



Corporate Responsibility & Business Ethics Policy

1.0 Policy Statement:

- 1.1 UK-NSI, as part of the global group, Nippon Seiki of Japan, has a responsibility to have the highest level of integrity in the way it conducts business. We need to ensure that all UK-NSI employees have a clear understanding of how the company expects them to behave.
- 1.2 The policy is based upon a set of common values of integrity, honesty, fairness and transparency. The application of this policy is aimed at securing the confidence of shareholders, via the transparency of decision-making, supervision and accountability for such decisions. Transparency means that disclosures should not be limited to the financial results, but also to foreseeable risk factors. It is our belief that transparency and openness are key to good corporate decision-making.
- 1.3 The policy cannot address every situation but should clearly demonstrate the standards that we must achieve and the actions that we should take if aware of any potential breach of this policy, law, or any act /conduct thought to be questionable in its nature. UK-NSI management will support any employee who reports apparent violations.
- 1.4 The Board and management of UK-NSI endorse this policy. We will measure ourselves against the Code and the achievement of meeting it's standards will sustain the reputation of the company, which will satisfy our employees, customers, shareholders and other stakeholders.

2.0 Corporate Responsibility and Business Ethics

- 2.1 The company and Employees will behave in compliance with its Mission & Values Statement, but recognise that in addition;
 - 2.1.1 Compliance with the policy will sustain the good reputation of the company and help each business to reach its full potential through the recruitment and retention of talented and honest people.
 - 2.1.2 UK-NSI employees and agents are required, as a minimum standard, to comply with all the laws and regulations of the UK and the EU.

3.0 Competition

- 3.1 UK-NSI believes in competing fairly and vigorously in its market sectors.
- 3.2 UK-NSI does not engage in, nor is it party to, agreements, and business practices, or conduct that, as a matter of law, are anti-competitive.



4.0 Proper Business Behaviour

- 4.1 UK-NSI expects its employees to act with integrity at all times. No employee shall engage in personal activities, pursue financial, or business interests, which might give, rise to, or give the appearance of having a conflict of interest with UK-NSI, or which might compromise their ability to meet the responsibilities of their job.
- 4.2 UK-NSI does not offer or accept bribes, or other unethical inducements for the purpose of gaining business or other advantage.
- 4.3 UK-NSI employees who have access to privileged information must not use it to achieve personal gain for themselves or others.

5.0 Dealings with suppliers and customers

- 5.1 UK-NSI Suppliers are paid promptly within agreed terms of business.
- 5.2 UK-NSI seeks to provide its customers with products and services, which meet or exceed their requirements, through the application of quality management systems and continuous improvement programmes. These are designed to develop and apply innovative ideas, to respond quickly to changing customer demand and to improve continuously product quality, value and delivery times.
- 5.3 UK-NSI believes in working in Partnership with its suppliers, so as to meet the expectations of UK-NSI customers, and to ensure quality, value and timeliness throughout the supply chain.

6.0 Employees

- 6.1 UK-NSI recruits, selects and promotes employees on the basis of their qualifications, skills, aptitude and attitude. UK-NSI complies with anti-discrimination practices.
- 6.2 All UK-NSI employees shall be treated with respect and dignity. Accordingly, any harassment or bullying is unacceptable. UK-NSI respects the right of each employee to join or not to join a trade union, or other bona fide employee representative organisation.
- 6.3 UK-NSI believes in good communications with employees and in promoting consultation, co-operation and teamwork on matters of employment.

7.0 Health & Safety

- 7.1 UK-NSI is committed to conducting all its activities in a manner, which achieves the highest practicable standards of health and safety.



8.0 Environment

8.1 UK-NSI is committed to ensuring that, any detrimental effect of its activities, products and services upon their environment is minimised.

9.0 Communities

9.1 In addition to the provision of employment opportunities, UK-NSI seeks to contribute to the community in which it operates through support for appropriate community and charitable activities.

