
Business Unit: Corporate
Department: Company Operations

Owner: PSG Security
Release Date: 23 May 2005

CO DOCS 7.4.1 Sustainable Procurement

1.0 Purpose

This procedure describes the means by which PSG Security chooses and assesses its suppliers.

2.0 Policy Statement

It is the policy of PSG Security that we only purchase products or services from suppliers and subcontractors which satisfy PSG Security OHSE and delivery requirements; and its obligations pursuant to the LVMH Supplier Code of Conduct dated December 2017 and the law.

PSG Security is a signatory to the Australian Supplier Payment Code and commits to the payment policies and practices set out in the Code.

We will pay Australian small businesses within 30 days of receipt of a correct invoice or receipt of a correct product from the supplier (whichever is the later) or on mutually agreed terms or on terms that are consistent with standard industry practice.



Paul Simmons
Director

3.0 Linkages

Guards Policy

Regulatory Compliance Policy

Code of Conduct

OHSE Management Plan

Contractor Management Guide

Contractor Management Checklist

Contractor OHSE Induction Checklist

Supplier Management Policy

Control of Records Procedure

Australian Supplier Payment Code

4.0 LVMH Supplier Code of Conduct

The LVMH Code is reproduced below:

1. LABOR STANDARDS AND SOCIAL RESPONSIBILITIES

Louis Vuitton requires its suppliers to exhibit exemplary social responsibility in their conduct.

- Prohibition of child labor: Work by children under the age of 16 is strictly prohibited. In countries where local laws set a higher age for child labor or set an age for completion of compulsory education higher than 16, the highest age is applicable. Any work which is likely to jeopardize children's physical, mental or moral health, safety or morals should not be done by anyone under the age of 18.
- Prohibition of forced labor: Any use of forced labor, slavery, servitude or trafficking in human beings by our suppliers, as well as withholding identity papers or work permits or requiring workers to deposit a bond or the use of any other constraint, is strictly prohibited. All workers are entitled to accept or leave their employment freely. Suppliers may not require workers to work to repay a debt owed to them or to a third party.

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- Prohibition of illegal, clandestine and undeclared employment: Our suppliers are required to comply with all applicable regulations to prevent illegal, clandestine and undeclared employment.
- Prohibition of harassment and abuse: We expect our suppliers to treat their workers with respect and dignity. Our suppliers may not tolerate or engage in any form of corporal punishment, physical, sexual, verbal or psychological harassment or any other kind of abuse.
- Prohibition of discrimination: We expect our suppliers to treat all workers equally and fairly. Our suppliers may not engage in any kind of discrimination – in particular with regards to wages, hiring, access to training, promotion, maternity protection and dismissal – based on sex, race or ethnic origin, religion, age, disability, sexual orientation, political affiliation, union membership, nationality, gender identity or social background.
- Wages and benefits: Our suppliers must at minimum pay wages on a regular basis and no less than monthly, compensate workers for overtime hours at the legal rate and meet all legal requirements relating to worker benefits. If there is no legal minimum wage or rate for overtime pay in the country concerned, the supplier must ensure that the wages are at least equal to the average minimum in the relevant industrial sector and that overtime pay is at least the same as the usual hourly compensation. Wage deductions shall not be used as a disciplinary measure. We require our suppliers to guarantee that all workers receive benefits stipulated in any applicable collective bargaining agreements, company agreements and other applicable negotiated individual or collective agreements.
- Working hours: Our suppliers must comply with all local laws and regulations applicable with respect to working hours, which shall not in any case exceed the maximum set by internationally recognized standards such as the International Labour Organization. Our suppliers may not impose excessive overtime hours. The total number of hours worked per week including overtime may not exceed legal limits. Workers are entitled to the minimum number of days off established by applicable laws and at minimum must have at least one day off in every seven-day period.

