

May 2018

Northgate

Code Of Ethical Trading

The core values by which Northgate operates are:-

Taking care of our people, being good neighbours, fostering ethical business relationships and managing our environment.

As a subsidiary of Northgate plc we accept that we have a duty to trade responsibly.

We therefore want to ensure that those people with whom we deal and in particular our suppliers and our representatives live up to our values and standards and share that responsibility.

Accordingly suppliers and representatives should comply with and seek to develop relationships with their own supply chains consistent with the principles set out below and should be compliant with all local laws and the following principles as a **minimum**.

- **Employment is freely chosen**

There is no forced, bonded or involuntary prison labour. Workers are not required to lodge "deposits" or their identity papers with their employer and are free to leave their employer after reasonable notice. Specifically suppliers and/ or representatives do not engage in modern slavery or human trafficking or other actions as covered by the **Modern Slavery Act 2015** and take all reasonable measures to ensure its full supply chain does similarly not engage in any such acts.

- **Freedom of association and the right to collective bargaining are respected**

Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively. The employer adopts an open attitude towards the activities of trade unions and their organisational activities. Workers representatives are not discriminated against and have access to carry out their representative functions in the workplace.

Where the right to freedom of association and collective bargaining is restricted under law, the employer facilitates, and does not hinder, the development of parallel means for independent and free association and bargaining.

- **Working conditions are safe and hygienic**

A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.

Workers shall receive regular and recorded health and safety training and such training shall be repeated for new or reassigned workers.

Access to clean toilet facilities and to potable water and, if appropriate, sanitary facilities for food storage shall be provided. Accommodation, where provided, shall be clean, safe, and meet the basic needs of the workers.

The company observing the code shall assign responsibility for health and safety to a senior management representative.

- **Child labour shall not be used**

Companies shall develop or participate in and contribute to policies and programmes which provide for the transition of any child found to be performing child labour to enable her or him to attend and remain in quality education until no longer a child. There shall be no further recruitment of child labour.

Children and young persons under 18 shall not be employed at night or in hazardous conditions.

Policies and procedures shall conform to the provisions of the relevant ILO standards.

A *Child* is defined as any person less than 15 years of age, unless local minimum age law stipulates a higher age for work or mandatory schooling, in which case the higher age would apply. If, however, local minimum age law is set at 14 years of age in accordance with developing country exceptions under ILO Convention 138, the lower age will apply.

A *Young Person* or *Young Worker* is defined as any work over the age of a child as defined above and under the age of 18.

- **Living wages are paid**

Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income.

All workers shall be provided with written and understandable Information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.

Deductions from wages as a disciplinary measure shall not be permitted nor shall any deductions from wages not provided for by national law be permitted without the expressed permission of the worker concerned. All disciplinary measures should be recorded.

- **Working hours are not excessive**

Working hours comply with national laws and benchmark industry standards, whichever affords greater protection.

In any event, workers shall not on a regular basis be required to work in excess of 48 hours per week and shall be provided with at least one day off for every 7 day period on average. Overtime shall be voluntary, shall not exceed 12 hours per week, shall not be demanded on a regular basis and shall always be compensated at a premium rate.

- **No discrimination is practised**

There is no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.

- **Regular employment is provided**

To every extent possible work performed must be on the basis of recognised employment relationship established through national law and practice.

Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting, subcontracting, or home-working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment.

- **No harsh or inhumane treatment is allowed**

Slavery, physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited. Suppliers and / or representatives must prohibit these activities and must have adequate checks to verify inhumane treatment does not take place.

- **Confidentiality**

The confidentiality of information exchanged in the course of business must be respected and never be used for illegal purposes or for individual gain. False information must not be given in the course of commercial negotiations.

- **No bribery or corruption will be tolerated**

The offering, paying, soliciting or accepting of bribes or kick-backs, including facilitation payments, is strictly prohibited.

A bribe may involve giving or offering any form of gift, consideration, reward or advantage to someone in business or government in order to obtain or retain a commercial advantage or to induce or reward the recipient for acting improperly or where it would be improper for the recipient to accept the benefit. Bribery can also take place where the offer or giving of a bribe is made by or through a third party, e.g. an agent, representative or intermediary.

Some examples of bribes are as follows. This is not an exhaustive list:

- lavish gifts, meals, entertainment or travel expenses, particularly where they are disproportionate, frequent or provided in the context of on-going business negotiations;
- the uncompensated use of company services, facilities or property;
- cash payments;
- loans, loan guarantees or other credit;
- the provision of a benefit, such as an educational scholarship or healthcare, to a member of the family of a potential customer/public or government official;
- providing a sub-contract to a person connected to someone involved in awarding the main contract; and
- engaging a local company owned by a member of the family of a potential customer/public or government official.

Facilitation payments are small payments or fees requested by government officials to speed up or facilitate the performance of routine government action (such as the provision of a visa or customs clearance). Such payments are strictly prohibited.

Suppliers, representatives and their employees must comply with all applicable anti-bribery and corruption laws. If no such anti-bribery or corruption laws apply or are of a lesser standard to that prescribed in the UK Bribery Act 2010, suppliers, representatives and their employees must adhere to the UK Bribery Act 2010.

Suppliers and representatives shall have in place anti-corruption and bribery procedures designed to prevent employees or persons associated with its business from committing offences of bribery or corruption. Suppliers and representatives will properly implement these procedures into their business and review them regularly to ensure that they are operating effectively.

- **Environmental Management**

We support and encourage operating practices, farming practices and agricultural production systems that are sustainable. The Supplier and representatives will continually strive towards improving efficiency and sustainability of their operations which will include water conservation programmes.

The following aspects of environmental management will be included in the supplier assessment:

- There should be a company environment representative.
- The company should be aware of and able to demonstrate compliance with all current legislation that may affect their activities.
- The company should conduct an environmental review and consider all aspects of their products & services.
- Any enforcement, improvement or prohibition notices served on the site within the last 3 years or served at any time during our ongoing business relationship must be advised to Northgate in a timely manner.

- **Quality**

Any goods supplied shall conform in all material respects with any order and specification and/or patterns or samples supplied or advised by the Supplier and representatives.

Any services supplied shall be provided by appropriately qualified and trained personnel, with due care and diligence, to such standard of quality as is reasonable for us to expect in the aftermarket car part industry and shall conform in all material respects with any specification provided.

- **Audit and Termination of Agreements**

Northgate reserves the right to verify the Supplier's compliance with this Code Of Ethical Trading.

Where the supplier completes reviews and audits that demonstrate shortcomings in any of these areas, (including any audits undertaken in respect of compliance by its suppliers) the supplier should strive to implement a time bound programme of improvement (remediation) leading to conformance. Further Northgate would expect the supplier to use reasonable endeavours to ensure its agents and representatives adopt similar compliance to ethical trading principles.

In the event that Northgate becomes aware of any actions or conditions not in compliance with this Code Of Ethical Trading, we reserve the right to request corrective actions and the supplier and representatives and agents shall implement a time bound programme of improvement (remediation) leading to conformance.

Northgate additionally reserves the right to terminate an agreement with any supplier which does not materially comply to this Code Of Ethical Trading.

I agree to comply with the terms of the Northgate Code of Ethical Trading

Name _____

Designation _____

Signed _____

Date _____

For and on behalf of -----