



Frazer-Nash Consultancy Supplier Code of Conduct

December 2017

SYSTEMS AND ENGINEERING TECHNOLOGY

This page is intentionally blank

Contents

1	INTRODUCTION TO FRAZER-NASH	4
2	OUR CODE OF BUSINESS CONDUCT	6
3	EQUALITY AND DIVERSITY	8
4	PROTECTING HUMAN RIGHTS	9
5	MODERN SLAVERY	10
6	ANTI-BRIBERY AND ANTI-CORRUPTION	10
7	GIFTS AND HOSPITALITY	11
8	CONFLICTS OF INTEREST	11
9	ANTI-TRUST AND OPEN COMPETITION	11
10	HEALTH AND SAFETY	12
11	THE ENVIRONMENT	13
12	CORPORATE AND SOCIAL RESPONSIBILITY	14
13	OUR ASSETS	14
14	INTELLECTUAL PROPERTY	14
15	CONFIDENTIAL INFORMATION	15
16	CYBER SECURITY	15
17	WHISTLE-BLOWING	16
18	MEDIA RELATIONS	16

1 Introduction to Frazer-Nash

Frazer-Nash Consultancy (Frazer-Nash) is a leading systems and engineering technology business. We apply our expertise and know-how to develop, enhance and protect our clients' critical assets, systems and processes.

At Frazer-Nash, we are committed to being a responsible business. We strive to make a positive contribution to our stakeholders, clients, suppliers, employees and the local community.

We understand that acting ethically, with respect for those around us and our environment is fundamental to achieving our long-term business plan, and providing the first-class service for which we are renowned. These elements are at the heart of our long-term vision:

“To be a systems and engineering technology business recognised for the highest standards, supporting the development and operation of major projects and facilities. We aim to be the best in the eyes of our clients and our people.”

1.1 Our Supplier Code of Conduct

Our Supplier Code of Conduct provides information on how Frazer-Nash conducts its business and how it operates in a manner which is ethically and socially responsible. We seek to work alongside suppliers who share these goals.

We require that our suppliers confirm they operate in a manner which is compliant with the descriptions under each topic heading within this document. We ask that our suppliers act with honesty and integrity at all times. We request that all products and services are provided in a way which supports Frazer-Nash's high standards, and contributes to the good reputation of our company and our clients.

We further request that our suppliers also flow down all relevant requirements to agents, subcontractors (and their extended supply chain) and other third parties in their supply chain. Our suppliers must operate in full compliance with all applicable laws and regulations of the countries in which they operate. In cases where we refer to local legislation, if legislation does not exist or is not as robust, we request that our suppliers and extended supply chain comply with the minimum standards set out in this Supplier Code of Conduct.

1.2 Our approved suppliers list

We ensure that the suppliers with whom we work have undergone appropriate due diligence screening checks for the goods and services which they provide. Once screened and approved, suppliers are added to our approved suppliers list.

We believe in working collaboratively with our supply chain and operating a governance structure which supports both parties to mitigate risk and work together effectively. Where suppliers are providing services in a high risk industry, we may request a more robust governance approach, including supplier audits and/or close monitoring.

We operate a process of continual evaluation and improvement. Our key suppliers and subcontractors are evaluated at the end of each engagement so that we can reward suppliers who demonstrate excellence with continued loyalty and repeat business, and assist underperforming suppliers with feedback for improvement. This ongoing process of evaluation and improvement helps to ensure that we in turn offer an excellent service to our clients.

1.3 Talk to us

If you have questions about our Supplier Code of Conduct, please contact us via our website: <https://www.fnc.co.uk/contact-us.aspx> or call us on +44 (0)1306 885050 and ask to speak to the Procurement Manager.

2 Our Code of Business Conduct

Frazer-Nash Consultancy will conduct its business to the highest standards of honesty and integrity.

We are all acutely aware that our reputation and good name are our greatest assets, easily tarnished by actual or suspected corrupt or unethical behaviour. This could impact our standing in the marketplace and ultimately the performance of the company.

