

INTRODUCTION TO BRUSH

The BRUSH Group (“**BRUSH**”) has a comprehensive range of products and services including transformers, switchgear, portable generating sets and control & monitoring systems, BRUSH is your ideal partner for electric power generation, distribution monitoring and control. BRUSH has been a key figure within Electrical Engineering for over 130 years, offering a wide range of ‘electrical machines’, and providing our customer chain with the highest calibre equipment and after sales service. This unrivalled offering includes, Motors, Power Transformers, MV Switchgear and Power Management System.

- **Our Vision:** To be the ‘trusted’ name, globally, in electrical energy management solutions.

Today, we are a passionate, progressive, collaborative, and trusted partner to our customers.

Our role in the world, of harnessing and safeguarding the flow of electrical energy, is met with a professional discipline and pride. Our aim is to invest in innovation and build on our accrued knowledge to ensure BRUSH is the ‘trusted’ name, globally, in electrical energy management solutions.

- **Our Purpose:** To deliver innovative, integrated and secure energy management solutions that harness and safeguard the flow of electrical energy.

BRUSH solutions are carefully designed and engineered to convert, manage, control, protect and isolate the flow of electrical energy. Our role is vital within the supply chain that delivers a continuous, regulated flow to millions of lives every day. We are proud to contribute to economic productivity, development, prosperity, and an enhanced quality of life. As a result, we take our responsibilities seriously.

- **Our Belief:** We believe in innovation through knowledge and building trust through integrity.

We understand the changing power landscape, are agile, adaptable and remain independent.

The mastery of our specialism is deep within our DNA. As a result, our customers turn to us for advice and expertise that we leverage to provide engineered solutions that best meet their needs.

We offer sustainable solutions in the design, construction and commissioning of high voltage electrical infrastructure within the UK distribution network along with fully accredited ICP generation connections.

Providing a comprehensive service from the initial consultation, through to handover and beyond. To date, we have worked on over 200 high-voltage electrical projects, including 33kV switchgear replacements, DNO adoptable substations, greenfield primary substations and much more.

SUPPLY CHAIN OBJECTIVE

Ensuring we procure the right products, at the right price, at the right time, in the right quantity and with the right quality. All done in a safe and responsible manner, maintaining key supplier relationships, ultimately, positioning us as the customer of choice

SUPPLY CHAIN STRATEGY

- Developing and continually investing in people (Upskilling and training).
- Re-building, re-energising, and refreshing the supply base through supplier relationship / performance management and constant benchmarking activities.
- Ongoing conversion of reactive replenishment to proactive procurement.
- Setting the standard as best in class, lowest cost compliant; Drive sourcing and supply models that are appropriate to the ever-changing customer environment.
- Procure all business requirements at the right price, delivered to the right place, at the right time in the right quantity and with the right quality, all done in a safe and responsible manner.
- To ensure we are a highly responsible buyer of goods and services, and all procurement shall be conducted to our exacting standards, being ethical, sustainable, transparent and within the law.

SUPPLY CHAIN CODE OF CONDUCT

1. The Supply Chain Code of Conduct ("**the Code**") sets out the minimum ethical expectations of suppliers and contractors who work with the BRUSH Group ("**BRUSH**").
2. Scope and Applicability BRUSH maintains the highest standards of corporate governance and ethics, and conducts business in an open, honest and ethical manner as per the Code of Ethics.
 - BRUSH is committed to conducting procurement activities in an environmentally, socially, ethically, and economically responsible manner and to enter into agreements and contracts with suppliers that share and adhere to its vision.
 - The Code sets out the values and principles expected of suppliers. Those engaged on BRUSH work, whether as suppliers or sub-contractors, are expected to comply with the Code as well as the standards of their own professional bodies. Suppliers will be asked to acknowledge their compliance with the values and principles of the Code, and it is expected they will adopt requirements similar to those contained in this Code in their own organisation and their supply chain.
 - BRUSH is also committed to supporting the achievement of the Sustainable Development Goals ("**SDGs**") set out by the United Nations, which are a blueprint to achieve a better and more sustainable future for all, and this Code has been linked to the relevant goals.
 - BRUSH reserves the right to audit compliance with this Code and cancel business with suppliers and contractors who do not meet the minimum expectations set out herein.
 - This Code shall apply to all contractors and suppliers, and their sub-contractors and sub-suppliers. A breach or potential breach of the Code must be reported immediately to BRUSH.

3. Minimum Expectations:

3.1. Legal Obligations

- Comply with all applicable laws and regulations.
- Disclose to BRUSH anything that could impact the supplier / contractor's ability to provide goods or services as contracted by BRUSH.

3.2. Management Systems

- Implement adequate management systems (policies, plans, accounting and reporting mechanisms and performance measures).
- Demonstrate senior management commitment to an effective and transparent culture of compliance.
- Report social, ethical, safety and environmental performance at the request of BRUSH.
- Ensure that supplier / contractor's management system includes a program of auditing and continuous improvement.
- Publish a formal complaints management process for employees and members of the communities in which supplier / contractor operate or provide services.

3.3. Anti-Bribery and Corruption

- Implement adequate policies and procedures for combatting bribery and corruption;
Maintain a record of bribery and corruption risks relevant to supplier/contractor's business;
Educate supplier/contractor's personnel and act in the best interests of BRUSH to avoid conflicts of interest.
- A conflict of interest is any situation in which the supplier/contractor's employees, relatives or acquaintances may have a private or personal interest, directly or indirectly, which (potentially) influences or appears to influence impartiality as providing goods or services to BRUSH or impacting BRUSH's business in any manner.

3.4. Modern Slavery Prevention

- Ensure employees are free to choose their employment and leave that employment without hold by financial deposit or personal items.
- Ensure forced, bonded or involuntary prison labour shall not be used.
- Support the effective abolition of child labour.
- Confirm that it has not been convicted of any slavery or human trafficking offenses anywhere around the world.
- Confirm that to the best of its knowledge it is not currently under investigation, inquiry, or enforcement proceedings in relation to any allegation of slavery or human trafficking offenses anywhere around the world.
- Make reasonable enquiries to ensure that its officers, employees, and sub-contractors have not been convicted of slavery or human trafficking offenses anywhere around the world.
- Comply with the Modern Slavery Act 2015 and obligations under BRUSH's Modern Slavery Statement and any legislation applicable in the supplier's jurisdiction.
- Implement adequate policies and procedures relating to combatting modern slavery.
- Maintain a record of modern slavery risks relevant to supplier/contractor's business and supply chain.
- Take action to address the modern slavery risks identified.

3.5. Health and Safety

- Comply with all relevant local and national health and safety laws and regulations.
- Publish a written health and safety policy and relevant standards.
- Maintain a documented system to identify risks and reduce work-related injury and illness.
- Produce and test written emergency response plans (ERP) designed to minimize harm to employees, local communities and local environments in the event of any site disasters.

3.6. Environmental Sustainability

- Comply with all relevant local and national environmental laws and regulations, including environmental permit and reporting requirements.
- Take responsibility for supplier/contractor's materials, products, processes and services throughout the lifecycle, including carbon reduction, product stewardship and extended producer responsibility.
- Publish a written environmental policy.
- Create a written environmental management plan to identify risks from supplier/contractor's activities and minimize impacts on the environment.

3.7. Labour / Workplace Management

- All wages and benefits paid for a standard working week meet, as a minimum, national legal standards in the country of employment. Wages and benefits should be paid without discrimination to all workers and all non-statutory deductions should be reasonable and with the consent of the worker.
- Working hours are not excessive (not over 48 hours per week, excluding overtime) and allow for at least 1 day off for each 7-day period on average. Working beyond this should be non-regular and of employees' own will.
- Working hours that exceed 60 hours in any 7-day period do so only in exceptional circumstances and where all the following are met:
 - it is allowed by national law;
 - it is allowed by a collective agreement freely negotiated with a workers' organisation representing a significant portion of the workforce;
 - appropriate safeguards are taken to protect the workers' health and safety, and the employer can demonstrate that exceptional circumstances apply such as unexpected production peaks, accidents or emergencies;
 - not use, nor allow its employees or sub-contractors to use physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation, on its employees or subcontractors;

- a safe and hygienic working environment is provided, including any catering or accommodation areas. Any hazardous working, as defined by the International Labour Organisation (ILO), should only be conducted by persons aged 18 years or over;
- all equipment is safe for use and processes allow a safe working environment. Workers should receive training (which should be mandatory to attend and be in a language they can understand) in safe operation of all equipment and tools, which should be ongoing and provided as frequently as required to remain effective;
- endeavour to eliminate (in the first instance) or reduce the threat to worker health from all hazards, including any hazardous chemical agents used in manufacturing and/or supply chain activities and provide mandatory training (in a language they can understand) in the safe use of any harmful chemicals;
- all personal protective equipment necessary to ensure the health and safety of workers conducting the tasks is provided free of charge by the employer;
- policies and processes are in place for recording and eliminating occurrence/reoccurrence of health and safety related incidents and should have regard for avoiding the cause of any mental health issues affecting workers;
- allow employees the freedom of association to join (but not be forced to join), or be represented by, a trade union or similar organisation of their choice, and be free to leave such organisation;
- comply with BRUSH's Equality, Diversity and Inclusion requirements;
- remunerate all employees equally at the same employment grade, regardless of education, social class/caste, nationality, age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, or sexual orientation unless statutory conditions require otherwise;
- ensure effective worker engagement practises are in place ensuring all workers are clear of their duties and their employment rights under local and international laws; and
- ensure staff protection if reporting misconduct or raising concerns with respect to their own, or another organisation, and ensure all affected staff are treated in a fair and transparent manner.

3.8. Quality

- Apply industry processes and improvement in product quality and services around quality, control, supplier selection, continuous measurement, learning and customer feedback.
- Maintain quality control procedures and standards which are understood and adopted through supplier/contractor's organization and the supply chain.
- Maintain ISO9001:2015 certification (Quality management) or other specifications as required in the contract scope.

3.9. Sub-suppliers and Sub-contractors

- Implement a process to select, monitor and manage sub-suppliers and sub-contractors, including technical and commercial performance, effective and accountable quality practices, exclusion of counterfeit materials and minimal rework.
- Adopt similar minimum standards to these in dealing with sub-suppliers and sub-contractors.
- Conduct due diligence across the supply chain to ensure the intent of this Code is met, including (but not limited to) providing for timely payment, and prevention of modern slavery, bribery and corruption and adherence to Import and Export regulations.

3.10. Personal Data Protection

- Comply with all relevant local and national laws relating to the privacy and security of personal data, including the European Union General Data Protection Regulation (EU and UK GDPR), and have a process to ensure that supplier/contractor's own sub-suppliers, service providers, and subcontractors, comply with all such laws.
- At various stages in the procurement cycle data is exchanged between parties. BRUSH manages this data in line with its data protection policy and Confidentiality Agreement policy. Suppliers are expected to meet the requirements detailed in this policy.

3.11. Trade and Export Control

- Comply with applicable laws and regulations relating to export, trade sanctions, non-proliferation and arms control.
- Provide Brush with all required information to enable the compliant import and export of the supplier's goods.

3.12. Conflict Minerals

- Implement adequate policies and reliable systems in place to prevent the use of illegally or unethically sourced materials, and specifically policies and systems to prevent improper procurement of conflict minerals, which may include tantalum, tin, tungsten, and gold.
- Perform due diligence to ascertain whether any 3TG minerals in products are conflict free.
- Complete the responsible minerals initiative reporting template or equivalent when requested.
- Supplier acknowledges that it has read and will comply with BRUSH Groups conflict minerals policy (located on the supplier portal)

3.13. Contract and Commercial Terms

- Where a need arises for a contract of supply beyond the standard terms and conditions of a purchase order, BRUSH shall present the specific parties with its contractual terms. These terms shall form the basis for engagement, contract negotiation and final agreement. Where supplier terms are offered, BPD shall counteroffer and reject unless there are specific risk and supply continuity matters associated.

3.14. AML

- Supplier confirms that it will meet or exceed the standards of the BRUSH Group's Anti Money Laundering Policy.

3.15. Tax Evasion

- Supplier confirms that it will meet or exceed the standards of the BRUSH Group's Corporate Criminal Offence of Tax Evasion Policy.

SUPPLY CHAIN CODE OF CONDUCT



SUPPLY CHAIN EXPECTATIONS

BRUSH VALUES

- We take pride in our reputation for working responsibly with our customers, colleagues and consumers and we require the same standards from our suppliers.
- At BRUSH, we are committed to promoting an environment where everyone can feel comfortable raising concerns about actions or decisions, they think are unethical. We strongly believe in openness and transparency and encourage our employees and those working on our behalf to raise any concerns.
- Examples of unethical behaviour may include, but are not limited to bullying, harassment, discrimination, fraud, bribery, corrupt business practices, human rights violations and any other unfair practices committed at a personal or corporate level. If you believe that an employee, contractor, or anybody else doing business with us has acted unethically or unlawfully, you must quickly bring this to our attention using the confidential helpline available on the back page.
- In return, we will investigate the facts thoroughly, fairly and promptly when you raise a concern. This will be undertaken in the strictest confidence, and we will not tolerate any form of retaliation or victimisation, where a concern is raised in good faith.



SUPPLIER RELATIONSHIP AND PERFORMANCE MANAGEMENT

- Supplier relationship (SRM) and performance (SPM) shall form the basis of everything that we do and shall be managed via a series of key performance indicators (KPI's) covering commercial and delivery statistics.

CONTRACTS AND COMMERCIAL TERMS

- Where a need arises for a contract of supply beyond the standard terms and conditions of a purchase order, BPD shall present the specific parties with its contractual terms. These terms shall form the basis for engagement, contract negotiation and final agreement. Where supplier terms are offered, BPD shall counteroffer and reject unless there are specific risk and supply continuity matters associated.
- In all instances, the desire is for BPD to create, present and negotiate fair contracts on its foundation terms.

CATEGORY AND COMMODITY PLANS

- All suppliers shall be part be of a supply, segment, supplier, and/or category plan

DATA PROTECTION

- At various stages in the procurement cycle data is exchanged between parties. BRUSH manages this data in line with its data protection policy and Confidentiality Agreement policy.

SUPPLIER SOURCING AND SELECTION

- Suppliers that are listed on BRUSH's AVL (ERP System) may have been historically approved, or may come from an approach from a supplier, stakeholder, or procurement directly.
- Any supplier may approach BRUSH for acceptance and inclusion into its AVL.
- Supplier selection is managed in two stages: preselection and on-boarding

QUOTES/RFI/RFQ/SUPPLY

- Supplier shall send email acknowledgement of any Rfi/RfQ within 24 hours or receipt.
- Supplier shall return RfQ's in a full and complete status. Suggestions can be made in addition to the main RfQ request but not substitutionally and returned to BRUSH within a maximum of 7 working days.
- All prices quotes are to be delivered costs where applicable. Lead-times and/or Freight-times shall be prevalent on all quotes if required and costed in GBP.

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- RfQ's shall be constructed at tangible part level. If it's built in or part of, then supplier shall quote the top-level item for purchase. Other lines can ONLY be shown as sub levels.
- Where appropriate supplier shall issue Technical specifications to support each Rfl/RfQ return.
- All products and service quotes shall have a minimum validity of 60 days from receipt.
- Supplier shall provide certificates of conformity for all supplied P/O lines where requested.
- Any requested certificates shall be provided in advance of receipt of goods at INCOTERM.

ACKNOWLEDGMENTS

- Supplier shall send email receipt acknowledgement of any P/O within 24 hours.
- Supplier shall send a fully documented P/O acknowledgement within 48 hours.
- Supplier shall annotate the Promise date (delivery to incoterm) on all order acknowledgements.
- All dates confirmed in the order acknowledgement by the suppliers must be actual dates of delivery to BRUSH.
- BRUSH will not accept early deliveries unless otherwise agreed with the commercial Buyer at BRUSH.
- BRUSH will issue when required on a weekly basis, a report showing all purchase orders/lines with no official order confirmation received.
- Supplier shall respond immediately to the above report, giving all promise dates to the nominated BRUSH.
- Supplier shall proactively manage P/O's. BRUSH will not chase.
- Supplier shall alert BRUSH of any exceptions to the P/O at the earliest possible occurrence date.

LEAD TIMES / RESPONSES

- Suppliers shall provide a timely response to all email and telephone messages.
- Suppliers shall be responsive and flexible to swings in demand, and any design/manufacturing changes.
- BRUSH shall look issue an order book report to the supplier as often as possible.
- Supplier shall respond to open order book report clearly identifying all issues and/or exceptions within 2 working days of issue, including price and confirmed promise dates.
- BRUSH will issue production schedules to the supplier as soon as they become available.

GENERIC

- Supplier shall ensure that all Purchase Order (P/O) numbers are referenced on all delivery notes and Invoices.
- Supplier shall ensure that the delivery note matches the P/O. Alignment cannot be discrepant in terms of value or part numbers.
- Supplier shall ensure that the invoice matches the P/O. Alignment cannot be discrepant in terms of value, part numbers or Qty, unless partial invoicing is approved.
- Suppliers shall ensure that BRUSH part numbers are referenced in any Exception or Engineering discussion.
- Suppliers shall ensure that all e-mail communications must be addressed against appropriate headings.
- Suppliers shall ensure that all new or revised part numbers ordered by BRUSH will follow BRUSH Component Approval Process without exception with all ISIR paperwork sent electronically to the commercial buyer and the QA department prior to delivery of the item.

ORDER TYPE - BLANKET ORDER SPECIFIC (GENERIC RULES)

- All new orders are to be negotiated based on securing supply of between 6-12 months product, based on annual usage review (average of previous 3-year usage) and Forecast data. (LME dependant orders are to be agreed quartly)
- BRUSH to issue production schedule updates to the supply base on regular basis for Information only (For Information Only (FIO)).
- BRUSH will communicate to the supply base ASAP should it become aware of any large potential increase or decreases in supply requirements.
- BRUSH expects the supplier to investigate and communicate any potential savings through VaVe on all products with an agreed 50/50 split awarded on any proven saving.
- BRUSH will in light of any termination or ECR/ECN change to the part number stated on the order underwrite 1 month finished goods, 1-month WIP and 1-month Raw material based on confirmed forecasted monthly usage.
- BRUSH will identify within the email correspondence of the update PO, all lines and release numbers to the supplier for ease of identification.
- BRUSH will issue updated purchase orders within the agreed leadtimes on lines released from the PO where applicable.

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ORDER TYPE - CALL OFF ORDER SPECIFIC (GENERIC RULES)

- All new orders are to be negotiated based on securing supply of between 6-12 months of product, based on annual usage review (average of previous 3-year usage) and Forecast data. (LME dependant orders are to be agreed quarterly)
- BRUSH to issue production schedule updates to the supply base on regular basis which are for information only. (FIO)
- BRUSH will communicate to the supply base ASAP should it become aware of any large potential increase or decreases in supply requirements.
- Supplier to investigate and communicate any potential savings through VaVe on all products with an agreed 50/50 split awarded on any proven saving.
- UK Suppliers are expected to hold for the duration of the order the following; (Based on agreed weekly qty stated on the call off sheet, Suppliers sourcing from outside the UK will look at a 3-month stocking policy, to be discussed on an individual basis)
 - 2 weeks finished stock on the shelf.
 - 2 weeks WIP.
 - 1-month material stock.
- BRUSH will in light of any termination or ECR/ECN change to the part number stated on the order underwrite all items covered above.
- BRUSH to issue call off sheets on a weekly basis, clearly showings the delivery requirement for the following week. This is to be delivered on your nominated delivery day in line with BRUSH delivery guidelines.
- Supplier to issue formal receipt of the weekly call off sheet (to both the issuer and the commercial BRUSH responsible for your account), clearly identifying any potential issues within 24 hours.
- Should BRUSH call off more than 2 weeks' worth of stock continually for up to and including 2 weeks, the supplier is to contact BRUSH to discuss, ensuring BRUSH removes any unforeseen OTIF errors due to the irregularity of the demand.

PURCHASE ESTIMATES

- Both Parties acknowledge that any purchase volumes, estimates or other forecasts provided by BRUSH to Supplier, ("Purchase Estimates") are regarded as estimates only based on the reasonable assumptions of BRUSH and they are provided for Supplier's planning purposes only. BRUSH makes no representation or warranty with respect to the accuracy of such estimates. Purchase estimates shall not be regarded as binding Orders under any circumstances. Any actions taken by Supplier based on such forecasts shall be taken entirely at Supplier's risk.

DELIVERY AND PAYMENT TERMS

- BRUSH expectations is to pay all Suppliers invoices 60 days end of month from the date of receipt of the Supplier's invoice. BRUSH is entitled to withhold payment in respect of a delivery of the Products, until the delivery is resolved to the satisfaction of BRUSH. In the event of a dispute or query regarding an invoice, Supplier shall promptly discuss with BRUSH in good faith to resolve dispute and payments could be suspended and due dates are extended until forty-five (45) days after the resolution of the dispute.
- Delivery terms shall be DAP, BRUSH Site or FCA Suppliers Site (Incoterms 2010.) as stated on the Purchase Order.

ON TIME, IN FULL (OTIF)

- BRUSH expectation is for the supplier to maintain a minimum of 98% on time and in full deliveries for all orders placed by BRUSH.
- Time is of the essence for all orders placed, so the supplier should be constantly working to improve both the delivery Leadtime and OTIF performance with a goal of achieving 100% OTIF for all orders placed.
- In order to avoid any delay in delivery, Supplier shall use best efforts (such as, but not limited to, premium time working, extraordinary hours, machinery and/or vehicle sub-contracting, etc), at the cost of Supplier, to minimize all possible delays.

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DECLARATION

SUPPLIER - Please sign and return as acceptance of the above.	
Name	
Title	
Date	
Signature	

-End-

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Authorised Signature:

Date: