

# **Scot JCB (Holdings) Limited**

**Scot JCB Ltd**

**Stewart Plant Sales**

**Scot Industrial Air**

**Kelso and Lothian Harvesters**

**A M Phillip Agritech**

## **CORPORATE SOCIAL RESPONSIBILITY POLICY**

APPLICABLE TO SCOT JCB LTD AND ALL OF ITS SUBSIDIARIES

**Scot JCB seeks to be a good corporate citizen in everything that it does.**

The Scot JCB Board of Directors supports the principles set out in those codes and standards and the aim of this policy is to translate that support into a set of guidelines and standards that set a common approach for Scot JCB companies and provide practical guidance for our managers and employees on the ground.

### **Compliance, monitoring and reporting**

Compliance with this policy will be continuously monitored and subject to review by the Board of Scot JCB, supported by the Audit Committee.

Compliance will be reported to stakeholders through the Group's Annual Report or its annual Corporate Social Responsibility Report.

Each local manager is responsible for ensuring that the principles set out in this policy are communicated to, understood and observed by all employees and for ensuring compliance in their area of responsibility.

Employees who reasonably suspect that there has been a breach of this policy must report it to their line manager, senior management, or other mechanisms established by the Group to report such breaches. We recognise that employees may be reluctant to report concerns for fear of retaliation and will take disciplinary action against any employee who threatens or engages in retaliation, retribution or harassment of any person who has reported or is considering reporting a concern in good faith.

The Board of Scot JCB will not criticise management for any loss of business resulting from adherence to the principles set out in this policy. All sections of this policy are underpinned by the Group's Code of Business Ethics, which is set out in Section 1. The other areas covered by this policy are Health and Safety and Security (Section 2), Employment (Section 3), Customer and Community (Section 4) and Environment (Section 5).

## **SECTION 1**

### **CODE OF BUSINESS ETHICS**

This Code of Business Ethics sets out the standards we expect from our employees in their internal and external dealings with colleagues, customers, stakeholders and third parties.

#### **1.1 Basic Standards of Conduct**

- (a) We will conduct every aspect of our business with honesty, integrity and openness, respecting human rights and the interests of our employees, customers and third parties.
- (b) We will respect the legitimate interests of third parties with whom we have dealings in the course of our business.
- (c) We will maintain the highest standards of integrity – for example, we will not promise more than we can reasonably deliver or make commitments we cannot or do not intend to keep.

#### **1.2 Employees**

We are committed to:

- (a) Developing a workforce where there is mutual trust and respect, free from bullying and harassment, where every person feels responsible for the performance and reputation of our company.
- (b) Respecting the rights of individuals their customs and traditions and their right to freedom of association and the right to decide whether or not to join a trade union. We will negotiate in good faith with properly elected representatives of our employees.
- (c) Recruiting, employing and promoting employees on the basis of objective criteria and the qualifications and abilities needed for the job to be performed in line with our Equal Opportunities Policy.
- (d) Maintaining good communications with employees through our information and consultation procedures.
- (e) Providing our employees with suitable training and assisting them in realising their potential.
- (f) Ensuring the privacy and confidentiality of our employees' personal information is respected.
- (g) Suitably rewarding our employees for their contribution to the success of the business.
- (h) Providing mechanisms whereby employees can raise legitimate concerns confidentially regarding malpractice and ensuring no one will be victimised for a report made in good faith.
- (i) Providing employees with the appropriate information and training to comply with this Code and the associated policies.
- (j) Seeking to protect our employees from third party abuse that might be injurious to their safety, health or well-being.

#### **1.3 Business Integrity**

- (a) We aim to develop strong relationships with our suppliers, stakeholders and others with whom we have dealings, based on mutual trust, understanding and respect.
- (b) In those dealings, we expect those with whom we do business to adhere to business principles consistent with our own.

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- (c) We will conduct our operations in accordance with the principles of fair competition and applicable regulations.
- (d) Scot JCB's accounting and other records and supporting documents must accurately describe and reflect the nature of the underlying transactions.
- (e) No unrecorded account, fund or asset will be established or maintained.
- (f) We will comply with the laws and regulations applicable wherever we do business. We will obtain legal advice where felt necessary to comply with this commitment.
- (g) We will review and track our business risks including social and environmental risks.
- (h) Scot JCB will not facilitate, support, tolerate or condone any form of money laundering.
- (i) To ensure that our business is run in an ethical and effective manner we will maintain internal controls in line with Scot JCB's Minimum Standards of Business Control.

#### **1.4 National and International Trade**

- (a) We will seek to compete fairly and ethically within the framework of applicable competition and anti-trust laws and we will not prevent others from competing fairly with us.
- (b) We will comply with all applicable export control laws and sanctions when conducting business around the world.

#### **1.5 Personal Conduct**

- (a) All employees are expected to behave in accordance with the principles set out in this Code of Business Ethics.
- (b) Employees are expected to protect and not misuse company assets such as buildings, vehicles, equipment, cash and procurement cards.
- (c) Employees are expected to use e-mail, internet, IT and telephones in a manner appropriate for business purposes in line with the principles contained in this Code and any applicable IT policies.

#### **1.6 Bribery**

- (a) No Scot JCB employee, individual or business working on our behalf must accept or give a bribe, facilitation payment or other improper payment for any reason.
- (b) This applies to transactions with government officials, any private company or person anywhere in the world. It also applies whether the payment is made or received directly or through a third party.
- (c) Scot JCB shall ensure that adequate procedures are in place to prevent the risk of bribery and that these are effectively communicated and implemented across the Group in line with the requirements of the Bribery Act 2010.

#### **1.7 Gifts, Entertainment and Improper Payments**

- (a) Accepting or giving any entertainment or gift that is designed to, or may be seen to influence business decisions, is not acceptable. No Scot JCB company or employee shall offer, give, seek or receive, either directly or indirectly, inducements or other improper advantages for business or financial gain. If an employee is in any doubt as to whether he or she may accept an offer, that employee should discuss the issue

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with his or her manager.

### **1.8 Conflicts of Interest**

(a) Whilst we respect the privacy of our employees, all Scot JCB employees are expected to avoid personal relations, activities and financial interests, which could conflict with their responsibilities to Scot JCB.

(b) Scot JCB employees and consultants must not seek gain for themselves or others through misuse of their positions or company property.

(c) All actual and potential conflicts (including those arising from the activities or interests of close relatives or partners) should be disclosed to and discussed with an employee's line manager.

### **1.9 Confidentiality**

(a) Information received by anyone in the course of his or her employment must not be used for personal gain or for any purpose other than that for which it was given.

(b) Where confidential information is obtained in the course of business that confidentiality must be respected.

### **1.10 Political Activity**

Scot JCB does not make any donations to political parties or take part in party politics. However, when dealing with Government we do make legitimate concerns known and will seek to influence Governments in relation to issues that could affect us, our shareholders, our customers or the local community. These relationships are conducted in accordance with this Code

### **1.11 Health and Safety**

(a) We are committed to creating and maintaining a safe and healthy working environment for our employees, customers and the community.

(b) Our commitment to ensuring the safety and security of our employees is set out in our Injury Prevention and Security policies.

(c) We strive to avoid emergency situations but recognise the need to be prepared. We are committed to having effective emergency response procedures in place.

### **1.12 The Environment**

(a) Scot JCB is committed to making continuous improvement in the management of its environmental impact as set out in our Environmental Policy.

(b) All employees are expected to adhere to the requirements of the local environmental management system and support the improvement in our environmental performance.

### **1.13 Customers**

(a) Scot JCB is committed to providing safe, value for money, high quality, consistent, accessible and reliable services to its customers.

(b) All employees are expected to behave respectfully and honestly in all their dealings with customers and the general public in accordance with the principles set out in this Code.

(c) In particular we will safeguard and protect the welfare of vulnerable people who come into contact with our employees. Employees will be

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made aware that they hold a position of trust and that they must at all times maintain the highest standards of personal conduct that reflects this trust being placed with them.

#### **1.14 Shareholders**

(a) Scot JCB will conduct its operations in accordance with the principles of good corporate governance.

(b) We will provide timely, regular and reliable information on the business to all our shareholders.

#### **1.15 Supply Chain**

(a) We purchase a wide range of goods and services required in the operation of our business and we also rely heavily on a number of key suppliers for the delivery of our core services. Good working relationships with our suppliers are therefore central to the success of our business.

(b) Whilst we are committed to obtaining and retaining competitive goods and services we will at the same time seek to ensure they are from sources that have not jeopardised human rights, safety or the environment.

(c) We expect our suppliers to adhere to business principles consistent with our own. We expect them to adopt and implement acceptable safety, environmental, product quality, product stewardship, labour, human rights, social and legal standards in line with our Supplier Code of Conduct.

(d) We will seek to work with our suppliers to develop long-term meaningful relationships to benefit both parties with the aim of improving the quality, environmental performance and sustainability of goods and services.

#### **1.16 Community Involvement**

Our operations touch members of the community daily, whether as customers, neighbours, employees, businesses or residents. We are committed to fostering good relationships with the communities in which we work and building community partnerships that deliver positive change.

## **SECTION 2 EMPLOYMENT**

In formulating its employment policies, Scot JCB is guided by the framework established by the Organisation for Economic Co-operation and Development (OECD) in its Guidelines for Multinational Enterprises. These Guidelines encourage companies to foster openness, sustainability and respect for employee rights. Our employment policies cover all employees of Scot JCB and its subsidiaries.

### **2.1 Equal Opportunities and Diversity Policy**

(a) The Board of Directors of Scot JCB is committed to equality of opportunity both in the provision of services to the public and as an employer. This policy sets out Scot JCB's commitment to treat equally and with fairness at all times its employees, customers, contractors and those who come into contact with the company.

(b) We are committed to seeking continuous improvement and compliance

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with legislation based on the following principles.

- Everyone has the right to be treated with dignity and respect.
- We will not discriminate on the grounds of race, gender, disability, nationality, religion, philosophical belief, political belief, age, sexual orientation, family status, trade union activity or any other factor.
- We will adopt fair and inclusive practices throughout our operations and will seek to eliminate all prejudice, discrimination, bullying and harassment.
- All employees have a personal responsibility for the practical application of this policy in their day-to-day activities and must support the policy at all times.
- Non-compliance with this policy will be treated seriously and will not be tolerated.

(c) The Board of Directors of Scot JCB are required to ensure:

- They create a productive and safe working environment, promoting diversity and inclusion in their workforce;
- They develop new practices, as appropriate, to ensure all employees, contractors and customers are treated fairly; and
- They can demonstrate continuous improvement in practices to promote diversity and equal opportunities for all.

#### *Legislation and Codes of Practice*

(d) We will comply with and exceed where possible, current national and international legislation and relevant codes of practice in the countries where we operate. We will monitor our compliance with this policy and the requirements of relevant underpinning legislation as appropriate.

#### *Complaints*

(e) Any employee who feels that he or she has grounds for complaint in relation to bullying, discrimination, harassment or victimisation has the right to pursue the complaint through our grievance procedures.

Customers who feel they have grounds for complaint may pursue these through our operating company customer complaints procedures. We will ensure our complaints/feedback procedures can be accessed and used by everyone.

#### *Reporting*

(f) We are committed to monitoring and reporting on our actions and achievements in relation to implementing this policy both internally and externally.

#### *Audit*

(g) We are committed to ensuring that our operations comply with the requirements of this policy and will periodically audit its implementation.

## **2.2 Human Rights**

Scot JCB supports the principles of the United Nations Universal Declaration of Human Rights and the International Labour Organisation Declaration on Fundamental Principles and Rights at Work. We will adhere to the following principles in respect of our staff.

(a) We will treat all employees fairly and honestly, regardless of where they work. All staff will have agreed terms and conditions in accordance with local law or practice and will be given appropriate job skills training.

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- (b) We will pay a fair wage reflecting local markets and conditions. We will always meet any national minimum wage.
- (c) Working hours shall not be excessive. They shall comply with industry guidelines and national standards where they exist.
- (d) We will not employ illegal child labour, forced or bonded labour or condone illegal child labour.
- (e) Employees have the rights of freedom of association and collective bargaining. We respect the right of our employees to choose whether or not to join a trade union without influence or interference from management. Furthermore we support the right of our employees to exercise that right through a secret ballot.
- (f) We will negotiate in good faith with the properly elected representatives of our employees.
- (g) We will abide by the non-discrimination laws in every country where we operate.
- (h) We will not use or condone the use of corporal punishment, mental or physical coercion or verbal abuse. We have disciplinary procedures for any member of staff whose conduct falls below the required standard.
- (i) We have formal grievance procedures through which staff can raise personal and work-related issues.
- (j) All staff will be given reasonable access to bathroom and rest facilities.

### **2.3 Data Protection**

- (a) We will comply with the relevant principles governing data protection in each country in which we operate.

## **SECTION 3**

### **CUSTOMER AND COMMUNITY**

#### **3.1 Customers**

Customer Service: Delivering our promise to our customers is one of our core values. Our commitment is to provide safe, reliable, customer focused, innovative and sustainable transport services.

We will:

- act in accordance with fair business, marketing and advertising practices and take all reasonable steps to ensure the safety of our services
- respect the human rights of our customers
- ensure our security and revenue protection arrangements are consistent with international standards for law enforcement
- provide transparent and effective procedures that address customer complaints and contribute to fair and timely resolution of disputes without undue cost or burden
- not make representations or omissions nor engage in any other practices that are deceptive, misleading, fraudulent or unfair
- respect customer privacy and provide protection for personal data in accordance with the relevant local law.

#### **3.2 Stakeholders**

We are committed to maintaining open and regular dialogue with all our stakeholder groups in matters that affect their interests. These range

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from formal consultation to regular informal contact on a day-to-day or week-to-week basis.

### **3.3 Community**

We operate from a significant number of properties and have responsibility to those living and working nearby as well as being a significant employer.

Our relationships with the local communities we serve are therefore very important to us and are an essential part in the growth of our business.

When developing our services, we have a role to play in improving services for the community as a whole and not just our individual customers.

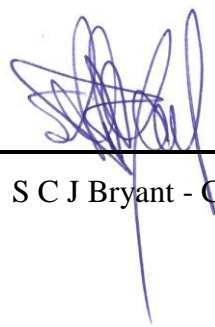
Through our community strategy, we therefore engage with the community at a range of levels as customers, neighbours, potential employees, businesses and residents. Through our community strategy, we seek to play our part in promoting socially inclusive policies,

In line with our core values, our community strategy incorporates the following elements:

- Offering employment opportunities to all sectors of the community through non-discriminatory policies and promoting opportunities to disadvantaged and vulnerable groups;
- Promoting engagement between our staff and the community;
- Supporting local community groups and charities;
- Improving the environment in and around our operations;
- Promoting broader opportunities for workplace learning;
- Supporting local initiatives for the development and education of young people in the areas we serve; and
- Working closely with local law enforcement agencies to address antisocial behaviour, crime and vandalism as well as promoting road safety.

In addition, local companies provide support to community based charities and projects in their respective areas including support for employees' efforts in fund raising and for small-scale projects.

**Signature :** \_\_\_\_\_



S C J Bryant - Chairman

**Date :** 07/01/2018