It is worthy of note that corrupt behaviour can be criminal behaviour: the company and employees can be prosecuted, fined or imprisoned. Whilst the personal consequences are obviously serious, there are broader consequences for the company. It could also lead to existing contracts being terminated and disqualification from bidding for others, impacting Frazer-Nash and our sister companies.

2.1 What our code of conduct means

As a company we will:

- ▶ Respect the dignity and rights of our employees and place the highest priority on ensuring the safety of each other at work and the safety of others who might be affected by our activities
- ▶ Seek to minimise, so far as we reasonably can, the impact of our activities on the environment
- ▶ Comply with the law in the conduct of our business
- ▶ Be honest in our dealings with those with whom we do, or seek to do, business
- ▶ Strive to avoid even the appearance of wrongdoing or impropriety in the way we go about our business
- ▶ Be diligent in selecting our business advisers and partners so that we minimise the risk of our reputation being damaged by others
- ▶ Implement and observe appropriate procedures designed to ensure that we, and others working for us, understand what our Code of Business Conduct means for them in practice
- ▶ Treat seriously breaches of our code or its associated guidance

As a company we will not:

- ▶ Bribe or attempt to bribe anyone
- ▶ Take bribes from anyone

Our employees will:

- ▶ Avoid (or properly disclose and obtain clearance for) potential conflicts between their interests and their responsibilities to Frazer-Nash or our customers
- ▶ Seek advice on how to proceed if they are at all unsure whether something complies with our Code of Business Conduct or how to apply its associated guidance
- ▶ Be able to raise (confidentially if they wish), without fear of unfavourable consequences for themselves, any genuine concerns they have that our code or its associated guidance is not being followed

Our employees will not:

- ▶ Take bribes and will report to appropriate management any attempt made to bribe or improperly influence them or another employee in the execution of their duties for Frazer-Nash
- ▶ Bribe or attempt to bribe anyone (including by making facilitation payments*), and will report to appropriate management any request or suggestion that Frazer-Nash, or anybody working for or with Frazer-Nash, should bribe or attempt to improperly influence someone

*A facilitation payment is a payment to a public official or another person to encourage or reward that person for carrying out their normal duties (either at all, or more quickly than they would have done without the payment).

2.2 Our business advisers' and partners' responsibilities

Our business advisers:

- ▶ Must agree to comply, and actually comply, with our code and this guidance, so far as relevant to them, as if they were our employees

Our business partners:

- ▶ Should either be willing to subscribe to our code and its associated guidance or have equivalent standards and procedures in their own businesses

2.3 Our suppliers' responsibilities

Our suppliers will:

- ▶ Either be willing to subscribe to our Code of Business Conduct and its associated guidance, or have equivalent standards and procedures in their own businesses.

3 Equality and Diversity

Frazer-Nash is committed to encouraging a supportive and inclusive culture within the company. Our approach to equality and diversity aims to ensure that all employees and job applicants are given equal opportunity and that our organisation is representative of all sections of society.

We believe in creating a working environment based on dignity and respect, bringing together individuals from many different backgrounds to give us fresh perspectives and new ideas.

Our commitment is to treat all job applicants and employees both equally and fairly, irrespective of their age, disability, sex, gender reassignment, marital or civil partnership status, pregnancy or maternity, parental status, nationality, race (which includes colour and ethnic/national origin), religion or belief, political opinion, sexual orientation, socio-economic status, or on the basis of part time working or being responsible for caring for others.

When we select candidates for employment, promotion or training they are assessed on their qualifications, experience, aptitude and ability. All our employees are given help and encouragement to develop their full potential, according to the requirements of the job. Our selection approach seeks to ensure that candidates and employees are not subject to direct, indirect or instructed discrimination during their employment. Frazer-Nash has a company policy which seeks to prevent bullying and harassment in the workplace with clear advice on how to report and address any reported incidents.

Due to the nature of the work that Frazer-Nash undertakes we require successful candidates to gain UK security clearance.

