

Karl Finance

Code of Supplier Responsibility (the “Code”)

1. Introduction

Karl Finance LLP wants to ensure that all our suppliers operate in an ethical, sustainable, and inclusive manner. This Code sets out the key social, ethical, and environmental values that we want you to abide by. The themes highlight the issues that are important to us; from ensuring we support an inclusive and ethical supply chain through to ensuring our supply base is working to minimise their environmental impact and helping to preserve our planet and natural resources. We would like you to share this Code with your employees that work on Karl Finance LLP activity so they can understand our values and aspirations and contribute to our mutual success. We are always keen to hear about how we can work better together, including ideas on areas relating to diversity and sustainability. At the same time, if there is anything that could be improved, then we want to know so we can change it. We are on a journey to continually improve our responsible business approach. We believe we can make a real difference together and we invite you to join us on this journey.

Supplier Definition: We define a supplier as any third-party organisation that provides goods or services to Karl Finance LLP. This definition does not include individual contractors, agents, or intermediaries.

(a) Our approach to Responsible Business

Karl Finance LLP aims to be the premium corporate, fiduciary, capital markets and fund administration business for customers and shareholders. To meet our objectives and purpose, it is crucial that we act in an ethical, sustainable, and inclusive manner, and this includes the way in which we source goods and services from our suppliers. Karl Finance LLP aim is to be a leader in supporting the global transition to a more sustainable, low carbon economy. We recognise both the importance of understanding and mitigating climate risks as well as the moral and commercial imperative for organisations to reduce their environmental impact.

This Code is for all suppliers. It defines what we expect from you in terms of responsible business practice and behaviour.

This Code is based on Karl Finance LLP values and responsible business approach to support the delivery of our corporate purpose.

(b) What You Need to Do

You are expected to:

- confirm your agreement to comply with this Code (and any future revisions) when agreeing contract terms.
- explain the principles of this Code to your employees and key sub-contractors that support Karl Finance LLP or work on our projects.
- ensure fair and honest business with all your stakeholders, including employees, sub-contractors and other third parties.
- inform us if anything changes and you are unable to comply with the Code.
- consider the ethical, inclusive, and sustainability-related practices of your supply chain and proactively work with suppliers who represent the highest risk on such issues.

You are encouraged to:

- speak up if you are concerned about any actions or decisions that contravene the standards set out in this Code.
- understand the ethical, inclusive, and sustainability-related practices of your supply chain in order that you can either collaborate on best practice or offer support on improvements where appropriate.

How to Speak Up

If you are concerned about any actions or decisions that contravene the standards set out in this Code, please contact your key Karl Finance LLP contact. If you are uncomfortable doing this, please contact [insert job title / email / phone number]. Your concern can be dealt with confidentially or anonymously if preferred.

2. What we expect of you

Our expectations on our suppliers in terms of responsible business, sustainability practice and behaviour are grouped into four key areas:

- Human Rights
- Inclusion and Diversity
- Doing Business Responsibly
- Environmental Sustainability

In each case, we describe our minimum expectations using the term 'we expect'. In some areas, we aspire to meet certain standards, and, in these cases, we use the term 'we encourage'.

Human Rights

We expect all our suppliers to respect the human rights of your own workforce, your supply chain, and your customers. We expect you to:

- respect the human rights of your employees and to comply with all relevant legislation, regulations, and directives, including awareness and mitigation of the risk

of modern slavery in the countries and communities in which you operate and, where relevant, compliance with the UK Modern Slavery Act.

- prohibit forced labour (slavery) and human trafficking in your supply chain and give all employees the right and ability to leave employment if they choose.
- prohibit child labour.
- ensure that wages meet legally mandated minima without unauthorised deductions.
- allow your employees to legally organise and join associations (such as labour unions).
- ensure working hours are in accordance with local regulation and industry practice and voluntary overtime is at a manageable level.
- treat all employees fairly and not harass or discriminate against any group in your employment practices, in particular on the basis of gender, race, age, sexual orientation, gender identity, disability, faith, or family circumstances.
- ensure there are no negative consequences for anyone who raises a concern.
- champion your workforce and customers' health, safety, and wellbeing.

