

An aerial photograph of a port area, likely Dubai, featuring a large white ship docked at a pier, several smaller tugboats, and the Burj Khalifa in the distance. The image is overlaid with a dark blue diagonal graphic on the left side.

KBS Maritime

A KBR and BAE Systems Joint Venture

SUPPLIER PRINCIPLES



James Davis
Managing Director

INTRODUCTION

KBS Maritime will deliver ambitious, modern and enduring change to the Portsmouth Naval base infrastructure, securing investment in the local community and ensuring fit-for-purpose, world-leading fleet support for the Royal Navy and the UK in the decades ahead.

We at KBS Maritime believe that responsible behaviour is fundamental to how we do business.

Our customers, shareholders, partners and colleagues expect and deserve the highest standards of business conduct from us. We earn and maintain their trust through the quality and integrity of our daily decisions and actions.

We are committed to achieving these high ethical standards, which underpin our role as a trusted partner to our customers, by managing operations responsibly and conducting business in an ethical way.

KBS Maritime have documented these Supplier Principles to clarify what we expect from our suppliers and their supply chains. The Principles outline a set of 'best practice' expectations.

WORKPLACE AND EMPLOYEES



Human Rights

KBS Maritime are committed to respecting and upholding human rights wherever we operate, in respect of activities under the full, direct control of the Company. We each have a role to play in the elimination of human rights abuses such as child labour and modern slavery, including human trafficking, forced or indentured labour.

We will:

- Review, monitor and investigate our operations for human rights abuses
- Review and assess, where possible, the operations of our business partners and suppliers against expectations set out in this document

We expect our suppliers to uphold and protect human rights by treating their own employees with respect, promoting fair employment practices, providing fair and competitive wages and prohibiting harassment, bullying, discrimination, retaliation, modern slavery and human trafficking.

Our suppliers are expected to undertake appropriate due diligence to identify such human rights risks, supported by systems and processes to minimize the risk of such abuses occurring.



WORKPLACE AND EMPLOYEES



Modern Slavery including Human Trafficking, Forced, or Indentured Labour and Child Labour

KBS Maritime expect that our suppliers shall not engage in any form of modern slavery, including human trafficking, forced, bonded or indentured labour. All work should be voluntary on the part of the employee. Suppliers should allow employees to freely choose to work or to leave employment.

Our suppliers are expected to provide all employees with a written contract or offer letter (depending on the jurisdiction of employment) in their local language clearly indicating their rights and responsibilities with regard to wages, working hours, benefits and other working and employment conditions and where legally required, register that contract.

We also expect our suppliers to ensure that child labour is not used in the performance of work. The term 'child' refers to any person under the minimum legal age for employment where the work is performed, and/or the minimum working age as defined by the International Labour Organization (ILO), whichever is higher.



WORKPLACE AND EMPLOYEES



Diversity and Inclusion

We are all responsible for creating a diverse and inclusive workplace where employees treat one another professionally and with respect. KBS Maritime expect our suppliers to foster a diverse and inclusive work environment where every employee, customer, supplier and partner is treated with dignity, respect and fairness. Our suppliers are expected to provide equal employment opportunities without discrimination and to comply with all applicable non-discrimination laws and regulations.

Wage, Benefits, and Working Hours

We expect our suppliers to provide workers at least the minimum compensation and insurance required by local law and provide all applicable legally mandated benefits. KBS Maritime suppliers are also expected to provide employees with regulated hours of work, daily and weekly rest periods, and annual leave in accordance with applicable laws and regulations.

Harassment and Bullying

KBS Maritime does not tolerate harassment or bullying. Suppliers are expected to ensure that their employees work in an environment that is free from physical and psychological intimidation and other abusive conduct or harassment of any kind.

Help and Guidance

Our suppliers are expected to provide employees and third parties with access to adequate reporting channels to seek advice or raise legal or ethical concerns without fear of retaliation, including opportunities for anonymous reporting.

BUSINESS PRACTICES



Code of Conduct and Compliance

KBS Maritime are committed to behaving ethically in all aspects of our business, and each of us has an important role to play in ensuring we maintain our reputation for being a trusted and responsible business. To support us in doing the right thing, we have adopted BAE Systems' Code of Conduct. We expect our suppliers to implement and adhere to their own similar written code of conduct. In addition, commensurate with the size and nature of their business, we expect our suppliers to have management systems in place to support compliance with all applicable laws and regulations.

Anti-Corruption

KBS Maritime expect our suppliers to comply with all relevant laws and regulations regarding anti-corruption including, where applicable, the Foreign Corrupt Practices Act and the UK Bribery Act or equivalent standards. We do not tolerate bribery or corruption in any form. Suppliers are expected to undertake reasonable due diligence to prevent and detect bribery and corruption in all of their business arrangements, where we expect our suppliers to have appropriate and adequate procedures to prevent such activity from taking place.

Facilitation Payments

Under UK law, and under the laws of many jurisdictions in which we do business, facilitation payments are considered to be bribes. The concept of a facilitation payment does not include fees required to be paid by law such as the payment of a filing fee for a legal document, nor does it include lawful expediting payments that are covered by an official, published fee schedule and for which a receipt is provided. KBS Maritime does not make facilitation payments and expects that our suppliers will not directly or indirectly make facilitation payments on our behalf.



BUSINESS PRACTICES



Gifts and Hospitality

KBS Maritime will never offer, give or receive any payment, benefit, gift or hospitality that is intended to be or may be construed as a bribe or which is in return for business or confidential information or to improperly influence a business activity or allow others to do so on our behalf.

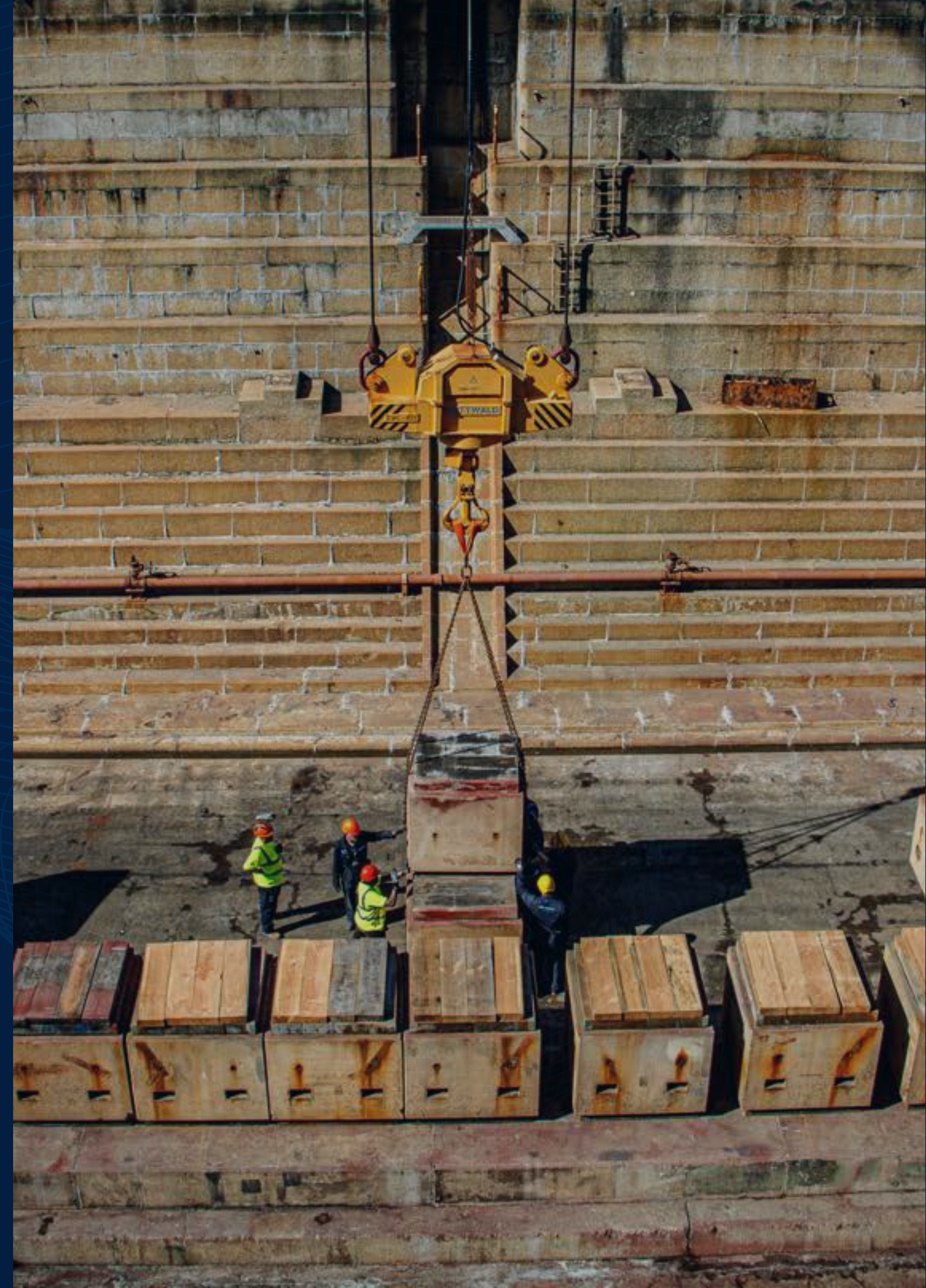
We expect our suppliers to ensure that the offer, provision, request for or receipt of any gift or hospitality is as permitted by law and regulation, does not violate the rules and standards of the donor and recipient's organisation, and is consistent with all reasonable market terms and conditions.

Anti-Trust and Competition

KBS Maritime expect our suppliers to conduct business in accordance with all applicable competition and anti-trust laws and regulations.

Competition and anti-trust laws protect free enterprise and prohibit behaviour that limits trade or that restricts fair competition. They are complex and context specific. We will:

- Comply with competition and anti-trust laws
- Not discuss pricing or other commercially sensitive information with competitors in breach of competition and anti-trust laws
- Not engage in any form of discussion, correspondence, agreement or understanding with a competitor or potential competitor to fix prices, rig bids, allocate customers or market or restrict supply in breach of competition or anti-trust laws
- Report any potentially anti-competitive activity and enquiries made to us in connection with such activities to the Legal department
- Seek guidance from the Legal department in respect of any question as to the applicability of competition and anti-trust laws.



BUSINESS PRACTICES



Management of Risk

KBS Maritime suppliers are encouraged to proactively manage and mitigate risk in their supply chain, and where appropriate, to report risk back to us to ensure that those risks are appropriately mitigated.

Accurate Record Keeping

KBS Maritime expect our suppliers to accurately and securely create, capture, store, and retain, as appropriate, business records.

Timely Payment

KBS Maritime expect our suppliers to pay their suppliers on time in accordance with agreed contractual payment terms.

Proper Payment of Taxes

We expect our suppliers to properly and accurately record all financial aspects of their work, to represent themselves accurately to all relevant tax authorities and ensure appropriate processes are in place to prevent the facilitation of tax evasion by employees and other persons performing services on behalf of our suppliers.

Conflicts of Interest

We expect our suppliers to identify and avoid actual, potential, or perceived conflicts of interest in their dealings with KBS Maritime. We understand that such actual or potential conflicts do arise in the course of business from time to time, in which case we expect our suppliers to disclose them to KBS Maritime and all other affected parties in a timely fashion.



BUSINESS PRACTICES



Trade Controls and Sanction

Our suppliers are expected to conduct business in compliance with all applicable laws and regulations governing export, re-export, transfer and import of controlled hardware, technical data, software and services.

We expect our suppliers to screen third parties with whom they do business and to be fully compliant with all relevant financial sanctions, trade embargoes and other restrictive measures imposed by any applicable government authority.

Product Quality

We expect our suppliers to support KBS Maritime's commitment to continuous improvement and to creating a zero defect culture by manufacturing high-quality, reliable products on time and at an affordable price.

Counterfeit Goods

We expect our suppliers to develop, implement and maintain methods and processes appropriate to their products to prevent counterfeit parts and materials being delivered. Effective processes should be in place to detect, report and quarantine counterfeit parts and materials and prevent such parts from re-entering the supply chain.

KBS Maritime expects our suppliers to only use parts from Original Equipment or Component Manufacturers or their authorised sources, and to comply with applicable laws, regulations, and industry 'best practice' protocols when conducting business with us. We expect suppliers to inform us immediately if counterfeit parts and/or materials are detected or suspected.



BUSINESS PRACTICES



Information Security

We all have a role to play in helping to safeguard Company IT systems, networks and applications and will do this by ensuring we use them

appropriately and responsibly. KBS Maritime expects its suppliers to develop, implement and maintain appropriate security measures to protect the information (including confidential, proprietary, personal export controlled, government security classified and controlled unclassified information) that they create, collect, handle, store or are responsible for, in accordance with applicable laws, regulations and contractual requirements, regardless of whether such information belongs to the supplier, KBS Maritime and/or its customers. We expect our suppliers to address any security issues proactively and to notify and support KBS Maritime in responding to and remedying any security breaches.

Intellectual Property

We expect our suppliers to comply with all applicable laws and regulations governing intellectual property, as well as all contractual obligations.



SAFETY, HEALTH AND ENVIRONMENT



Zero Harm

As KBS Maritime we follow the ISO 45001 and ISO 14001 management standards for SHE. We expect our suppliers to always deliver solutions that are safe for people and the environment. We are motivated to continuously drive investment into improving the safety environment and establishing a sustainable Naval Base.

KBS Maritime has a dual role in safety, health and environmental (SHE) management. We have responsibility for keeping our employees safe, but we also have a wider role in protecting the users of the Naval Base, including the Royal Navy.

Our goal is to achieve Zero Harm: zero fatalities, zero serious injuries and zero significant environmental events.

We have safe systems of work and provide robust SHE training, but what we are really about is reducing risk at source; having the right equipment, infrastructure and site-wide information.

We expect suppliers to establish an appropriate safety management plan including policies aimed at eliminating fatalities, work-related injuries, health impairment, limiting exposure to hazards, and protecting the health, safety and welfare of employees, contractors, visitors and others who may be affected by their activities.



SAFETY, HEALTH AND ENVIRONMENT



Net Zero Carbon

HM Naval Base Portsmouth is committed to Net Zero Carbon by 2030 (scope 1 & 2) and 2040 (scope 3). KBS Maritime and our suppliers are in a unique position to make this happen. We're providing expertise and support to develop the strategy, and we need support from suppliers to understand and implement it. All while ensuring resilient energy solutions to meet an increased base energy demand.

KBS Maritime is also engaged in reducing our footprint, in line with our customer and shareholders' Net Zero Carbon goals. We have environmental management systems, through which we protect the environment. These involve engagement with our designers and supplier partners to achieve the step change our customer and climate needs.



SAFETY, HEALTH AND ENVIRONMENT



Social Impact

KBS Maritime wants to make a positive social and economic contribution to the communities in which we live and work by contributing to activities and organisations that align with our business and having a diverse Supply Chain. We expect our suppliers to support these efforts.

Governance

Our success depends on us being trusted by all our stakeholders to uphold high standards of governance and business conduct. We expect our Suppliers to implement and adhere to their own similar written code of conduct.

Controversial Materials and Conflict Minerals

KBS Maritime expect our suppliers to provide products made from materials, including constituent minerals and timber that are sourced responsibly, including appropriate due diligence, and to support efforts to eradicate the use of any minerals which directly or indirectly finance or benefit armed groups that are perpetrators of serious human rights abuses.



KBS Maritime

A KBR and BAE Systems Joint Venture



CONTACTS



supplychain@kbsmaritime.com



www.kbsmaritime.com

