



Supplier Code Of Conduct

INTRODUCTION

Fairline's commitment

High standards of integrity and business ethics are essential to Fairline's success and reputation. Fairline consequently expects its Suppliers to maintain ethical and responsible business practices in the execution of all dealings with Fairline and to ensure that their day-to-day business activities are conducted in a safe, fair and honest manner.

This Code of Conduct for Suppliers ("Code") applies to all Suppliers of goods and services to Fairline ("Supplier or Suppliers"), along with their employees, officers, any linked group companies and sub - contractors. The Code is to be read alongside any supply contract that Fairline may have with a supplier and as such it forms part of that contract. The Supplier is expected to confirm that it complies with the laws and regulations of the applicable legal system(s) and that it will comply with the provisions of this Code.

The Supplier may be required to supply this Code to its group companies, sub-contractors, and any other third parties acting on their behalf, and require them to meet the provisions of this Code or any other equivalent code.

Supplier declares that:

Compliance

- it will comply with the laws and regulations of the applicable legal system(s);
- it will comply with the provisions of this Code;
- it will supply this Code to its group companies, sub-suppliers, sub-contractors (and other third parties acting on their behalf) and require them to meet the provisions of this Code which are applicable to them;
- it will maintain accurate records and documentation to demonstrate compliance with this Code, which it will provide to Fairline, on request, to verify such compliance;
- it will remedy any non-compliance with this Code in a timely manner and inform Fairline promptly in the event of non-compliance with the Code by it or by one of its group companies, sub-suppliers or sub-contractors. Should allegations of the Supplier's or any of its group companies', sub-suppliers' or sub-contractors' non-compliance with the Code, or other claims which might harm the reputation of Fairline, become public, the Supplier shall provide a written statement concerning such non-compliance or such allegations, immediately upon Fairline's request;
- it will report any concerns or suspicions regarding any serious misconduct, health and safety or environmental breach or incident, financial, tax or business irregularity, conflict of interest or other activity which may have a harmful effect on Fairline's business or reputation or on its employees to Fairline's Chief Executive Officer.

Audit

Supplier will permit Fairline and its authorised agents and representatives to conduct unannounced inspections (audits) at Supplier's premises or the premises of any of its group companies, sub-suppliers or sub-contractors and to access and review relevant records and documentation and interview employees and officers, in order to verify compliance with this Code. Fairline may exercise the rights under this paragraph during the term of its agreement with the Supplier and for a period of three (3) years thereafter. If an audit reveals non-compliance, the Supplier shall, in addition to any other rights Fairline may have, bear all audit expenses.

Prohibition of corruption and bribery

- it will abide by the anti-bribery, anti-money laundering, and anti-corruption laws in all the countries in which it is incorporated or established and in which it does business, including without limitation the Bribery Act 2010;
- it shall not try to gain undue advantage by promising, offering or giving anything of value directly or indirectly to any third party or to engage in any other form of corruption aimed at unjustly obtaining improper advantages or otherwise influencing the outcome of its business dealings;
- it will not offer any Fairline employee or officer any extravagant gift or hospitality in an attempt to influence business decisions.
- it shall not enter into a financial or any other relationship with a Fairline employee that creates any actual or potential conflict of interest for Fairline. The Supplier is expected to report to Fairline situation where an employee or professional under contract with Fairline may have an interest of any kind in the Supplier's business or any kind of economic ties with the Supplier.
- it shall not take any advantage of any family/ social/ political connections to obtain favourable treatment or for the advancement of business or obtaining any favours.

Unfair Trade Practices

Supplier must desist from any unfair or anti-competitive trade practices.

Fair Competition

Suppliers must not fix prices or rig bids with their competitors. They must not exchange current, recent, or future pricing information with competitors. Suppliers must refrain from participating in a cartel, and they may not abuse a dominant position.

