

Human Rights Policy

Introduction

SFC has always been consistent in implementing ethical business practices. Recently, it has embarked on a review of its efforts pertaining to Corporate Social Responsibility and Sustainability, based on the ISO 26000 Guidelines. Human Rights is one of the 7 core subjects of CSR outlined in ISO 26000. This policy has been developed to complement the company's efforts in this area, and to strengthen its commitment in the area of business and human rights.

Human rights are the basic rights to which all human beings are entitled. There are two broad categories of human rights:

- (i) the first category concerns civil and political rights and includes such rights as the right to life and liberty, equality before the law and freedom of expression.
- (ii) The second category concerns economic, social and cultural rights and includes such rights as the right to work, the right to food, the right to the highest attainable standard of health, the right to education and the right to social security.

While most human rights relationships are primarily between the state and individuals, it is widely acknowledged that non-state organisations can affect individuals' human rights, and hence have a responsibility to respect them. Indeed, the UN's Guiding Principles on Business and Human Rights emphasize the fact that 'Business enterprises should respect human rights.' This means that they should avoid infringing on the human rights of others and should address adverse human rights impacts with which they are involved.

This policy is our company's public expression of its commitment to meet its responsibility to respect internationally recognized human rights standards. At a minimum, this means the rights set out in the International Bill of Human Rights and the principles concerning fundamental rights set out in the International Labour Organization's Declaration on Fundamental Principles and Rights at Work.

Our Commitment

At SFC, we commit to respecting the human rights as defined in the Universal Declaration of Human Rights; the International Covenant on Civil and Political Rights; the International Covenant on Economic, Social and Cultural Rights; and the ILO Declaration on Fundamental Principles and the Rights at Work.

The Human Rights Policy applies to all SFC directors, employees, business partners and suppliers. Failure to adhere to this policy intended to respect the human rights of our employees and other stakeholders may result in disciplinary action, up to and including termination of employment.

We believe that equality, health and safety and decent working conditions are fundamental human rights, and we will maintain this approach across our business. We believe that our business can help to promote human rights through the manufacture of our products and the provision of our services and our business relationships, but also acknowledge that without proper oversight, it can present risks to human rights as well.

Approach and Key Impact areas

Our approach to human rights begins with understanding how our activities, including the manufacture of our products and provision of our services, as well as the activities of our business partners, may impact, either positively or negatively, albeit unintentionally, the rights of our stakeholders. These include our employees, contractors, customers, supply chain partners, and the broader community.

We strive to ensure that the rights of these stakeholders are respected and promoted through our activities and those of our business partners. We work to meet this commitment through the activities outlined below.

Fair, Safe and Secure Working Conditions: We believe that our people should be treated with dignity, respect, and fairness, and should not be subject to harassment (physical, verbal, sexual or psychological harassment, bullying, abuse or threats), discrimination, violence, intimidation, forced labour, or inhumane treatment (No use of physical punishment or threats of violence or other forms of physical, sexual, psychological or verbal abuse as method of discipline or control will be tolerated in the workplace.). SFC prohibits the engagement of individuals under the local legal minimum working age (16) or the compulsory schooling age, whichever is higher.

Workers under 18 may be engaged by the Company, also through company approved short-term internships, apprenticeships or work experience programs, but they are never permitted to do work that may threaten their health and safety or hinder their education or vocational orientation and training.

SFC treats all employees fairly and honestly regardless of where they work. All employees are provided with a written, understandable and legally binding employment contract/letter with agreed terms and conditions.

All employees are entitled to reasonable breaks while working and sufficient rest periods between shifts, access to toilets and potable water at their place of work.

SFC compensates employees competitively relative to the industry and complies with all applicable local laws governing the payment of wages as well as overtime, and benefits (including sick leave and annual holiday leave, as well as special leave as provided by the law) to employees as a minimum. Wage deductions as a disciplinary measure must not be permitted unless provided for by national law. SFC recognizes the need to provide flexible temporary or permanent working arrangements, based on differing requirements.

We are working continuously to providing a safe, inclusive work environment for our employees and contractors by minimizing the risk of accidents, injury and exposure to health risks in line with international labour standards. We also respect our employees' rights to freedom of association with a trade union and collective bargaining without fear of reprisal, intimidation, or harassment. We are committed to establishing a constructive dialogue with the employees' chosen representatives and to bargain in good faith with such representatives.

To promote these values across our supply chain, we will implement more robust oversight mechanisms and expectations for our business partners to meet these same standards in their own operations.

Equal Opportunity: We believe in the equality of opportunity and treatment of all people. We are committed to enhancing diversity in our workforce, and empowering individuals across our value chain. This can have positive impacts on their own and their families' well-being, education and health, and can also make them less vulnerable to discrimination, harassment and gender-based violence. These principles and values are embedded in our policies and practices. The basis of recruitment, hiring, placement, training, compensation and advancement within SFC is qualifications, skills, experience, track record and performance. We value the diversity and unique contributions of our employees and have a long-standing commitment to equal opportunity and intolerance of discrimination and harassment.

Training and Development: SFC acknowledges the importance of training and personal development of its employees. All employees are provided with appropriate job skills training. Moreover, the company is committed to continuously developing employee skills and capabilities, and to providing opportunities for career advancement. SFC provides regular training on topics that are relevant to the business and/or to the function and personal development of the employee.

Partnerships: We believe in doing business with partners that share our values and commitments to respect human rights. Whilst we shall strive to prioritise partners that share our human rights commitments, we realized that sometimes this might not always be possible. To mitigate risks of human rights violations further down our supply chain, we will embed human rights considerations in our procurement policy. Any tenders or expression of interests or request for quotations issued shall specify that interested parties are to commit to our human rights policy.

Governance and Remediation

The commitment to safeguard human rights at SFC is part of our wider strategy and is implemented through a number of policies and procedures. We report on our progress, including Human Rights, in our Annual Report.

Ultimate oversight of human rights at SFC falls with the Board of Directors, who will in turn delegate it to the Company Secretariat. Operational oversight of human rights is managed by the Company Secretariat together with the Group HR function, the Procurement functions and the Group Internal auditor in addition to our partners across our business units.

In line with the expectations articulated in the UN Guiding Principles on Business and Human Rights (Guiding Principles), SFC provides appropriate grievance channels for employees and other stakeholders to report concerns about human rights and receive remedy, including through the company's grievance procedure as well as our Speak Up Policy.

As part of our ongoing commitment to implementing the Guiding Principles, SFC will carry out periodical reviews, as well as provide relevant awareness and training.

This policy will be reviewed every 3 years.

Through the implementation of this policy, we are committed to go beyond "respect" in human rights issues and to translate our work into **positive impact** on all relevant stakeholders.

CONTACT

For more information, please contact the Company Secretary and/or Group Internal Auditor.

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