

A high-angle, nighttime photograph of the Los Angeles skyline. The city is densely packed with lights from buildings and streets, creating a vibrant, glowing effect against the dark blue night sky. The skyline is dominated by several tall, illuminated skyscrapers, including the US Bank Tower. The foreground shows a mix of residential and commercial buildings, all contributing to the overall urban glow.

# GROUP POLICY

# Supplier Code of Conduct

## Contents

1	Important Notice for Suppliers.....	2
2	Purpose .....	2
3	Scope .....	2
4	Compliance & Governance .....	3
4.1	Legal Compliance .....	3
4.2	Conflicts of interest .....	3
4.3	Fair Competition and Anti-Trust.....	3
4.4	Government Sanctions .....	4
4.5	Anti-Money Laundering .....	4
4.6	Bribery and Corruption .....	4
4.7	Anti-Facilitation of Tax Evasion .....	5
4.8	Data Protection & Cybersecurity.....	5
4.9	Fraud – Including Failure to Prevent Fraud.....	6
5	People & Labour Practices .....	6
5.1	Health & Safety .....	6
5.2	Human Rights & Modern Slavery.....	7
6	Supply Chain & Ethical Conduct .....	7
6.1	Responsible Sourcing.....	7
6.2	Supply Chain Transparency .....	7
7	Environmental Responsibility.....	8
8	Speaking Up & Whistleblowing .....	9
9	Associated Policies .....	9
10	Contacts .....	10
	Supplier Code of Conduct Declaration.....	11

## Document Control

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# 1 Important Notice for Suppliers

This Supplier Code of Conduct is a living document and may be updated periodically to reflect evolving legal, ethical, and operational expectations. Suppliers who have already signed a previous version do not need to take further action at this time, as the updates in this version clarify existing requirements rather than introduce new ones.

Going forward, all suppliers will be required to review and re-sign the latest version of this Code at least once every two years to ensure continued alignment with Diploma's standards.

# 2 Purpose

Diploma PLC ("Diploma") is committed to achieving the highest ethical, legal, and professional standards across its Group companies and supply chain. Our [Supplier Code of Conduct](#) outlines these expectations and forms a critical part of our commitment to responsible and sustainable business.

The relationship between Diploma Group companies, suppliers, and business partners plays a key role in how we deliver value responsibly. This Code sets out the minimum requirements we expect from all suppliers in areas such as compliance, ethical conduct, human rights, environmental responsibility, and safe working conditions. It supports and is guided by the principles outlined in the Diploma Group Code of Conduct.

In line with our Group Code of Conduct and sustainability strategy, we also ask suppliers to support our commitments to:

- Respecting diversity, equity, and inclusion in the workplace
- Protecting information and managing cybersecurity risks
- Operating with transparency and integrity across the value chain
- Supporting effective oversight, including supplier audits where relevant

We continue to work with our suppliers and business partners to not only meet these requirements but to continuously improve in line with industry best practice.

# 3 Scope

This Code applies to all Diploma suppliers, agents and third-party business partners ("suppliers").

This Code applies to all Diploma suppliers, agents, and third-party business partners ("suppliers"), regardless of location, size, or structure. It sets out the baseline expectations for doing business with any company that is part of the Diploma Group.

Suppliers are expected to operate in a manner consistent with this Code and to ensure these standards are understood and applied across their own supply chains. This includes expectations around legal compliance, ethical behaviour, health and safety, environmental responsibility, data protection, diversity and inclusion, and transparency in business practices.

Where appropriate, Diploma may request evidence of compliance or conduct supplier assessments to support our ongoing commitment to responsible sourcing and continuous improvement.

## 4 Compliance & Governance

### 4.1 Legal Compliance

All suppliers are required to comply with all applicable national and international laws and regulations including, without limitation:

- laws relating to human rights, health and safety, the environment, antitrust and competition, data protection and privacy, international trade compliance, and workplace rights, and
- laws designed to prevent bribery, corruption, money laundering, tax evasion, and the financing of terrorism.

