

Ethics Policy

Introduction

SIG plc has a number of fundamental principles and values which it believes are important to uphold. Trust and respect from employees, customers, shareholders, opinion formers, other stakeholders and the general public - are assets that cannot be bought and are the foundation of our success. This is why business at SIG must be conducted in adherence with these principles and values. The impact of wrongdoings and unethical behaviour upon the Group could be substantial.

Every employee has a right to expect that SIG maintains proper standards and everyone has a duty to maintain these standards through their decisions, actions and what they say. A heavier responsibility is borne by those who hold positions of authority. They must openly demonstrate leadership in applying the business practices outlined in this policy.

This Ethics Policy is supported by the whole Board of SIG plc and shall be reviewed from time to time. The policy covers the main issues that may be encountered at work, and sets out standards of professionalism and integrity to be maintained by individuals in all the Group's operations worldwide.

All employees have the right and the responsibility to resolve doubts or uncertainties about ethical questions and should in the first instance contact their immediate manager, supervisor or Human Resources Department for guidance prior to taking any action. An 'open door' policy is encouraged throughout the Group so that, if necessary, such queries can be brought to the attention of higher levels of management. The Group also has a Whistleblowing Policy and Procedure where specific concerns can be raised without fear of discrimination.

Business Principles

An ethics policy cannot cover every circumstance where an employee may need to consider his/her conduct. If any employee is in doubt regarding ANY ethical matter, they should first seek advice from their immediate manager, supervisor or from the Human Resources Department in their country.

SIG has developed and uses an extensive suite of policies to manage its obligations. All employees are made aware of these via intranet sites, handbooks, training and training materials, through Performance and Development Review, and through internal awareness raising campaigns.

The key Business Principles are outlined below:

- 1 Our policy is to stay within the laws of each country we operate in.
- 2 Discrimination or harassment of any kind will not be tolerated.
- 3 We aim to be a responsible partner within our local communities.
- 4 The legal and moral rights of others will be taken into account in our business transactions.
- 5 We will maintain a safe and healthy environment for people to work in.
- 6 We will be proactive in managing our responsibilities to the environment.
- 7 We will not knowingly make misrepresentations.
- 8 As a matter of policy, we do not make political donations.
- 9 No bribes can be given or received.
- 10 Conflicts of interest must be avoided and in all cases must be reported.
- 11 Employees are encouraged to report any suspected wrongdoings.

Compliance with the Law

It is our policy to stay within the laws, rules and regulations of the countries, states or other jurisdictions in which we operate. It is our policy to co-operate fully with relevant public authorities and regulatory bodies.

Human Rights

It is our policy to respect the human rights of everyone associated with the Group ensuring:

- 1 employees have the freedom to associate without fear of discrimination against the exercise of such freedoms;
- 2 a prohibition on using forced or child labour;
- 3 appropriate restrictions on the access and use of personal information;
- 4 respect for privacy

Employment, Discrimination and Harassment

It is our goal to offer unambiguous and fair terms of employment and to provide employees with appropriate opportunities to develop their skills and progress in their careers. It is our intention to honour all applicable terms and conditions of employment.

We consider that the diversity of the SIG workforce is a strength to the business. All employees regardless of their colour, race, religion, gender, marital status, sexual orientation, disability or age will be treated equally, with fairness, honesty, respect and dignity. Harassment (including sexual, physical, mental, use of abusive language or offensive gestures) or bullying, in any shape or form will not be tolerated. Any employee who is proved to have acted in a discriminatory manner or to have indulged in bullying or harassment will be subject to disciplinary action and all employees are strongly encouraged to report such incidents.

Health and Safety

The Company recognises its duty and the benefits of providing safe working conditions and promoting a healthy working environment. External verification of our management systems is encouraged (for example OHSAS 18001), and the Group continually strives to improve its performance through training and making people aware of potential hazards and unsafe practices.

Environmental Management

The Group monitors and proactively manages its impact on the environment, striving to go beyond the requirements of local legislation. Where applicable external verification schemes (for example ISO 14001) have been adopted, and verification schemes such as F.S.C. (Forestry Stewardship Council) have been adopted to ensure when specified, timber from sustainable sources have been utilised in the manufacturing process and the supply of products sold.

Involvement in the Community

SIG aims to be a responsible partner within the local communities in which it operates through the support of community initiatives and local charities. Each business unit is encouraged, through the Company's charitable donations policy, to develop programmes which address the needs of their local community.

Ethics in the Marketplace

Promotional materials will be accurate and truthful. Exaggerated claims will not be made and other forms of false advertising or misrepresentation will not be entered into.

Customers will be treated with respect and competition will be fair and ethical.

Collaboration with competitors to establish or maintain prices or to unlawfully restrain trade will not be allowed.

- 1 Customers will be given factual information about prices, schedules, services and other terms of business. Suppliers, subcontractors, advisors or representatives will be treated fairly, honestly and in accordance with agreed terms.
- 2 From time to time, customers, suppliers, advisors or representatives may divulge confidential information to employees. It is our duty to respect these confidences.
- 3 Any complaints from customers, suppliers, subcontractors, advisors or representatives will be dealt with promptly and fairly.
- 4 Whilst gathering normal commercial intelligence is acceptable, industrial espionage against competitors is not permitted.
- 5 It is not Company policy to knowingly infringe on the copyright, trademarks, patents or other properly registered intellectual property of others.
- 6 Employees will ensure that contracts or arrangements agreed with suppliers are consistent with the values and principles outlined and that they do not reflect badly on the reputation of the Group.

Political Contributions

Contributions by the company, whether in cash, goods, services or equipment, are not permitted.

Bribes or other Payments to Influence Business Transactions

The giving or receiving of any such payment is not allowed. No bribes of any sort may be paid to or accepted from customers, suppliers, politicians, government advisors or representatives. It is not permitted to establish accounts or internal budgets for the purpose of facilitating bribes or influencing transactions (slush funds).

Gifts and Entertainment

Special care must be taken in accepting or giving gifts/entertainment and these are not permitted if it would create a real or perceived conflict of interest. The exchange of social courtesies is acceptable when there is a clear business purpose and they remain within good taste. Neither the receipt nor the giving of excessive entertainment, substantial gifts or favours are acceptable.

There may be cases where refusal of a gift would cause embarrassment to the person offering it, particularly if you are a guest in certain countries. Guidance on local customs and behaviour should be sought before going on a business trip. Employees should politely refuse excessive gifts/entertainment, explaining to the offeror that Company policy prohibits the receipt of such gifts/entertainment.

The giving of gifts/entertainment must be properly authorised and accounted for.

If you are in doubt as to whether gifts and entertainment are appropriate, you should raise your concerns with local management prior to accepting or giving any such gift or entertainment.

Conflicts of Interest

Whether actual or perceived, conflicts of interest must be avoided. Actions taken by employees should be objective and made in the best interests of the Company. The guidelines below cannot cover every eventuality; however a number of potential areas of conflict are identified.

- 1 Accepting personal payments from suppliers, which may influence your business decisions, is not allowed.
- 2 Potential conflicts between personal and professional relationships should be avoided.

- 3 SIG employees should declare to their Director/Managing Director (and notify their line manager) any interest they or a close member of their family may have in a business that SIG is, or may have, dealings with (ignoring a shareholding in a major company, so long as such investment does not create a conflict of interest).
- 4 SIG employees must obtain written approval from their Director/Managing Director (with notification to their line manager) prior to accepting a second job, consultancy, an appointment to the Board of another Company or other form of work. In any event conflict with the interests of SIG should not arise.
- 5 Undertaking private work or establishing intellectual property in the same or a similar area of business to that of the Group where it is difficult to distinguish between personal or Company ownership/benefit should be avoided.
- 6 It is illegal for SIG Employees to buy or sell shares in SIG plc based on knowledge of material information which may affect the share price, if that information (price-sensitive information) is not available to the public. Notwithstanding an employee's duty to his/her employer to keep price-sensitive information confidential, it may also be a civil or a criminal offence to pass such information on to an unauthorised third party. The Company's Code of Conduct for Dealing in Securities provides additional guidance on this matter and if in doubt, employees should contact the Company Secretary for further guidance.
- 7 If an employee suspects they have a conflict of interest, whether actual or potential, they must raise their concerns immediately with their line manager. Employees should take no part nor seek to influence a business decision which may result in a conflict of interest arising.

SIG Proprietary Information

“Trade secrets” sensitive internal information are valuable assets and must not be disclosed to anyone without proper authorisation. By law, trade secrets are the Company’s property and employees have an obligation to protect them. Employees may be given or come into contact with information that is commercially sensitive or which is provided for their information so that they may gain a better understanding of the business, for example at staff briefing meetings. This type of information must not be divulged outside the organisation via any route (e.g. verbal, oral, internet chat room or to the media). Breach of this obligation may result in disciplinary proceedings.

Employee Shareholders

The Board supports the concept of employee shareholders. It is essential, however, that employee shareholders observe the guidelines set out in paragraph 6 of the section headed Conflicts of Interest in relation to dealing in company shares. Financial advice involving investment in the Company must not be given by or to employees.

Disciplinary Action

Any employee who violates our ethical standards is subject to disciplinary action which can include oral reprimand, written reprimand, suspension or termination of employment.

The Group Chief Executive has lead responsibility for policy implementation within the Group and this policy is signed by the CEO to demonstrate the Board’s commitment. A copy of this policy is also posted on the SIG plc web site www.sigplc.com.

Chris Davies



Group Chief Executive

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