



## Purchasing Ethics Code of Conduct

### Introduction

Napier Turbochargers Limited prides itself on the professional, ethical and law abiding manner in which it conducts its business in Lincoln, in the heart of the United Kingdom. The company endeavors to project these qualities when conducting business with customers around the world.

In order to safeguard the reputation that has been built up over many years, the company has issued this Purchasing Ethics Code of Conduct for use by the company in its dealings with suppliers. The code of conduct is designed to ensure that Napier's many suppliers around the world conduct themselves in the same manner that Napier aspires to in the United Kingdom.

This code is applicable to both Napier's first tier suppliers and their subsequent tier sub suppliers.

### Principles:

#### 1) Health and Safety

- The supplier shall provide an environment which is both healthy and safe to work in and compliant with international standards as well as the local laws of the country within which the supplier operates.
- The supplier undertakes to provide adequate training on Health and Safety issues to its employees.
- Management shall lead by example and be compliant with all applicable Health and Safety laws and regulations.
- Management shall ensure that all employees are suitably trained and competent to perform the requirements of their role.
- Facilities shall be safe and hygienic and meet the basic needs of the supplier's employees.

#### 2) Accidents

- The supplier shall have a suitable procedure in place to record accidents, investigate route cause and implement required changes in order to prevent reoccurrence where possible.
- The supplier shall encourage employees to report potential Health and Safety issues to management and management shall in turn take reasonable steps to mitigate the identified risks.

#### 3) Working Hours

- Employees working hours (including overtime) shall comply with local laws or industry standards and shall not be excessive.
- In order to determine what is excessive the type of work undertaken shall be taken into consideration as well as the acceptable working hours for the particular type of role being performed.

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- On average suppliers employees shall be given at least one day off approximately every seven days.

#### **4) Child Labour**

- The supplier shall not employ persons below the minimum legal age for employment, or below the age of completion of compulsory education, or not less than 16 years of age.
- The supplier shall not employ young persons (over the age of a child and under the age of 18) at night or in hazardous conditions.

#### **5) Employment is Chosen (Not Forced Labour)**

- Employees shall be free to choose to work for the supplier, i.e. their employer
- Employees shall be free to leave the suppliers after reasonable notice is served
- Suppliers shall not use forced, bonded or non-voluntary prison labour

#### **6) Freedom of Association**

- In accordance with local laws employees shall not be prevented or discouraged from joining a relevant trade union or other similar external organisation.
- Where the law restricts freedom of association and collective bargaining, suppliers shall facilitate alternative means of representation.

#### **7) Discrimination**

- The supplier shall not tolerate discrimination of any kind including discrimination on the grounds of race, religion, nationality, age, gender, or disability.

#### **8) Disciplinary Issues**

- Whilst discipline is an important element of all companies' ability to function efficiently, the supplier shall at all time treat employees and personnel involved in its business with respect and honesty, and ensure that its employee's dignity is not compromised.
- Physical and emotional abuse shall not be tolerated by the supplier.

#### **9) Employment Pay and Conditions**

- Suppliers shall ensure that their employees understand their employment conditions which shall be fair and reasonable including employees pay and conditions.

#### **10) Inducement**

- The supplier shall not accept or make improper offers or payments to individuals or organisations.
- This includes any kind of bribery or corruption as well as or exerting undue pressure on others in order to gain an unfair advantage.

#### **11) Environment**

- The supplier shall take all reasonable steps to ensure that the environment is not harmed by the operation of the business.
- The supplier will also actively investigate methods of reducing its environmental impact on the surrounding area, for example by reducing its electricity, gas and water consumption as well as reducing its raw material utilisation.
- The supplier will also investigate ways of limiting emissions from processes performed within the supplier's premises.



### **Importance of working to these principles**

Whilst Napier is mindful that countries have a rich cultural diversity which is often quite different to the UK, it is important that its suppliers understand and work to the principles defined in this code as a minimum.

Napier understands that conformance to these guiding principles may be challenging for some countries and suppliers, however it is important that all parties are aware of the requirements and actively work to the principles outlined below.

### **Continuous Improvement**

Napier's suppliers are already aware that Continuous Improvement is an implicit part of its business and this code is no different in that it defines the minimum requirement and that the expectation is that the supplier will work to improve and build upon these principles in time.

### **Supplier Audits**

Napier will work with our suppliers to meet the requirements of the code which may require supplier audits to review progress and compliance to the code.

### **Non conformance**

Napier shall have the right to terminate its business relationship and any associated agreements with the Supplier if the Supplier is in material breach of this Code of Conduct and, in the case of breaches which are capable of remedy, the Supplier fails to remedy such breach, after written notification by Napier of such breach, within the time period specified by Napier for such remedy. In determining the length of any time period Napier shall act reasonably, having regard to the severity and nature of the breach.

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