

Supplier Code of Conduct

barrywehmler
BUILDING A BETTER WORLD



Contents

1 PREAMBLE	2
2 HOW WE SOURCE	2
2.1 HEALTH AND SAFETY AT WORK POLICY	2
2.2 GUIDING PRINCIPLES FOR ETHICAL SOURCING	3
2.3 FCPA AND UK BRIBERY ACT	5
3 SUPPLIER REQUIREMENTS	6
3.1 CONFIDENTIALITY	6
3.2 COMPLIANCE WITH THE LAW	6
3.3 PHYSICAL AND DIGITAL CUSTODY:	6
3.4 DO NOT SHARE WITH:	7
3.5 TEMPORARY FILES OR WORK COPIES	7
3.6 ELIMINATION OF CONFIDENTIAL DOCUMENTS	7
3.7 COMMERCIAL REFERENCES	7
3.8 PERSONAL DATA PROCESSING	7
3.9 CONFLICT OF INTEREST.....	7
3.9.1 RELATIONSHIPS WITH BW EMPLOYEES	8
3.10 GOOD ENVIRONMENTAL PRACTICES	8
4 CONDUCTING OPERATIONS WITH BW ENTITIES	8
4.1 DELIVERY ADDRESS.....	9
4.2 DELIVERY PERFORMANCE MEASURING	9
4.3 SUPPLIER RATING REPORT	9
4.3.1 LOGISTICS.....	9
4.3.2 QUALITY	9
4.3.3 COST	10
4.3.4 PAYMENT TERMS	10
4.4 QUALITY STANDARDS	10
4.4.1 NON-CONFORMANCE TO SPECIFICATION	10
4.5 SUPPLIER ASSESSMENT AND APPROVAL/NON-APPROVAL	10
4.6 FINANCE	11
4.6.1 INVOICE DETAILS	11
4.6.2 CREDIT NOTES	11
5 ADHERENCES TO THE CODE OF ETHICS	10

1 Preamble

Machine Solutions people-centric culture is based on the principles established by equity partner Barry-Wehmiller. At Barry-Wehmiller and Machine Solutions, our culture is rooted in a profound commitment to the well-being of people. We measure success not just by our financial performance, but by the positive impact we have on the lives of our team members, our customers, and the communities we serve. Bob Chapman, our Barry-Wehmiller CEO, eloquently encapsulates our people-centric philosophy: “We measure success by the way we touch the lives of people”.

As an extension of our BW family, we expect our suppliers to embrace and embody the same values and principles. We see our supplier as partners in our mission to create a better world through business, and we believe that by working together we can achieve remarkable things. Therefore, it is crucial that our suppliers align with our culture and values, ensuring that their practices reflect high standards of integrity, respect, and care that define Barry-Wehmiller.

The purpose of this Barry-Wehmiller Supplier Code of conduct is to outline the policies and procedures that suppliers of BW (“Supplier” or “you”) must comply with, when supplying to all Barry-Wehmiller facilities. This Manual applies to Suppliers of all BW divisions and facilities. Throughout this Manual, Barry-Wehmiller and its divisions, subsidiaries and affiliated companies may be referred to individually or collectively as “BW”, as context dictates. All Suppliers must comply with the following terms and conditions, which are deemed to be incorporated into any agreement between Suppliers and BW and any purchase order issued by BW.

It is essential that this Manual is communicated to, and understood by, all appropriate people within your organization who are actively involved with the BW account.

2 How We Source

At BW, we believe corporate social responsibility is the key to being an innovative, forward-looking and healthy company. It underpins one of our core corporate values – TRUST. We do what we say we will do and if we can’t do something, we say that too. Our customers, suppliers, team members and colleagues trust us because we deliver on our promises.

This means we have a reputation for caring about our customers, our people and the communities we work with around the world. We really care about the way we do things, and we trust all the people we do business with to work within our corporate policies.

