

SUPPLIER CODE OF CONDUCT & DECLARATION



DIMO
THE PERFECT PARTNER

Dear Valued Business Partners,

We at Diesel & Motor Engineering PLC are in the business of touching the lives of millions of people every day. However, our commitment goes well beyond the products and services we provide. Our philosophy revolves around being a responsible organization that endeavors to meet and even exceed stakeholder expectations. Being socially responsible is central to this commitment and that is the reason we are part of the UN Global Compact.

We have always integrated ethical practices into our businesses. In light of this, we have formalized certain principles in our own Supplier Code of Conduct (SCC) to articulate our expectations from our business partners with whom we have continuing supply relationships.

In pursuing our philosophy, we believe it is necessary that we have the support of our business partners to be responsible corporate citizens. With a view of reinforcing this, we have embarked upon a program where we seek your commitment to our philosophy by way of signing our declaration. Please be kind enough to read through the document and sign the declaration on pg. no. 15 & 16.

We trust that you will honour the ethical, social and environmental principles and practices evidenced in our Supplier Code of Conduct, both in fact and spirit. In the future, all contracts/contract amendments will incorporate language indicating receipt and compliance with the ethical, social and environmental principles and practices in our SCC.

There is no doubt that your subscription to our philosophy can be effective only if our expectations are communicated to your employees.

Thank you for your cooperation and as always, your partnership with DIMO.

Best Regards,
Ranjith Pandithage
Chairman
Diesel & Motor Engineering
PLC 65, Jetawana Road,
Colombo 14

Foreword

Diesel & Motor Engineering PLC (DIMO), not only represents world-class products, but also concentrates on the organization's commitment to conducting business activities in full compliance with applicable laws and to be guided by integrity and honesty.

Hence, DIMO is committed to ensure that working conditions in DIMO's supply chain are safe, that workers are treated with respect and dignity and that manufacturing processes are environmentally responsible. DIMO's suppliers commit in all of their activities to operate in full compliance with the laws, rules, and regulations of the country.

We request our suppliers, their employees, agents and sub-contractors, to respect and adhere to laws, regulations and minimum standards when conducting business. It's the supplier's responsibility to educate its employees, agents and sub-contractors accordingly.

By acceptance of the SCC, the Supplier/ Contractor assures that all existing and future agreements and business relationships with Diesel & Motor Engineering PLC will be subject to the provisions contained herein.

The SCC is made up of five sections. Sections A, B, and C outline standards for Labour, Health & Safety, and the Environment respectively. Section D adds standards relating to business ethics and section E is the supplier declaration form. If non conformities are detected, we expect prompt corrective actions.

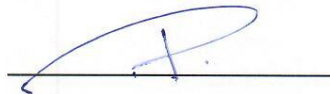
Further our Quality, Environment, Occupational Health & Safety Policies have been disclosed below for your kind information.

Quality Policy

QUALITY POLICY

We at **DIMO** are committed to creating value responsibly and continually improving our systems and processes to exceed the expectations of our stakeholders.

DIMO group will comply with all relevant legal and regulatory requirements. The quality management system will be reviewed periodically to achieve perfection in all spheres of our business operations.



Ranjith Pandithage
Chairman




Environmental Policy

ENVIRONMENTAL POLICY

We at **DIMO** are committed to carrying out all operations with minimum adverse effects to the environment. During all activities, our employees will ensure conservation of natural resources. We will reduce, reuse, recycle waste and minimise pollution.

We will engage in preserving the natural environment external to our business boundaries. Further we will support chosen Sustainable Development Goals (SDG) related to protecting the environment.

DIMO group will comply with all legislative and regulatory requirements relating to the environment and best practices to which we have subscribed. Our environmental management system is periodically reviewed for continual improvement.



Ranjith Pandithage
Chairman



Occupational Health & Safety Policy

OCUPATIONAL HEALTH & SAFETY POLICY

DIMO recognizes its responsibility to provide a safe and healthy workplace for the prevention of work related injury and ill health for its employees, customers, contractors and visitors.

The management is committed to continually improve the occupational health & safety standard and complying with applicable legislations and other requirements to which the company subscribes through consultation and participation of employees at all levels.

