

# LFF Group

## Communication on Progress (COP) in relation to the UN Global Compact Statement of continued support by the Chief Executive Officer (CEO)

---

I am pleased to confirm that the LFF Group continues to support the Ten Principles of the UN Global Compact in the areas of human rights, labour, the environment and anti-corruption.

In this, our tenth communication on Progress, we describe what we do to align our business practices with the principles of the Global Compact and the steps we plan to take to continue this process including the introduction of the LFF Group Corporate Social Responsibility Policy, which unifies and builds on the LFF Group's existing progress.

We shall share this information with our stakeholders using our primary channels of communication.

**Mark Prior**

**Group Managing Director**

**April 2022**

## Human Rights Principles

---

### Assessment, Policy and Goals

---

Human rights in relation to Group employees are addressed in the **LFF Group Corporate Social Responsibility Policy, Employee Company Handbook, LFF Group Health and Safety Policy, LFF Group Modern Slavery Policy, LFF Group Data Protection, Information & Security Policy** and the **LFF Group Ethical and Sustainable Procurement Policy**.

The general Code of Conduct within the **Employee Company Handbook** requires all staff to treat with respect anyone that they have dealings with, and further policies deal specifically with bullying, equality, and discrimination.

The sphere of influence of the LFF Group in the field of human rights beyond our staff and contractors is limited. We are, nevertheless, committed to ensuring that there is no modern slavery or human trafficking in our supply chains, nor any part of our business. The **LFF Group Modern Slavery Policy** reflects our commitment to act ethically and with integrity in all our business relationships, and to implement and enforce proportionate systems and controls which address the risks of modern slavery and human trafficking.

**As part of our efforts to identify and mitigate the risks of modern slavery and human trafficking, we:**

- Seek to build long term relationships with our suppliers and highlight to them our expectations of business behaviour
- Seek to ensure that these entities have suitable anti-slavery and human trafficking policies and procedures in place
- Promote best practice within our procurement processes with the aim of eliminating the risk of modern slavery & human trafficking occurring in our supply chains
- Not use child labour
- Not knowingly support or deal with any business involved in slavery or human trafficking.

The **LFF Group Ethical and Sustainable Procurement Policy** aims to ensure that the way business is conducted throughout our supply chain conforms to our own standards and is legally compliant.

**To ensure LFF Group's Ethical and Sustainable Procurement standards are met, we establish:**

- How we conduct business with our suppliers
- The expectations we have of our suppliers regarding the way they conduct their business

### Implementation

---

The Directors take responsibility for implementing these policies and its objectives and shall provide training and adequate communication throughout LFF to ensure that slavery and human trafficking is not taking place within LFF or its supply chains.

We carry out staff training in this area, reinforcing awareness of existing policies throughout the organisation and ensuring all employees know how to report any grievances.

We conduct due diligence with our suppliers to ensure that no Slavery or human trafficking is conducted within their organisation and that appropriate steps have been taken to ensure there is no Slavery or human trafficking in their supply chains.

A term of our contracts with suppliers' states *"Each party to this contract confirms that there is no Modern Slavery or human trafficking in its own organisation and that it has taken appropriate steps to ensure that there is no Modern Slavery or human trafficking in its supply chains"*

We ensure that our suppliers' ethical and sustainability credentials are considered in our supplier approval and appraisal process.

## Measurement of Outcomes

---

We have not had any instances reported of Human Rights violations within the Group. Any such instances would be dealt with through the grievance procedure and reported at Board level to ensure appropriate follow-up and remedial action where necessary.

**The following KPI's will be reported annually on the effectiveness of LFF's supply chain:**

- Adherence to local Human Rights & Modern Slavery laws
- A Corporate Social Responsibility Policy

**The following KPI's will be reported annually on the performance of LFF's controls:**

- Percentage or number of employees trained on ethics
- Number of confirmed Child Labour, Forced Labour and Human Trafficking cases

## Labour Principles

---

### Assessment, Policy and Goals

---

Labour policies in relation to Group employees are addressed in the **LFF Group Corporate Social Responsibility Policy, Employee Company Handbook, LFF Group Health and Safety Policy, LFF Group Modern Slavery Policy, LFF Group Data Protection, Information & Security Policy** and the **LFF Group Ethical and Sustainable Procurement Policy**. LFF Group complies with all relevant employment legislation in the countries in which it employs staff.

