is to promote sustainable business practices with suppliers and beyond.

Recognised platforms and declarations such as the United Nations Global Impact, Universal Declaration of Human Rights (UDHR), and standards issued by organisations such as the International Labour Organization (ILO), Social Accountability International (SAI), and the Ethical Trading Initiative (ETI) were used as references in preparing this Code and may be useful sources of additional information. A complete list of references is provided at the end of this Code.

Scope of the Code

This Code applies to all suppliers of services and goods for both the Trust and the ELM. The Trust expects the ELM to adopt policies and processes that enable them to comply with this approach. Suppliers are encouraged to promote the requirements of this Code within their own supply chain, and recognition will be given to suppliers who explicitly do this.

The following conditions apply to suppliers:

- The Code of Conduct is part of every purchasing contract.
- The Code of Conduct should be signed as part of every purchasing contract above £800.
- For spends above £21,000 suppliers should be able to demonstrate what efforts they are making to meet the requirements of the Code. Upon request these suppliers should deliver with proof of their sustainable product, their improvement plan and their concrete targets.
- Suppliers of all services are required to ensure compliance with the spirit of the Gambling Act 2005 and specifically the Licence Conditions and Codes of Practice (LCCP) relating to Society Lotteries. Any breach of the LCCP will have material impact on any contract and permits immediate cessation.
- All suppliers that engage in high risk countries (see appendix I) are audited to ensure full compliance with this Code.

Internal organisation

Responsibility lies with the Trustees, Executive Manager and Trust administration team. The responsible purchasing program is implemented by purchasing staff. The Trust expects the ELM to adopt a similar approach.

Annual reporting is completed on:

- The number of suppliers that have signed the code versus the total number of suppliers.
- The number of suppliers from high risk countries and the number of these suppliers that have been audited on compliance with the code.
- The number of partnerships for sustainable innovation that have been developed.

Details of the Code

Suppliers are strongly encouraged to collaborate to identify further opportunities to improve responsible business practices in the areas of human rights and labour, health and safety, environmental impact and ethics along the supply chain.

Human Rights and Labour

Suppliers must uphold the human rights of workers, and treat them with dignity and respect as understood by the international community.

Prohibition of Discrimination

Suppliers shall not discriminate against any worker based on race, colour, age, gender, sexual orientation, ethnicity, disability, religion, political affiliation, union membership, national origin, marital status or any other condition that could give rise to discrimination in hiring and employment practices such as applications for employment, promotions, rewards, access to training, job assignments, wages, benefits, discipline, and termination. Suppliers shall not require a pregnancy test except where required by applicable laws or regulations or prudent for workplace safety. In addition, suppliers shall not require workers or potential workers to undergo medical tests that could be used in a discriminatory way except where required by applicable law or regulation or prudent for workplace safety.

Fair Treatment

Suppliers shall treat all personnel with dignity and respect and shall commit to a workplace free of harassment. Suppliers shall not threaten workers with or subject them to harsh or inhumane treatment, including sexual harassment, sexual abuse, corporal punishment, mental coercion, physical coercion, verbal abuse or unreasonable restrictions on entering or exiting company provided facilities. Suppliers shall prohibit harassment in the workplace.

Prohibition of Involuntary Labour

Suppliers shall not use any form of forced, bonded, indentured, or prison labour. All work must be voluntary and workers shall be free to leave work or terminate their employment with reasonable notice. Neither the company nor any entity supplying labour to the company shall withhold any part of any personnel's salary, benefits, property, or documents in order to force such personnel to continue working for the company. Workers must not be required to surrender any government-issued identification, passports, or work permits as a condition of employment. Suppliers shall ensure that third party agencies providing workers to supplier are compliant with the provisions of the Code and the laws of the sending and receiving countries, whichever is more stringent in its protection of workers. Suppliers shall ensure that contracts for both direct and contract workers clearly convey the conditions of employment in a language understood by the worker. Where workers are required to pay a fee in connection with obtaining employment, suppliers shall be responsible for payment of all fees and expenses. Such fees and expenses include, but are not limited to expenses associated with recruitment, processing or placement of both direct and contract workers.