This section covers several BW policies that **reflect the way we expect our Suppliers to also exercise their responsibilities with respect to these topics. Compliance with these policies is a material factor in determining whether Suppliers are conforming to the requirements of this Manual.** Those policies address the following issues:

- Health and safety at work policy
- Code of conduct for ethical trading
- Guiding principles for ethical trading
- OFAC (Office of Foreign Assets Controls) guidelines
- UK Bribery Act and FCPA

2.1 Health and safety at work policy

These policies are continually reviewed and updated as our business and our supply chain evolve. It is essential that you keep up to date with any changes, so you can always guarantee compliance.

At BW, we’re committed to providing and maintaining a working environment that ensures the wellbeing of our people, customers, suppliers, contractors and visitors. We want to prevent accidents and illness by making sure that health and safety considerations are at the heart of everything we do. To make this happen, we encourage everyone who works at or visits *BW facilities* to actively take part in and support this policy.

Specifically, we:

- Provide and maintain safe premises and healthy working environments.
- Ensure we effectively assess risks and apply measures to control them.
- Provide and maintain safe plant, equipment and associated operating procedures.
- Identify substances that are potentially hazardous to health and make sure arrangements are made to control the risks they pose.
- Provide information, instruction, training and supervision to make sure everyone can carry out their work safely. These will be refreshed every so often or when anything that could affect health and safety changes significantly.
- Make sure we involve and consult with employee representatives on health and safety issues.
- Investigate accidents, incidents and cases of work-related illness, so we can identify and put right any shortcomings in our health and safety management processes.

2.2 Guiding Principles for Ethical Sourcing

- Our principles draw upon international standards, including the Ethical Trading Initiative Base Code, the International Labour Organisation conventions and recommendations, which in turn are based on the United Nations Universal Declaration of Human Rights and Convention on Rights of the Child.
- *BW* is committed to applying and implementing all elements of these standards, codes and regulations and their guiding principles. Certain elements will not be tolerated under any circumstances. Those elements include those that protect workers' fundamental human rights such as the use of forced, bonded or involuntary prison labour, physical abuse or discipline and extreme forms of intimidation.
- Within this understanding it is recognised that some of these elements are aspirational, and remediation will not always be able to be achieved immediately. In these circumstances we will work with our Suppliers and key stakeholders to create tangible sustainable change towards the standards described. In the interest of transparency, we will report our progress externally.

Terms:

- There must be no forced, bonded or involuntary labour.
- No worker shall be required to lodge a deposit or identity papers with their employer. Where identity cards, etc. are required for registration / age validation purposes, employers should retain a copy for their records and return the original to the worker.
- Any worker shall be free to leave their employer after reasonable notice and shall normally be entitled to a reasonable period of notice in the event of termination of their employment.
- Workers must not be subjected to bullying, physical or verbal abuse or the threat of such.
- Workers must not be subjected to harassment (sexual or other) nor must they be subjected to other forms of intimidation.
- Disciplinary processes must comply with local law as a minimum, must be clearly defined and must be communicated to all workers. All disciplinary action taken must be recorded.
- Grievance procedures must allow for all workers to raise concerns with their employer about their employment conditions or about other employees, without fear of reprisal. These processes must be clearly defined and communicated to all workers.

Subject to Local Law:

- All workers must be entitled to join a trade union of their own choosing
- All workers shall be entitled to bargain collectively. Employers must demonstrate an open attitude towards trade unions and their organizational activities.
- Workers' representatives must be allowed access to the workplace to carry out their functions and must not be discriminated against.
- To every extent possible, work performed must be based on a recognised employment relationship established through national law and practice. Part time, temporary, fixed-term contracts, homeworking arrangements and agency workers must not be used to circumvent local labour laws or this code's principles
- Prior to employment, workers must be provided with written and understandable information about their conditions of employment, including rates of pay.
- Workers shall not be placed under duress to sign their agreement to terms and conditions (or changes to terms and conditions).
- Working hours shall not exceed the lower of local legal requirements or local norms for the industry. Workers shall not on a regular basis be required to work more than 48 hours per week. All workers must be allowed at least one day off in seven.
- Worker participation in overtime shall be entirely voluntary, shall not exceed 12 hours per week and shall be paid at a more favourable rate than the rate paid for basic hours.
- There must be no discrimination during recruitment or employment based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership, ethnic origin or political affiliation.

Wages and Benefits:

- Wages and benefits for basic hours must (as a minimum) meet local legal minimum wage criteria or local norms for the industry, whichever is the higher. In any event, wages and benefits for basic hours must always allow at least enough for the provision of basic needs and some discretionary income.
- All workers shall be provided with written, understandable information (pay-slip) relating to their wages for each pay period.
- Where accommodation is provided, this must be safe, hygienic and not compromise the dignity of workers.
- Where a charge or deduction is made for accommodation, transport, meals or other similar benefit, which is provided, this deduction shall not be excessive. After all deductions, wages must be in accordance with local norms for the industry allowing at least for the provision of basic needs and some discretionary income.
- All deductions shall be clearly indicated on workers' 'pay-slips'.
- Wage deductions as disciplinary measures or those not permitted by national law are prohibited without the worker's express consent.

Labor Practices:

Child Labor

- A child is any person under age 15 (or under age 14 in developing countries) or any higher minimum age under local law for leaving school or starting work.
- Children shall not be employed. If child labor is discovered, urgent action must be taken to enable the child to attend and remain in quality education until no longer a child.

Young Workers

- Young workers are those under 18 but above the minimum age for employment
- A young person shall not be employed at night or in hazardous circumstances.
- The education, health, physical, mental, spiritual, moral or social development of a young person must not be adversely impacted by the work he or she performs, the number of hours worked or the conditions in which he or she works

Forced Labor

- All forms of forced labor, including human trafficking, torture, slavery, or any type of compulsory labour, are strictly prohibited.
- The principle of freely chosen employment must be respected and upheld at all times.
- Workers must not be trafficked or exploited through threats, force, coercion, abduction, or fraud.
- All work must be voluntary, and workers must be free to leave or terminate their employment with reasonable notice.

Health and Safety:

Our commitment to health and safety is paramount. All suppliers must adhere to rigorous safety standards and practices to ensure the well-being of their workforce. Compliance with these standards will be monitored continuously, and the effectiveness of our health and safety policies will be reviewed annually to drive continuous improvement and ensure a safe working environment for all. Working in this way, we're sure we can continue to build on the ideals and principles of the BW culture.

- *Suppliers must follow these guidelines to meet our health and safety standards:* Working conditions for all employees shall be safe and hygienic
- Responsibility for the implementation of health and safety shall be assigned to a senior manager.
- Emergency procedures must be in place and their efficacy evaluated at an appropriate frequency.
- Risk assessment (and risk management) shall be used as part of a proactive approach to accident prevention.
- A review of all risks shall be carried out on a regular basis, and adequate steps shall be taken to minimize the causes of hazards in the working environment
- Workers shall receive health and safety training which shall be recorded and refreshed at an appropriate frequency. Workers shall not be assigned to any task for which they have not received the appropriate training.
- Clean toilet facilities must be accessible to all workers.
- Potable drinking water must be accessible to all workers.
- Provision for the hygienic supply and consumption of food (or the hygienic storage and consumption of workers' own food) shall be made.
- All factory and accommodation areas must have sufficient fire doors, escape routes and extinguishers. All escape routes and exits shall be clearly marked, suitably illuminated, kept clear and remain unlocked at all times.
- There must be effective arrangements in place to deal with injuries and reduce the effects of any incidents that could result in injury, ill health or damage to the environment.
- Information on health and safety issues is shared across the organization
- Targets for continuous improvement in health and safety performance are set and checked, making sure resources are available to help deliver those targets and reporting on progress at least once a year
- Audits of health and safety management systems for effectiveness are in place.

Trade Compliance

At BW, strict adherence to foreign trade and export control regulations is fundamental. We uphold comprehensive guidelines to ensure compliance with regulatory standards and mitigate any risks associated with international business transactions. Our commitment to compliance extends to all aspects of our operations, including interaction with third-party suppliers and vendors.

