



MERCURY

YOUR VISION, OUR DUTY.

Supplier and Subcontractor Code of Conduct



Introduction

At Mercury, we are committed to the highest levels of legal, ethical and moral standards, which we set out in our Code of Business Conduct. We place business ethics and Corporate Social Responsibility (CSR) at the forefront of all our business dealings, including those with our Supplier and Subcontractors, recognising that they are key stakeholders in the success of our business.

To support this, Mercury are committed to the responsible sourcing of goods and services and this Supplier and Subcontractor Code of Conduct sets out our expectations of those who provide these goods and services to Mercury.

The Mercury procurement process and procedures strive to achieve purchases at best value for money on a whole life basis, i.e. by considering not just the company and clients but five key areas for the wider community, those being, environment / climate change, people and culture, technology and innovation, operations and value chain, society and community in support of Mercury Sustainable Procurement. Mercury encourages utilising local businesses in its areas of operation and extends its expectation to its vendor community.

Mercury only choose suppliers and subcontractors who share our unwavering commitment to good ethical practices and who meet our standards in respect of governance, human rights, health & safety, data protection and environmental stewardship. This Supplier and Subcontractor Code of Conduct sets out the minimum standards we expect, and we encourage all Suppliers and Subcontractors to go beyond these requirements.

The term 'Supplier and Subcontractor' as used in this code refers to suppliers and subcontractors, vendors, contractors, consultants, agents and other providers of goods and services who do or seek to do business with Mercury worldwide.

Supplier and subcontractors are expected to apply similar levels of compliance to their own Suppliers or approved sub-contractors with whom they work to supply goods and services to Mercury.

Our Commitment to Supplier and Subcontractors

Mercury has always set high standards for the way we conduct business. Mercury conducts business responsibly, with integrity and with full transparency. We are committed to supporting the Suppliers and Subcontractors and communities we work with. A strong and trusted supply chain is integral to our success, and we aim to conduct all our business relationships with integrity and courtesy.

Business Conduct

When carrying out procurement duties and responsibilities, our employees are expected to share Mercury's commitments to high ethical, legal and moral standards with our suppliers and Subcontractors. We have defined internal guidance which sets norms of behaviour in procurement activities in the areas of courtesies, conflict of interest, corruption, competition law and confidential information. Mercury continually encourages its employees to consider and discuss issues of ethical behaviour.

Supplier and Subcontractor Relationship Management

Mercury has established methodologies to conduct category management and to guide relationships with Suppliers and Subcontractors. We work with a diverse range of suppliers and subcontractors and it is the strength of these relationships that allow us to source high quality, responsibly produced products and services for our clients.

We maintain business relations only with reputable suppliers and subcontractors who comply with the law. We protect the interests of our clients through the careful selection of suppliers and subcontractors and through the standards we set for our own actions. These standards ensure a fair, competitive and transparent negotiation process, according to our policies and values.

Business Community and Supply Chain

As outlined in our *Beyond50 strategy*, it is Mercury's policy to apply the principles of Integrity, Inclusivity, Legacy, Stewardship and Transparency, with a commitment in all aspects of our global business to deliver continuous improvement in areas of environmental, economic and social sustainability. We acknowledge that our resource use and activities have impacts and we are committed to identifying and minimising negative risks and impacts, while promoting the positives.

We are committed to the adoption and promotion of good corporate governance approaches in all our business activities, including providing a safe and sustainable environment for clients, staff, contractors, suppliers and subcontractors and to our responsibilities as a member of the local community and society as a whole.

Our five pillars of Responsible Business are Environment & Climate Change, People, Wellbeing and Safety, Technology & Innovation, Operations & Value Chain and Society & Community.

Mercury will apply the appropriate resources required to ensure that the following objectives can be met:

- ✦ Establishment of a Sustainability Roadmap framework for guiding and reviewing our specific Responsible Business objectives and targets;
- ✦ Compliance with all relevant environmental, health & safety and social regulations and legislation, as well as the requirements of our Quality, Environmental and Health & Safety and Responsible Business certifications;
- ✦ Efficient and minimized use of energy, fuel, and water;
- ✦ Minimize the generation of waste, carbon and other emissions;
- ✦ Minimise of the use of raw materials while procuring from sustainable sources;
- ✦ Promote biodiversity and strive to prevention pollution and other negative social impacts;
- ✦ Deploy our knowledge, technology and innovation in a positive way to improve the broader sustainability of services we provide to all our stakeholders;
- ✦ Minimise any negative short-term and legacy impacts that our construction activities and contractors may have on the localities in which we operate;
- ✦ Raise awareness through training and motivation of employees so that they can conduct their work in a healthy, safe, environmentally, socially and financially responsible manner;
- ✦ Treating all stakeholders, employees and community with fairness, equality and respect at all times, in particular stakeholders with special requirements and needs.

