

Kawasaki Precision Machinery (UK) Limited

Supplier Code of Conduct

Introduction

KPMUK is committed to ensuring that its suppliers adhere to the highest standards of ethics. Suppliers are required to demonstrate that they provide safe working conditions where necessary, treat workers with dignity and respect, and act ethically and within the law in their use of labour. KPMUK will work with its suppliers to ensure that they meet the standards of the code and improve their worker's working conditions. However, serious violations of the organisation's supplier code of conduct will lead to the termination of the business relationship.

Guiding Principle.

Our suppliers' business and labour practices must comply with all applicable laws, as well as the requirements and principles of this Supplier Code. Suppliers must comply with the standards of this Supplier Code even when this Supplier Code exceeds the requirements of applicable law.

- **Child Labour.**

KPMUK will not tolerate the use of child labour. The Supplier shall not use child labour and must comply with the United Nations Convention on the Rights of the child (CRC). The Supplier must ensure they meet the requirements of the CRC and meet the economic, social and cultural rights of every child.

- **Involuntary Labour, Human Trafficking, and Slavery.**

Our suppliers must not use forced labour - slave, prison, indentured, bonded, or otherwise. Our suppliers must not traffic workers or in any other way exploit workers by means of threat, force, coercion, abduction, or fraud. Working must be voluntary, and workers must be free to leave work and terminate their employment or other work status with reasonable notice. Our suppliers must bear or reimburse to their workers the cost of all excessive recruiting, hiring, or other similar fees charged to workers, and all fees and expenses charged to workers must be disclosed to KPMUK and the workers in advance. Our suppliers must not require workers to surrender government issued identification, passports, or work permits as a condition of working, and our suppliers may only temporarily hold onto such documents to the extent reasonably necessary to complete legitimate administrative and immigration processing. Workers must be given clear, understandable contracts regarding the terms and conditions of their engagement in a language understood by the worker. Suppliers must ensure that each of its staffing or recruiting agencies comply with this Supplier Code and with the more stringent of the applicable laws of the country where work is performed and the worker's home country.

- **Health and Safety.**

Our suppliers must provide workers with a safe and healthy work environment, and suppliers must, at a minimum, comply with applicable laws regarding working conditions and with the standards below.

- **Occupational Safety.**

Suppliers must educate workers on safety procedures and also control worker exposure to potential physical safety hazards by implementing physical guards, barriers, and/or engineering and administrative controls. Workers must be informed and receive appropriate education in advance if they will be working with (or otherwise exposed to) hazardous or dangerous conditions or materials. In addition, workers must be given appropriate personal protective equipment and educated and trained on the

proper use of such equipment. Suppliers must manage, track, and report occupational injuries and illnesses.

- ***Physically Demanding Work.***
Suppliers must continually identify, evaluate, and control physically demanding tasks to ensure that worker health and safety is not jeopardised.
- ***Emergency Preparedness and Response.***
Suppliers must identify and plan for emergency situations and implement and train their workers on response systems, including emergency reporting, alarm systems, worker notification and evacuation procedures, worker training and drills, first-aid supplies, fire detection and suppression equipment, and unblocked exit facilities.
- ***Machine Safeguarding.***
Suppliers must implement a regular machinery maintenance programme. Production and other machinery must be routinely evaluated for safety hazards.
- ***Sanitation and Housing.***
Workers must be provided with reasonable access to clean toilet facilities and portable drinking water. If suppliers provide a canteen or other food accommodations, they must include sanitary food preparation, storage, and eating accommodations. If suppliers provide residential facilities for their workers, they must provide clean and safe accommodations. In such residential facilities, workers must be provided with emergency egresses, reasonable and secure personal space, entry and exit privileges, reasonable access to hot water for bathing, adequate heat and ventilation, and reasonable transportation to and from work facilities (if not reasonably accessible by walking).
- **Wages & Benefits.**
Our suppliers must pay their workers in a timely manner and provide compensation (including overtime pay and benefits) that, at a minimum, satisfying applicable laws. Suppliers must provide to their workers the basis on which workers are being paid in a timely manner via pay stub or similar documentation. Deductions from wages as a disciplinary measure are not permitted.
- **Working Hours.**
Except in unusual or emergency situations, suppliers must not require a worker to work more than 60 hours per week, including overtime, and each worker must be entitled to at least one day off for every seven-day work period. In all circumstances, working hours must not exceed the maximum amount permitted by law.
- **Anti-discrimination.**
Conditions of working must be based on an individual's ability to do the job, not on personal characteristics or beliefs. Our suppliers must not discriminate on the basis of race, colour, national origin, gender, sexual orientation, religion, disability, age, political opinion, pregnancy, marital or family status, or similar factors in hiring and working practices such as job applications, promotions, job assignments, training, wages, benefits, and termination. Suppliers must not subject workers or applicants to medical tests that could be used in a discriminatory manner.