- OFAC Guidelines: It is the policy of BW to comply with regulations and orders regarding selling to, trading with, or otherwise doing business with foreign countries or foreign nationals listed on the Office of Foreign Assets Controls ("OFAC") list of Specially Designated Nationals and Blocked Entities ("SDN List").

BW expects its Suppliers and vendors to conduct themselves in accordance with this policy and not do anything that would cause BW or its team members to be in violation of this policy.

- BW checks all new vendors, suppliers, agents, and their respective owners, shareholders and principals (“Third Parties”) be checked against the SDN List and expects its suppliers and vendors to do the same.
- Supplier represents and warrants that it will not employ or otherwise do business with any person that is listed in the following: (i) List of Specially Designated Nationals & Blocked Persons, Office of Foreign Assets Control, U.S. Treasury Department; (ii) List of Debarred Parties, Directorate of Defense Trade Controls, U.S. State Department; (iii) Denied Persons List, Bureau of Industry and Security, U.S. Department of Commerce; (iv) Entity List, Bureau of Industry and Security, U.S. Department of Commerce; or (v) Unverified List, Bureau of Industry and Security, U.S. Department of Commerce. Supplier shall notify the Company immediately if, during the term of this Agreement, it learns that this representation and warranty is no longer true

2.3 FCPA and UK Bribery Act

Supplier shall reasonably cooperate with BW regarding any matter, dispute or controversy related to compliance with Anti-Corruption Laws specifically which BW may become involved and of which the Supplier may have knowledge. Such obligation shall continue after the expiration or termination of any contract or purchase order with BW to the extent permissible under applicable law. Integrity and honesty

- Always act with integrity and honesty, consistently applying the highest ethical standards. Integrity and honesty are the values underlying our trust-based relationship with our clients and must equally be observed by all the suppliers we collaborate with. Therefore, you should base your actions on ethical behaviour and aim to build long-term relationships based on honesty, trust and mutual respect. Supplier acknowledges and confirms its understanding of the Foreign Corrupt Practices Act (15 U.S.C. Section 78dd-1, et. seq.) as amended (the “FCPA”).
- Supplier shall comply with Anti-Corruption Laws (defined below) and shall not cause BW to be in violation of any Anti-Corruption Law. “Anti-Corruption Laws” mean collectively: (i) the FCPA; (ii) The United Kingdom Bribery Act 2010 (iii) any applicable legislation or regulation implementing the Organization for Economic Cooperation and Development Convention Against Bribery of Foreign Public Officials in International Business Transactions; and (iv) all other applicable laws, regulations, orders, judicial decisions, conventions and international financial institution rules regarding domestic or international corruption, bribery, ethical business conduct, money laundering, political contributions, gifts and gratuities, or lawful expenses to public officials and private persons, agency relationships, commissions, lobbying, books and records, and financial controls.
- Supplier represents and warrants that there have been no accusations, allegations, claims, investigations, informal inquiries, indictments, prosecutions, charges, or other enforcement actions against Supplier relating to bribery, corruption, money laundering, fraud, obstruction of justice, racketeering, or any other legal or ethical violation. Supplier and, to its knowledge, its employees, directors, owners, contractors, and agents have never violated any Anti-Corruption Law or caused any other party to be in violation of any Anti-Corruption Law.
- Supplier and its owners, directors, officers, agents, employees, and contractors will not, directly or indirectly through third parties, pay, promise or offer to pay, or authorize the payment of, any money or give any promise or offer to give, or authorize the giving of anything of value, to a Public Official or Entity (as defined in the Anti-Corruption Laws) for purposes of corruptly obtaining or retaining business for or with, or directing business to, any person, including, without limitation, BW, by (i) influencing any official act, decision or omission of such Public Official or Entity; (ii) inducing such Public Official or Entity to do or omit to do any act in violation of the lawful duty of such Public Official or Entity; (iii) securing any improper advantage; or (iv) inducing such Public Official or Entity to affect or influence any act or decision of another Public Official or Entity.
- Supplier shall ensure that no part of any payment, compensation, reimbursement or fee paid by BW to Supplier pursuant to any agreement or purchase order or otherwise will be used directly or indirectly as a corrupt payment, gratuity, emolument, bribe, kickback or other improper benefit to a Public Official or Entity.
- Supplier shall not cause BW to be in violation of any Export Control Law. “Export Control Laws” mean all U.S. or other laws and regulations relating to the export or re-export of commodities, technologies, or services, including, but not limited to, the Export Administration Act of 1979, 24 U.S.C. §§ 2401-2420, the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701-1706, the Trading with the Enemy Act, 50 U.S.C. §§ 1 et. seq.; the Arms Export Control Act, 22 U.S.C. §§ 2778, 2779; the International Traffic in Arms Regulations (ITAR), 22 C.F.R. 120 et. seq.; and the International Boycott Provisions of Section 999 of the U.S. Internal Revenue Code of 1986.
- If Supplier has information or believes that there may be a violation of any Anti-Corruption Law or Export Control Law in connection with the performance of a contract or purchase order with BW, Supplier shall immediately notify BW of such knowledge or suspicion.
- Supplier shall answer in reasonable detail any questionnaire or other written or oral communications from BW or its outside auditors or legal counsel, to the extent same pertains to compliance with the above representations and warranties concerning Anti-Corruption Laws and Export Control Laws. Supplier agrees that BW has the right to reasonable access of the Supplier’s books and records and has the right to audit Supplier on a periodic basis. Supplier shall provide to BW and/or its representatives and advisors all supporting documents requested by BW pertaining to any expenses incurred, products provided, and/or services performed by Supplier and its agents pursuant to an agreement or purchase order with BW to ensure