Suppliers must be able to demonstrate compliance upon request and are encouraged to notify Diploma of any significant regulatory or legal changes that may impact their operations or relationship with the Group.

### 4.2 Conflicts of interest

Suppliers must avoid situations where personal interests could conflict, or appear to conflict, with their responsibilities to Diploma. Even the perception of a conflict can undermine trust and damage business relationships. A conflict of interest may arise when a supplier's decisions are influenced by personal, financial, or family interests that could compromise impartial judgment.

Suppliers are expected to:

- Have clear procedures in place to identify, manage, and report conflicts of interest
- Ensure employees understand their duty to avoid and disclose conflicts
- Promptly notify Diploma of any actual, potential, or perceived conflicts, including:
  - Personal or family relationships with Diploma employees or representatives
  - Financial interests in Diploma or its competitors
  - Business decisions that could benefit an individual personally

Examples include awarding contracts to relatives, having a second job that competes with Diploma's interests, or using confidential information for personal gain.

If you're unsure whether a situation presents a conflict, raise it early. Most issues can be resolved transparently when addressed in good faith.

### 4.3 Fair Competition and Anti-Trust

Fair competition is good for business, driving innovation and improving services. Antitrust and competition laws ensure a fair and competitive free market system in which no one company has a monopoly on a product or service.

All suppliers are required to comply with antitrust and competition laws. For example, under these laws, certain actions are prohibited such as:

- agreeing prices with competitors,
- agreeing with competitors to boycott a supplier or customer,
- sharing competitively sensitive information with other competitors,
- entering a business arrangement or strategy with the intention of harming a competitor,
- using your size to create an unfair advantage.

## 4.4 Government Sanctions

Suppliers are expected to comply with all applicable trade and financial sanctions, including those imposed by the UK and other international authorities. These laws prohibit business with certain individuals, organisations, governments, and jurisdictions.

Suppliers are expected to:

- Conduct proper due diligence on business partners to ensure they are not subject to sanctions
- Avoid any direct or indirect dealings with sanctioned entities, individuals, or high-risk jurisdictions
- Monitor their supply chains and transactions for red flags or unusual activity
- Escalate any uncertainty about a counterparty or transaction to Diploma for further review

Diploma may request evidence of a supplier's compliance with sanctions requirements as part of onboarding, auditing, or ongoing risk management. Failure to comply with sanctions laws may result in immediate termination of the business relationship.

## 4.5 Anti-Money Laundering

Suppliers are expected to take steps to prevent money laundering and ensure they only conduct business with legitimate partners involved in lawful activities.

Money laundering involves concealing the origins of criminal proceeds to make them appear legitimate. It is illegal and can expose both parties to serious legal and reputational risks.

Suppliers are expected to:

- Verify the identity and beneficial ownership of customers, suppliers, and partners
- Be alert to suspicious or unusually complex transactions, ownership structures, or payment methods
- Avoid accepting or processing payments that are inconsistent with the nature of the transaction
- Refuse to engage with third parties who are unwilling to provide necessary information or who raise red flags
- Report any concerns or suspicious activity to Diploma immediately

Diploma encourages open communication where concerns arise and may request relevant records or due diligence materials as part of supplier assurance processes.

## 4.6 Bribery and Corruption

Diploma has a zero-tolerance approach to bribery and corruption. We expect all suppliers to operate with integrity and maintain transparent, ethical practices across their operations and supply chains.

Suppliers are expected to:

- Implement procedures to prevent, detect, and respond to bribery and corruption risks
- Provide regular training to relevant employees and representatives
- Conduct due diligence on agents, subcontractors, and other third parties before engaging them
- Maintain accurate records of gifts, hospitality, and third-party payments
- Either comply with Diploma's Anti-Bribery and Corruption Policy or maintain equivalent internal standards

Suppliers are expected to avoid:

- Offering, authorising, or accepting bribes, kickbacks, facilitation payments, or anything of value intended to gain an improper advantage
- Providing gifts or hospitality that could improperly influence – or appear to influence – business decisions
- Using intermediaries or third parties to engage in unethical or illegal conduct
- Making payments or offers to public officials or political candidates in connection with Diploma business

Diploma may request evidence of anti-bribery controls or training as part of its supplier assurance process. Where concerns arise, suppliers are expected to cooperate fully with any related review or investigation.

