

# Code of Conduct for Suppliers

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At LNER when doing business with suppliers, it is important to us that we ensure that they are as committed to supporting businesses and upholding our values as we are.

We seek to source from companies who consider themselves leaders in responsible supply chain management, so it makes sense for them to follow our Code of Conduct. We recognise the importance that lies in our suppliers upholding these non-negotiable principles within their own supply chains, as well as their work with their own vendors, subcontractors and suppliers.

By working with our suppliers to understand and comply with this Code of Conduct, we can improve the sustainability performance of all those involved. We may at times use independent third parties to ensure all codes are checked.

We would ask you to now take the time needed to go through this Code of Conduct, and if you have any questions, we're more than happy to help provide further clarity.

## LNER 12 CODES OF CONDUCT

### 1. **Labour Practices**

Fair labour practices are the cornerstone to good supplier conduct.

We require that our suppliers, wherever located, work towards ensuring that there is no slavery, forced labour or human trafficking in their business or at any stage of their supply chain and comply with and report fully under any applicable legislation, such as the UK Modern Slavery Act.

As a minimum level of assurance, we expect our suppliers to ensure that all locations used by them or their suppliers in the manufacture of products meet the provisions of the [Ethical Trading Initiative \(ETI\)](#) Base Code or similar standards and are monitored by independent third parties. This includes our suppliers' own first and second tier suppliers, with the aim of including third tier suppliers over time.

The ETI Base Code includes provisions in the following areas:

- Employment is freely chosen
- Freedom of association and the right to collective bargaining are respected
- Working conditions are safe and hygienic
- Child labour is not used
- Living wages are paid
- Working hours are not excessive
- No discrimination is practised
- Regular employment is provided

- No harsh or inhumane treatment is allowed

In addition to meeting the above standards, our suppliers must maintain accountability standards and procedures for employees or contractors that fail to meet these standards. Suppliers must also confirm that they provide employees and managers who have direct responsibility for supply chain management with training on the mitigation of labour abuses and environmental standards.

Sometimes changing business for good can mean sticking with difficult situations to create positive change. So if a supplier manufacture, or source, products in countries at high risk for child labour (Extreme Risk ranking on [Maplecroft Child Labor Index](#)) or slave labour ( [US TIP report](#)), we are ok with it but insist that they actively participate in one of the following:

- An internationally recognised programme with third party verification to bring better labour standards to the region. Internationally recognised programmes include ILO Better Works, Fairtrade Labelling Organizations International, SIA Social Fingerprint and the Fair Labour Association; or
- A country-specific programme for sourcing companies, such as BSR's China Training Initiative or Health Enables Returns.

Similarly, in relation to supply chains which are known to include products with a high risk of egregious labour standards for inputs (including but not limited to cotton, precious metals, gemstones, and tropical hardwoods), we require the supplier to provide evidence that they are proactively working with sourcing communities, directly or through other organisations, to ensure the highest labour standards.

## **2. Environment and Waste**

LNER seeks to work towards reducing Greenhouse Gas emissions to zero in its operations and supply chain.

We seek to work with suppliers who are dedicated to significantly reducing their environmental footprint, which measures and reports their environmental impacts across their business operations and put in place ambitious time-bound plans to improve them. This includes, but is not limited to:

- Minimising GHGs
- Minimising water usage
- Minimising waste
- Maximising reuse and recycling
- Avoiding single-use plastics
- Use of renewable energy
- Adoption of closed loop processes
- Involvement in climate lobbying activities
- Avoidance and removal of all microbeads (polyethylene, polypropylene, polyethylene terephthalate or polymethyl methacrylate)

We seek to work with suppliers who adopt consistent, positive business engagement with policymakers on climate issues.

### **3. Anti-bribery and Corruption**

Bribery, extortion or any other form of corruption by a supplier or other business partner will not be tolerated. Suppliers must comply with all applicable anti-bribery and anti-corruption laws, regulations and codes. This includes compliance with the UK Bribery Act 2010 and equivalent applicable legislation in other countries.

