

## **INITIAL SYSTEMS POLICY STATEMENT**

Initial Systems is committed to ensuring a high standard of ethical and environmental trade practices, including the provision of safe working conditions and the protection of workers' rights, across its supply chain. Initial Systems purchases goods and/or services in accordance with the provisions of this Code of Ethical Policy ("the Code") and expects its Suppliers to observe the Code's provisions and to demonstrate a similar commitment to an ongoing programme of ensuring and, where necessary, improving, ethical and environmental practices.

## **PURPOSE OF OUR ETHICAL POLICY**

This policy has been created to provide a framework and guidance on the company's approach to achieving and maintaining good business behaviour by means of sound ethical conduct. It serves to ensure that all employees are aware of their individual and collective responsibilities with regards to the company's ethics, and to emphasise our employees, suppliers, and customers' expectations to being treated fairly and in accordance with good business practices.

All employees are responsible for reading this document in its entirety and for ensuring that they comply with all the policy requirements as stated within this document.

The purpose of this ethics policy is to maintain a culture of openness, trust and integrity in the company's business practices. Effective ethics is a 'team effort' involving the participation and support of every Initial Systems Ltd employee. Initial Systems Ltd is committed to protecting employees, business partners and suppliers from illegal or damaging actions by individuals, either knowingly, or unknowingly. When Initial Systems Ltd addresses issues proactively and uses correct judgement, it will help to set the company apart from its competitors and help further enhance its reputation.

The internal control environment used by the Company for maintaining ethical behaviour and standards include -

- Setting the tone at the top: the directors and management at all levels of the organisations demonstrate through their directives, actions, and behaviour the importance of integrity and ethical values to support the functioning of the system of internal control.
- Establishing standards of conduct: the expectations of the directors and senior management concerning integrity and ethical values are defined in the entity's standards of conduct and understood at all levels of the organisation and by outsourced service providers and business partners.
- Evaluating adherence to standards of conduct: processes are in place to evaluate the performance of individuals and teams against the entity's expected standards of conduct.
- Addressing deviations in a timely manner: deviations of the expected standards of conduct are identified and remedied in a timely and consistent manner.

Initial Systems Ltd will not tolerate any wrongdoing or impropriety at any time. The company will take the appropriate measures and act quickly where the ethical code is broken

## **ETHICAL POLICY SCOPE**

This policy applies to all employees, contractors, consultants and part time employees of Initial Systems Ltd. Initial Systems Ltd Board's commitment to Ethics that Integrity is one of the company's core values to set and lead by example. In any business practice, honesty and integrity are of the highest importance to have an open-door policy and welcome suggestions and concerns from all employees.

This creates an environment that will allow employees to feel comfortable discussing any issues and will serve to alert Directors to concerns with in the company Employee's commitment to Ethics: to disclose any conflicts of interests regarding their position with the company to engage in carrying out the company's mission in a professional manner and in line with the core values of the company which includes integrity

The Directors are fully committed to the Company code of ethics and will promote this through their actions.

This is linked to the Initial Systems Ltd policy on Business Conduct Principles for Suppliers and Partners to recognise that the main function of the company is at all times to serve the best interests of its current and future customers, and to do this with respect, concern, courtesy and responsiveness

- To treat everyone fairly, have mutual respect, promote a team environment and avoid the intent and appearance of unethical or compromising practices
- To treat all persons with respect and consideration, regardless of race, religion, gender, sexual orientation, maternity, marital or family status, disability, age or national origin
- To respect the structure and responsibilities of management, provide them with facts and advice as a basis for decision and policy making, and uphold and implement decisions and policies adopted by management
- To demonstrate the highest standards of personal integrity, truthfulness and honesty in all activities in order to inspire confidence and trust in such activities, both internally and externally
- To not be rude or harass any member of the public or other members of staff
- To strive for personal and professional excellence, encourage the professional development of others and keep up to date on emerging issues affecting the Company
- To conduct themselves at all times with professional competence, fairness and impartiality

#### Company's commitment to Ethics

- To hold paramount, the safety, health and welfare of the public in the performance of the company's professional duties and that of their fellow workers
- To keep the local communities informed about issues which may affect them
- To collaborate with and support partners in carrying out the company's mission and in line with the company's ethics policy
- To build professional reputations on the merit of our capabilities and refrain from competing unfairly with others
- Not to engage in any business practice or process or with any entity, including potential customers, that does not match the Company's ethical standards Governance and Review
- Should an employee be in any doubt about a relevant course of action, require clarification on a particular issue, or want to report a potential breach of Initial Systems Ltd's ethical code, they should report directly to their line manager/Director or independently to the Director. The topic/issue will then be dealt with as quickly and efficiently as possible, and by the Managing Director if appropriate

We ask our employee to buy into our ethical code of standards policy statement, prior to their employment and forms part of their induction training. We actively encourage employees and subcontractors to have confidence to challenge others when a breach of the code of ethical conduct is suspected. The 'whistle blower' will be protected and should not fear discrimination or disciplinary action should they report another individual.

If the individual refuses to accept our ethical code they will not be offered employment. Should an individual be found to be in breach of the code then prompt and fair disciplinary action will be taken against those who are found to have breached the code, action will be proportionate and transparent.

In addition, high standards of ethical behaviour will be rewarded, staff appraisals will be carried out to analyse how an individual has lived up to the organisations values and demonstrated competence in ethical decision making. In recognising what an individual has achieved, managers will consider rewarding the employee or subcontractor. In relation to suppliers and clients of the Company

- Maintain ethical and relationships with suppliers and goods and services
- Select suppliers on the basis of the appropriateness of their products and services, as well as their prices, delivery conditions and quality, not accepting or offering gifts or commissions, in cash or in kind, which could free competition in the production and distribution of goods and services.
- Deal quickly and effectively with customer complaints to prevent a reoccurrence and ensure the customer is satisfied with the services provided.

This policy will be held by the Managing Director on behalf of the Initial Systems Ltd and will be reviewed annually to ensure that it remains relevant, both internally with all employees and externally regarding changing social and moral attitudes and business best practice.

### **EMPLOYMENT OF APPROPRIATE WORKERS**

- No forced, bonded, or involuntary prison labour may be used in the production of goods. Workers must not be required to lodge deposits or identity papers as a condition of work and must be free to leave their employer upon reasonable notice.
- No child or under age labour may be used. All workers must have reached the age of 18, or have reached the minimum legal working age under national law, whichever age is the higher.
- Where the use of under age labour is revealed, then without prejudice to the Initial Systems right to terminate its Supplier agreements under the provisions of the Code, Suppliers must establish and implement appropriate remediation programmes in cooperation with Initial Systems.
- Workers under the age of 18 must not work at night or under potentially hazardous conditions.

### **WORKING ENVIRONMENT**

All workers are entitled to a safe, hygienic working environment and Suppliers must ensure that working conditions meet the following standards:

- Suppliers must establish an active Health and Safety Committee on which workers must be represented and which must be consulted on and entitled to participate in the investigation of health and safety matters.
- Suppliers must formally appoint a senior manager to be responsible for health and safety issues, including compliance with the relevant terms of this Code, and the establishment and communication of written health and safety policies.
- Workers must not be employed in potentially hazardous conditions without regular adequate safety training or supervision. Training must include emergency evacuation procedures and, for appropriate designated personnel, first aid. Adequate records of all safety training must be maintained and made available to Initial Systems for inspection if requested. Adequate first aid provision must be readily accessible to all workers.
- Work places must be well ventilated with comfortable, well lit work stations. No workers may be subject to unsafe or unhealthy working conditions (including dangerous machinery, unsafe building structure or lay-out, and hazardous chemicals and substances) and all necessary safety equipment must be provided by Supplier without charge.
- Factories and work sites used by Suppliers must be safe and hygienic with an adequate number of safe, accessible and clearly marked fire exits from all buildings (including production and storage facilities, and office and domestic accommodation used by employees).

### **HOURS, PAY AND BENEFITS**

- Suppliers must comply with local legislation regulating employment, hours of work and pay, including any minimum wage, allowances and benefits (including, without limitation, holidays,

sick leave, child care, maternity provisions, social security) and must not seek to avoid their legal obligations to workers by any means. In any event wages must be adequate to meet the basic needs of workers and provide a reasonable discretionary income.

