

Bribery Act - Policy Statement

This policy applies to all parts of the business of Yamato Dataweigh (UK) Limited ("Yamato UK").

Bribery and corruption are criminal offences in many countries punishable for individuals by imprisonment and if, as an organisation, Yamato UK were found to have taken part in bribery or corruption Yamato UK could face unlimited fines, be excluded from tendering for public contracts and face damage to our brand and reputation. We therefore all need to take our legal responsibilities very seriously and we are all responsible for compliance with this policy. Yamato UK does not and will not pay bribes or offer improper inducements to anyone for any purpose, nor do we or will we accept bribes or improper inducements.

Yamato UK is committed to the prevention, deterrence and detection of bribery and we have a zero-tolerance towards bribery. Yamato UK and its employees will maintain the highest legal and ethical standings in the conduct of the company's affairs. We are committed to acting professionally, fairly and with integrity in all our business dealings and relationships and implementing and enforcing effective systems to counter bribery. We aim to maintain anti-bribery compliance as a matter of 'business as usual' rather than as a one-off exercise.

The Yamato group of companies will operate in accordance with all applicable laws relevant to countering bribery and corruption in all the jurisdictions in which we operate. However, as a company registered in England, Yamato UK is also affected by some specific English laws, including the Bribery Act 2010 (the "Act"), in respect of our conduct relating to those parts of our business which operate both within and outside the UK. More detail about the Act is contained in Appendix 1 to this policy.

This policy applies to all individuals working at all levels and grades within the Yamato UK business, whether managers, officers, directors, employees (whether permanent, fixed-term or temporary), consultants, contractors, trainees, seconded staff, home workers, casual workers and agency staff, volunteers, interns, agents, sponsors, or any other person associated with Yamato UK, or any of our subsidiaries or their employees, wherever located (collectively referred to as "Personnel" in this policy).

- All Personnel are required to read and abide by all aspects of this policy.
- Yamato UK's Managing Director, together with the senior management team is responsible for compliance with the requirements of this policy.
- Those within Yamato UK who are identified as having a potentially higher risk will receive additional training and support in identifying and preventing corrupt practices.

What is Bribery and Corruption?

Bribery is the most common form of corruption and can be broadly defined as the offering, promising, giving, demanding, acceptance or soliciting of an advantage as an inducement or reward for an action which is illegal, unethical or a breach of trust.

Corruption is the misuse of public office or power for private gain or the misuse of private power in relation to business outside the realm of government.

Acts of bribery or corruption are intended to influence an individual in the performance of their work to act dishonestly.

The person being bribed is usually someone who can obtain, retain or direct business, for example, during a tender or contracting process or it may be through the handling of administrative tasks such as licences or customs matters.

What is a Bribe?

Although many people think of bribery as involving giving someone cash, it can take many other forms including non-cash gifts, lavish entertainment or hospitality or even simply doing someone a favour.

A bribe can take many forms including examples such as:

- a direct (e.g. you give a bribe to someone) or indirect (e.g. you get someone; else to give a bribe to another person) promise or offer of something for value
- the offer or receipt of a kickback, fee, reward or other advantage; or
- the giving of aid, donations or voting designed to exert improper influence.

Who might engage in or be vulnerable to acts of bribery and corruption?

- an employee, officer or director;
- any person acting on behalf of the group i.e. our Agents;
- individuals or organisations who authorise someone to carry out these acts; or
- Government or public officials, whether foreign or domestic.

It is important to remember that in most cases it will be irrelevant whether the bribe was accepted or not; merely offering the bribe will usually be sufficient for an offence to be committed.

What is not acceptable?

Bribery and corruption can take many forms and it is important you understand what is expected of you in this regard. Regular training will be given to help you with this.

It is not permitted for Personnel (whether you or someone on your behalf) to:

- give, promise to give, or offer, a payment, gift or hospitality with the expectation or hope that a business advantage will be received, or to reward a business advantage already given;
- give, promise to give, or offer, a payment, gift or hospitality to a government official, agent or representative to "facilitate" or expedite a routine procedure;
- accept payment from a third party that you know or suspect is offered with the expectation that it will obtain a business advantage for them;
- accept a gift or hospitality from a third party if you know or suspect that it is offered or provided with an expectation that a business advantage will be provided by us in return;
- threaten or retaliate against another member of our personnel who has refused to commit a bribery offence or who has raised concerns under this policy; or
- engage in any activity that might lead to a breach of this policy.

In this policy, "third party" means any individual or organisation you come into contact with during the course of your work for or with Yamato UK, and includes actual and potential advertisers, publishers, clients, member, customers, suppliers, business contacts, advisers, government and public bodies, including their advisors, representatives and officials, politicians and political parties.

Steps we can take to prevent bribery and corruption

1. Risk assessment

Effective risk assessment is critical to the success of this policy. By identifying the risk of bribery and corruption in particular situations Yamato UK can evaluate and mitigate the risks and protect against them.

The Management team will therefore continue to assess, on an ongoing basis, the business unit's vulnerability to these risks with ongoing communication between departments.

Risk assessments will need to be periodic, informed and documented. The type of risks that will need to be considered are, the country risk (i.e. doing business in some countries carry much greater risks), the transactional risk (i.e. where licenses or permits are required this may give rise to a higher risk), the operational risk (i.e. where the contract is for a higher value, involves more contractors and/or intermediaries) and the business partnership risk (i.e. where an agent or another intermediary is involved).

The risks that will need to be considered will vary according to the particular situation.

2. Accurate books and record keeping

We must ensure that accurate books, records and financial reports are maintained at Yamato UK for significant business partners working on our behalf. Books, records and financial reporting must be transparent and accurately reflect each of the transactions.

3. Effective monitoring and control

Yamato UK must implement and maintain an effective system of internal control and monitoring of transactions. If bribery and corruption risks are identified and highlighted through the risk assessment process then procedures must be adopted to mitigate these risks.

While dealing with Agents abroad, full risk assessments must be carried out to identify any possible risks i.e. new agency agreements.

Where do bribery and corruption risks typically arise?

These risks typically fall within the following categories:

1. Use of business partners

A business partner can include agents, distributors, joint venture or partners.

Arrangements with business partners can present us with significant risks; for example, where a business partner conducts activities on Yamato UK's behalf and as a result of his actions Yamato UK receives a benefit.

The management team is responsible for the evaluation of each relationship and for determining whether or not it falls within this category. Having identified a risk relating to a business partner the management team must then:

- evaluate the background, reputation and experience of the business partner;
- understand the services to be provided and for what consideration;
- evaluate why the business partner is being retained;
- monitor the transactions with the business partner;
- make sure there is a written agreement in place with the business partner which states Yamato UK's policy and the requirement for the business partner's compliance with it.

It is our responsibility to ensure that our business partners are compliant with this policy and local laws.

2. Gifts, entertainment and hospitality

This policy is not intended to prohibit the offer or receipt of gifts, meals, invitations to events or functions in connection with matters related to the business provided they are appropriate and proportionate to the particular market and they are properly recorded.

The following, provided there is no improper or corrupt motive associated with them, will usually be acceptable:

- normal appropriate hospitality such as modest/occasional meals with someone we do business with or occasional attendance at events such as the theatre, cultural and sporting events; or
- modest gifts with a nominal value such as pens or promotional items.

The following are not acceptable;

- being offered something provided something is given in return;
- gifts in the form of cash or its equivalent;
- lavish hospitality; or
- inappropriate entertainment.

Custom and cultural factors may influence the level of what is acceptable.

If something is not within the acceptable activities set out above you should seek prior approval from your Manager. If you are uncertain whether an activity is acceptable you should refer to your Manager for guidance and ask yourself:

- What is the intention behind the offering?
- Is it intended to build a relationship or for some other reason i.e. to persuade the recipient to do something?
- If an outsider looked at this, how would it be viewed by them?
- If it is difficult to answer any of these questions then there may be an unacceptable risk and the action could be unlawful.

Local management is required to maintain a gift and hospitality register. Any form of gift, entertainment or hospitality that is given, received or offered must be recorded in the register. If an impermissible gift, entertainment or hospitality has been offered and inadvertently accepted this must be recorded and notified immediately to your Manager.

3. Facilitation payments

Yamato UK does not make, and will not accept, facilitation payments or “kickbacks” of any kind.

Facilitation payments are typically small, unofficial payments made to secure or expedite a routine government action by a government official.

Kickbacks are typically payments made in return for a business favour or advantage. Kickbacks can include discounts or other types of cash incentives and can commonly be found to occur in, and so particular vigilance should be paid to, supply chain arrangements.

If you are asked to make a payment on behalf of Yamato UK, you should always be mindful of what the payment is for and whether the amount requested is proportionate to the goods or services provided. You should always ask for a receipt which details the reason for the payment. If you have any suspicions, concerns or queries regarding a payment, you should raise these with Yamato’s Managing Director.

All Personnel must avoid any activity that might lead to, or suggest, that a facilitation payment or kickback will be made or accepted by Yamato UK.

Staff Responsibilities

The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all those working for or with Yamato UK. All Personnel are required to avoid activity that breaches this policy.

As Personnel of Yamato UK you must:

- Ensure you read, understand and comply with this policy; and
- Raise concerns as soon as possible if you believe or suspect that a conflict with this policy has occurred, or may occur in the future.

Further “red flags” that may indicate bribery or corruption are set out in Appendix 2 to this policy.

As well as the possibility of civil and criminal prosecution, Personnel that breach this policy will face disciplinary action, which could result in summary dismissal for gross misconduct or termination of their contract of engagement.

Raising a concern

Yamato UK is committed to ensuring that all of us have a safe, reliable, and confidential way of reporting any suspicious activity. We want each and every member of staff or Personnel to know how they can raise concerns. If you are unsure whether a particular act constitutes bribery or corruption, or if you have any other queries, these should be raised with your line manager or Yamato UK’s Managing Director. Alternatively you can raise any concern using the procedure outlined in the Public Interest Disclosure (Whistleblowing) Policy contained in our Company Handbook.

We all have a responsibility to help detect, prevent and report instances of bribery. If you have a concern regarding a suspected instance of bribery or corruption, please SPEAK UP – your information and assistance will help.

Personnel who refuse to accept or offer a bribe, or those who raise concerns or report wrongdoing can understandably be worried about the repercussions. We aim to encourage openness and will support anyone who raises a genuine concern in good faith under this policy, even if they turn out to be mistaken.

Monitoring and Review

Yamato UK's Managing Director and the Management Team will monitor the effectiveness and review the implementation of this policy, regularly considering its suitability, adequacy and effectiveness. Any improvements identified will be made as soon as possible. Internal control systems and procedures will be subject to regular audits to provide assurance that they are effective in countering bribery and corruption.

All Personnel are responsible for the success of this policy and should ensure they use it to disclose any suspected danger or wrongdoing.

Personnel are invited to comment on this policy and suggest ways in which it might be improved. Comments, suggestions and queries should be addressed to Yamato UK's Managing Director.

This policy does not form part of any employee's contract of employment and it may be amended at any time.

Appendix 1

The Bribery Act

There are four key offences under the Act:

- bribery of another person (section 1)
- accepting a bribe (section 2)
- bribing a foreign official (section 6)
- failing to prevent bribery (section 7)

The Bribery Act 2010 makes it an offence to offer, promise or give a bribe (section 1). It also makes it an offence to request, agree to receive, or accept a bribe (Section 2). Section 6 of the Act creates a separate offence of bribing a foreign public official with the intention of obtaining or retaining business or an advantage in the conduct of business. There is also a corporate offence under section 7 of failure by a commercial organization to prevent bribery that is intended to obtain or retain business, or an advantage in the conduct of business, for the organization. An organization will have a defense to this corporate offence if it can show that it had in place adequate procedures designed to prevent bribery by or of persons associated with the organisation.

Penalties

An individual guilty of an offence under section 1, 2 or 6 is liable:

- On conviction in a magistrates court, to imprisonment for a maximum term of 12 months, or to a fine not exceeding £5000 or to both
- On conviction in a crown court, to imprisonment for a maximum term of ten years, or to an unlimited fine, or both

Organisations are liable for these fines and if guilty of an offence under section 7 are liable to an unlimited fine.

Bribery is a serious offence against Yamato UK and employees will face disciplinary action if there is evidence that they have been involved in this activity, which could result in summary dismissal for gross misconduct. Disciplinary action will be taken in addition to, or instead of, criminal proceedings, depending on the circumstances of each individual case.

Adequate Procedures

Whether the procedures are adequate will ultimately be a matter for the courts to decide on a case by case basis. Adequate procedures need to be applied proportionately, based on the level of risk of bribery in Yamato UK. It is for individual organisations to determine proportionate procedures in the recommended areas of six principles. These principles are not prescriptive. They are intended to be flexible and outcome focused, allowing for the different circumstances of organizations. Small organisations will, for example, face different challenges to those faced by large multinational enterprises. The detail of how organisations apply these principles will vary, but the outcome should always be robust and effective anti-bribery procedures.

Proportionate procedures

An organisation's procedures to prevent bribery by persons associated with it are proportionate to the bribery risks it faces and to the nature, scale, and complexity of the organizations activities. They are also clear, practical, accessible, effectively implemented and enforced.

Top level commitment

The top level management (be it board of directors, the owners or any other equivalent body or person) are committed to preventing bribery by persons associated with it. They foster a culture within the organization in which bribery is never acceptable.

Risk Assessment

The organization assesses the nature and extent of its exposure to potential external and internal risks of bribery on its behalf by persons associated with it. The assessment is periodic, informed and documented. It includes financial risks but also other risks such as reputational damage

Due Diligence

The organization applies due diligence procedures, taking a proportionate and risk based approach, in respect of persons who perform or will perform services for or on behalf of the organization, in order to mitigate identified bribery risks.

Communication (including training)

The organization seeks to ensure that its bribery prevention policies and procedures are embedded and understood throughout the organization through internal and external communication, including training that is proportionate to the risks it faces.

Monitoring and review

The organisation monitors and reviews procedures designed to prevent bribery by persons associated with it and makes improvements where necessary.

Yamato UK is committed to proportional implementation of these principles.

Appendix 2

Potential Risk Scenarios: "Red Flags"

The following is a list of possible red flags that may arise during the course of you working for or with Yamato UK and which may raise concerns under various anti-bribery and anti-corruption laws. The list is not intended to be exhaustive and is for illustrative purposes only. If you encounter any of these red flags while working for or with Yamato UK, you must report them promptly to Yamato's Managing Director:

- you become aware that a third party engages in, or has been accused of engaging in, improper business practices;
- you learn that a third party has a reputation for paying bribes, or requiring that bribes are paid to them;
- a third party insists on receiving a commission or fee payment before committing to sign up to a contract with us, or carrying out a government function or process for us;
- a third party requests payment in cash and/or refuses to sign a formal commission or fee agreement, or to provide an invoice or receipt for a payment made;
- a third party requests that payment is made to a country or geographic location different from where the third party resides or conducts business;
- a third party requests an unexpected additional fee or commission to "facilitate" a service;
- a third party demands lavish entertainment or gifts before commencing or continuing contractual negotiations or provision of services;
- you learn that a colleague has been taking out a particular supplier for very expensive and frequent meals;
- a third party requests that a payment is made to "overlook" potential legal violations;
- a third party requests that you provide employment or some other advantage to a friend or relative;
- you receive an invoice from a third party that appears to be non-standard or customised;
- a third party insists on the use of side letters or refuses to put terms agreed in writing;
- you notice that we have been invoiced for a commission or fee payment that appears large given the service stated to have been provided;
- a third party requests or requires the use of an agent, intermediary, consultant, distributor or supplier that is not typically used by or known to us; or
- you are offered an unusually generous gift or offered lavish hospitality by a third party.