compliance with the FCPA. Supplier understands and acknowledges that, notwithstanding any other provision contained herein, BW shall not be obligated to reimburse any expense incurred or pay for any service performed by Supplier or any of its agents if, in BW's reasonable opinion, (i) Supplier has failed to provide adequate documentation or information regarding an expense or service, or (ii) an expense reimbursement or service payment would cause BW to be in violation of the FCPA or any other applicable law.

- Supplier agrees to indemnify BW for any damages incurred by BW as a result of any violation of the FCPA, any other Anti-Corruption Law, or Export Control Law by Supplier or by any owner, director, officer, employee, contractor, subcontractor, or agent of Supplier which occurs in the course of their services to BW under any contract or purchase order with BW.
- Supplier shall not utilize or employ any third party, individual or entity, including, but not limited to, customs brokers, in connection with Supplier's performance of services under a contract with BW, without the express prior written approval of BW.

3 Supplier Requirements

3.1 Confidentiality

The need to respect confidentiality cannot be emphasized enough. Always handle Confidential Information to which you may have access (whether it belongs to you the Supplier, or BW) with utmost diligence, establishing all appropriate mechanisms to avoid its disclosure to third parties, and use it only for professional purposes, never for personal purposes. This professional secret shall be kept even after your company's relationship with BW has come to an end.

All suppliers are required to sign a **standard BW non-disclosure agreement** to further ensure the protection of confidential information.

For illustrative purposes, below is a description of the main overall measures you must observe in the treatment of any confidential information to which you may have access:

- Avoid discussing issues related to the project in public to prevent unauthorized people (outside the project team) from listening.
- Carefully select the areas where you will talk about or discuss the project; in particular, do not discuss important issues about the project in public spaces such as elevators, taxis, airplanes, restaurants, etc.
- Do not share with anybody outside the project team any documents or details about it without express authorization from your supervisor (who in turn must be authorized by BW).

3.2 Compliance with the law

The services you provide to BW are subject to the laws of different countries, therefore it is imperative that you comply with all of them (laws, rules and regulations applicable in each case) and do not carry out any actions that may be considered a criminal offense, for instance:

- Fully respect the confidentiality of clients, competitors or any other firm,
- Do not damage, alter or delete third-party documents or programs
- Respects the intellectual property and knowledge of others, etc.

