

# Supplier Code of Conduct

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## INTRODUCTION

This Jefferies Supplier Code of Conduct (“Code”) outlines the expectations for all suppliers providing products and services to Jefferies Financial Group and its group companies (except Merchant Banking), herein referred to as “Jefferies” unless otherwise specified. As stated in our [CSR Principles](#), “We recognize the impact we have on the world and believe in making a positive difference in the communities in which we live and work. Corporate social responsibility is the commitment of business to contribute to sustainable economic development”.

Our suppliers should honor our values to provide a positive contribution to society through ensuring a safe, ethical, and environmentally responsible business practice. We expect all suppliers (together with those in their supply chain) to comply with the principles and practices outlined in the Code and together with all applicable laws, standards, and rules within the geographies in which they operate.

## SUPPLIER EXPECTATIONS

### Ethics

We hold ourselves, and those we conduct business with, to the highest ethical standards. We believe business should be conducted fairly, openly and freely, maintaining normal and healthy relationships with government administration, citizens and organizations.

#### *I. Business Integrity*

**Anti-Bribery:** There is no tolerance for suppliers that engage or support any form of bribery, corruption, extortion, and embezzlement throughout all direct and indirect business interactions. Suppliers should establish standards that address fair business, advertising and competition. Suppliers are required to comply with all anti-bribery and anti-corruption laws (e.g., U.S. Foreign Corrupt Practices Act and the UK Bribery Act).

**Conflicts of Interest:** Suppliers must disclose any actual or potential conflicts of interest prior to entering into any business relationship with Jefferies or as soon as they become aware of such a conflict.

**Gifts:** Suppliers must not, directly or indirectly, give or permit to be given, anything of value, including gifts, gratuities, use of property or other goods or services, to any Jefferies employees or representatives in an effort to gain an advantage with, or influence decision making at, Jefferies.

#### *II. Protection of Information and Property*

Suppliers must protect all confidential information throughout business practices, including personal information, material non-public information, proprietary information and intellectual property.

Suppliers should ensure their practices promote appropriate information security and take responsibility for all information they access, receive, process, and distribute.

Suppliers must also protect and ensure the privacy of personal information for all employees, customers, suppliers, and relevant participants. Suppliers should have established privacy policies and practices that comply with all required laws and regulations.

#### *III. Grievance Mechanism and Non-Retaliation*

Suppliers should ensure there is a clear communication process that is anonymous and confidential for workers and suppliers to raise concerns. This process should be understood and presented to workers with transparency. Suppliers are responsible for ensuring the protection of whistleblowers to voice workplace concerns without retaliation.

#### *IV. Anti-tax evasion and anti-facilitation of tax evasion*

Suppliers must comply with all applicable tax laws and not participate in or facilitate unlawful tax evasion or fraudulent diversion of funds, whether themselves or through their agents and intermediaries.

### **Labor**

Suppliers must conduct business that promotes the safety, dignity, and wellness for all workers including, but not limited to, temporary, migrant, student, contract, and direct employees. As a core tenet in our business practice, Jefferies believes in respecting and valuing each of our employees and observing the fundamental tenets of human rights, safety and non-discrimination in the workplace.

#### *I. Freely Chosen Employment*

Jefferies has zero tolerance for forced or bonded labor, including prison labor, debt bondage, forced labor by governments and inability for workers to terminate employment. The [International Labour Organization \(ILO\)](#) has identified these practices to include withholding wages, isolation, abusive conditions, excessive overtime, intimidation and threats, physical and sexual violence, abuse of vulnerability, deception, restriction of movement and retention of identity documents.

Suppliers must proactively address modern slavery and human trafficking by actively monitoring their supply chain to assess the risk of such activity. Actions must be developed that address and manage risk areas and ensure all workers have safe and respectful treatment. More information on Jefferies' approach to combating modern slavery and human trafficking in our supply chain is outlined in our [Modern Slavery Act Statement](#).

#### *II. Young Workers*

Suppliers must not use child labor and must implement preventative measures in all stages of business operation, including their supply chain. A child is defined as anyone under the minimum age for employment established by local law, under the age of 15, or under the age for completing compulsory education, whichever is higher. Suppliers should include a mechanism to verify the age of workers. Suppliers must ensure workers under the age of 18 comply with the relevant law and protection against conditions that may jeopardize the health and safety of the worker, including night shifts, overtime, and hazardous conditions. Student labor should be provided with the resources and support necessary and have an equal wage rate as other entry-level workers in absence of a local law.

#### *III. Wages and Benefits*

Suppliers must provide wages and benefits that comply with or surpass local laws and regulations in a timely manner. Disciplinary practices in which wages or benefits are deducted are not permitted. Suppliers and their workers shall have an agreement reflecting the wage and workers must be provided a wage statement for each pay period. Overtime work must be compensated in agreement with local law, or any collective agreement, whichever is higher. All other benefits mandated by local law including paid leave, health benefits, childcare, maternity leave, parental leave and medical leave must be provided to the worker and specified in the agreement.