Inclusion and Diversity

We expect all our suppliers to understand our vision in relation to inclusion and diversity. We expect you to:

- proactively support the development of an inclusive and diverse workforce including fair representation of women, disabled, LGBT+ and Black, Asian, and Minority Ethnic employees, and work to improve representation at senior levels.

We encourage you to:

- have a documented Inclusion and Diversity statement or set of statements within your Policy framework.
- encourage positive mental health at work and have a documented mental health and wellbeing strategy.
- strive for a supply base that is inclusive and diverse (namely supporting SMEs, Social Enterprises as well as underrepresented groups).

Doing Business Responsibly

We expect all suppliers to act with honesty and integrity, managing their business ethically and responsibly.

We encourage you to:

- have a written Responsible Business strategy which sets out your approach, governance and the steps you take to ensure you are doing business responsibly.
- adopt your own Code of Business Responsibility, or similar policies or statements that address your approach and management of the following responsible business issues and ethical business conduct including: adherence to local laws; ensuring no bribery and corruption; and ensuring business is conducted to the highest standards of business ethics and integrity (including no improper payments, no conflicts of

interest, no fraud, no unfair competitive practices, no gifts and hospitality that could create a sense or appearance of obligation, and ensuring brand and intellectual property protection).

Environmental Sustainability

- All businesses have a responsibility to be proactively identifying, managing, and reducing their environmental impact. This includes greenhouse gas emissions, energy consumption, air and water pollution, water usage, waste (including hazardous), hazardous chemicals and impacts on nature and biodiversity.

We expect you to understand these impacts and to:

- abide by all legislation and regulations related to environmental protection, climate-related disclosures, and transition plans as applicable to your organisation.
- Consider environmental sustainability that is relevant for your organisation, which includes how your organisation is working to measure and reduce your environmental impacts, considering the lifecycle of your products and services, and support the transition to a low-carbon economy.
- understand and mitigate the key physical and transition risks that climate change poses to your business.

We encourage you to:

- ensure that climate change and a nature-positive approach is embedded within the strategy and governance of the organisation, in order that related risks and opportunities are managed appropriately.
- collaborate with us to help reduce our combined environmental impacts (which include carbon reduction, energy consumption, travel, water consumption and operational waste).

3. What we will do

Our Commitment to You

We will commit to:

- ensuring we support an inclusive and ethical supply chain.
- supporting viable opportunities to reduce environmental and climate impacts and to preserve our planet and natural resources.
- working closely with you to share expertise in developing innovative, high-quality products and services and in effectively managing risk.
- engaging with you and others in your markets in ways that ensure we achieve the best value for customers in terms of price, quality, and social impact.
- building strong, collaborative relationships with our strategic suppliers and helping them to understand the environment in which we operate so that they can meet our needs and our customers' needs.
- providing clear guidance about our payment procedures. • reporting annually on our progress in helping suppliers to adopt this Code.

- reviewing this Code regularly and revising it as our approach to responsible sourcing evolves.

Compliance with the Code

We expect all our suppliers to meet or exceed all the provisions of this Code. Our goal is to work with you on developing our approach to responsible sourcing and sustainable procurement. In situations where you are not yet compliant with the expectations set out in this Code, you must let us know. We will work with you on the development of an improvement plan. However, if the issue is serious enough or cannot be resolved in a reasonable time frame, we may undertake a review of the terms of the contract. This may include order reduction or, ultimately, in accordance with any applicable contractual right, termination. We reserve the right to review your policies, procedures or any other documentation related to this Code. In some higher risk instances, we may undertake an on-site audit of larger suppliers to validate your adherence to this Code. The provisions in this Code are in addition to and not in lieu of any legal agreement or contract. We encourage our suppliers to act in the spirit of key social, ethical, and environmental values that Karl Finance LLP abides by.

Contact us

We value your feedback. The Code will be reviewed regularly, however, you can share any queries or comments at any time with your key Karl Finance LLP contact.

Tell us what you think about Our Code

Queries or comments can be shared at any time by writing to our Head of Group Legal and Governance at info@karl.finance

Karl Finance