Our suppliers are expected to have equivalent policies and procedures to promote dignity and respect. Our suppliers must:

- ▶ Fulfil all their legal requirements under relevant equality legislation
- ▶ Fulfil their duty to make adjustments as far as reasonably practicable, to enable employees and stakeholders to have access and carry out their work and responsibilities
- ▶ Be aware of the value their organisation places upon respect and inclusion, and that formal investigations may be taken in the event of any breach of policy
- ▶ Have inclusive and open recruitment and selection, progression and development processes to encourage employees and clients to develop and progress

Our suppliers will promote respect and inclusion by:

- ▶ Actively promoting equality of opportunity and good relations between all sections of the business
- ▶ Promoting respect and inclusion throughout all operational activities
- ▶ Ensuring service delivery, communications, actions, and resources demonstrate sensitivity to issues of respect and are adapted as necessary
- ▶ Delivering an inclusive approach to celebrating success

Seeking to prevent direct discrimination, indirect discrimination, instructed discrimination, and bullying and harassment

4 Protecting human rights

We recognise our responsibility for upholding and protecting the human rights of our employees and other individuals with whom we deal in our operations across the world.

We welcome the opportunity we have to contribute positively to global efforts to ensure that human rights are understood and observed. We believe that a culture of respect for, and promotion of, human rights is embedded throughout our business and can be demonstrated by our commitment to ethical conduct in everything we do.

We recognise the United Nations Universal Declaration of Human Rights and the standards established by the International Labour Organisation. Our suppliers and their extended supply chain are expected to share this commitment and to meet the following:

Treat workers equally

- ▶ Respect the human rights of all employees and the rights of the communities in which they operate
- ▶ Ensure work is performed on a voluntary basis
- ▶ Ensure that all employees can make a free choice about their employment – there should be no illegal, forced, bonded, involuntary or exploited labour
- ▶ Ensure there is no involvement in human trafficking or involuntary movement of people

Reasonable working hours

- ▶ Ensure employees do not work hours in excess of the limitations set by relevant local and national laws and regulations
- ▶ Ensure all overtime work is voluntary
- ▶ Other than for extraordinary situations, all workers are entitled to at least one day off in every seven day period
- ▶ Workers are of an appropriate age
- ▶ Ensure that no underage workers are employed, either directly or indirectly
- ▶ Our suppliers are encouraged to participate in appropriate apprenticeship programmes that comply with applicable laws and regulations

Workers are paid fair wages

- ▶ Pay wages which at least meet national legal standards. Pay industry benchmark standards wherever possible, and adhere to equal pay best practice wherever possible
- ▶ Ensure overtime work is used responsibly and compensated fairly
- ▶ Ensure that everyone is working in a recognised employment relationship as defined by law, and explain clearly to employees the terms and conditions of their employment and the expected work output to which their wages relate

Workers' health and safety in the workplace is protected

- ▶ Provide safe and sanitary working conditions, taking all necessary actions to educate employees to prevent accidents and injury to health
- ▶ Ensure access to fair procedures and remedies
- ▶ Allow access to full and confidential remedy/grievance processes

Freedom of association and collective bargaining

- ▶ Allow free association and the opportunity to communicate directly with management without fear of intimidation or reprisal

5 Modern slavery

We aim to be the best in the eyes of our clients and our people, which means we are committed to ensuring that there is a zero tolerance policy on modern slavery and human trafficking in our supply chains, or in any part of our business.

Our Code of Business Conduct reflects our commitment to acting ethically and with integrity, ensuring all our business relationships are built on these foundations. It underpins our commitment to implementing and enforcing effective systems and controls to certify slavery and human trafficking is not taking place anywhere in our supply chains or our business.

Assessment and managing risk

Our principal risks in this area relate to our recruitment processes and our supply chain partnerships. As part of our initiative to identify and mitigate risk, we:

- ▶ Conduct appropriate and thorough background checks on potential employees prior to confirmation of employment
- ▶ Identify actual or potential risk areas in our supply chains, enabling to us to intervene when necessary to ensure compliance
- ▶ Carry out thorough due diligence on all suppliers

We expect our suppliers to be fully compliant with the UK Modern Slavery Act 2015.

6 Anti-bribery and anti-corruption

Frazer-Nash is committed to conducting business with honesty and integrity. In accordance with the Bribery Act 2010 we have procedures in place to prevent bribery and corruption, which includes our thorough supplier screening process.