We are committed to building transparent and accountable relationships. Breaches of this section may result in the suspension or termination of a supplier relationship.

## 4.7 Anti-Facilitation of Tax Evasion

Diploma takes a zero-tolerance approach to tax evasion and the facilitation of tax evasion. We expect our suppliers to act with integrity and to ensure that their operations — and those of their representatives — fully comply with applicable tax laws.

Suppliers are expected to:

- Comply with all relevant tax legislation in the jurisdictions in which they operate
- Avoid any activity that could reasonably be seen as enabling or facilitating tax evasion or fraud, whether directly or indirectly
- Implement appropriate internal policies and procedures to prevent the facilitation of tax evasion
- Either follow Diploma's Anti-Facilitation of Tax Evasion Policy or maintain equivalent controls within their own compliance frameworks
- Ensure that subcontractors, agents, and intermediaries also act in line with applicable tax requirements

Diploma may request confirmation of compliance or evidence of controls as part of onboarding or ongoing supplier assurance processes.

## 4.8 Data Protection & Cybersecurity

Suppliers are expected to handle personal data and commercially sensitive information securely and in accordance with applicable laws, including the UK General Data Protection Regulation (UK GDPR) or local equivalents.

Diploma expects suppliers to implement robust security and privacy controls that protect against data loss, unauthorised access, cyber threats, and misuse of information.

Suppliers are expected to:

- Protect all confidential, personal, or commercially sensitive data shared by or on behalf of Diploma
- Apply appropriate security measures such as access controls, encryption, and secure storage
- Detect, report, and respond promptly to cyber incidents and data breaches
- Only use data for authorised purposes and dispose of it securely when no longer needed
- Comply with relevant data privacy and information security laws at all times

Where suppliers provide technology services or access to Diploma systems or data, we may request evidence of their security practices, such as audit results, certifications (e.g. ISO 27001), or incident response plans.

## 4.9 Fraud – Including Failure to Prevent Fraud

Diploma expects its suppliers, agents, and business partners to uphold the highest standards of honesty and integrity in all dealings with and on behalf of Diploma.

You must not engage in or facilitate any form of fraud, including:

- Submitting false or inflated invoices
- Creating fake suppliers, bank accounts or documentation
- Misstating product quality, certifications, or delivery quantities
- Concealing conflicts of interest
- Colluding with Diploma staff or other third parties

You must also take steps to prevent fraud and ensure that your own employees, contractors, and representatives do not engage in dishonest conduct when working with us.

Diploma may report suspected fraud to authorities and reserves the right to terminate any relationship where fraudulent or dishonest behaviour is identified.

Suspected concerns can be raised with your usual contact or through our independent whistleblowing service.

## 5 People & Labour Practices

### 5.1 Health & Safety

Diploma is committed to protecting the health, safety, and wellbeing of everyone in our supply chain. We expect suppliers to provide working environments that are safe, healthy, and legally compliant for all employees, contractors, and visitors.

Suppliers are expected to:

- Comply with all applicable health, safety, and fire safety laws and regulations
- Provide appropriate personal protective equipment (PPE) and safety training where required
- Identify and manage workplace risks, including through up-to-date risk assessments
- Take proactive steps to prevent accidents, injuries, and unsafe conditions
- Ensure that all products and services supplied to Diploma are safe for their intended use
- Supply relevant safety documentation (e.g. safety data sheets) when applicable

Diploma encourages suppliers to:

- Promote a positive safety culture across all levels of their organisation
- Monitor performance and continually improve safety standards and practices
- Notify Diploma of any serious incidents or risks that could impact the supply relationship

We are committed to working with suppliers to improve health and safety outcomes across our shared operations.