3.3 Physical and digital custody:

Maintaining the security and integrity of both physical and digital assets is crucial to our operations. Adhering to these guidelines ensures that sensitive information is protected from unauthorized access and potential theft.

- When leaving your desk, check that you do not have any papers on the table and lock up the documentation, regardless of the workplace you are in.
- Always lock your computer when leaving your desk to avoid unauthorized access, and keep it padlocked (or under lock and key) to prevent theft when left unattended.
- Make sure that any shared folders containing confidential information are only accessible for authorized personnel.

3.4 Do not share with:

Third parties without the express consent of the BW Leader on site with whom you are working. Always act with honesty and integrity, and do not record any meetings, conversations, courses or speeches without due authorization.

Should an employee end their work relationship with your company, you the supplier must retrieve any materials, documents, projects and information that may be in their possession as a result of your involvement in the provision of services to BW

3.5 Temporary files or work copies

Do not store confidential information on devices that can be easily carried, played and/or recorded, such as USB memory sticks, external hard drives, CD's or DVD's, etc.

Photocopying reports and books or scanning internal documents of BW or its clients is not allowed unless expressly authorized.

3.6 Elimination of confidential documents

If at the specific request of BW, you are obliged to delete all digital files or destroy any physical copies using specific secure containers or, failing that, paper shredders.

3.7 Commercial references

You are not allowed to mention any collaboration with BW, nor to mention any of its Customers, without being expressly authorized to do so by BW (e.g. for commercial purposes, describing your professional experience in any format/medium, etc.)

3.8 Personal Data Processing

Fully comply with all guidelines on the processing of personal information in order to ensure the protection of all information you may have access to as part of a project.

3.9 Conflict of interest

Through your manager, let the BW Leader, who is managing the relationship know about any relevant financial interest a project stakeholder may have which may affect project results. Also disclose any personal relationship with someone influential in the BW team. Decisions shall only be taken based on objective, business-related considerations and not influenced by personal interests.

3.9.1 Relationships with BW employees

Your relationship with BW employees must be based on respect, honesty and professionalism. In this regard and with the aim of encouraging a spirit of collaboration that fosters a positive work environment, you must:

- Respect everyone and avoid any aggressive behavior (whether physical or verbal) or any act against personal dignity.
- Always be respectful, polite and calm in your relationship with others.
- Avoid any discrimination or harassment for any reason, as this is an attack on people's dignity.
- No harassment will be tolerated, nor any related verbal, visual or physical conduct (of a sexual nature, bullying, etc.).

3.10 Good Environmental Practices

At Barry-Wehmiller, we are committed to fostering sustainable and environmentally responsible practices in all aspects of our operations. Upholding these sustainable practices is not only vital for the health of our plant but also for the long-term success and integrity of our business and our suppliers.

As a part of this commitment, we have established comprehensive guidelines in our Supplier Sustainability Requirements Document, outlining our expectations for social responsibility, environmental stewardship, and supplier engagement. By adhering to these guidelines, we can advance our sustainability goals, and create a more sustainable future. Suppliers must demonstrate good environmental practices within their own premises and follow local site rules and regional laws when on a BW site, as detailed below.

Reduction of Carbon Footprint:

- Suppliers must implement measures to reduce greenhouse gas emissions in their manufacturing processes.
- Regular maintenance and upgrades of equipment should be conducted to enhance energy efficiency and lower emissions.
- Use of innovative and responsible materials compatible with BW Packaging machines
- Transportation and logistics should be optimized to minimize carbon emissions.
- Suppliers will be required to engage in initiatives that offset carbon emissions, and participate in sustainability reporting frameworks such as the Climate Disclosure Project (CDP) and EcoVadis (BW will soon require suppliers to report GHG to BW)
- Prioritize materials that enhance GHG reduction, such as upgrading from Polystyrene (PS) to Polyethylene Terephthalate (PET).

Energy Efficiency:

- Turn off computers, printers, and other electronic devices at the end of the workday.
- Turn off computer screens when not in use and unplug chargers when not in use.