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- Freedom of association: We require our suppliers to respect and recognize the right of workers to negotiate collectively, and to create or join labor organizations of their choice without any sanction, discrimination or harassment.
- Ensuring health and safety: Our suppliers are expected to provide their workers with a safe and healthy workplace environment in order to avoid accidents or bodily injuries which may be caused by, related to, or result from their work, including during the operation of equipment or during work-related travel. Suppliers are expected to set up procedures and trainings to detect, avoid and mitigate as much as possible any hazards that constitute a risk to the health, hygiene and safety of staff. They are required to comply with all applicable local and international regulations and laws in this regard. These same principles are applicable to housing provided by suppliers.

2. ENVIRONMENTAL REGULATIONS AND PROTECTION

- Louis Vuitton takes concrete measures to protect the environment within the scope of a specific program which includes cooperation with its suppliers to ensure application of best practices throughout the supply chain.
- Louis Vuitton expects its suppliers to share this commitment. It encourages initiatives by its suppliers to reduce the environmental impact of their activities, notably through the use of green technologies.
- Louis Vuitton requires that its suppliers respect local and international environmental regulations and standards, that they obtain all requisite environmental permits and that they be able to prove effective implementation of the following:
 - application of an environmental management system;
 - improvements in the environmental performance of their sites and production resources, in particular through proper waste management, elimination of air, water and soil pollution, reduction of greenhouse gas emissions with an emphasis on use of renewable energies, reduction of water and energy consumption and safe management of hazardous chemicals;
 - measures to preserve biodiversity and guarantee regulatory traceability and compliance for raw materials and substances used;

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- best practices across their supply chain to respect animal welfare;
- contributions to continuous improvements in environmental performance throughout the lifecycle of the products of Louis Vuitton;
- ensure that staff whose work has direct environmental impact are trained, skilled and have the resources required to effectively perform their work.

3. BUSINESS INTEGRITY REQUIREMENTS

- Louis Vuitton requires exemplary integrity from its suppliers in the conduct of their business activities.
- Legal requirements: We expect our suppliers to act in full compliance with local, national and international laws in the conduct of their business.
- Prohibition of all forms of corruption: Louis Vuitton applies a zero-tolerance policy concerning corruption and trading in influence. We expect our suppliers to respect all applicable laws concerning corruption and to take appropriate measures to prevent, detect and sanction any corruption or trading in influence, directly or indirectly, across the scope of their activities.
- Prevention of conflicts of interest: We require our suppliers to comply with all applicable laws concerning conflicts of interest and to make every effort to prevent the occurrence of situations that create a conflict of interest within the scope of their business relationship with Louis Vuitton.
- Prohibition of money-laundering: Money-laundering can occur where an action is taken to mask the true origin of money or assets that are connected to criminal activity. We require our suppliers to commit to taking all appropriate measures to prevent their operations from being used as vehicles for money-laundering.
- Respect of competition: Our suppliers must be committed to compliance with competition law applicable in their host countries. This includes prohibiting abuse of dominant position, concerted practices or unlawful agreements between competitors.

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- Confidentiality: Our suppliers must be committed to taking all necessary measures to guarantee the confidentiality of professional secrets and other non-public information they receive in the course of their business relationship with Louis Vuitton.
- Prevention of insider trading: We require our suppliers to comply with all applicable laws and legislation concerning insider trading and to refrain from selling or buying shares in LVMH – Moët Hennessy Louis Vuitton SE, or any linked derivative financial instruments, based on inside information, either directly or indirectly.
- Protection of personal information: We require our suppliers to comply with all applicable laws and regulations concerning the protection of personal information.
- Customs and security authorities: We require our suppliers to comply with applicable customs laws, including those relating to imports and the ban on transshipment of merchandise to the importing country.
- Trade restrictions and international sanctions: We require our suppliers to respect international trade restrictions and sanctions, taking into account any changes in these measures, as well as all laws and regulations concerning export controls.
- Gifts and invitations: Gifts or invitations may be considered acceptable expressions of courtesy within the context of good business relations if limited in scope and value, given openly and transparently, permitted under applicable local law, customary in the location in which they would be given, provided to reflect esteem or gratitude, and not offered with an expectation that something will be offered in return. In some cases, these practices might be subject to anti corruption regulations or other legal requirements, making it essential to be aware of such rules and to fully comply with them.