DIMO is committed to share all safety requirements applicable to ensure the safety of employees, customers, contractors, visitors and devote time to correct unsafe acts or unsafe conditions to execute the work in a safe manner to eliminate hazards and reduce occupational health & safety risks.

The occupational health & safety measures will be reviewed periodically to assess effectiveness and revised as necessary.



Ranjith Pandithage
Chairman



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Supplier Code of Conduct

A. Labour and Human Rights

Suppliers must uphold the basic human rights of workers and treat them with dignity and respect as understood by the international community. (<http://www.un.org/en/documents/udhr/>)

Anti-discrimination

Suppliers shall not discriminate against any worker based on race, colour, age, gender, sexual orientation, ethnicity, disability, religion, political affiliation, union membership, national origin or marital status in hiring and employment practices such as applications for employment, promotions, rewards, access to training, job assignments, wages, benefits, discipline, and termination. Suppliers shall not require a pregnancy test from employees or discriminate against pregnant workers except where required by applicable laws or regulations or prudent for workplace safety. In addition, Suppliers shall not require workers or potential workers to undergo medical tests that could be used in a discriminatory way except where required by applicable law or regulation or prudent for workplace safety.

Fair Treatment

Suppliers shall commit to a workplace free of harassment. Suppliers shall not threaten workers with or subject them to harsh or inhuman treatment, including sexual harassment, sexual abuse, corporal punishment, mental coercion, physical coercion, verbal abuse or unreasonable restrictions on entering or exiting company provided facilities. Suppliers shall prohibit harassment and unlawful discrimination in the workplace.

Prevention of Involuntary Labour

Suppliers shall not use any form of forced, bonded, indentured, or prison labour. All work must be voluntary and workers shall be free to leave work or terminate their employment with reasonable notice. Workers must not be required to surrender any government-issued identification, passports, or work permits as a condition of employment.

Prevention of Underage Labour

Child labour is strictly prohibited. Suppliers shall not employ children. The minimum age for employment or work shall be 18 years of age, the minimum age for employment in the country, or the age for completing compulsory education in the country, whichever is higher. This SCC does not prohibit participation in legitimate workplace apprenticeship programs that are consistent with Article 6 of ILO Minimum Age Convention No. 138 or light work consistent with Article 7 of ILO Minimum Age Convention No. 138.

Freedom of Association and the Right to Collective Bargaining

The Supplier shall recognize the right of freedom of association and collective bargaining of employees. The Supplier doesn't necessarily have to have a trade union but must ensure that employees are heard and provided mechanisms to directly speak to management on any subject.

Working Hours

Except in emergency or unusual situations, a workweek shall be restricted to 60 hours, including overtime, and workers shall take at least one day off every seven-days. All overtime shall be voluntary. Under no circumstances shall workweeks exceed the maximum permitted under applicable laws and regulations.

Wages and Benefits

Suppliers shall pay all workers at least the minimum wage required by applicable laws and regulations and provide all legally mandated benefits. In addition to their compensation for regular hours of work, workers shall be compensated for overtime hours at the premium rate required by applicable laws and regulations. Suppliers shall not use deductions from wages as a disciplinary measure. Suppliers shall offer vacation time, leave periods, and holidays consistent with applicable laws and regulations. Suppliers shall pay workers in a timely manner and clearly convey the basis on which workers are being paid.

B. Health and Safety

DIMO recognizes that integrating sound health and safety management practices into all aspects of business is essential to maintain high morale and produce innovative products. Suppliers shall commit to creating safe working conditions and a healthy work environment for all of their workers.

Occupational Injury Prevention

Suppliers shall eliminate physical hazards where possible. Where physical hazards cannot be eliminated, Suppliers shall provide appropriate engineering controls such as physical guards, interlocks, and barriers. Where appropriate engineering controls are not possible, Suppliers shall establish appropriate administrative controls such as safe work procedures. In all cases, Suppliers shall provide workers with appropriate personal protective equipment. Workers shall not be disciplined for raising safety concerns and shall have the right to refuse unsafe working conditions without fear of reprisal until management adequately addresses their concerns.

Prevention of Chemical Exposure

Suppliers shall identify, evaluate, and control worker exposure to hazardous chemical, biological, and physical agents. Suppliers must eliminate chemical hazards where possible. Where chemical hazards cannot be eliminated, Suppliers shall provide appropriate engineering controls such as closed systems and ventilation. Where appropriate engineering controls are not possible, Suppliers shall establish appropriate administrative controls such as safe work procedures. In all cases, Suppliers shall provide workers with appropriate personal protective equipment.

Emergency Prevention, Preparedness, and Response

Suppliers shall anticipate, identify, and assess emergency situations and events and minimize their impact by implementing emergency plans and response procedures, including emergency reporting, worker notification and evacuation procedures, worker training and drills, appropriate first-aid supplies, appropriate fire detection and suppression equipment, adequate exit facilities, and recovery plans.

Occupational Safety Procedures and Systems

Suppliers shall establish procedures and systems to manage, track, and report occupational injury and illness. Such procedures and systems shall encourage worker reporting, classify and record injury and illness cases, investigate cases and implement corrective actions to eliminate their causes, provide necessary medical treatment, and facilitate the workers' return to work.

Dormitory and Dining

Suppliers shall provide workers with clean toilet facilities, access to potable water, and sanitary food preparation and storage facilities. Worker dormitories provided by the Supplier or a third-party agency shall be clean and safe and provide adequate emergency egress, adequate heat and ventilation, reasonable personal space, and reasonable entry and exit privileges.

Health and Safety Communication

In order to foster a safe work environment, Suppliers shall provide workers with appropriate workplace health and safety information and training, including written health and safety information and warnings, in the primary language of the workers. Suppliers shall post, in the primary language of their workers, Safety Data Sheets for any hazardous or toxic substances used in the workplace and properly train workers who will come into contact with such substances in the workplace.

Worker Health and Safety Committees

Suppliers are encouraged to initiate and support worker health and safety committees to enhance ongoing health and safety education and to encourage worker input regarding health and safety issues in the workplace.

C. Environmental Impact

-At DIMO, environmental considerations are an integral part of our business practices. Suppliers shall commit to reducing the environmental impact of their designs, manufacturing processes, and waste emissions.

Solid Waste Management

Suppliers shall manage and dispose of hazardous and non-hazardous solid waste generated from operations as required by applicable laws and regulations.

Wastewater Management

Suppliers shall monitor, control, and treat wastewater generated from operations before discharge as required by applicable laws and regulations. Supplier shall take appropriate precautions to prevent contamination of water runoff from its facilities.

Air Emissions Management

Supplier shall characterize, monitor, control and treat air emissions of volatile organic chemicals, aerosols, corrosives, particulates, ozone depleting chemicals, and combustion by products generated from operations, as required by applicable laws and regulations, before discharge.

Environmental Permits and Reporting

Suppliers must obtain, maintain, and keep current all required environmental permits (e.g. discharge monitoring) and registrations and follow the operational and reporting requirements of such permits.

Pollution Prevention and Resource Reduction

Suppliers must endeavor to reduce or eliminate solid waste, wastewater and air emissions, including energy-related indirect air emissions, by implementing appropriate conservation measures in their production, maintenance and facilities processes, and by recycling, re-using, or substituting materials.

D. Ethics

Suppliers must be committed to the highest standards of ethical conduct when dealing with workers, suppliers, and customers.

Business Integrity

Corruption, extortion and embezzlement, in any form, are strictly prohibited. Suppliers shall not violate applicable anti- corruption laws and regulations of the countries in which they operate, and shall not engage in corruption, extortion or embezzlement in any form. Suppliers shall not offer or accept bribes or other means to obtain an undue or improper advantage.

Suppliers must uphold fair business standards in advertising, sales, and competition.

Disclosure of Information

Suppliers must accurately record and disclose information regarding their business activities, structure, financial situation, and performance in accordance with applicable laws and regulations and prevailing industry practices.

Protection of Intellectual Property

Suppliers must respect intellectual property rights, safeguard customer information; and transfer of technology and know-how must be done in a manner that protects intellectual property rights.

E. Declaration

Declaration of Liability regarding Compliance with the DIMO SCC

Considering the level of obeying following practices by your company, please tick

Supplier Code of Conduct	Adhere	In the process of implementing		Not Adhered	Not Applicable
		Yes/No	Date of Completion		
Human Rights	Anti-discrimination				
	Fair treatment				
	Prevention of involuntary labour				
	Prevention of underage labour				
	Freedom of association & the right to collective bargaining				
	Working hours				
	Wages & benefits				
Health & Safety	Occupational injury prevention				
	Prevention of chemical exposure				
	Emergency safety procedure & systems				
	Dormitory & dining				
	Worker Health & safety communication				
	Worker health & safety committees				
Environmental impact	Solid waste management				
	Waste water management				
	Air Emission management				
	Environmental permits & reporting				
	Pollution prevention & resource reduction				
Ethics	Business integrity				
	Disclosure of information				
	Protection of intellectual property				

We, the undersigned hereby confirm;

That we have received and taken due note of the contents of the DIMO Supplier Code of Conduct updated on January 2024, published by Diesel & Motor Engineering PLC.

- That we will observe and confirm to the DIMO SCC and its requirements.
- That we are aware of all relevant laws and regulations of Sri Lanka in which our company/firm operates.
- That we will inform all of our employees/ subcontractors of the contents and requirements of DIMO SCC, and that we will ensure that they also comply with the provisions incorporated therein.
- We hereby authorize DIMO or any other organization acting on behalf of DIMO to carry out audits at any of our premises and the business premises of our subcontractors at any time to ensure compliance of the DIMO SCC.
- Furthermore, we agree to carry out a self-assessment of our social performance, and that our subcontractors upon the request of Diesel & Motor Engineering PLC, and to submit the details of these assessments to DIMO for evaluation.

We will use the DIMO SCC exclusively for purposes relating to business and monitoring activities. We will not allow any third parties, not involved in our compliance/ monitoring process, to have access to this manual.

Name of Company :

Signature : Date :

Name :

Designation :

Company's Business Registration/Statutory ID/Code/Number :

Company Stamp/Seal :

(This document must be signed by a duly authorized representative of the Outsourced Company and returned to Diesel & Motor Engineering PLC– relevant department)

Annexure 01**OUR COMMITMENTS****Child Labour**

DIMO opposes the use of child labour. We will work in collaboration with subcontractors and suppliers to prevent and remove any instances of child labour in a manner that is consistent with the best interests of the child.

Forced Labour

DIMO opposes the use of forced or compulsory labour. We will also work with our subcontractors and suppliers to avoid indirectly benefiting from or promoting such illegal practices.

Health and Safety

DIMO is committed to work towards a goal of zero accidents, injuries and general wellbeing in the workplace. The continuous improvement of the health and safety of its employees, and of the employees of subcontractors engaged at our worksites promote our philosophy of Safe place to work.

Freedom of Association and Right to Collective Bargaining

DIMO upholds freedom of association and the effective recognition of the right to collective bargaining. Employees are heard and provided mechanisms to directly speak to management on any subject. We also work with our subcontractors and suppliers to promote the achievement of this principle.

Discrimination

DIMO is committed to ensure that each employee and potential employee is treated with fairness and dignity. Accordingly, any unlawful discriminatory practice based on race, colour, gender, sexual orientation, age, religion, ethnicity, national or social origin, property, political or other opinion, disability, birth or any other basis will not be tolerated. The Company seeks to provide each employee with equal opportunity for advancement without discrimination.

Disciplinary Practices

Each & every employee is obliged & expected to observe & adhere to company rules & regulations & standing orders. If an individual's behavior is deemed to interfere with the smooth & orderly flow of work or functioning of department, immediate corrective disciplinary action will be taken.

Working Hours

Our working hours are from 8.00 am to 5.00 pm from Monday to Friday. All local laws and regulations in this relation will be adhered to.

Remuneration

All wages and related payments not only meet the legal standards at a minimum but also can sustain a certain standard of living for the employee.