



Policy Title	CSR Supplier Evaluation Policy		
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Reviewed by	HR Director	Sandra Rogers	
Reviewed by	Director, General Operations & Finance	Nick Miller	
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VERSION HISTORY

Version No.	Revision Date	Details of revision
1	01/04/2015	Newly established

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CSR Supplier Evaluation Policy

Introduction

In line with the KYOCERA Philosophy, KDUK takes care to select suppliers whose CSR policies are aligned with its own. The CSR Supplier Evaluation Policy is designed to ensure that the supplier understands the KYOCERA group CSR guidelines and that its senior management's attitude is consistent with it.

Purpose and scope of policy

This Policy sets out the process by which suppliers' alignment to KYOCERA group CSR guidelines will be evaluated, and the categories of suppliers that are in scope. It should be read in conjunction with the KYOCERA group CSR guidelines.

This Policy applies to all permanent and temporary employees of the Company (including any of its intermediaries, subsidiaries or associated companies) who have responsibility for supplier selection. All employees and associated persons are expected to adhere to the principles set out in this Policy.

The CSR Supplier Selection Principles

The KDUK Supplier Evaluation Process must be applied to all suppliers or products or services who meet both of the following criteria:

- Suppliers with whom KDUK has, or plans to open, a trading account
- Suppliers from whom KDUK plans to purchase more than £10,000 of goods and services during the financial year

The evaluation questionnaire has been designed in two parts. The first section is mandatory for all suppliers who meet the criteria above, and covers corporate governance and legal compliance. The second section only applies to suppliers who meet the following criteria:

- Suppliers with more than 50 employees
- Suppliers with an annual turnover of more than £10M
- Suppliers who will be supplying more than £100k of products or services to KDUK annually.

Suppliers who do not meet all the conditions of the first part of the evaluation questionnaire can only be appointed with the signed consent of a KDUK director. Otherwise, suppliers who meet the conditions set out in the questionnaire may be approved by the KDUK employee responsible for their selection. Should a supplier fail CSR Supplier Evaluation due to a low score in section 2, they should be referred to the Head of CSR who will agree corrective actions with them.

KDUK staff must complete the CSR Supplier Evaluation process, including final approval, within four weeks after placing the first purchase order from KDUK. Suppliers of outsourced services must complete and return their CSR Supplier Evaluation questionnaire and be fully approved before a contract is signed.

The CSR Evaluation Policy only evaluates CSR policy; the usual financial checks are still required to be carried out and the price and quality of the product or service evaluated by the appropriate method.

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Supplier Reviews

CSR Supplier Evaluation should be completed every two years; in the event that a supplier that previously passed the CSR evaluation process and subsequently fails will be required to demonstrate within 6 months that it has taken corrective action to pass the evaluation. KDUK's Supplier CSR Evaluation policy will be reviewed whenever there is a material change to relevant legislation or to the KYOCERA group CSR guidelines. In the case of a policy change, suppliers who have already been approved will not be reviewed until two years from their last approval, unless the change affects the legal obligations covered by Section 1 of the questionnaire.

Record keeping

Completed CSR Supplier Evaluation forms will be kept on file by the Head of CSR; the supplier will also be added to an Approved Suppliers register.

Sanctions for breach

A breach of any of the provisions of this Policy will constitute a disciplinary offence and will be dealt with in accordance with the Company's disciplinary procedure. Depending on the severity of the offence, it may be treated as gross misconduct and could lead to summary dismissal.

As far as suppliers are concerned, a breach of this Policy could lead to the suspension or termination of any relevant contract, sub-contract or other agreement.

Monitoring compliance

The KDUK Compliance Officer (Human Resources Director) has responsibility for ensuring compliance with this Policy and will review its contents on a regular basis.

The KDUK Compliance Officer (HR Manager) in conjunction with the Finance Manager will be responsible for monitoring its effectiveness by conducting periodic spot checks on expenses, company credit cards, BACs payment run and the funding system.

The KDUK Compliance Officer will also provide regular reports in this regard to the Director, General Operations & Finance and the Managing Director who have overall responsibility for ensuring this Policy complies with the Company's legal and ethical obligations.

Other references

KYOCERA Group CSR guidelines
 CSR Supplier Evaluation process