- Workers must be provided with clear and understandable written information about their employment conditions (including pay and hours of work) before commencing work and Suppliers must at all times maintain proper and accurate employment records.
- Workers must not be required to work excessive hours and may not ordinarily and regularly work more than 60 hours per week (including overtime). All workers shall be entitled to at least one day off in each 7 days period and overtime must be strictly voluntary and paid at a premium rate.
- Deductions from wages must be of a reasonable sum and relate to the service provided for that deduction. Workers must give their express agreement for each deduction and such agreement may not form a part of their employment contract. The use of fines as a disciplinary measure is not permitted.
- Suppliers must comply with all applicable legislation concerning life insurance, health insurance, retirement benefits and workers' compensation.

### **RESPECT FOR THE INDIVIDUAL**

- Suppliers must conduct their business in a manner which recognises the entitlement of all individuals to be treated equitably with dignity and respect and to work in an environment free from harassment, physical and verbal abuse, threats or intimidation of any description.
- Disciplinary practices shall be fair and appropriate and must be clearly set out and communicated to workers. Workers have the right to appeal and representation at disciplinary proceedings.
- Suppliers must not discriminate against workers in any manner on the grounds of gender, religion, race, caste, age, disability, sexual orientation, union membership, political affiliation, national or ethnic origin.

### **ETHICAL STANDARDS**

Suppliers must conduct their businesses in an ethical manner and must not seek to gain competitive advantage by means of unethical or dishonest practices including without limitation; bribery, corruption, kickbacks, the provision of gifts, favours or services.

### **ENVIRONMENTAL STANDARDS**

Suppliers must comply with applicable local environmental regulations and such additional environmental standards as Initial Systems may notify in writing from time to time. In any event Suppliers must demonstrate an awareness of environmental matters and a commitment to improving environmental standards, (including, without limitation, waste reduction, increased recycling, reduction of pollution, increased use of environmentally friendly products from sustainable sources) and are to develop and implement a meaningful environmental action plan by which progress can be measured.

### **VALUES & BEHAVIOUR**

Initial Systems Ltd as an established Contractor encourage and reiterate the value of honesty throughout the company, from Director level to apprentice level and throughout our supplier matrix. We encourage honesty to avoid conflict with all parties where feasible, and promote positive constructive solutions to ensure all parties work collaboratively as opposed to being deceptive which is highly discouraged and will not be tolerated. Throughout our company, we consider fairness as a household trait, whether it be with internal employees, sub-contractors or our supply chain, we ensure all parties are treated with equal respect, opportunity and fairness. We highly discourage and will not tolerate unfair treatment of any parties or employees and ensure no individual or separate entity benefits in advance of another due to an unfair treatment. Initial Systems Ltd encourage and truly value our company on our reliability, workmanship and integrity which has been held at the heart of the company since our formation in 2008, in turn, we are open in terms of accountability, if a mistake becomes apparent a rectification solution will be implemented to ensure any error is corrected.

**BRIBES AND CORRUPT PRACTICE**

Initial Systems Ltd does not allow the direct or indirect offer, payment, solicitation, or acceptance of bribes in any form. Initial Systems Ltd has a separate Bribery Policy in place which examines in detail the procedures all employees must follow to avoid involvement in any situation which might lead to the offer of bribes. The policy makes it clear that any employee found to be involved in any kind of corrupt practice is likely to be immediately dismissed and may well have committed a criminal act which could lead to prosecution.

**GOVERNMENT, REGULATORS, AND LEGISLATORS**

Initial Systems Ltd will seek to comply with all international, national, and local legislation affecting its operations. Initial Systems Ltd will strive to follow the best practice in corporate governance. It will meet its tax obligations. Initial Systems Ltd will not make any financial contributions or offer support to any political party.

**GIVING AND RECEIVING GIFTS AND ENTERTAINMENT**

Employees will neither seek nor accept for themselves or others any gifts, favours, or entertainment without a legitimate purpose from any person or business organisation that does or seeks to do business with, or is a competitor of Initial Systems Ltd. Gifts, favours, and entertainment may be given to others at the expense of the company as long as these are consistent with customary business practice and are not excessive in value.