The Mercury Board and management teams are committed to communicating our Sustainability Policy and relevant environmental, social and financial performance and expectations to clients, employees, contractors, suppliers and subcontractors and engaging regularly with these key stakeholders on matters of sustainability. The Sustainability Policy and our progress is regularly evaluated by our EHS / Sustainability team and reported to Mercury Management team for periodic review. Our management team will lead by example with success and continuous improvement generated by the combined efforts of all stakeholders.

Our Expectations of Supplier and Subcontractors

Mercury is committed to meeting high social, environmental, and health & safety standards and we expect our suppliers and subcontractors to do likewise. Suppliers and subcontractors must comply with local and national laws and regulations. Only if we uphold these high ethical and CSR standards, can we safeguard our excellent reputation and ensure our shared, continued success. Furthermore, we expect suppliers and subcontractors to adhere to the following standards.

Governance & Compliance

Mercury will not tolerate any form of corruption, bribery or anti-competitive behaviour or actions in our supply chain. We expect our suppliers and subcontractors to:

- ✦ Comply with all applicable laws and regulations, including money laundering legislation, in the countries in which they operate;
- ✦ Maintain accurate records in accordance with accepted accounting principles;
- ✦ Not offer any illegal payments to, or receive any illegal payments from, any client, suppliers, subcontractor, their agents, representatives or others;
- ✦ Not seek to gain any advantage of any kind by acting fraudulently, deceiving people or making false claims, or allow anyone else to do so;
- ✦ Not fix prices or exchange pricing information with competitors;
- ✦ Comply with competition and anti-corruption laws, directives and regulations that govern operations in the countries in which they do business;
- ✦ Ensure that any offer of gift or hospitality is consistent with Mercury's policies and reasonable marketplace customs and practices;
- ✦ Avoid all conflicts of interest or situations giving the appearance of a potential conflict of interest.

Health & Safety

Mercury requires our suppliers and subcontractors to comply with all relevant health and safety legislation and with all standards and codes specific to their industry. We expect our suppliers and subcontractors to:

- ✦ Protect the health, safety, and welfare of their employees, contractors and visitors whilst working at our sites;
- ✦ Comply with all health and safety best practices whilst working at our sites and work with us to improve health and safety standards across Mercury;
- ✦ Ensure that employees or contractors have adequate health and safety information and training before commencing work at our sites;
- ✦ Avoid using materials that may be harmful to the health of employees and others whilst working at our sites.

The Environment

Mercury is committed to reducing its carbon footprint and to implement suitable resource efficiency initiatives which will have the biggest impact across its operations. It is also committed to setting ambitious climate targets to help both the business and their customers achieve their climate goals. Mercury requires our suppliers and subcontractors to comply with all environmental legislation and all standards and codes that may be specific to their industry. We expect our suppliers and subcontractors to:

- ✦ Operate in a manner that actively manages risk, conserves natural resources and protects the environment in the communities within which they operate;

- ✦ Review their own supply chains to ensure products and services are sourced from responsible suppliers and subcontractors;
- ✦ Report any instances of non-compliance, related to our sites, to us as soon as possible so we can take timely action.

Human Rights and Fair Labour Practices

Mercury is committed to creating a working environment where health and safety is a top priority for the business. Mercury will strive to create a working environment which is inclusive and diverse for all employees. Our aim is to ensure all processes are transparent and all employees have equal career & development opportunities. Mercury requires our suppliers and subcontractors to treat people with respect and dignity, promote equal opportunity for all and foster an inclusive and ethical culture and comply with relevant employee-based legislation. We expect our suppliers and subcontractors to:

- ✦ Pay workers at least the minimum compensation required by local law and provide all legally mandated benefits;
- ✦ Ensure working time practices in compliance with national and local requirements;
- ✦ Ensure workers are fully registered to work in countries in which they operate;
- ✦ Adhere to regulations prohibiting human trafficking, and comply with all applicable local laws in the countries in which they operate;
- ✦ Ensure appropriate policies are in place regarding fair and respectful treatment of all employees, equality and diversity;
- ✦ Respect the rights of workers to associate freely and communicate openly with management regarding working conditions without fear of harassment, intimidation, interference or reprisal;
- ✦ Have appropriately documented grievance procedures which are made available to all employees.