- **Fair Treatment.**
All workers must be treated with respect and dignity. Our suppliers must not engage in or permit physical, verbal, or psychological abuse or coercion, including threats of violence, sexual harassment, or unreasonable restrictions on entering or exiting work and residential facilities. Workers must be free to voice their concerns to KPMUK or its auditors, and allowed to participate in the KPMUK audit process, without fear of retaliation by supplier management.
- **Immigration Compliance.**
Our suppliers may only engage workers who have a legal right to work. If suppliers engage foreign or migrant workers, such workers must be engaged in full compliance with the immigration and labour laws of the host country.
- **Freedom of Association.**
Our suppliers must respect the rights of workers to establish and join a legal organisation of their own selection. Workers must not be penalised or subjected to harassment or intimidation for the non-violent exercise of their right to join or refrain from joining such legal organisations.
- **Ethical Behaviour**
 - **No Bribery.**
Our suppliers must not offer nor accept bribes or other means of obtaining undue or improper advantages to anyone for any reason, whether in dealings with governments or the private sector. Our suppliers must not induce KPMUK's employees to violate the United Kingdom Bribery Act (2010)
 - **Anti-Corruption.**
Suppliers must comply with applicable anti-corruption laws including the United Kingdom Bribery Act, and not offer anything of value, either directly or indirectly, to government officials in order to obtain or retain business. Suppliers must not make illegal payments to government officials themselves or through a third party. Suppliers who are conducting business with the government officials of any country must follow KPMUK's guidance on the law governing payments and gifts to governmental officials.
 - **Whistle-blower Protections.**
Suppliers must protect worker whistle-blower confidentiality and prohibit retaliation against workers who report workplace grievances. Suppliers must create a mechanism for workers to submit their grievances anonymously.
- **Risk Management.**
Suppliers must establish a process to identify the environmental, health, safety, and ethical risks associated with their operational and labour practices. In addition, management must develop appropriate processes to control identified risks and ensure regulatory compliance.
- **Training.**
Management must maintain appropriate training programmes for managers and workers to implement the standards in this Supplier Code and to comply with applicable legal requirements.

- **Communication and Worker Feedback.**

Suppliers must clearly and accurately communicate and educate workers about KPMUK's policies, practices, and expectations. KPMUK may require suppliers to post this Supplier Code in a location accessible to their workers (translated into the appropriate local language(s)). In addition, KPMUK encourages suppliers to partner with us to implement a process to assess workers' understanding of the standards and practices covered by this Supplier Code.

- **Documentation and Records.**

Suppliers must create, retain, and dispose of business records in full compliance with applicable legal requirements along with appropriate confidentiality to protect privacy.

- **Environment.**

Our suppliers must comply with applicable environmental laws. KPMUK encourages our suppliers to implement systems that are designed to minimise the impact on the environment by the supply chain system, the production process, and the products themselves.

- ***Environmental Permits and Recordkeeping.***

Suppliers must obtain and keep current all required environmental permits, approvals, and registrations and follow applicable operational and reporting requirements.

- ***Effective Management and Disposal of Hazardous Substances.***

Suppliers must effectively identify and manage the safe handling, movement, storage, and disposal of chemicals and other substances that pose a threat to the environment, including providing workers with appropriate training on the safe-handling and disposal of hazardous substances. Suppliers must also monitor and control wastewater or solid waste generated from operations before disposing in accordance with applicable laws. In addition, suppliers must characterise, monitor, control, and treat regulated air emissions before discharging in accordance with applicable laws.

- **Continuous Improvement.**

KPMUK encourages our suppliers to continuously improve and reduce waste. KPMUK welcomes suggestions and feedback from its suppliers to improve KPMUK own operations and processes.

- **Corrective Action.**

Suppliers' compliance with this Supplier Code is subject to KPMUK review, including third-party auditing of work and residential facilities and conducting confidential worker interviews. Suppliers must provide prompt access to their facilities and workers during any audit. We require suppliers to promptly provide a detailed remediation plan and take corrective actions for deviations from this Supplier Code, and KPMUK will track suppliers' remediation efforts. KPMUK may (without liability) terminate its relationships with any supplier found to be in violation of this Supplier Code, including for denying prompt access to our auditors

- ***KPMUK also expects our suppliers to hold their suppliers and subcontractors to the standards and practices covered by this Supplier Code.***

Signed on behalf of **{Enter Supplier's Name}**

Signed Position:

Dated: