

## Ethics & Business Conduct Policy

### Introduction

This policy articulates HPG's dedication to ethical and responsible conduct in every facet of our business operations. We are committed to maintaining the highest standards of integrity and ethical behavior in our interactions with employees, customers, shareholders, suppliers, and the broader community. It serves as a guiding document, delineating our principles and values and establishing a framework for ethical decision-making across our organization. It underscores our commitment, not only to compliance with all applicable laws and regulations, but also to ethical conduct that surpasses mere legal requirements.

Recognizing that ethical considerations are fundamental to sustainable and long-term business success, this policy is designed to foster a positive and ethical work environment, cultivate integrity, and trust, and preserve our reputation as a responsible corporation.

As a living document, we will consistently review and update this policy to align with changes in our industry, business environment, and the evolving ethical landscape. We encourage all employees, partners, and stakeholders to acquaint themselves with this policy, provide feedback, and contribute ideas for improvement. Together, we can uphold our commitment to ethical behavior and construct a sustainable and responsible business for the future.

### Scope

This policy applies to all individuals associated, contracted, or employed by any of our brands; HPG, Batch & Bodega, BCG, Beacon, Best, Debco, Evans Manufacturing, Handstands, Hub, Mixie, Origaudio and SugarSpot. It encompasses all business functions, addressing every aspect outlined in this policy.

### Responsibilities

Every employee bears the responsibility of compliance with this policy, ensuring that their duties are performed with a focus on safeguarding HPG's assets and resources, as well as those of our clients, customers, partners, contractors, and suppliers. This includes reporting suspected issues or evidence of irregular or improper behavior in accordance with the reporting procedures outlined in this policy.

In addition to their roles as HPG employees, managers at all levels are accountable for exercising due diligence to prevent, detect, and report improper acts. This encompasses reporting any such acts by employees or workers under their supervision. Managers, in line with the reporting procedure outlined in this policy, bear the responsibility of ensuring that any



suspicious of fraud or irregular/improper behavior are promptly reported to a director. Managers are expected to collaborate with directors in preventing and detecting improper behavior, and they may be required to undergo training for this purpose.

Failure to adhere to HPG's policy may result in disciplinary action. Breaches by external organizations or individuals will prompt appropriate action by the company.

The CEO assumes overall responsibility for preventing, detecting, managing, and investigating improper behavior. The general manager at each facility is responsible for carrying out the following actions:

- Developing and maintaining effective controls, which involves identifying risks within HPG systems and procedures, and when applicable, those of any third parties associated with HPG.
- Establishing and sustaining a training program to equip managers responsible for implementing this policy with the skills to verify the effectiveness of controls in place.
- Investigating any reports of improper behavior.
- Reporting any suspected illegal activities to relevant authorities.
- Taking appropriate legal action to recover any HPG assets acquired improperly or fraudulently.
- Implementing suitable disciplinary measures against those engaged in improper behavior.
- Distributing reports (where appropriate) to the HPG Board and/or managers / employees to mitigate the recurrence of issues.
- Reporting to any third parties who may be or are affected by these issues.
- Collaborating with third parties, especially partners, contractors, subcontractors, and suppliers, to ensure that they conduct their business in accordance with the principles outlined in this policy.

### Monitoring and Review

Regular monitoring of the policy is imperative to evaluate the company's effectiveness in establishing control over its obligations. Management will continuously monitor the policy to ensure its responsiveness to relevant issues. The following aspects will be subject to ongoing scrutiny:

- Ensuring that all individuals associated with the company are informed about the policy.
- Verifying the continued relevance of the policy.
- Identifying the need for any additions to the policy following changes in circumstances or legislation.
- Assessing any reported incidents or related occurrences.

All employees are encouraged to provide feedback on the policy and suggest improvements. In the event of amendments, revisions, or updates to this policy, senior management holds the





responsibility to ensure that all relevant employees receive timely notice. Written notices and/or training should be considered.

This policy undergoes regular reviews, at least annually, and is updated as necessary. The next scheduled review is due in January 2025.

### Quantitative Targets

- Zero acts of bribery or fraud found within the business in 2024.
- Zero acts of illegal activity found in 2024.
- 100% of all violations addressed in accordance with this policy in 2024.
- Cease partnerships with 100% of third-party partners found to be involved in illegal activity such as bribery, corruption, or other fraud in 2024.



## Anti-Bribery and Corruption

HPG is committed to integrity in our operations, and we communicate our unequivocal stance against bribery and corruption to all stakeholders.

HPG will not:

- Engage in contributions aimed at securing any commercial advantage.
- Provide gifts or hospitality with the intent to influence improper actions or sway public officials in their duties.
- Participate in or accept any form of 'kickbacks.'

HPG will:

- Maintain proper internal records to substantiate the business rationale for payments to third parties.
- Encourage employees to promptly report concerns or suspicions of malpractice.
- Ensure that individuals reporting concerns about bribery or corruption will not face any adverse consequences, even if their concerns are ultimately unfounded.

### Giving or Receiving Business Gifts or Hospitality

The giving or receipt of gifts and hospitality is not prohibited, if the following requirements are met:

- It is not made with the intention of influencing a third party to obtain or retain business or a business advantage, or to reward the provision or retention of business or a business advantage, or in explicit or implicit exchange for favors or benefits.
- It complies with local law.
- It is given in the name of the company and is not a personal gift.
- It does not include cash or a cash equivalent (such as gift certificates or vouchers)
- Taking into account the reason for the gift, if it is of an appropriate type and value and given at an appropriate time.
- It is given openly, not secretly.
- It has received the necessary approval and registered on the Gifts and Hospitality Log.
  - ✓ Value under \$100 no approval required.
  - ✓ Value over \$100 to be approved by an employee's line manager.
  - ✓ Value over \$250 to be approved by a general manager.
  - ✓ Value over \$500 to be approved by the CEO.

### Donations to Organizations

No donations to charities, political parties, or other organizations should be made without approval.



## Business Conduct

### Compliance with Laws, Rules, and Regulations

All personnel are expected to conduct themselves, accordingly, avoiding any appearance of improper behavior. Employees are responsible for understanding the legal and policy requirements applicable to their jobs and reporting any suspected violations of law, or company policy. Adherence to the law, both in letter and spirit, forms the foundation of the company's ethical standards. Employees and officers must respect and obey the laws, rules, and regulations of the regions in which the company operates. While not expected to know every detail, employees should know enough to seek advice from supervisors or appropriate personnel when necessary.

### Conflicts of Interest

A conflict of interest arises when personal interests interfere, or appear to interfere, with the company's interests. Employees should avoid actions or interests that may hinder objective and effective performance of their company duties. Conflicts may also arise from improper personal benefits received by an employee, their family, or when loans or guarantees are extended to them by the company. Working for a competitor, customer, or supplier is considered a conflict of interest unless approved by the Board of Directors.

### Insider Trading

Non-public information about the company is considered confidential and should not be used or shared for personal gain or any purpose other than conducting the company's business. Using such information for personal financial benefit is both unethical and illegal.

### Anti-Competition and Fair Dealing

HPG seeks competitive advantages through superior performance and prohibits unethical or illegal practices. Employees must deal fairly with customers, suppliers, competitors, and colleagues, refraining from unfair advantages through manipulation, concealment, abuse of privileged information, or other illegal practices.

### Money Laundering

HPG does not support, participate in, or permit money laundering. Employees are required to report any unusual or suspicious arrangements that may expose the company to the risk of money laundering.



## Fraud Prevention

HPG maintains a zero-tolerance approach towards fraud and dishonesty among its employees and workers, as well as its partners, contractors, and suppliers. The company is committed to thoroughly investigating suspected cases of fraud, taking appropriate disciplinary actions, and referring matters to authorities for further investigation, potentially leading to prosecution.

While there isn't a precise legal definition of fraud, it generally involves deliberate acts to acquire assets or property through deception, trickery, or dishonesty. Fraud can range from misappropriation of goods to complex conspiracies. For the purpose of this policy, fraud includes but is not limited to:

- Theft or misappropriation of HPG or third-party assets.
- Submission of false claims or invoices for payment or reimbursement.
- Blackmail or extortion.
- Deliberate supply or certification of sub-standard quality goods.
- False accounting or making false entries concerning accounts, equipment, or supplies.
- Payment of excessive prices or fees where not justified.

### Reporting of a Suspicion of Fraud or Irregular or Improper Behavior

If there is any suspicion of fraud or irregular/improper behavior, it must be reported immediately to a manager. In cases where reporting to a manager is inappropriate due to suspicions about their involvement, the report should be made to the CEO.

### Investigation

Upon receiving a report or notification of suspected fraud or irregular/improper behavior, the CEO will investigate the matter themselves, or appoint a management team to do so.

### Action Following Investigation

After a proper investigation, HPG will consider the necessary course of action in line with this policy. For employees, this may include suspension, disciplinary action, legal charges, and pursuing legal proceedings to recover any losses suffered by HPG or a third party. If circumstances warrant, HPG will promptly report fraud or improper/irregular behavior to the police or other authorities.