Prohibition of Underage Labour

Suppliers shall not employ children. Child labour is strictly prohibited as defined by ILO and United Nations Conventions and/or by national law. Of these various standards, the one that is

the most stringent shall be followed. Any forms of exploitation of children are forbidden. Working conditions resembling slavery or that are harmful to children's health are forbidden.

Juvenile Worker Protections

Suppliers may employ juveniles who are older than the applicable legal minimum age for employment but are younger than 18 years of age, provided they do not perform work likely to jeopardize their health, safety, or morals, consistent with ILO Minimum Age Convention No. 138.

Suppliers may employ juvenile workers, but where such young workers are subject to compulsory education laws, they may work only outside of school hours. Under no circumstances shall any young worker's school, work, and transportation time exceed a combined total of 10 hours per day, and in no case shall young workers work more than 8 hours a day. Young workers may not work during night hours.

Working Hours

Except in emergency or unusual situations, a workweek shall be restricted to 60 hours, including overtime, and workers shall take at least one day off every seven-days. All overtime shall be voluntary. Under no circumstances shall workweeks exceed the maximum permitted under applicable laws and regulations.

Wages and Benefits

Suppliers shall pay all workers at least the living wage required by applicable laws and regulations and provide all legally mandated benefits. In addition to their compensation for regular hours of work, workers shall be compensated for overtime hours at the premium rate required by applicable laws and regulations. Suppliers shall not use deductions from wages as a disciplinary measure. Suppliers shall offer vacation time, leave periods, and holidays consistent with applicable laws and regulations. Suppliers shall pay workers in a regular and timely manner and clearly convey the basis on which workers are being paid. In situations in which the legal minimum wage and/or industry standards do not cover living expenses and provide some additional disposable income, suppliers are further encouraged to provide their employees with adequate compensation to meet these needs.

Freedom of Association

Suppliers must respect the right of workers to associate freely, form and join workers organisations of their own choosing, seek representation, and bargain collectively, as permitted by and in accordance with applicable laws and regulations. Suppliers shall effectively inform personnel that they are free to join an organisation of their choosing and that their doing so will not result in any negative consequences to them, or retaliation, from the company. Suppliers shall not discriminate with respect to employment based on union membership and, in particular, shall not make employment subject to the condition that the worker relinquish union membership or agree not to join a union or cause the dismissal of or otherwise prejudice a worker by reason of union membership or participation in union activities outside working hours (or within working hours if the supplier has consented to such activities or if required by applicable law or regulation). Suppliers shall protect against acts of interference with the establishment, functioning, or administration of workers' organisations in accordance with applicable laws and regulations.

Health and Safety

Suppliers shall commit to creating safe working conditions and a healthy work environment for all of their workers.

Occupational Injury Prevention

Suppliers shall provide a safe and healthy workplace environment and shall take effective steps to prevent potential accidents and injury to workers' health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the workplace environment, and bearing in mind the prevailing knowledge of the industry and of any specific hazards. Workplace practices which violate basic human rights are forbidden. Suppliers shall establish appropriate administrative controls such as safe work procedures and provide workers with appropriate personal protective equipment. Workers shall not be disciplined for raising safety concerns and shall have the right to refuse unsafe working conditions without fear of reprisal until management adequately addresses their concerns.

Occupational Safety Procedures and Systems

Suppliers shall establish procedures and systems to manage, track, and report occupational injury and illness. Such procedures and systems shall encourage worker reporting, classify and record injury and illness cases, investigate cases and implement corrective actions to eliminate their causes, provide necessary medical treatment, and facilitate the workers' return to work.

Emergency Prevention, Preparedness, and Response

Suppliers shall anticipate, identify, and assess emergency situations and events and minimize their impact by implementing emergency plans and response procedures, including emergency reporting, worker notification and evacuation procedures, worker training and drills, appropriate first-aid supplies, appropriate fire detection and suppression equipment, adequate exit facilities, and recovery plans.

Health and Safety Communication

Suppliers shall provide workers with appropriate workplace health and safety information and training, including written health and safety information and warnings, in the primary language of the workers. Suppliers are encouraged to encourage worker input regarding health and safety issues in the workplace.

Environmental Impact

Suppliers shall maintain effective policies, processes and procedures to manage their environmental impact and to operate their business in a manner that meets the requirements of this Code. That means protecting and enhancing ecosystems, increasing their resilience to climate change and valuing them even when it is not possible to attribute an economic value.