Prevention of the facilitation of tax evasion

- it will at all times comply with all applicable law, statutes, regulations, guidance, recognised practice and codes relating to the prevention of tax evasion and/or the prevention of the facilitation of tax evasion (whether within, or outside of, the United Kingdom), including but not limited to the Criminal Finances Act 2017 (CFA 2017);
- it will have and maintain in place such policies and procedures as are both reasonable to prevent the facilitation of tax evasion by associated persons (including its employees, officers, agents, sub-suppliers, sub-contractors, and any other third party providing services for it, or on its behalf) and to ensure compliance with the bullet below;
- it and its relevant associated persons will not engage in any practice, activity or conduct which would constitute either:
 - a UK tax evasion offence within the meaning of section 45(4) of the CFA 2017 (UK Tax Evasion Offence);
 - a foreign tax evasion offence within the meaning of section 46(5) of the CFA 2017 (Foreign Tax Evasion Offence);
 - a facilitation of a UK Tax Evasion Offence within the meaning of section 45(5) of the CFA 2017;
 - a facilitation of a Foreign Tax Evasion Offence within the meaning of section 46(6) of the CFA 2017; or
 - failure to prevent a Facilitation Offence within the meaning of sections 45 or 46 of the CFA 2017;
- for the purposes of this section, the meaning of 'prevention procedures' and 'associated persons' shall be determined in accordance with sections 44(4), 44(5), 45(3) and 46(4) of the CFA 2017 (and any guidance issued under section 47 of the CFA 2017).

Human rights

- it will promote equal opportunities for and treatment of its employees irrespective of sex, age, skin colour, race, nationality, social background, disability, sexual orientation, gender reassignment, political or religious conviction, or membership or not of any employee organisation;
- it will respect the personal dignity, privacy and rights of each individual;
- it will not tolerate any unacceptable treatment of employees, such as mental cruelty, sexual harassment or discrimination;
- it will prohibit sexual, coercive, threatening, abusive or exploitative behaviour including gestures, language and/or physical contact;
- it will adhere to the strictest applicable laws and/or industry standards relating to wages, working hours, overtime and benefits, and will not require employees to work more than 48 hours a week.

Prohibition of slavery and human trafficking

- it will comply with international labour standards, including without limitation the Modern Slavery Act 2015;
- it will not use, participate or benefit from any form of forced or involuntary labour, and will not require workers to lodge their original identity papers or pay any kind of deposit as a condition of work;
- it will take a zero-tolerance approach to slavery, servitude and the use of forced, compulsory or trafficked labour and will implement due diligence procedures for its sub-suppliers, subcontractors and other participants in its supply chains to ensure there is no slavery or human trafficking in its supply chains.

Prohibition of child labour

- it will not employ anyone under the age of 15, or under the age of 14 in those countries which are subject to the developing country exception of the ILO Convention 138.

Health and safety of employees

- it will set up and use an occupational health and safety management system according to BS OHSAS 18001 or equivalent;
- it will take responsibility for the health and safety of its employees and will provide a safe and healthy working environment;
- it will ensure that employees are trained in health and safety matters and are provided with the protective equipment necessary to perform their tasks safely;
- it shall follow all laws of the land including laws on Environment sustainability and protection while executing any work for Fairline and for the Supplier itself.
- it will establish and maintain procedures to control hazards and prevent accidents and occupational diseases, and to effectively respond to all health emergencies;
- it will ensure that its employees, officers, sub-suppliers and sub-contractors comply with Fairline's health and safety policies whilst on Fairline premises.

Sustainability and Environmental Protection

- it will act in accordance with, and maintain awareness of, the applicable statutory and international standards regarding environmental protection; to minimize environmental pollution and make continuous improvements in environmental protection;
- it will set up or use an environmental management system according to ISO 14001 or equivalent.
- It will, where applicable, measure, manage and reduce water and waste in its operations.

- it will, where possible, implement a ‘Waste Hierarchy’ to minimise packaging and waste from their operations and where possible introduce circular economy initiatives.
- it will develop plans to reduce their carbon footprint, setting appropriate targets and continually monitoring in line with government guidance;
- it will continually work to deliver sustainable, efficient and effective goods and services considering innovation and technology in order to promote and raise awareness on sustainability;

ESG

- it complies with applicable laws and to adhere to internationally recognized environmental, social and corporate governance standards (ESG standards) and uses their best efforts to implement these standards with their suppliers and subcontractors.
- it supports, embrace and enact ESG standards, which are based on the ten principles of the United Nations Global Compact initiative, the United Nations Guiding Principles on Business and Human Rights, the International Labour Organization, Declaration on Fundamental Principles and Rights at Work.

