

# Supplier Code of Conduct Policy

September 2024

# 1. Introduction

Smart Metering Systems Limited and its group companies (together “SMS”, “we” or “us”) keeps sustainable procurement at the heart of everything it does.

As a vital tool for managing supply chain risks and maximising our relationships with our supply partners, we expect all of our supply partners to carry out business in line with our own values including acting in accordance with the highest ethical standards and comply with all relevant laws, regulations and licenses when working for SMS.

In order to maintain consistency across our supply chain, we also expect all of our suppliers to comply with the values and standards outlined in this Code of Conduct (this “Code”) to ensure sustainability, equality, and accountability and by setting out how SMS intends to work with its suppliers to monitor and improve performance.

The contents of this Code are in addition to any contractual requirements between us and you.

# 2. Policy

## 2.1. Values and Ethics

“*Serving our customers, protecting the environment*” is the most concise expression of why we exist, and what the purpose of our organisation is. It creates an expectation for our customers and reflects a promise from SMS as a business. At our core we are an organisation that cares about people – committed to our employees, our customers, and our communities.

Our immediate goal is carbon reduction, with the ultimate target of net-zero carbon emissions.

Our culture is underpinned by our five core values: **safety, innovation, customer excellence, sustainability, and pride.** These capture who we are, what we believe in, and what we stand for. They drive the behaviours we wish to see demonstrated throughout our business practices.



We expect our suppliers to adopt these values in order to support us in all our efforts to continue to run our business with integrity and in an honest, ethical manner.

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## 2.2. The Real Living Wage

In the UK, SMS has demonstrated its commitment to fair pay via accreditation with the Living Wage Foundation. This commits both SMS and contractors working on its behalf to pay, as a minimum, the Real Living Wage as promoted by the Living Wage Foundation.

We ask all of our suppliers to commit to offering its employees (contracted or subcontracted) the Real Living Wage as set by the Living Wage Foundation. We expect our suppliers to allow for and contribute to, audits and inspections to demonstrate compliance, if required.

## 2.3. Inclusion and Diversity

SMS is committed to ensuring that all of its suppliers promote equality, diversity, and inclusion across its supply chain. We require all suppliers to have policies in place which, as a minimum, ensures that they and their employees to respect the people they employ directly or indirectly and offer a safe and secure working environment, free from discrimination, harm, intimidation, and harassment as well as promoting inclusion.

## 2.4. Workers' Rights

SMS expects all of its suppliers to respect their workers' rights to freedom of association and to collective bargaining.

## 2.5. Environment

Through our core value of **sustainability**, we are committed to improving our impact on the environment, our communities, and wider society around us through responsible operations and best-practice corporate governance. As a minimum we require our suppliers to:

- take appropriate steps to prevent environmental damage;
- comply with legal requirements and obligations and have in place an environmental management system that is certified to ISO 14001 or equivalent or otherwise be able to demonstrate that they are working towards such an accreditation;
- act to identify and minimise risks and have a clear strategy to reduce and prevent any impact on the environment arising from completion of any works or activities;
- have a demonstrable procedure in place for making reports of any environmental incidents or breaches to the relevant authorities and to SMS;
- ensure that any activities that have an impact on natural habitats are conducted in a manner to protect biodiversity, including complying with ecological regulations and mitigations requirements, and taking steps to deliver no net biodiversity loss;
- assess ways to reduce the impact of climate change on activities by implementing mitigation and adaption measures;
- implement an environmental strategy and establish relevant metrics and targets, including, but not limited to:
  - the reduction of greenhouse gas emissions, helping us on our journey to net zero (and supporting us in disclosing annual greenhouse gas emissions, if requested)
  - a waste management process, aiming for zero waste sent to landfill (and if requested report on how much waste is produced);
  - tracking of energy usage, using renewable sources where feasible and increasing energy efficiency where possible;
  - ensuring resources are used efficiently, through good design, the use of sustainable materials, using less packaging, re-use recovery and recycling of materials
  - seeking ways to enhance the natural value of the area for the benefit of communities and / or the environment;

- a water management process to manage related risks including current and future water stress; and
- source materials, products and services responsibly using recognised industry standards such as BES 6001.

## 2.6. Governance, Business Practices and Economic Growth

### Health and Safety

**Safety** is key to everything we do and as a result we require to carry out detailed assessments in relation to our supplier's compliance with health and safety law and regulations.

We expect all of our suppliers to:

- respect SMS' culture of promoting a safe working environment;
- adhere to all relevant health and safety legislation;
- ensure that all employees and contractors are properly trained, competent and compliant with all work methods, risk assessments, tools, and equipment and to have a process in place to ensure continual monitoring of these requirements; and
- promptly report all accidents and incidents (including near misses) when working on behalf of SMS.

### Resilience and Business Continuity

All suppliers are required to have aligned resilience and business continuity arrangements in place. This includes risk management processes for economic, environmental, and social topics.

There should be a clear process in place to demonstrate that these procedures are tested, at least annually, to show that services could still be provided to SMS in the event of any disruption to business operations.

### Modern Slavery and Human Rights

SMS do not condone any usage of child or forced labour in their business and throughout their supply chain and its activities.

We require all suppliers to comply with our Modern Slavery Statement (which can be found here: [Modern Slavery | SMS \(sms-plc.com\)](#)) in all activities which are carried out on behalf of SMS.