#### *IV. Diversity and Non-Discrimination*

Jefferies appreciates the value and importance that diversity and differing perspectives bring to our ability to better serve our clients. Jefferies actively encourages diversity within our organization and is focused on this at all levels of the firm through recruitment, retention, development and promotion of diverse individuals. We expect our suppliers to have similar policies, practices and focus on diversity.

Jefferies has no tolerance for any behaviors that disrespect the dignity of others and/or constitute discrimination. Suppliers are required to provide a workplace free of verbal, mental and physical harassment, and abuse. The [International Labour Organization \(ILO\)](#) defines discrimination as “any distinction, exclusion, or preference made”.

Our suppliers must not engage in discrimination based on race, color, sexual orientation, gender identity or expression, ethnicity or national origin, age, disability, pregnancy, religion, political opinion, covered veteran status, protected genetic information, or marital status during any process of business operations.

### *V. Freedom of Association*

We expect suppliers to respect union employees in accordance with the freedom of association and local laws and regulations, including compliance with any collective agreements. All workers should be provided a clear communication process free of fear of retaliation or mistreatment.

## **Health and Safety**

Providing a healthy, safe and respectful work environment is essential for all of Jefferies business operations, and we expect the same for all of our suppliers.

Suppliers must provide a workplace that minimizes health and safety hazards. Suppliers should provide regular occupational health and safety training and identify potential hazards to assess and mitigate safety risks. All workers should be provided, as required, with appropriate and functional personal protective equipment. Pregnant women, where appropriate, should be removed from working conditions that have high health and safety risks.

Suppliers should be aware of work that requires heavy, repetitive or forceful tasks. Suppliers should assess these tasks to control and communicate any potential hazards to workers.

Suppliers are required to provide a work environment with clean and safe water and toilet facilities. If the supplier provides housing accommodations, they should ensure workers are provided with safe eating facilities and food preparation, reasonable entry and exit access, sufficient ventilation and heating, and emergency and safety measures.

## **Environment**

Jefferies understands that all products and services have an environmental impact. We conduct business that creates value while considering the environment, and we expect our suppliers to do the same. Jefferies believes it is our responsibility to measure, understand and reduce the environmental impact of our business operations and we encourage our suppliers to adopt the same or exceeding standards to mitigate climate change and protect both natural resources and natural habitats.

### *I. Environmental Permits and Reporting*

Suppliers should obtain all relevant permits and documentation and maintain and report in accordance with requirements.

### *II. Energy Consumption and Greenhouse Gas Emissions*

Suppliers are encouraged to have a management plan in place that addresses the reduction of direct and indirect greenhouse gas emissions, including those embodied in the products and services throughout business operations. Suppliers should measure their energy consumption, together with Scope 1 and 2 greenhouse gas emissions, and seek out direct actions to improve energy efficiency and minimize such emissions.

### *III. Pollution Prevention*

Suppliers should be aware of pollutants that are emitted and implement practices to minimize discharges including monitoring and control equipment, production adjustments and regular maintenance.

Suppliers should manage their waste to ensure the reduction and responsible disposal and recycling of relevant waste. Hazardous substances and waste should be managed responsibly when using or re-using, handling, storing, and disposing of the substances.

#### *IV. Resource Reduction and Materials Restrictions*

Business processes should conserve natural resources such as water, fossil fuels, minerals and virgin forest products and promote procedures that support the reduction in use, re-use, and recycling of resources through the life cycle of business operations.

Suppliers must comply with relevant laws and regulations that prohibit, limit, or restrict the use of substances in business operations relating to extraction, manufacturing and production.

### **Management Systems**

Suppliers should ensure accordance with this Code and lawful compliance through an established management system. This system should proactively mitigate risks, monitor, review, and improve business practices.

#### *I. Company Commitment*

We encourage suppliers to support corporate social and environmental responsibility. Management and oversight of this commitment should be communicated through policy statements and shared within their operation.

#### *II. Management Accountability and Responsibility*

Suppliers are encouraged to establish management systems and identify individuals or governance structures within the company responsible for the oversight and management of practices that comply with this Code. When applicable, senior management should conduct performance reviews.

#### *III. Legal Requirements*

Suppliers must comply with all applicable laws. Suppliers should have procedures in place to ensure relevant laws are identified, maintain understanding and monitor compliance.

#### *IV. Risk Assessment and Risk Management*

Suppliers must identify all relevant risks within their business operations (including but not limited to environmental, health and safety, ethical, and labor) and establish procedures to proactively mitigate, monitor, and manage these risks.

#### *V. Communication*

A clear process should be established to ensure effective communication of the supplier's policies, procedures and expectations within business operations. Workers, suppliers, sub-contractors and customers should have access to all necessary information in the local language, or in any other language which they are able to understand.

This Code establishes the expectations of Jefferies for all suppliers, current and future. Suppliers are responsible for meeting these expectations and instilling these values and practices within all business operations. Incidents in which the expectations set out in this Code are unable to be met or achieved, including unethical behavior and violations of the law, should be reported to Jefferies in a timely manner.