

SUPPLIER CODE OF CONDUCT

8 June 2023

Ricardo is committed to the highest standards of business practice in its dealings with all its stakeholders around the world and complying with applicable laws wherever we operate. This document explains how the Ricardo Code of Conduct and other policies apply to our supply chain. In addition to these policies, our Supplier Code of Conduct, which supports our Sustainable Procurement Policy is based on the core ILO (International Labour Organisation) conventions and the UN Guiding Principles on Business and Human Rights. All suppliers shall apply these standards to all working environments in their supply chains to protect the rights of employees via cascaded contracts.

The responsibility for compliance sits with the Chief Executive supported by the Chief Financial Officer and Global Head of Procurement and is delivered via Business Unit Managing Directors and their procurement teams.

- Employment is freely chosen – no forced or involuntary prison labour. Employees are not required to pay deposits. Identity documents must not be kept by the employer and all employees are free to leave after reasonable notice. Employment contracts must be written and in the local language.
- Migrant workers must be respected and treated as an equal to the workforce, including contract of employment, health and safety, working conditions, national law, wages and working hours.
- Child labour shall not be used. There shall be no recruitment of child labour. Young persons under 18 shall not be employed at night or work in hazardous conditions. An exception can be made for young apprenticeship schemes, as per the relevant national law, which may legally allow a 16-year-old to engage in supervised work activity, all of which must be recorded and documented per national Government guidelines.
- Women shall be treated with dignity and respect and protected by law, including working conditions for pregnant women, rights and pay for maternity leave and be protected from any form of abuse – verbal, physical or other.
- Freedom of association and the right to collective bargaining are respected – employees have the right to join or form trade unions of their own choosing and to bargain collectively. Employee representatives are not discriminated against and are allowed to conduct their representative functions in the workplace. Individuals who represent employees should do so willingly and be freely and transparently elected.
- Working conditions are safe and hygienic – Employees shall receive regular health and safety training, which is documented. Training shall be repeated for new or reassigned workers. Access to clean toilet facilities and potable water. As applicable accommodation, if provided, shall be clean, safe and meet the basic needs of the employee, and sanitary facilities for food storage and preparation shall be provided. Employers must provide access to adequate medical assistance and facilities in the event of illness or injury at work.
- Living wages are paid - Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards whichever is higher. All employees shall be provided with a written contract, including details of their wages and receive a pay statement each time that they are paid. Deductions from wages as a disciplinary measure shall not be permitted. Overtime hours must always be compensated at a premium rate, which should not be less than 125% of the regular rate of pay. Overtime and benefits should be paid in the period worked.

- Working hours are not excessive – Employees are given at least one day off in every seven-day period or, where allowed by national law, two days off in every 14-day period. Working hours, excluding overtime, shall not exceed 48 hours per week, 60 inclusive of overtime.
- No discrimination is practised in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.
- Regular employment is provided - work performed must be a recognised employment relationship established through national law and practice.
- No harsh or inhumane treatment is allowed - physical abuse or discipline or the threat of sexual or other forms of harassment and verbal abuse shall be prohibited. Unlawful eviction from land or accommodation is not permitted
- Environmental Responsibility - suppliers must comply with all applicable national or local laws regarding the protection and preservation of the environment. All required environmental permits, approvals and registrations must be kept.
- Grievance Procedure - There should be a process that allows employees to address workplace grievances, without fear of reprisal. The process shall be communicated to all employees when recruited. Management must address employees concerns transparently and provide timely feedback to the relevant employees. Remediation will be provided, and the employee protected, where individual or group cases need facilitation and where improvements are required. These shall be recorded and documented.
- Modern slavery is not permitted - Modern slavery can occur in every industry and sector; can distort global markets, undercut responsible business and be a significant legal and reputational risk to a company. We expect all Suppliers and their supply chains to respect this legislation in their relevant global locations. Ricardo and our Suppliers shall not employ or use any form of modern slavery in any aspect of its operations.
- The following should be measured and publicly reported: Green House Gas emissions, energy efficiency, use of renewable energy,
- The following should be monitored, and risk mitigation and impact should be publicly reported: sustainable use of resources, air quality, biodiversity, land use, deforestation, soil quality, decarbonisation plans, waste management and reduction, reuse of materials, recycling, responsible chemical management,
- Suppliers should only commission security services of repute having completed sufficient due diligence to ensure the service provider undertakes adequate training and recognises appropriate laws and regulations including those to avoid to the violations of human rights.

We are committed to take measures to ensure that modern slavery does not occur in our business or in our supply chains and that our Suppliers must too be fully transparent, are equally accountable and responsible taking steps to risk assess and prevent the risk of modern slavery. Our policy prohibits the use of child or forced labour, bonded labour or debt-bondage and other types of coercion or corruption. Modern slavery includes many different types of behaviour and abuse against individuals, from any location and age. Criminals use coercion, threats and or deception to exploit victims and undermine their freedom.

Practices that constitute modern slavery can include:

- Human trafficking
- Slavery
- Servitude
- Forced labour
- Debt bondage
- Forced marriage
- Child labour

- Organ harvesting
- Child soldiers
- The exploitation of migrant workers in conditions amounting to slavery

Any concerns should be reported to Ricardo via email to ethics@ricardo.com

Graham Ritchie

A handwritten signature in black ink, appearing to read 'G. Ritchie', with a small flourish underneath.

Chief Executive Officer