

HPG Sustainable Procurement Policy

Introduction

Across many industries around the world, consumer demand for sustainable procurement is gaining momentum. To meet that demand, it is imperative that HPG and its suppliers raise their sustainability standards. We acknowledge that this process will take time and any transition will need to be financially viable for all parties, but taking no action is not an option.

This policy outlines our expectations to promote responsible procurement in our supply chain.

Scope

This policy covers all actions related to the activities of HPG Brands, including all staff employed by any of our brands; HPG, Batch & Bodega, BCG, Beacon Promotions, Best Promotions USA, Debco, Evans Manufacturing, Handstands, Hub, Mixie, Origaudio and SugarSpot. This also covers any third parties conducting work on our behalf.

Responsibilities, Reporting and Reviewing

HPG's CEO is ultimately responsible for these policies, including the qualitative and quantitative goals for the business and ensuring they are achieved. Senior Management are responsible for day-to-day oversight of matters, which helps the company achieve its goals. HPG will publish its results against these goals in an annual Sustainability Report. These policies are reviewed annually to ensure they are up to date. The policies were last reviewed in January 2024.

Quantitative Targets

- 100% of HPG's suppliers must sign our Code of Conduct in 2024
- 80% of HPG's suppliers in high-risk countries will complete a 4-pillar SMETA audit, covering environmental and social aspects by 12/31/2026.
- 100% of HPG's suppliers in low-risk countries have their own code of conduct in place and reviewed by HPG.
- 100% of HPG's suppliers' corrective action plans will be completed by 12/31/2025.
- 100% of HPG's buyers within the business will have completed Sustainable Procurement training by the end of 12/31/2024.
- 100% of HPG's new suppliers will go through onboarding, including HPG's Assessment Questionnaire, by 12/31/2024.





Supplier Expectations

This policy is enforced by the Supplier Code of Conduct which all suppliers must sign. The code forms part of our legal contract with suppliers. HPG will not work with suppliers that do not comply with its Code of Conduct. HPG conducts supplier assessments, audits, and follow-up on corrective actions plans to ensure our supply base is compliant with our Code of Conduct.

Child Labor

Suppliers shall not employ people under the age of 15, or the minimum age for the completion of compulsory education, or the minimum age of employment required by law in the country of manufacture, whichever is higher.

Forced Labor

Suppliers may not, under any circumstances, utilize slave labor, forced labor, including prison labor, indentured labor, bonded labor, or other forms of forced labor.

Hours and Wages

Suppliers must comply with all applicable wage and hour laws, rules, and regulations including those related to overtime.

The regular work week shall not exceed 48 hours. Except in extraordinary business circumstances, employers shall not require workers to work more than 60 hours a week, or the maximum number of work hours per week permitted in the applicable country of manufacture, whichever is less. Workers must be allowed at least one uninterrupted, 24-hour rest period after every 6 consecutive days worked.

Every worker shall have the right to compensation for a regular work week that is sufficient to meet the workers' basic needs and provide some discretionary income.

In addition to their compensation for regular hours of work, suppliers should compensate employees for overtime hours at the applicable premium rate required by law in their country. All overtime work should be consensual and should not be requested on a regular basis.

Workplace Conditions

Supplier shall provide a safe and healthy workplace setting to prevent accidents and injury to health arising out of, linked with, or occurring in the course of work or as a result of operation of their facilities.

Discrimination

No person shall be subject to any discrimination in employment, including hiring, compensation, advancement, discipline, termination, or retirement, on the basis of gender,





race, religion, age, disability, sexual orientation, nationality, political opinion, social group or ethnic origin.

Harassment and Abuse

Every employee shall be treated with respect and dignity. No employee shall be subject to any physical, sexual, psychological, or verbal harassment or abuse.

Freedom of Association

The rights of employees to associate, organize or join a union without fear of reprisal or interference will be respected. If employees are represented by a union recognized under law, their right to bargain collectively will be recognized.

Grievance Procedures

Fair and reasonable grievance procedures must be followed without consequence to involved workers. Procedures must be documented and properly explained to employees upon being hired.

Fair and Open Business Activities

Suppliers must comply with bribery and corruption laws and regulations. Suppliers must avoid involvement in activities that go against fair market competition and in giving or receiving illegal profits.

Information Management

Suppliers should have systems in place for protecting and using personal information properly and to improve the system through continued efforts.

Environment

Suppliers shall adopt responsible measures to mitigate negative impacts that the workplace has on the environment. They must meet all applicable environmental laws and regulations in their country regarding hazardous materials as well as all waste and emissions standards.

Suppliers must follow all applicable environmental laws and regulations. The environmental footprint (i.e., energy, water, and waste systems) related to manufacturing activities must be considered and managed to minimize the adverse impact on the environment.

Suppliers must have a documented protocol and process for the handling and control of hazardous substances. First aid procedures and handling instructions must be placed in a visible location near to storage or use of hazardous substances.