## 5.2 Human Rights & Modern Slavery

Diploma is committed to respecting human rights and eradicating modern slavery in all its forms, including forced labour, bonded labour, child labour, and human trafficking. These expectations are grounded in international standards such as the UN Guiding Principles on Business and Human Rights, the ILO Core Conventions, and the UK Modern Slavery Act.

Suppliers are expected to:

- Comply with all applicable laws and uphold the principles outlined in Diploma's Human Rights Policy and Modern Slavery Statement
- Prohibit the use of forced, bonded, or child labour across their operations and supply chains
- Provide safe, healthy, and respectful working conditions for all workers
- Ensure fair pay, working hours, and lawful employment terms
- Respect workers' rights to freedom of association and collective bargaining
- Promote diverse, inclusive, and non-discriminatory workplaces, free from harassment or abuse

Diploma encourages suppliers to:

- Conduct regular due diligence and risk assessments to identify potential human rights risks
- Implement appropriate controls to address these risks and track progress
- Take timely and transparent corrective action where concerns arise
- Cooperate fully with any audits, reviews, or investigations relating to human rights compliance

Suppliers play a critical role in helping Diploma uphold the highest standards of ethical conduct and worker welfare throughout our global value chain.

## 6 Supply Chain & Ethical Conduct

### 6.1 Responsible Sourcing

Diploma expects suppliers to conduct business ethically and with integrity, sourcing goods and services in a way that supports responsible and sustainable practices.

Suppliers are expected to:

- Comply with all applicable laws, regulations, and standards related to sourcing and procurement
- Take social, environmental, and ethical considerations into account when selecting and managing suppliers or subcontractors
- Avoid sourcing practices that may contribute to environmental damage, labour exploitation, or other unethical outcomes
- Engage, where possible, with suppliers who share Diploma's values - including commitments to safe working conditions, labour rights, and environmental stewardship

Diploma recognises that responsible sourcing is a shared journey. We encourage open dialogue and collaboration to help address challenges and improve practices across the supply chain.

### 6.2 Supply Chain Transparency

Diploma values transparency and accountability throughout its supply chain. Suppliers play a key role in helping us identify and manage risks, particularly in sectors or regions where there may be heightened concerns related to ethics, human rights, or environmental impact.



Suppliers are expected to:

- Maintain visibility over their own supply chains and be able to demonstrate compliance with the standards set out in this Code
- Identify and assess potential risks, especially in high-risk industries or geographies
- Implement appropriate due diligence and monitoring processes for key suppliers and partners
- Maintain documentation and internal controls to support transparency
- Share relevant information with Diploma when requested, including during onboarding, issue investigations, or routine assessments

Diploma may invite suppliers to participate in audits, reviews, or improvement programmes where appropriate. We are committed to working collaboratively to enhance supply chain visibility and drive continuous improvement.

## 7 Environmental Responsibility

Diploma is committed to reducing environmental impact across our value chain and expects suppliers to operate in an environmentally responsible and legally compliant manner. This includes supporting efforts to address climate change, reduce waste, and protect natural resources.

Suppliers are expected to:

- Comply with all applicable environmental laws, regulations, and permits
- Prevent pollution and minimise environmental harm from their operations
- Promote energy efficiency, sustainable transport, and responsible use of natural resources
- Reduce greenhouse gas emissions across Scope 1, 2, and 3 where relevant
- Minimise waste, reduce packaging, and avoid the use of non-recyclable materials

Diploma encourages suppliers to:

- Set environmental performance targets and track progress over time
- Work toward adopting Science Based Targets (SBTs) aligned with the SBTi framework
- Collaborate with Diploma to share data and improve sustainability performance

Diploma values long-term supplier relationships and welcomes opportunities to support continuous improvement in environmental practices.