Confidentiality

- without prejudice to any more specific obligations of confidentiality the Supplier might be under, it will respect and ensure its employees, officers, sub-suppliers and sub-contractors respect the confidentiality of any information or data regarding Fairline, its products, designs, employees, distributors, customers or boat owners which the Supplier, or its employees, officers, sub-suppliers or sub-contractors obtain during their dealings with Fairline where such information is designated as confidential or might reasonably be expected to be sensitive or confidential.
- it shall take appropriate steps to safeguard and not infringe any Fairline confidential and proprietary information/intellectual property/ technology which come to its knowledge during the course of its business relationship/ dealings with Fairline.
- In case of sub-contracting, sharing of confidential information should be made with the consent of Fairline.

Intellectual Property Rights

Suppliers must comply with all the applicable laws governing intellectual property rights assertions, including protection against disclosure, designs, patents, copyrights, and trademarks.

Suppliers must not infringe, misappropriate, or misuse intellectual property of Fairline and must take reasonable measures to safeguard all Fairline intellectual property from theft and unauthorized access. Suppliers must obtain written consent from Fairline before using or disclosing any intellectual property to third parties. Suppliers must adhere to applicable brand guidelines, as applicable, to help deliver a unified and consistent brand experience.

Privacy

- it will protect personal information in compliance with all applicable local laws and implement industry accepted security standards (whether appointed as a sub-processor by Fairline or appointed as a processor by an Fairline customer or their customer) .
- it will use, access, and disclose personal information which is provided by or on behalf of Fairline as permitted by the Supplier agreement.
- it will keep all such information and data confidential and protected from any unauthorised access, destruction, use, modification and disclosure, through appropriate organisational and technical controls.

Economic Sanctions

Suppliers must comply with applicable economic sanctions laws and regulations; and refrain from engaging in any transaction with any sanctioned party or country or using another party to carry out activities that could not be lawfully performed directly due to trade sanctions prohibitions.

ANTI-MONEY LAUNDERING AND TERRORIST FINANCING

Suppliers are expected to refrain from engaging in or facilitating activities which may contravene the requirements of applicable anti-money laundering and terrorist financing laws. Suppliers must comply with all applicable laws and regulations pertaining to the detection, prevention, and reporting of potential money laundering and terrorist financing activities. Suppliers shall not cause the Fairline to facilitate or violate any applicable anti-money laundering or anti-terrorist financing laws or regulations.

Suppliers must maintain financial accounts of all business transactions where required by applicable law and in accordance with national or international accounting standards

Third Party Representations

- it shall not be authorized to represent Fairline or to use Fairline's brands without the prior written permission of Fairline.
- Third parties and their employees who are authorized to represent Fairline are expected to abide by the Fairline's Code of Conduct in their interaction with, and on behalf of Fairline including the confidentiality of information shared with them and to sign a non-disclosure agreement to support confidentiality of information.

Reporting of unethical practices and grievance addressal mechanism

- it shall ensure that an effective grievance procedure has been established to ensure that any worker/employee, acting individually or with other workers, can submit a grievance without suffering any prejudice or retaliation of any kind.
- it shall also forthwith report any unethical activity or discrimination if practiced by any Fairline employee/other Suppliers as per Fairline Whistleblower Policy.
- it will also report any concerns or suspicions regarding any serious misconduct, health and safety or environmental breach or incident, financial, tax or business irregularity, conflict of interest or other activity which may have a harmful effect on Fairline' business or reputation or on its employees to Fairline's Compliance Working Group (CWG) or management team.

Fairline's Rights

In addition to its other rights and remedies, Fairline may terminate any agreement with the Supplier and/or any purchase order issued thereunder by giving written notice to the Supplier with effect from the date specified in the termination notice in the event of non-compliance with the provisions of this Code.

Fairline reserves the right to make changes to this Code from time to time.