All staff have an employment contract stating terms of employment, including remuneration. This together with the **Employee Company Handbook** sets out rights and responsibilities, compensation and other benefits.

Employee health & safety is taken very seriously throughout the LFF Group. The LFF Group has established a **LFF Group Health and Safety Policy** and operates a Health & Safety Management System in accordance with BS ISO 45001:2018 with the scope *“Procurement, Stock Holding, Supply and Modification of Ferrous and Non-Ferrous Pipe, Flanges, Pipe Fittings and Associated Piping Equipment”*

Certification continued after a recertification audit in 2019 and transitioned from BS OHSAS 18001 to ISO 45001:2018 in September 2020.

Quarterly toolbox talks are issued by the senior management to cascade information and thereby promote staff awareness of welfare issues. The current topic is Mental Health Awareness.

### Implementation

---

We employ external HR consultants to help ensure that we are up to date and compliant with relevant employment legislation, and to assist us in following best practice in employment matters.

Risk assessments are carried out at all sites and appropriate health and safety control measures are in place, including company safe systems of work. Regular audits are carried out by LRQA in line with our BS ISO 45001:2018 accreditation.

The LFF Group is committed to prevent injury or ill health occurring to any person as a result of its business activities.

### Measurement of Outcomes

---

We have a grievance procedure for employees to raise any concerns on employment or labour related matters. Grievances, whilst very rare, are taken seriously and dealt with at Director level.

As noted above, the LFF Group is subject to internal and external audits covering Health and Safety matters. Any non-conformity is monitored at a senior level with appropriate corrective and preventive action implemented.

**The following KPI's will be reported annually on the performance of LFF's controls:**

- KPIs related to whistle blowing procedure
- Number of confirmed diversity, discrimination, and harassment cases

## Environmental Principles

---

### Assessment, Policy and Goals

---

The LFF Group is committed to the prevention of pollution, the minimisation of the impact of its activities on the environment and meeting or exceeding all relevant environmental legislation and other requirements to which we subscribe, including those of trade organisations and customers. LFF Group complies with all relevant environmental legislation in the countries in which it operates.

The LFF Group has established an **LFF Group Environmental Policy** and operates an Environmental Management System in accordance with ISO14001:2015 with the scope *“Procurement, Stock Holding, Supply and Modification of Ferrous and Non-Ferrous Pipe, Flanges, Pipe Fittings and Associated Piping Equipment”*.

Certification continued after a recertification audit in 2019.

**We will deliver continual improvement by:**

- Setting environmental objectives and targets
- Monitoring and reviewing objectives and targets
- Communicating the group policy to all those working on behalf of the company, including contractors.

**The environmental objectives adopted for 2022/2023 are:**

- Reduce the consumption of electricity
- Reduce the consumption of natural gas
- Consolidate and re-tender our waste disposal contract
- Reduce the amount of waste sent to landfill
- Increase the usage of recyclable or reusable items
- Provide more comprehensive data on waste management to allow for more comprehensive analysis

Our policy will be reviewed annually or in response to a material change to our management system.

### Implementation

---

The LFF Group Managing Director has ultimate responsibility for The LFF Group’s environmental performance assisted by the Group’s OHSE Representative, local Directors and local OHSE Representatives.

The LFF Group has identified the environmental aspects of its processes and has assessed the associated impacts on the environment. Controls have been put in place to minimise the impact where appropriate.

**Consumption of resources has been reduced by:**

- Promoting staff awareness on the benefits of energy saving by introducing switch off campaigns to reduce waste
- Rolling programmes of replacement for outdated electrical fittings with modern energy efficient alternatives and automatic switch-off systems in areas of light staff traffic.
- introducing modern energy efficient high-frequency battery chargers for the workplace transport fleet.
- Ensuring that air conditioning units are regularly maintained and that the controls are set to acceptable temperature levels; they are timed to operate during working hours only.
- Ensuring the minimum amount of packaging – necessary only to prevent the damage of goods during transport – is adopted during dispatch to customers.

