



ETHICAL BUSINESS PRACTICE POLICY

SENTINEL GROUP SECURITY

Sentinel House, 36 Oakwood Hill Industrial Estate, Loughton, Essex IG10 3TZ

Ethical business practice policy

Purpose and scope

This policy sets out our ethical business practices. It applies to all employees, in relation to our dealings with our people, agents, clients, suppliers, subcontractors, competitors, government officials, the public and investors in all our operating countries.

Policy objectives

We have a duty to act responsibly and to show the highest levels of ethical and moral stewardship. The objectives of this policy are to:

- Support our commitment to be a responsible business and develop mutually beneficial and sustainable relationships with our stakeholders, based on trust and co-operation;
- Treat all our stakeholders appropriately; and
- Promote safe and fair working conditions, including the responsible management of environmental and social issues within our supply chain by ensuring our suppliers comply with our Supplier Code of Conduct, our policies and other legal requirements. This policy should be read in conjunction with One Code – SGS’s code of conduct and those concerned with finance, procurement and sustainability.

Requirements

Zero tolerance to bribery and corruption: Bribery and corruption will not be tolerated. It is not acceptable 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, or to facilitate or expedite a routine procedure;
- Request, agree to receive or accept payment from a third party that is known or suspected to have been offered with the expectation that it will obtain a business advantage from SGS;
- Participate in any activity that might lead to or suggest that a facilitation payment or kickback has been made or accepted by SGS;
- Accept a gift or hospitality from a third party if it is known or suspected to have been offered or provided with an expectation that a business advantage will be provided to SGS in return; or



Threaten or retaliate against another employee who has refused to commit a bribery offence or who has raised concerns under this policy.

All reasonable suspicions must be reported in line with the whistle-blowing procedure and any acts of bribery will be notified by SGS to the relevant government agency. Any acts of bribery and other forms of corruption, and failure by any employee to report such acts when they reasonably suspect or know another employee has committed them, will be treated as gross misconduct and may result in summary dismissal.

Zero tolerance to fraud: All employees, subcontractors, agents and suppliers must act honestly and with integrity at all times. All reasonable suspicions of fraud must be reported in line with the whistle-blowing procedure. No accounts must be kept “off the book” to facilitate or conceal improper payments.

Share trading and insider dealing: Insider dealing will not be tolerated. Insiders are defined in the supporting procedure. Share dealing undertaken by people with management responsibility must be approved in advance by the Chairman and notified to the Stock Exchange. Share dealing undertaken by permanent insiders, project list insiders or any other connected person must have permission from the Company Secretary prior to dealing. During close periods all insiders, their spouses and other connected people must not purchase, sell or transfer any SGS Group PLC shares. Insider lists must be maintained for all advisors and submitted to the Company Secretary for approval.

Expenses and entertainment: All expenses and entertainment must be in accordance with the Business expenses and entertaining procedures.

Business practices and ethical conduct: We will comply with all international sanctions regimes and will not provide services and/or resources to subject to sanction.

Client confidentiality and information related to data protection legislation must be safeguarded. Conflicts of interest must be declared. Anti-competitive practices will not be tolerated. The use of third parties and introductory fees during the bidding process is prohibited. We never make donations to political organisation’s and only make charitable donations that are legal and ethical under local laws and practices.

Human rights and labor standards: We endorse the tenets of the Global Compact principals, International Labor Organisation Declaration on Fundamental Principles and Rights at Work and the Ethical Trading Initiative ‘Base Code’ and will ensure that: employment is freely chosen; freedom of association is respected; working conditions are safe and hygienic; child labor shall not be used; wages are not lower than minimum wage; working hours are not excessive; no discrimination is practiced; regular employment is provided; and no harsh or inhumane treatment is allowed. Compliance with these rules is a prerequisite for any business engagement.

Lobbying: We do not directly participate in political activity. However, we will engage in policy debate on subjects of legitimate concern to us, our people and the communities in which we operate. This engagement will be carried out in accordance with our Communication policy. The Executive Board will monitor activities to ensure they align with our core values.

Responsibilities

The CEO is responsible for:

- Reviewing, endorsing and achieving this policy's aims.

The Group Enterprise Risk Director is responsible for:

- Administering this policy on behalf of the CEO; and
- Developing and rolling out the supporting strategies.

The Enterprise Risk Management team is responsible for:

- Providing reports on fraud and whistle-blowing and ensuring appropriate governance is maintained; and
- Logging all fraud and whistleblowing reports and ensuring they are investigated appropriately.
- Divisional/Business Managing Directors are responsible for:
- Ensuring that this policy and supporting strategies and procedures are distributed, implemented and complied with;
- Ensuring appropriate controls are in place and implemented to ensure compliance with this policy and applicable HMRC regulations, escalating any significant deficiencies or breaches to the PLC board; and
- Leading by example in protecting the SGS brand and communicating effectively.

Managers are responsible for:

- Implementing and enforcing the processes and procedures;
- Ensuring that their people are aware of their responsibilities and receive appropriate training;
- Reporting immediately to the Divisional Managing Directors any significant deficiencies or breaches; and
- Addressing any inappropriate behavior.

Employees are responsible for:

- Carrying out their work in line with this policy and associated procedures;
- Challenging any behavior that falls short of the expectations of this policy; and
- Identifying any breaches of this policy and reporting them to their line manager.

What will successful implementation of this policy achieve?

- Self-assessment and independent assurance over the robustness of the whistle-blowing, anti-fraud and bribery arrangements;
- Downward trend in losses and reportable incidents arising from fraud and bribery; and
- All instances of non-compliance investigated and appropriate action taken.