We expect our suppliers to comply with the requirements of the Bribery Act 2010. This includes putting 'adequate procedures' in place to prevent the risk of bribery as is appropriate to the nature, size and complexity of the supplier's organisation.

No supplier employee or representative of a supplier may engage in any dishonest practice or any form of corruption. Corruption includes, but is not limited to, the giving or receiving (directly or indirectly) of bribes, kickbacks, inappropriate gifts and/or hospitality, or any other improper advantage in the context of a business relationship or transaction.

We ask our suppliers to take all reasonable steps to ensure that their employees:

- ▶ Act honestly at all times
- ▶ Comply with the laws of the United Kingdom and any other country in which they are operating or which may otherwise have an impact on its business operations
- ▶ Never bribe or give any other improper advantage to any party (whether directly or indirectly), or receive the same from any party (whether directly or indirectly)
- ▶ Avoid any appearance of impropriety in business relationships or transactions
- ▶ Keep full and accurate records of all payments made by any supplier company or by third parties on behalf of Frazer-Nash
- ▶ Take care to ensure that business matters including, but not limited to, intellectual property and tax compliance, are managed in a diligent and legally compliant fashion

7 Gifts and hospitality

In themselves, corporate hospitality, entertainment and corporate gifts are usually not a problem legally, however, they can amount to bribery or be perceived as being bribes, or at least suspicious, especially with hindsight.

Gifts and hospitality should not be offered or accepted during commercial negotiations.

- ▶ We encourage all our suppliers to maintain a record of all hospitality and gifts given or received as a matter of good practice.

8 Conflicts of interest

Frazer-Nash suppliers must avoid interactions with any Frazer-Nash employee that may conflict or appear to conflict with that employee acting in the best interests of Frazer-Nash.

We expect high standards of conduct from our suppliers and will not tolerate any behaviours that conflict with our strict compliance code around conflicts of interest.

- ▶ In order to ensure that we can build strategic relationships with our suppliers and engage appropriately with them, suppliers must also disclose all undertakings that might result in a conflict of interest
- ▶ All potential conflicts of interest, for example, family relation or other business relationship, must be disclosed in a fully transparent manner

9 Anti-trust and open competition

We are committed to free and open competition in the markets in which we operate.

We conduct our business to the highest standards of honesty and integrity, competing fairly and ethically.

- ▶ We expect our suppliers to do the same and will not tolerate any anti-trust or anti-competitive behaviour

10 Health and safety

Frazer-Nash seeks to achieve the highest standards of health and safety. Not merely to comply with current legislation, but because the company believes that minimising risks to the health, safety and welfare of its staff, clients or anyone affected by the company's undertakings are inseparable from the company's business objectives.

Led by the Managing Director, Frazer-Nash's health and safety management organisation actively seeks to promote the development of a positive health and safety culture at all levels within the company.

Frazer-Nash actively engages in consultation with its staff, clients and professional bodies, with the aim of continual improvements in health and safety as an essential element of its overall business planning.

The company has a statutory duty to ensure, in so far as is reasonably practicable, the health and safety of all its employees whilst at work and will conduct its business on the following key principles to enable the health and safety policy to be put into practice:

- ▶ The provision of health and safety advice and consultation for all staff via the company's health and safety management organisation
- ▶ Ensuring that all staff are competent to do their job safely by being given adequate information, instruction and training
- ▶ Continually reviewing the company's activities to ensure safe working conditions and methods
- ▶ Ensuring that the company's health and safety management organisation is fully resourced, trained and funded with representatives from the Board of Directors, senior management and each company office

The company requires all staff to be mindful of their statutory duty to:

- ▶ Take reasonable care for the health and safety of themselves and of other persons who may be affected by their acts or omissions at work and cooperate with the company in fulfilling its statutory duties
- ▶ To raise any health and safety issue, or any situation that could jeopardise the well-being of themselves or any other person, with their line manager or office health and safety representative at the time of concern

The company's health and safety systems and procedures developed to implement this policy can be found in the Frazer-Nash health and safety manual and handbook of health and safety procedures located on the company's intranet.