Hazardous Substance Management and Restrictions

Suppliers shall identify and manage substances that pose a hazard if released to the environment and comply with applicable labelling laws and regulations for recycling and disposal.

Pollution Prevention and Resource Reduction

Suppliers must endeavour to reduce or eliminate solid waste, wastewater and air emissions, including energy-related indirect air emissions, by implementing appropriate conservation measures in their production, maintenance and facilities processes, and by recycling, re-using, or substituting materials.

Solid Waste Management

Suppliers shall manage and dispose of non-hazardous solid waste generated from operations as required by applicable laws and regulations.

Wastewater Management

Suppliers shall monitor, control, and treat wastewater generated from operations before discharge as required by applicable laws and regulations.

Air Emissions Management

Suppliers shall characterize, monitor, control and treat air emissions generated from operations, as required by applicable laws and regulations, before discharge. Suppliers should do all they can to limit, measure, manage and report their CO₂ emissions as much as possible.

Environmental Permits and Reporting

Suppliers must obtain, maintain, and keep current all required environmental permits (e.g. discharge monitoring) and registrations and follow the operational and reporting requirements of such permits.

Ethics

Suppliers must be committed to the highest standards of ethical conduct when dealing with workers, suppliers, and customers.

Business Integrity

Suppliers shall not violate the UK Bribery Act 2010, any international anti-corruption conventions, and applicable anti-corruption laws and regulations of the countries in which they operate, and shall not engage in corruption, extortion or embezzlement in any form. Suppliers shall not offer or accept bribes or other means to obtain an undue or improper advantage. Suppliers must uphold fair business standards in advertising, sales, and competition.

Disclosure of Information

Suppliers must accurately record and disclose information regarding their business activities, structure, financial situation, and performance in accordance with applicable laws and regulations and prevailing industry practices.

Whistleblower Protection and Anonymous Complaints

Suppliers shall create programs to ensure the protection of supplier and worker whistleblower confidentiality and prohibit retaliation against workers who participate in such programs in good faith or refuse an order that is in violation of this Code. Suppliers shall provide an anonymous complaint mechanism for workers to report workplace grievances in accordance with local laws and regulations.

Community Engagement

Suppliers are encouraged to engage the community to help foster social and economic development and to contribute to the sustainability of the communities in which they operate.

Management Commitment

Suppliers must adopt or establish a management system designed to ensure compliance with this Code and applicable laws and regulations, identify and mitigate related operational risks, and facilitate continuous improvement. The management commitment could contain the following elements:

Company Statement

A corporate social and environmental responsibility statement affirming the supplier's commitment to compliance and continual improvement, to be posted in the primary local language at all of the supplier's worksites.

Management Accountability and Responsibility

Clearly identified company representatives who should be responsible for ensuring implementation and periodic review of the status of the supplier's management systems.

Risk Assessment and Management

A process to identify environmental, health and safety, business ethics, labour, human rights, and legal compliance risks associated with their operations, determine the relative significance of each risk, and implement appropriate procedures and controls to ensure compliance and control the identified risks. Risk assessments for health and safety must include warehouse and storage facilities, plant and facility support equipment, laboratories and test areas, bathrooms, kitchens, cafeterias, and worker housing.

Performance Objectives with Implementation Plans and Measures

Written standards, performance objectives, targets, and implementation plans, including a periodic assessment of the supplier's performance against those objectives.

Audits and Assessments

Periodic self-evaluations to ensure that the supplier, its subcontractors and its next-tier suppliers are complying with this Code and with applicable laws and regulations.

Documentation and Records

Processes to identify, monitor, and understand applicable laws and regulations and the additional requirements imposed by this Code. The supplier shall obtain, maintain and keep current a valid business license as required by applicable laws and regulations. Creation of documents and records to ensure regulatory compliance and conformity to this Code, with appropriate confidentiality measures to protect privacy.

Training and Communication

Programs for training managers and workers to implement these supplier's policies and procedures and fulfil supplier's improvement objectives. A process for communicating clear and accurate information about the supplier's performance, practices, and expectations to its workers, suppliers, and customers.

Reviewed and updated on 25/08/2015

Corrective Action Process

A process for timely correction of any deficiencies identified by an internal or external audit, assessment, inspection, investigation, or review.

