Code of Business Conduct
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See further information at hsholdings.com
Hill & Smith’s reputation for integrity is built on its respect for, and compliance with, laws, regulations or similar mandatory requirements that apply to the conduct of our business in all countries in which we operate.

Our Group companies are committed to maintaining high standards of ethics and integrity in the conduct of their business activities.

This code of business conduct sets out those standards and is required reading for everyone working for, or on behalf of the Group.

Derek Muir
Group Chief Executive
November 2016

We welcome questions about the code of business conduct and its application. Any questions relating to this code should be raised in the first instance with the Group Risk and Compliance Counsel - email: compliance@hsholdings.com
Who must comply with this code of business conduct?
This code applies to everyone engaged by the Group and includes:

› all Directors and officers of any Group company;
› all employees of the Group; and
› all contractors, consultants, representatives and agents, including all other forms of third party “commercial intermediary” retained by Group companies to assist in obtaining business or negotiating, representing (or otherwise interacting on behalf of) a Group company with;
   i) public or Government officials; and/or
   ii) private sector customers or suppliers.
All subsidiary companies of Hill & Smith Holdings PLC – wherever they may be located in the world – will be deemed to be part of the Hill & Smith Group (whether corporations, limited partnerships or other types of business structures).

What about laws in different countries?
In addition to complying with this code of business conduct, individuals must also comply with the laws and regulations of different countries when conducting international business.

Where differences exist as the result of local customs, normal practice, laws or regulations you must apply either the code of business conduct or the local requirements – whichever sets the highest standard of behaviour.

Individuals are responsible for being aware of, and following, the laws that apply in the locations where they work. The Group Risk and Compliance Counsel or the Company Secretary may be contacted for further guidance.

Failure to comply with the code of business conduct
Failure to comply with the spirit and intent of this code of business conduct can expose the Group, and/or any individual involved, to serious consequences. These include:

› criminal legal proceedings which may result in fines and/or imprisonment.
› termination of employment or other disciplinary measures.
› civil legal proceedings which may result in large amounts of fines and damages.
› loss of business reputation within the markets and industries in which the Group operate.

Violations or non-compliance with the law, this code of business conduct or any Group policy, will constitute grounds for disciplinary action, including, when appropriate, termination of employment.

For non-employees, violations or non-compliance with the law, this code of business conduct or applicable Group policies, may lead to the immediate termination of any business relationship with the Group.

Responsibilities of managers and supervisors
Those individuals who manage or supervise other employees have additional responsibilities under this code. These include:

› making sure the code is provided to, explained and understood by all employees.
› providing guidance and support to those they manage or supervise on how they can meet the requirements and standards of the code.
› promoting the standards established by the code by setting a personal example.
› monitoring compliance of the code by employees they manage or supervise.
› ensuring that third parties are aware of and comply with the code and all applicable Group policies when doing business with, or on behalf of a Group company.
Making ethical decisions

This code cannot address every situation that individuals may come across. Law or policy will often dictate the answer, but on many occasions the situation will require investigation and analysis to decide upon the appropriate action.

Prevention starts with you

Unethical, illegal, or unsafe acts can cause serious loss or harm to our company, employees, and our customers. It is everyone’s responsibility to help prevent these activities from occurring.

Those are the company’s problems – why should I care?

Losses due to illegal, unethical and irresponsible activities can affect all of us. We pay in many ways.

› Our personal safety and security may be jeopardised.
› The financial losses may mean fewer growth or employment opportunities.
› Employee morale may be harmed.

Reporting suspected non-compliance

The Group encourages individuals to speak out and raise concerns in situations where the interests of the Group or the interests of others are put at risk.

Employees will generally know when someone within their company is doing something illegal or improper but are often afraid about voicing their concerns. The Group whistleblowing policy, as well as this code of business conduct, protects those reporting suspicions, or allegations, from reprisals or victimisation for whistleblowing.

Instances of non-compliance with this code of business conduct (or any other Group policy) – whether actual or suspected – must be reported to:

› your line manager.
› your normal company contact (if you are not an employee).
› Group company Managing Directors and Finance Directors.

Matters may also be reported confidentially or anonymously to:

› the Group Risk and Compliance Counsel by phoning +44 (0)121 704 7435, or
› via email to compliance@hsholdings.com.

How concerns will be investigated

We are committed to dealing with all concerns fairly, properly and in a professional manner.

Matters reported or questions received will be passed to authorised persons within the Group who will ensure that they are dealt with in a professional and confidential manner. All such communications will be held in confidence to the extent consistent with carrying out an appropriate investigation under applicable laws.

The action taken by us in response to a report or concern will depend on the nature of that concern. Initial enquiries will be made to determine whether an investigation is appropriate and the form that it should take. Some concerns may be resolved without the need for investigation.

Depending on the nature of the concern raised there may be an internal inquiry or formal investigation. In certain circumstances the matter may be referred to the Chairman of the Group’s Audit Committee who will decide upon the most appropriate course of action and investigation process.

The amount of contact between the complainant and the person or persons investigating the concern will depend on the nature of the issue and the clarity of information provided. Further information may be sought from or provided to the person reporting the concern.

Whilst we will try to give the person reporting the matter as much feedback as possible, it may not be possible to give full or specific details as this could infringe upon the privacy of another individual.

What’s my role?

There are two simple steps – think and speak up.

Think

Consider your own behaviour first. If you have any doubts about what to do in a situation, ask yourself:

› Is it legal?
› Is it against the Group’s code of business conduct (or other written standards of behaviour)?
› Could it cause loss or harm to you, other employees, customers, shareholders or to the Group?
› Would you feel uncomfortable if everyone knew what you did?

If you answer “yes” to any of these questions - don’t do it!

If the answers still aren’t clear, don’t take any chances. Talk it over with your line manager/supervisor, your Group company Managing Director, Finance Director or a human resources representative. It could be one of the most important discussions you ever have.

Speak Up

Unfortunately, not everyone makes the right decisions all of the time. If you become aware of unethical, illegal or irresponsible activity then don’t ignore it.

› Say something that expresses your awareness and concern. You can have a powerful influence on others. Reminding someone to think before acting may help prevent them from making a big mistake.
› Discuss it. If the situation doesn’t improve, don’t keep it to yourself. Ignoring a problem only allows it to grow more costly and frustrating.
No retaliation against those that report

We will not tolerate any form of retaliation, retribution or victimisation against an individual who reports a suspected violation of the code of business conduct (or any other Group policy) in good faith or who assists with an investigation. This applies even if the report is mistaken and/or the facts later turn out to be inaccurate or do not trigger any further action.

You should immediately report any suspected acts of retaliation, retribution or victimisation which may, if proven, result in disciplinary action up to and including termination of employment of the offender.

Failure to report knowledge of a violation of this code of business conduct or failure to assist or co-operate in the investigation of reported non-compliance, may result in disciplinary action.

We will not tolerate any form of retaliation, retribution or victimisation against an individual who reports a suspected violation of any Group policy.

IF YOU THINK IT’S WRONG …. YOU CAN PUT A STOP TO IT

We encourage you to report and raise concerns where the interests of the Group, or the interest of others, are put at risk.

Where you feel unable to report any non-compliance or issue of concern to your line manager or usual contact person, you can report confidentially or anonymously to the Group Risk and Compliance Counsel.

Tel: +44 (0)121 704 7435
email: compliance@hsholdings.com
Health and safety
Through application of our health and safety policy, we require that all business subsidiaries are operated and managed to ensure the health, safety and well-being of all our employees, contractors, customers and others who may be affected by our operations.

We are committed to:
› taking appropriate steps to minimise accidents and ill health in all aspects of our operations.
› assessment and control of work-related risks by implementing safe systems of work and effective management practices.
› compliance with regulatory and other legislative requirements and striving for continual improvement.
› where at all possible, the integration of health and safety into our day-to-day business operations.

We will provide the necessary assistance and guidance to all subsidiary businesses to assist them in achieving their health and safety objectives and contributing to the Group’s long-term health and safety strategy.

Each subsidiary business is an employer in their own right and therefore the principal requirements for managing health, safety and welfare at work falls to each subsidiary and their management teams. Managing Directors of each subsidiary business are responsible for the day-to-day implementation of health and safety arrangements for the areas and activities under their control. The implementation of this policy requires the co-operation and active involvement of all employees, at all levels and in all areas of our business.