We expect our suppliers to have processes in place to support the following:

- ▶ Record and report incidents as required by law
- ▶ Have in place arrangements for checking, investigation and rectification of any unsafe conditions
- ▶ Provide appropriate and relevant HSE (health, safety and environment) training for all personnel (and for non-employees where appropriate), and ensure that such training is kept up to date and regularly refreshed as appropriate

11 The environment

We are committed to protecting the environment, preventing pollution and conducting our business in an environmentally responsible manner. To support this and our business objectives, we have implemented an environmental management system (EMS) to identify and effectively manage the significant environmental impacts, risks and opportunities associated with our business operations, including those arising from the provision of our services.

Our operations and services will satisfy our environmental compliance obligations, associated with the requirements of our people, our clients, our stakeholders and our regulators.

We strive to continually improve our environmental performance through our EMS, supported by structured objectives and targets, which are set and reviewed on an annual basis. We will also engage with our suppliers to select products and services that reduce our impact on the environment, in accordance with the principles of sustainable procurement, where technically acceptable and economically viable options exist.

We expect our suppliers to have processes in place to support the following:

- ▶ Our suppliers are expected to strive to achieve and maintain the highest standards in the management of environmental matters
- ▶ We expect our suppliers to understand and to take steps to eliminate or mitigate the potential impact of their activities
- ▶ Suppliers must comply with all applicable local environmental laws and are expected to ensure that accreditation to the appropriate standard is obtained and maintained

We strongly encourage our suppliers and their supply chain to use and develop processes that are aligned with our objectives to deliver environmental sustainability.

12 Corporate and social responsibility

At Frazer-Nash, we are committed to being a responsible business. We strive to operate responsibly and with integrity and make a positive contribution to our stakeholders, people and the local community.

We support wider community engagement initiatives by encouraging our staff to volunteer for science, technology, engineering and mathematics (STEM) activities, supporting schools and youngsters across the UK and helping to develop the next generation of scientists and engineers.

We have also pledged our support to UK servicemen and women by signing the Armed Forces Corporate Covenant. The Covenant ensures fairness and equal opportunity for service and ex-service personnel, reservists and their families.

Our Care and Share scheme, operated on the company's behalf by the Charities Aid Foundation, provides a tax efficient way for employees to make charitable donations, many of which are enhanced by matched contributions from Frazer-Nash.

We have a documented approach to charitable donations, our commitment to the communities in which we operate and the broader interests of our customers.

In addition to the information above, there are several other sections within this Supplier Code of Conduct which fall under the broad banner of corporate social responsibility: each section outlines our Frazer-Nash processes and our supplier expectations.

- ▶ We encourage our suppliers to make a positive contribution to their stakeholders, people and the local community by having initiatives in place that support corporate and social responsibility

13 Our assets

An asset is 'something that has potential or actual value to our stakeholders'. Value can be tangible or intangible, financial or non-financial, and includes consideration of risks and liabilities. It can be positive or negative at different stages of the asset's life. It can be difficult to define value but it could be considered something as simple as our reputation.

- ▶ We expect our suppliers to ensure that our customers' or other third parties' assets (information, personnel and physical) are protected as required

14 Intellectual property

We expect our suppliers to understand the intellectual property used or created in their operations and take all necessary steps to minimise the risk of infringing third party rights.

- ▶ Suppliers may not use Frazer-Nash's name, trademarks, logos or images unless expressly permitted in writing by Frazer-Nash

15 Confidential information

We always expect the highest controls of commercial confidentiality.

Our suppliers must take all necessary steps to effectively manage the handling, use, storage and disposal of confidential information. Confidential information may include commercial information or any documents, data, systems or anything else generated through working together or on behalf of Frazer-Nash. Suppliers should not share confidential information with anyone unless authorised to do so by Frazer-Nash.

- ▶ Disclosure of sensitive information, including financial information, could violate securities' laws and the obligation on our suppliers and their subcontractors remains active even after the assignment with Frazer-Nash has ended

16 Cyber security

We work in many sectors that require vigilant cyber security measures and any compromise of information, whether malicious or not, increasingly poses a serious threat to the economic well-being of our company and customer organisations.

- ▶ Suppliers must ensure that the cyber security arrangements amongst their supply chains are appropriate to the requirements of the information assets concerned. This must include appropriate governance and management arrangements to manage risk, monitor compliance and report and respond effectively to any incidents
- ▶ Suppliers must comply with Frazer-Nash's and our customer's mandated cyber security standards, including flow down through the onward supply chain in accordance with any stipulated contractual obligations. Where contracts are let by UK Government the requirements are likely to include, but are not limited to:
 - ▶ The Cyber Essentials scheme and the Cyber Essentials Plus scheme
 - ▶ For Ministry of Defence contracts only, the Defence Cyber Protection Partnership (DCPP) Cyber Security Model
- ▶ Suppliers are required to report suspected or actual security incidents (which includes 'near-misses') to their Frazer-Nash contact.

17 Whistle-blowing

We expect our suppliers to bring to our attention any concerns that they have with regard to matters covered by this Supplier Code of Conduct, including whether:

- ▶ Bribery or corruption has taken place, or is likely to take place
- ▶ There may be fraud or other irregularities going on in the way transactions, goods or services are being paid for, recorded or invoiced (or in the failure properly to record or invoice them)
- ▶ The health or safety of any individual is being, or is likely to be, endangered by the way activities are being carried out
- ▶ Any other criminal offence has taken place, or is likely to take place
- ▶ There has been, or is likely to be, a failure to comply with legal obligations
- ▶ There has been, or is likely to be, a miscarriage of justice
- ▶ The environment has been, or is likely to be, damaged

Our suppliers should feel able to bring these matters to the attention of their Frazer-Nash contact, who is under a duty to pass on the information to appropriate senior management.

Alternatively, suppliers may contact Frazer-Nash's Company Secretary in confidence:

- ▶ Robert Burge. Direct dial: +44 (0)1306 878000

18 Media relations

Frazer-Nash maintains an ongoing media relations programme aimed at promoting our work; whilst continuing to respect client confidentiality and the sensitive nature of some of our projects.

We maintain a robust process for the research, approvals and release of information to third parties, including members of the press.

- ▶ No engagement with the media about Frazer-Nash or our activities should be undertaken unless agreed in advance through our existing review and approval process. All suppliers must always ensure that any broad communication about Frazer-Nash, our customers, or our work together, including but not limited to: marketing materials, press releases, social media posts or media interviews, is formally approved by us prior to publication
- ▶ Unless permission is expressly granted, no supplier is authorised to use the Frazer-Nash logo as part of an implied endorsement or other form of support

Suppliers can obtain advice from their usual Frazer-Nash contact or from the company's Marketing Communications Team:

- ▶ Garry Whitaker. Direct dial: +44 (0)117 946 8910

DOCUMENT INFORMATION

Title of document: Supplier Code of Conduct

Next update due: December 2018

Protection : N/A

Issue No. : 1

Compiled By : RRK2

Date : 14 December 2017

Approved By : RRB

Signed : NMH

COPYRIGHT

The Copyright in this work is vested in Frazer-Nash Consultancy Limited. The document is issued in confidence solely for the purpose for which it is supplied. Reproduction in whole or in part or use for tendering or manufacturing purposes is prohibited except under an agreement with or with the written consent of Frazer-Nash Consultancy Limited and then only on the condition that this notice is included in any such reproduction

Originating Office: FRAZER-NASH CONSULTANCY LIMITED
Stonebridge House, Dorking Business Park, Dorking, Surrey, RH4 1HJ
T: +44 (0)1306 886464 F: +44 (0)1306 885050 W: www.fnc.co.uk



Frazer-Nash Consultancy Ltd

Stonebridge House
Dorking Business Park
Dorking
Surrey
RH4 1HJ

T +44 (0)1306 886464
F +44 (0)1306 885050

www.fnc.co.uk

Offices at:
Basingstoke, Bristol, Burton-on-Trent,
Dorchester, Dorking, Glasgow, Gloucester,
Plymouth, Warrington, Adelaide, Canberra
and Melbourne