Monitoring of the Code

The Trust and its ELM require their suppliers to:

- Sign this Code as part of all procurement contracts.
- Upon request deliver relevant information pertaining to the issues in this Code within reasonable time.
- Provide copies of all relevant information, to co-operate and to use reasonable endeavours to ensure that their sub-contractors do the same.
- Demonstrate what efforts they are making to meet the requirements of the Code.
- Complete self assessments, host site visits, and follow up on remediation plans. All suppliers from high risk countries (see appendix I) are audited.
- Provide information if they are unable to comply with this Code.

The Trust will work with its suppliers in addressing gaps identified and reserves the right to disengage from suppliers that do not meet the requirements of this Code or who cannot provide or commit to an improvement plan.

References

The Trust consulted the following references in preparing this Code. These references may be useful sources of additional information:

Eco Management & Audit System - www.quality.co.uk/emas.htm

Ethical Trading Initiative - www.ethicaltrade.org/

ILO Code of Practice in Safety and Health

www.ilo.org/public/english/protection/safework/cops/english/download/e000013.pdf

ILO International Labour Standards

www.ilo.org/public/english/standards/norm/whatare/fundam/index.htm

Greenhouse Gas Protocol - <http://www.ghgprotocol.org/>

National Fire Protection Agency - www.nfpa.org/catalog/home/AboutNFPA/index.asp

OHSAS 18001 - www.bsi-global.com/index.xalter

SA 8000 - www.cepaa.org/

SAI - www.sa-intl.org

United Nations Convention Against Corruption

<http://www.unodc.org/unodc/en/corruption/index.html?ref=menuaside>

United Nations Global Compact - www.unglobalcompact.org

Universal Declaration of Human Rights - www.un.org/Overview/rights.html

UN Norms on the Responsibilities of Transnational Corporations and other Business Enterprises with Regard to Human Rights

www.ohchr.org

Appendix I

Risk country list 2010/2011

Afghanistan	Laos
Algeria	Lebanon
Angola	Liberia
Armenia	Libya
Azerbaijan	Mexico
Bangladesh	Morocco
Belarus	Mozambique
Bolivia	Myanmar
Brazil	Nepal
Burkina Faso	Nicaragua
Burundi	Niger
Cambodia	Nigeria
Cameroon	North Korea
Central African Republic	Pakistan
Chad	Palestinian Occupied Territory
China	Paraguay
Colombia	Peru
Congo	Philippines
Côte d'Ivoire	Russia
Cuba	Rwanda
Dominican Republic	Senegal
DR Congo	Sierra Leone
Ecuador	Somalia
Egypt	Sri Lanka
Equatorial Guinea	Sudan
Eritrea	Syria
Ethiopia	Tajikistan
Georgia	Tanzania
Guatemala	Turkmenistan
Guinea	Uganda
Haiti	Ukraine
Honduras	Uzbekistan
India	Venezuela
Indonesia	Viet Nam
Iran	Yemen
Iraq	Zambia
Kazakhstan	Zimbabwe
Kenya	
Kyrgyzstan	

Reviewed and updated on 25/08/2015

Appendix 2

Services Agreement

The undersigned (Supplier) hereby acknowledges and agrees for the benefit of The Trust:

1. Supplier has been provided a copy of the Code of Conduct.
2. Senior management (including the undersigned representative) of the Supplier have carefully reviewed the Code of Conduct.
3. Supplier has reviewed the Code of Conduct with its suppliers and any subcontractors.
4. Supplier and its employees and representatives, as well as suppliers and subcontractors of Supplier, if any, are committed to unyielding integrity and agree / have agreed to comply with Integrity standards set forth in the Code of Conduct, including as they relate to Supplier's dealings with The Trust, any goods or services being provided, conveyed or sold by Supplier to The Trust or any work being performed by Supplier for or on behalf of The Trust.
5. These obligations and undertakings of Supplier are in addition to and do not modify or amend any obligations or commitments of Supplier in any of The Trust's purchase orders or other written agreement between parties.

Acknowledged and agreed by Supplier on _____, _____

(Supplier)

Print Name : _____

Title : _____

Company Address : _____

Signature (President, CEO or General Manager)

: _____