- Use air conditioning and heating only when necessary; minimize use in unoccupied rooms.
- Ensure windows and doors are closed to maximize energy savings. 4.3
- Utilize natural light whenever possible, if unable to, resort to LED lighting.
- Ensure lights are turned off in all areas when not in use.

Resource Conservation:

- Reduce paper consumption by working from digitally as much as possible.
- Avoid printing unnecessary documents and optimize the number of copies printed. As well as use double-sided and black-and-white printing.
- Report any issues with taps and cisterns promptly to prevent water wastage.

Waste Management

- Use differentiated waste bins to separate waste for recycling
- Use reusable cups and glass bottles instead of plastic to avoid disposable items
- Collect batteries, hard drives, and chargers for separate recycling from regular garbage

Waste Management Contractors

Disposal of all waste product from BW sites should be disposed of and recorded in accordance with all local laws and must have a comprehensive traceability record available for audit by BW and or local authorities at any time.

4 Conducting Operations with BW Entities

4.1 Delivery Address

All deliveries shall be made in accordance with the terms of the applicable purchase order.

4.2 Delivery Performance Measuring

BW employs a Supplier management process for measuring and developing supplier **Logistics, Quality, and Cost,** performance.

- At *BW*'s option, *BW* and the Supplier will establish target performance levels against each of these criteria, which will form part of a comprehensive Service Level Agreement (SLA). Key Performance Indicators may be used to measure supplier performance during the lifetime of the contract.
- Each Supplier subject to an SLA will be expected to achieve a minimum of 90% delivery performance against each part ordered on a standard purchase order and 95% against any part ordered through any and all electronic procurement systems, including but not limited to Nocturne system, Supplier Exchange, Open Text, D365, etc.
- Delivery performance will be measured against each line on a purchase order, not against the total order. The measurement will be based on the date the part was received into the *BW* ERP system, against, 1) the delivery date in a Purchase Order or, if not included in a Purchase Order, 2) the latest delivery date given by the supplier and agreed to by *BW* in writing.
- Early deliveries are acceptable up to 3 days early. Anything greater than 3 days should be agreed in writing with the procurement planner indicated on the purchase order, prior to delivery.
- A cross-functional Team, including Supplier representatives, led by the appropriate *BW* Procurement Team Leader, will monitor performance.
- First tier suppliers are responsible for managing the performance of their second-tier suppliers
- Deliveries are not classed as on time until the total quantity of parts per line item have been delivered, e.g. where any item has two delivery dates, performance will be measured on the last date only

4.3 Supplier Rating Report

BW may determine, in its sole discretion, that a Supplier is subject to a formal Supplier Rating system, as described below, to measure performance. If *BW* makes this determination, it will notify the Supplier prior to applying the rating system to the Supplier.

Performance indicators include but are not limited to:

4.3.1 Logistics

- Delivery Performance Measuring results.
- Delivery to right place, at right time in the right quantity to the agreed specification and cost.
- Fit for purpose packaging.

- Actual response times to each element of the supply chain process to be within agreed limits.

4.3.2 Quality

- Conformance to specification (process capability).
- Accuracy of delivery and invoice documentation, and presentation.

4.3.3 Cost

- Year on year cost reduction.

4.3.4 Payment terms

- Agreed payment period from receipt of invoice.

Based on these criteria, *BW* will rate applicable Supplier's performance on a rating developed with the local site/platform, reflecting how each criterion has been delivered throughout a rolling 6-month period. Each criterion is weighted to reflect the importance of that aspect, in relation to the other criteria. Suppliers are expected to achieve and maintain a score of 80% or above of the agreed rating consistently throughout contract duration. If a Supplier fails to achieve this minimum score, *BW* may put the Supplier on a "Supplier Improvement Plan", which will be developed by *BW* and the Supplier jointly and sets forth improvement areas for the Supplier and for which the Supplier will have responsibility for achieving. *BW* has no obligation to put any Supplier on a Supplier Improvement Plan and has no liability for not doing so.

Supplier has overall accountability for meeting the performance requirements measured by the Supplier Rating Report and defined in this Manual and the applicable Purchase Order. This is a *BW*-required deliverable; it is therefore essential that Suppliers to *BW* are fully committed to this process.

4.4 Quality standards

4.4.1 Non-Conformance to Specification

- Unless otherwise agreed to in writing, *BW* reserves the right to return non-conforming items up to 3 calendar years after the delivery date. All items will have a copy of the NCR attached detailing the reason for rejection.
- Non-conformance notifications are to be acknowledged within 24 hours of receipt.
- Unless *BW* is informed otherwise within 24 hours, it is presumed the required return date is acceptable.
- *BW* endeavours to see that all returned non-conforming items will be labelled to the attention of the Supplier's Quality Department.
- When re-sending conforming goods, all paperwork needs to state the items are rework (resulting from non-conformance), and a copy of the non-conformance report to be included with the delivery.
- All items requiring a concession need to be marked, as a concession detailing the reason for the concession clearly with the accompanying delivery paperwork.
- All Suppliers are expected to keep their non-conformance level below 5,000ppm.
- Any Suppliers who consistently underperform over a consecutive 3-month period are subject to 100% inspection until the issue is resolved to *BW*'s satisfaction.
- Every item should be packaged in a safe manner to protect them from damage during transit and protect our team members from injury when handling the goods.

4.5 Supplier Assessment and Approval / Non-Approval

BW may subject any Supplier to a Supplier Assessment. *BW* will only purchase from approved Suppliers who show that they comply with this code of conduct and have an appropriate quality system. Each site of manufacture must be approved for use. Details of **ALL** sites of manufacture used for supply of material to *BW* must be disclosed.

- An initial supplier assessment may be required by *BW* either via questionnaire and/or audit. A reassessment may be performed every 3 years or earlier at the discretion of *BW*.
- For materials obtained through distributors, it is essential that full details of all sites of manufacture are provided.
- Having completed the Supplier evaluation, approved *BW* Suppliers will have a Quality classification applied to them – Non-Approved, New, Managed and Approved.
- Definition of Quality Classification;
 - Non-Approved – Supplier assessed and deemed unacceptable

- New – Assessment of Supplier is incomplete/ongoing. Following receipt of the 3rd delivery further classification (Non-approved/Managed/Approved) will be assigned
- Managed – Supplier assessed and deemed acceptable provided they work closely within an agreed Supplier Improvement Plan. Managed Suppliers are usually monitored to a higher degree e.g. additional testing or sampling.
- Approved – Supplier assessed and deemed fully acceptable following satisfactory audit and/or satisfactory Supplier information via questionnaire.
- Ongoing quality performance is assessed through continual monitoring of the number and type of complaints and rejections against any given supplier to BW and reported through the supplier assessment process. If trends are highlighted via the NCR System, this may prompt a Supplier's Quality Classification to be up/downgraded as appropriate following discussion with the Supplier and the appropriate BW procurement team member.

4. 6 Finance

4.6.1 Invoice Details

- All invoices must contain the following information:
 - Supplier invoice number (each invoice number must be unique)
 - Item description
 - Order number and line number
 - Total quantity delivered
 - Unit Price
 - Currency
 - Country of origin
 - VAT Number (If applicable)
 - Value of goods ex-VAT (If applicable)
 - Value of goods including VAT (If applicable)

4.6.2 Credit Notes

- Credit for unsupplied services: the credit note must contain the same details as a VAT invoice (see 10.1.1).
- All invoices/credit notes, etc. payable to BW must be sent to the address set forth on the applicable purchase order.
- 5 Adherences to the Code of Ethics We will take all reasonable, practical steps and reserve the right to assess our Suppliers to ensure that all the required standards are being met.
- We will only trade with those Suppliers who are open to the process of assessment and who are working towards compliance with our code if they do not already do so. In the event any Supplier fails to do so, we maintain the right to end the business relationship and cancel outstanding orders.
- We do however recognise that in the event of non-compliance, withdrawal of our business may cause severe hardship to those employed and may therefore work with our Suppliers to move towards compliance.