

Ethical Procurement Policy

Introduction

Penspen is committed to being a socially responsible and environmentally conscientious organisation and this commitment extends to the way in which it executes its procurement. Penspen will only use suppliers that conduct their activities in accordance with Penspens' values, HSE, ethics and social responsibility principles.

Values

Penspen shall:

- Select and treat all suppliers fairly and objectively at all times in accordance with Penspen's Code of Conduct;
- Execute competitive tendering where practical and appropriate;
- Pay suppliers in accordance with the agreed terms and deal with exceptions in a timely manner;
- Ensure an ethical basis to business practise;
- Seek to ensure that out supplier's environmental credentials are considered in our supplier appraisal process and that, where appropriate, environmental criteria are used in the award of contracts; and
- Seek to ensure that key suppliers understand and comply with this Ethical Procurement Policy

We expect our suppliers to:

- Conduct business without the payment of receipt of inducements, unlawful incentives or other benefits that might be considered an attempt to influence decision makers;
- Respect fundamental human rights, including worker representation;
- Treat employees fairly, never abuse or threaten them and never use forced, bonded or child labour;
- Maintain a safe working environment at all times and provide access to protective equipment and safety training for all employees;
- Maintain effective policies, processes and procedures to manage their environmental impact and to operate their business in a sustainable way;
- Comply with all applicable local, national, regional and international laws, regulations and directives at all times; and
- Respect the intellectual property rights of others.

Principles

Penspen expect all of its suppliers to adhere to the principles set out below, and accordingly Suppliers must be able to demonstrate:

HSE that all employees should work in an environment that is both safe and healthy;
environmental policies and management systems sufficient to ensure continuous improvement in environmental performance;
support for communities in community initiatives, where appropriate.

Ethics that management systems and practices are in place to ensure prevention of:

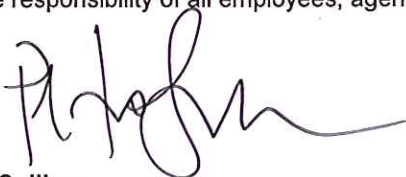
- Money laundering
- Insider trading
- Conflicts of interest
- Fraud, bribery and corruption and other improper payments or gifts
- Unauthorised access to personal and business information

Social elimination of child labour;
no forced labour;
physical abuse (actual or threatened) or other harassment or abuse is not acceptable;
all employees have a right to form and join organisation of their own choosing without prior authorisation;
working hours should not be excessive;
elimination of discrimination in access to employment, training and working conditions;
wages and benefits should meet national standards;
written employment contracts for all employees.

Responsibility

Responsibility for this policy ultimately lies with the Group CEO. The implementation of this policy is the collective responsibility of all employees, agents, consultants, suppliers and subcontractors.

Signed:



Peter O'Sullivan
Chief Executive Officer
The Penspen Group Limited