We also have a commitment to our external stakeholders to address any indirect or direct human rights impacts that may arise from our business operations, such as aiming to respect the land rights of local populations in our business operational areas.

Identification of human rights risks in supply chain

An annual ESG materiality assessment is completed whereby supply chain risks relating to human rights are evaluated and scored. The systematic evaluation of the social and ethical dimensions of our operations and partnerships can pinpoint areas of vulnerability, such as labour practices, working conditions, and supplier transparency. This process not only highlights potential human rights violations but also enables the development of targeted strategies to mitigate these risks, ensuring ethical sourcing and compliance with human rights standards. Year-on-year comparisons of the materiality assessment allow us to measure improvements in managing modern slavery risks, providing valuable insights into the effectiveness of our interventions and areas for further enhancement.

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## Fraud, Bribery and Corruption

SMS is committed to conducting its business in a fair, honest, and open way and we expect all of our suppliers to follow the same standard.

We have a zero-tolerance approach to any type of bribery, fraud, or corrupt business practices. We expect you to have a programme in place to prevent these activities. We expect all suppliers to have robust procedures and controls (including reporting requirements) in place in accordance with all applicable local, national laws or regulations, this includes without limitation, the Bribery Act 2010.

## Tax compliance

SMS expects its suppliers to abide by all applicable tax laws and to have appropriate procedures and controls in place to prevent the facilitation of tax evasion. We have a zero-tolerance approach to any suppliers or contractors who engage in practices which may constitute tax evasion or involve not being taxed appropriately. We are also required by law to carry out assessments of our working relationships with suppliers to ensure that they are compliant with all regulatory and legal standards, including IR35.

## Social Media

We expect our suppliers to use social media in a responsible, reasonable, and respectful manner.

If any of our supplier's social media activity is linked, or could be perceived to be linked or related to SMS in any way, SMS has a legitimate interest in the content whether it is posted through a business or personal account.

Only third parties who have been specifically authorised by SMS are permitted to post material on any social media site in SMS' name and/or on SMS' behalf. We do not authorise any third parties to use any SMS branded materials without our express, prior written consent.

In particular the posting of confidential SMS proprietary information or business secrets, discriminatory, harassing, offensive, bullying, abusive, threatening, false or misleading comments are unacceptable. We will reserve the right to request our suppliers to ensure that any material is removed from any social media channels, immediately at our request.

## Data Protection and Security

All of our suppliers are required to protect personal data in compliance with all relevant data protection legislation including the Data Protection Act 2018 and the General Data Protection Regulation 2016/679 ("GDPR") and the UK GDPR.

Data protection and privacy laws regulate the collection, storage, use, disclosure, and disposal of personal information, which can identify a living person.

We risk assess and carry out supplier due diligence to ensure that they meet our required standards including compliance in line with our privacy policies which can be found here: [Privacy Policy | SMS \(sms-plc.com\)](#).

We expect our suppliers to:

- process personal information in a fair, lawful, and transparent manner;
- only collect the personal information required to fulfil the services which are being provided to SMS;
- take steps to ensure personal information remains accurate and up to date;
- have a retention schedule to ensure personal information is not retained longer than is necessary;

- implement organisational and technical measures to ensure the integrity and confidentiality of personal information and provide independent accreditation and assurance over the controls related to the services in line with ISO27001 or equivalent standards; and
- reasonably co-operate with and assist on data protection matters which relate to the processing of activities being carried out on behalf of SMS, including but not limited to data protection impact assessments, breach reporting, data subject access requests and requests from supervisory authorities.

## Security

SMS is committed to ensuring effective controls are in place to protect employees and company assets, including physical and intangible assets such as information.

Any significant compromise of personnel, physical information or IT security could result in disruption with potentially serious economic, delivery, safety, and social consequences. SMS operates under the NIST-800 standard and continually audits its processes in line with this standard to ensure continuous improvement throughout all areas of information security.

We expect all of our suppliers to demonstrate a similar commitment to security and to, at a minimum:

- have appropriate internal policies and procedures covering people (e.g., background check), process and technology;
- have enhanced organisational and technical policies, procedures, and controls in line with equivalent standards as SMS;
- work with us to provide any information requested by the pertinent authorities to ensure we are compliant with the relevant laws and regulations;
- have a full installed suite of information security tools reinforce data management and information;
- maintain security controls proportionate to the risk, which support the policies and procedures;
- hold independent accreditation and assurance that security controls are in place;
- put in place and maintain necessary controls in place to detect security anomalies; and
- put in place and maintain plans defining the appropriate activities to perform to respond to security incidents and events and recover from them.

## 3. Monitoring and Reporting

We require all of our suppliers to continually assess and evaluate their activities to ensure that this Code and all contractual requirements are adhered to. All suppliers are expected to be able to demonstrate compliance with the requirements set out in this Code through evidence of compliance, audits, review, and inspections where requested to do so by SMS.

We also expect our suppliers to bring any breaches or non-compliance of this Code, any laws or regulations or any contractual requirements immediately to our attention.

We may also request periodic certification from you of compliance of the requirements of this Code.

## 4. Testimonials and Endorsements

We will not give testimonials or individual company feedback surveys. We may provide factual references on requests for work that has been completed on our behalf.





**SMS** Leading the smart  
energy revolution