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- Protection of assets: Our suppliers are required to take all necessary measures to protect the resources and assets of Louis Vuitton, in particular its intellectual property rights, and are committed to fighting counterfeiting through a strategy of prevention, cooperation and communication. For example, all finished or semi-finished products bearing distinctive signs belonging to Louis Vuitton and which have not been ordered or have been refused, must be destroyed by the supplier as instructed by Louis Vuitton.
- Public statements: We expect our suppliers to be extremely attentive to their public statements, particularly on the Internet and in social media, and to ensure that any statements are not attributed to Louis Vuitton, and are consistent with the supplier's commitment to both confidentiality and professional secrecy.
- Information transparency: Our suppliers are required to provide clear and accurate information regarding the methods and resources used, production sites and characteristics of the products or services supplied, and to refrain from making any misleading claims.

INSPECTION AND AUDIT

- Inspection: We reserve the right to confirm compliance with these principles and to conduct compliance audits at our suppliers and their own suppliers and subcontractors. Our suppliers must provide all necessary information and facilitate access by representatives of Louis
- Vuitton seeking to verify compliance with the requirements in this Code. Suppliers must commit to improving or correcting any deficiencies identified. Louis Vuitton may also support its suppliers in implementing and applying best practices in order to resolve minor nonconformity issues.
- Accurate records and access to information: Our suppliers are required to keep proper records to demonstrate compliance with this Supplier Code of Conduct. They must provide our representatives with access to complete, original and accurate records.

Sustainable Procurement Procedure

5.0 Responsibility

The Customer Service Manager has responsibility for Purchasing.

6.0 Supplier Selection/Qualifications

Suppliers are selected on their merits which includes their ability to comply with the LVMH Supplier Code of Conduct, PSG Security's policies and procedures including our Code of Conduct; and the price. In the case of subcontractors, the CSM shall ensure that they comply with all regulatory requirements.

7.1 Evaluation

Subcontractors shall be required to submit evidence of their regulatory compliance to PSG before commencing work under contract. The CSM shall evaluate the documentation to ensure compliance.

8.0 Supplier Review

PSG Security top management meets at least quarterly to assess the performance of suppliers. PSG Security's goal is to have all suppliers achieve an on-time delivery rate of 95% or better and a service acceptance rate of 98% or better.

9.0 Purchasing Requirements

Under no circumstances may a purchase order be placed with a supplier without the approval of the CSM.

Suppliers that are ISO 9001 registered shall be given priority when choosing new suppliers.

10.0 Supplier Payment

PSG pays all of its business suppliers within 30 days of receipt of a correct invoice or receipt of a correct product from the supplier (whichever is the later), or on mutually agreed terms, or on terms that are consistent with a standard industry practice.

We pay suppliers on-time following receipt of a correct invoice and receipt of a correct product or service.

PSG will work with supplier businesses, where practicable, to apply technologies and practices that will improve the efficiency and accuracy of invoicing and payment processes.

11.0 Dispute Resolution Process

To lodge a written complaint, email accounts@psgsecurity.com with all the details of your complaint, dispute or issue.

We'll respond within 10 business days, although the timeline to *resolve* your dispute may vary depending on the complexity of the issue.

12.0. Responsible & Accountable Resources

Position	Primary Responsibility
Director	Ensure that the company's purchasing activities comply with the Code of Conduct and Whistleblower procedure
Customer Service Manager	<ul style="list-style-type: none"> Review contractor ability to comply with our purchasing procedure Monitor compliance

13.0 Measurement and Verification

13.1 Verification

The purpose of the verification is to determine that the requirements of this section are functioning as designed. The table below contains a summary of verification requirements.

Process Step	Verification
Implementation of the sustainable procurement policy	Code of Conduct in place OHSE policies and procedures issued

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13.2 Measurement

Process Step	Measurement
Contractors and Suppliers comply with our policies and procedures	# of non-compliances
Supplier payments	# of payments not made on time # of disputes, complaints from suppliers about late payments