## 8 Speaking Up & Whistleblowing

Diploma is committed to maintaining an open, transparent, and accountable culture. We encourage suppliers and their employees to raise concerns about any behaviour that may be unethical, illegal, or in breach of this Code.

Suppliers are expected to:

- Provide internal mechanisms for workers to report concerns confidentially and without fear of retaliation
- Promote a culture where concerns are listened to, addressed promptly, and used to support improvement
- Inform workers that they have the right to report issues directly to Diploma through independent channels

If you become aware of or suspect any serious misconduct connected to a Diploma business or its supply chain – such as modern slavery, bribery, unsafe working conditions, or discrimination – we encourage you to report it without delay. You can raise concerns directly with Diploma via the confidential hotline operated by Safecall, an independent third party available 24/7:

- **Freephone:** visit [safecall.co.uk](https://safecall.co.uk) to find local numbers
- **Online:** [safecall.co.uk/file-a-report](https://safecall.co.uk/file-a-report)
- **Email:** [diploma@safecall.co.uk](mailto:diploma@safecall.co.uk)

Reports are handled confidentially, and you may remain anonymous. All concerns raised in good faith are protected under this policy. Retaliation against anyone who speaks up will not be tolerated.

## 9 Associated Policies

This Supplier Code of Conduct should be read alongside relevant Diploma Group policies, which outline the standards that apply across our businesses and supply chain. These policies provide further detail on key topics and reinforce the expectations set out in this Code.

Suppliers are expected to:

- Familiarise themselves with the relevant Group policies listed below
- Ensure that their own practices and procedures reflect the principles outlined
- Seek clarification from Diploma if any aspect of these policies is unclear or requires further guidance

Key policies include:

- Anti-Bribery and Corruption Policy
- Anti-Facilitation of Tax Evasion Policy
- Diversity, Equity & Inclusion Policy
- Environment Policy
- Health & Safety Policy
- Human Rights Policy
- Information Security Policy
- Modern Slavery Statement
- Whistleblowing Policy

All policies are available at: [www.diplomaplc.com/about-us/governance/policies](https://www.diplomaplc.com/about-us/governance/policies)

## 10 Contacts

If you have a question about this Code or a concern related to supplier conduct, human rights, or ethical compliance, we encourage you to contact us directly. Open and constructive dialogue helps us maintain high standards and respond quickly to emerging issues.

For general enquiries or support:

- **Group Sustainability Director:** [Phil.Pratt@diplomapl.com](mailto:Phil.Pratt@diplomapl.com)
- **Group Sustainability Team:** [Sustainability@diplomapl.com](mailto:Sustainability@diplomapl.com)

To report a concern confidentially or anonymously, you can contact the Diploma Confidential Hotline, operated by Safecall, an independent third-party provider available 24/7.

Safecall Hotline:

- **Freephone:** visit [safecall.co.uk](https://safecall.co.uk) to find your local number
- **Online:** [safecall.co.uk/file-a-report](https://safecall.co.uk/file-a-report)
- **Email:** [diploma@safecall.co.uk](mailto:diploma@safecall.co.uk)

Reports are treated confidentially and are not recorded. You may remain anonymous, and all concerns raised in good faith are protected. Diploma will not tolerate retaliation against anyone who raises a concern.

## Supplier Code of Conduct Declaration

Diploma is committed to working with companies that uphold the standards and expectations outlined in this Supplier Code of Conduct.

By signing below, you confirm that:

- You are authorised to sign this declaration on behalf of your organisation
- You have read and understood the Diploma Supplier Code of Conduct
- Your organisation agrees to comply with the requirements set out in the Code
- You will take all reasonable steps to ensure these standards are upheld across your operations and supply chain
- You will notify Diploma promptly if you become aware of any actual or potential breach of this Code and will cooperate in good faith to address the issue

Diploma Business: \_\_\_\_\_

Supplier Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Name & Position: \_\_\_\_\_

Date: \_\_\_\_\_