Suppliers must ensure that they promptly report to LNER any request or demand for any undue financial or other advantage of any kind associated with it in connection with the supply to LNER. Suppliers must not be involved in any form of money laundering and must agree to provide LNER with any information it reasonably requires to satisfy itself that it knows the beneficial ownership of the supplier and that the supplier is not involved in criminal activity.

### **4. Health and Safety**

Suppliers must comply at a minimum with health and safety legislation in their countries. We seek to partner with companies that have a best practice H&S record for their industry. All suppliers are required to be actively involved in working safely to mitigate health and safety risks and hold third party accreditation of a recognised international standard, e.g. OHSAS 18001.

### **5. Sustainability-related Certified Products and Textiles**

Suppliers should aim to ensure that all products and textiles they use meet appropriate sustainability objectives and must ensure that products and textiles provided to LNER carry a certification mark related to sustainability. Such as those certified by a member of the Fairtrade Labelling Organizations International (FLO), the Soil Association organic certification, the Rainforest Alliance, or other appropriate standards, where they do not compromise other sustainability objectives.

### **6. Animal Testing and Animal Based Products**

Animal testing used on any non-medical products will not be accepted. If a supplier asserts that there is an exceptional situation in which consumers would benefit from the animal testing, the supplier must receive explicit approval from LNER before supplying the relevant products to LNER.

Suppliers should not use and must not supply to LNER products that make use of any fur, skins, food or food ingredients of plant or animal origin (including fish) of any species specified in the International Union for Conservation of Nature (IUCN) Red List of Threatened Species.

### **7. Timber and Timber Products**

In respect of all products made of wood or containing wood components, including virgin fibre for paper, suppliers must provide LNER with sustainability certification. We prefer Forest Stewardship

Council (FSC) and accept any other certification standards accepted by the Carbon Disclosure Program (CDP).

#### **8. Publications and other Printed Materials**

We ask suppliers to minimise the use of printed materials as much as possible and we favour the use of digital publications. However, where this is not possible, suppliers must ensure that any printing work is either registered with EMAS, certified to ISO 14001 or must take steps towards managing its environmental impact through other initiatives. The use of laminate and ultraviolet varnish and waxed finishes should be avoided. Paper and cardboard should be produced using non-chlorinating bleaching methods and aim to achieve 75% post-consumer recycled content for coated paper and 100% post-consumer waste for uncoated paper. Any virgin fibre used in material or products supplied by our suppliers must be from FSC or SFI certified sources.

#### **9. Use of Recycled Content and Minimal Packaging**

The packaging or products supplied to LNER should, where possible, be made with sustainable materials and energy sources. LNER encourages the use of materials with reused and recycled content. LNER will also support the use of products that are designed with minimal packaging and which can either be reused or recycled. Suppliers must minimise the use of primary, secondary and tertiary packaging and ensure that such packaging is made from materials that can be reused or recycled.

To this end, we actively seek suppliers that maximise the use of recycled content in products and packaging. Furthermore, suppliers must not supply products using polystyrene because it cannot be easily reused or recycled.

#### **10. Waste in Electrical and Electronic Equipment**

Any supplier of electrical or electronic equipment must meet the standards of the European Waste Electrical and Electronic Equipment Regulations (WEEE) 2006 (as amended) and the Restriction of Hazardous Substances Directive (RoHS).

#### **11. Toxins and Heavy Metals**

Suppliers must, as far as is possible, minimise the concentration of heavy metals and brominated fire retardants in products and packaging being supplied and must comply with US and UK standards on maximum levels of heavy metals and brominated fire retardants and heavy metals including cadmium, hexavalent chromium, lead and mercury.

Suppliers of cleaning and toiletry products must ensure that they do not contain ingredients known to be hazardous. Our benchmark is the Skin Deep High Hazard list: [ewg.org/skindeep/tools/index.php](http://ewg.org/skindeep/tools/index.php)

#### **12. End of Life**

LNER suppliers must have in place plans for all products' end of life, such as up-cycling, recycling, composting and/or safe disposal of any non-usable parts.

Thank you for taking the time to read through the sustainable practices that make up our Code of Conduct.

**Signed** .....

**Date** .....

**Company** .....

**Position** .....