**Waste has been reduced by:**

- Training staff in waste stream management.
- Re-using incoming packaging material where possible.
- Baling waste polythene and cardboard to enable recycling.
- Arranging for wood waste to be supplied to the recycling industry where possible.
- Segregation of various waste streams, where practical

**Response to Emergencies is managed by staff training:**

- In the control of spills
- In fire safety awareness.

## Measurement of Outcomes

---

**The LFF Group monitors and evaluates environmental performance by monitoring outputs from:**

- Periodic evaluation of compliance with applicable legislation
- Investigations into incidents and near misses
- Planned maintenance of facilities and equipment
- Internal audits performed to a pre-planned schedule
- Complaints from interested third parties
- Biannual external audits performed by LRQA and other interested parties
- Inspection Tours performed by senior managers
- Meetings (Board meetings, Committee meetings etc.)

The LFF Group ensures that outputs arising are resolved by maintaining and reviewing a Nonconformance register and implementing corrective or preventive action as appropriate.

The LFF Group has not been involved in any environmental incidents, nor has it been the subject of any investigation or legal proceedings by the Environment Agency, Local or any other regulating authority.

**The LFF Group's environmental programme has been successful in producing significant reductions in:**

- Consumption of electricity
- Weight of packaging used
- Reduction of waste to landfill

The review of The LFF Group's environmental performance is an agenda point for Board meetings.

## Anti-Corruption Principles

---

### Assessment, Policy and Goals

---

As a supplier to the petrochemical industry, LFF understands that the sector in which it operates faces big challenges in combatting bribery and corruption. Many of the countries in which we and our customers work are poorly rated on the Corruption Perception Index published by Transparency International. We carry out business in an honest, transparent and ethical way. We will comply with all laws and regulations in all countries in which we operate.

LFF has a formal Anti-Bribery & Corruption Policy which is published on our website and referenced in our terms and conditions of sale and purchase.

#### **We make a clear statement that: -**

- LFF carries out business in an honest, transparent and ethical way. We will comply with all laws and regulations in all countries in which we operate.
- We do not tolerate bribery or corruption.

Our aim is to ensure that all LFF Employees, as well as anyone acting on behalf of LFF are fully aware of our ABC policy and promote a culture of zero-tolerance to all forms of bribery and corruption.

### Implementation

---

As noted above, we have a clear ABC policy which is widely published.

In addition, we have carried out a thorough review of Internal Controls and operating procedures designed to ensure that we have robust systems to prevent and combat all forms of bribery and corruption. These include several high-level management controls as well as detailed operating procedures. These cover areas such as the use and appointment of sales agents and recording of entertaining and hospitality.

The Boards of Directors of LFF and its subsidiaries are responsible for the oversight of this policy, with each company appointing an Anti-Bribery Officer (“ABO”) responsible for its implementation. Contact [ABO@LFF.co.uk](mailto:ABO@LFF.co.uk)

All staff has received ABC training and are encouraged to report any concerns to their local compliance officer or the ABO, or via a confidential e-mail address if they prefer.

### Measurement of Outcomes

---

ABC is a standing item on all Board meeting agendas and Managing Directors of operating Companies within LFF Group prepare risk assessments which address various specific points and to consider more generally if there are changes in ABC risk affecting any part of the business.

#### **The following KPI’s will be reported annually on the performance of LFF’s controls:**

- Percentage or number of employees trained on Anti-Bribery and Corruption
- Number of confirmed corruption incidents

Visit us at: <https://www.lff-group.com>

E-Mail us at: [CSR@LFF-Group.com](mailto:CSR@LFF-Group.com)

Write to us at: LFF Group, Christy Way, Southfields Industrial Estate, Basildon, Essex, SS15 6TE, England.