10.0 Public Activities

10.1 As and when appropriate, UK-NSI engages with the UK government, government departments, agencies and other organisations in relation to issues that affect its legitimate business interests, either directly through trade associations, or other similar bodies.

11.0 Reporting and Internal Controls

11.1 UK-NSI records all business transactions accurately, prudently and transparently, in compliance with accounting policies as detailed in the annual report and accounts and in accordance with best practice.

11.2 Strong systems of internal control are an essential aspect of UK-NSI structure and serve to ensure that it is managed effectively and that reported results are accurate.

11.3 Corporate Governance and Compliance function monitors and reports to the board of UK-NSI on the effectiveness of internal controls and on the ongoing risk management process for identifying, evaluating and managing significant business risk.

12.0 Application and Compliance

12.1 The policy applies throughout UK-NSI and to all its employees. Disregard or breach of the policy by an employee may result in disciplinary action.

12.2 The policy is not intended to replace existing policies of UK-NSI. It serves as a governing document to which other policies must adhere.

12.3 UK-NSI expects employees to bring promptly to manager's attention any suspected, or actual breach of the policy. Any employee making such information known through the appropriate procedures will not face any adverse or unfavourable treatment for such disclosure (see Whistle blowing Policy-WB-Policy-060-01).



13.0 Authority Structure

13.1 In order to enhance the ability of UK-NSI, its employees and, as appropriate, its agents to comply with the Corporate Responsibility and Business Ethics Policy, UK-NSI maintains a corporate governance and compliance team.

13.2 The Board of Directors has overall responsibility for the Policy and are accountable to NS for its application.

13.3 The Board of Directors through the compliance team has responsibility for monitoring the implementation of the Policy and compliance with these provisions.

14.0 Code of Ethics and Behaviour

14.1 The code of ethics has been adopted by the Board of UK-NSI Co. Ltd. to deter wrongdoing and promote honest and ethical conduct, proper disclosure of financial information in accordance with the UK Accounting Standards and compliance with applicable laws, rules and regulations by the company's financial structure of management, including directors.

14.2 In performing his or her duties, each person must:

14.2.1 Maintain high standards of honest and ethical conduct in all dealings with other employees, customers and suppliers of the company and with other third parties, including the company's independent auditors, on behalf of the company.

14.2.2 Avoid any actual, or apparent conflict of interest between personal and professional relationships as defined in the company's code of conduct.

14.2.3 Report to the compliance team having tried the line management route including escalation, any conflict of interest that may arise and any material transaction, or relationship that reasonably could be expected to give rise to a conflict.

14.2.4 Take reasonable measures to protect the confidentiality of non-public information about the company or its customers or suppliers and prevent the unauthorised disclosure of such information unless required by applicable law or regulation or legal or regulatory process.

14.2.5 Maintain all company accounting records and reports derived from them in accordance with applicable laws in a manner that fairly and accurately reflects the transactions or occurrences to which they relate and assures that they fairly and accurately reflect in reasonable detail the company's assets liabilities revenues and expenses and do not contain any false or intentionally misleading entries. In this regard compliance with the company's system of internal controls is required at all times.

14.2.6 Endeavour to assure full fair accurate timely and understandable disclosure in reports and documents that the company files with or



submits to the third party auditors and other relevant governing bodies.

14.2.7 Comply and take reasonable action to cause others to comply with applicable governmental laws rules and regulations.

14.2.8 Promptly report suspected violations of this code of ethics by any responsible person to the compliance team, which may be done using the whistle blowing policy.

14.3 It is expected for management to exercise self-control and self-evaluation against this code. However the compliance team will periodically audit compliance with this code, report material violations to the board of directors and recommend to the board appropriate action to assure accountability for violation of this code by any responsible person.

4.0 References:

4.1 UK-NSI Mission & Values Statement (Mission-060-01).

4.2 Whistle Blowing Policy (WB-Policy-060-01).