Local Community Involvement and Support

Mercury is committed to engaging with the communities in which we work and wider society on the projects we are involved in. Mercury strive to ensure these projects respond to the needs of the local community and also attempt to address some of the environmental and societal challenges that impact the surrounding environment. We expect our suppliers and subcontractors to:

- ✦ Recognise and respect the special importance of the social, cultural, religious and spiritual values and practices of people and their relationship with the land or territories. To the extent that if our work affects people, a process to minimize and manage such impacts will be undertaken;
- ✦ Observe strict requirements for the selection of security contractors to avoid human rights risks in countries where security firms are not properly regulated.

Information and Data Protection

Mercury requires our suppliers and subcontractors to comply with all data protection and privacy laws regarding the collection, storage, disposal, use and disclosure of personal information. We expect our suppliers and subcontractors to:

- ✦ Adhere to all local privacy and data protection laws;
- ✦ Process information in a fair, lawful and transparent manner and ensure information is only used for the business purpose for which it was provided;
- ✦ Ensure the integrity and confidentiality of information;
- ✦ Provide clear and accurate privacy notices when collecting or processing personal data and have a retention schedule to ensure personal information is not retained longer than is necessary;

- ✦ Comply with all applicable laws governing intellectual property rights assertions, including protection against disclosure, patents, copyrights, and trademarks.

Cyber Security

The security of Mercury's technical infrastructure is of utmost importance. A weakness in our supply chain threatens the security of our network, our employees and poses a threat to our clients and other business partners. We hold ourselves to the highest of standards and with threat mechanisms constantly changing it is imperative our supply chain apply this same level of due diligence to their cyber security practices. We expect our suppliers and subcontractors to:

- ✦ Implement practical security measures;
- ✦ Continuously review and update their security measures;
- ✦ Conduct phishing and cyber security awareness and training for their staff;
- ✦ Notify Mercury immediately of any threat vector to which Mercury may be at risk;
- ✦ Cooperate fully during any investigations surrounding cyber security threats;
- ✦ Be proactive in addressing any identified security weaknesses they may experience.

Code Violations and Reporting

Mercury reserves the right to terminate a contract with any supplier and subcontractor who violates this Code. Mercury will also ensure any supplier and subcontractor in breach of this Code will be excluded from any future tendering process with Mercury.

Where a member of our supply chain poses a threat to the security of our technical infrastructure, we reserve the right to fully block all correspondence to and from this supplier and subcontractor while a formal investigation is undertaken. Suppliers and subcontractors who do not take this process seriously or who do not cooperate to the fullest extent during investigations may be deemed in violation of this Code.

Mercury are committed to upholding the highest legal, ethical and moral standards and we expect the same level of commitment to these values from our supply chain. Therefore, Mercury strongly encourage the reporting of any unethical or illegal conduct or violations of this Code by Mercury employees or Suppliers and Subcontractors, either directly with senior Mercury management or through our Speak Up Hotline.

Raising a Concern

If you have a serious concern about any issue that may not be consistent with this Supplier and Subcontractor Code of Conduct, please Speak Up. We encourage all our suppliers and subcontractors to raise any concerns or questions you may have in confidence either directly with senior Mercury management or through our Speak Up Hotline.

All issues reported will be treated seriously and in the strictest of confidence. All issues reported will be followed up discreetly and without bias. Mercury will not tolerate any retaliation or discrimination of any kind against anyone who has raised something in good faith. The Speak Up Hotline is operated by Safecall, an independent whistleblowing organisation for raising concerns.

1. You can use the following Speak Up freephone numbers:

Country	Freephone Number
Ireland	1800 812740
UK	0800 9151571
Germany	00 800 72332255
Netherlands	00 800 72332255
Sweden	0850 252 122
Denmark	00 800 72332255
Spain	00 800 72332255
Belgium	00 800 72332255
Poland	00 800 72332255
Switzerland	00 800 72332255
France	00 800 72332255
Italy	00 800 72332255
Austria	00 800 72332255

This service is available 24 hours a day, every day of the year.

2. You can use the Safecall website: www.safecall.co.uk/report
3. Or alternatively, you can email the Compliance function: ComplianceandEthics@mercuryeng.com



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