In implementing this policy all individuals are required to:
› co-operate with the Group to ensure compliance with statutory requirements by working safely in accordance with any safe systems of work and associated safety procedures.
› take reasonable care of themselves, their colleagues, visitors and others who may be affected by our operations.
› report to their line manager any accidents/incidents or any other areas of concern with regards to health and safety.
› not interfere with, damage or misuse any plant or equipment provided by a Group company.

The environment
Through application of the Group environment policy, we require that all business subsidiaries are operated and managed to ensure that the environmental impact of their products and activities comply with regulatory requirements and best-practices.

We are committed to:
› working with stakeholder Groups, including the communities in which it operates, employees, customers and supply chain, to ensure the preservation of the environment by minimising the impact of its products and activities.
› managing waste and reducing emissions to air and water in order to protect the natural environment.
› ensuring responsible energy management and the practice of energy efficiency throughout all our facilities and workplaces.

The Group’s environment policy will be progressively implemented to all major subsidiary sites through the Environmental Management System (‘EMS’). The objective is to ensure that the overall activities of each site are compatible with and conform to, the environment policy and where appropriate, international standards including ISO 14001 (a series of international standards on environmental management).

The Group has already received recognition of its work and reporting, under its corporate social responsibility, from the FTSE4Good organisation.

More than simply obeying rules – individuals are also responsible for:
› always considering the health, safety, and environmental aspects of every job or situation; and
› being part of, and fostering, a safety culture that empowers all employees to stop any job or task that may be unsafe or damage the environment.

Reporting and recording HS&E incidents
Each employee has the obligation to accurately and completely report incidents to their line manager/supervisor and local HS&E manager for entry into the Group’s HS&E incident records.

The falsification of reports or concealment of facts related to an incident are grounds for disciplinary action up to and including termination.
Bribery and corruption

Bribery or corruption could seriously damage our business and impact our reputation.

One single act of misconduct or improper act can not only damage the reputation of the Group - it can also lead to large civil fines, criminal prosecutions and the imprisonment of those involved.

As a UK-registered PLC, Hill & Smith Holdings PLC (which includes, by extension, all of its subsidiary companies) is required to fully comply with the UK’s Bribery Act 2010 which came into force in July 2011. In addition to the Bribery Act 2010, the Group also need to ensure compliance with local laws in the places in which Group companies may be working or operating.

The Group anti-bribery and corruption policy

Through the application of the Group anti-bribery and corruption policy, we expressly prohibit improper payments in all business dealings, in every country around the world.

Individuals should not make, offer or agree to make any unlawful payment or bribe, or other corrupt payment (including facilitation payments) to any customer, regulatory authority or government or public official (including their employees, agents and representatives).

We must not offer, pay, solicit or accept bribes in any form, and will not participate in any kind of corrupt activity, either directly or indirectly through any third party.

You must not give, receive, ask for or permit anyone else to give bribes or engage in any corrupt activities to win new business, retain business or otherwise secure any form of improper business advantage.

Bribes, kickbacks or the giving of anything of value, in an attempt to influence the action or inaction of a government or public official, any private company or person, will not be tolerated and is strictly prohibited. This prohibition extends to payments to or from “commercial intermediaries” or other third party representatives providing services to a Group company where it is known or should be reasonably suspected that some part of the payment or “fee” might be used to bribe or otherwise improperly influence.

Government/public officials

The definition of government or public official (and persons working for or representing governmental organisations) would include all employees of nationalised or state-owned companies or agencies.

Examples would include (but are not limited to) anyone working for: national or state transport or highways agencies; local governments and authorities; national energy companies; national/state-owned banks; customs, immigration and border agencies; the police and armed forces.

Bribery

Bribery is offering, providing or receiving something of value, including cash, gifts, hospitality or entertainment, to persuade someone to do something or as a reward for something improper or illegal. Any demand for, or offer of, a bribe in whatever form to any company employee, or third party representative must be rejected and reported immediately.

Corruption

Corruption involves, but is not limited to, any of the following types of activities: bribery, extortion, fraud, deception, collusion, abuse of power, embezzlement and money laundering.
Facilitation payments
Generally, a facilitation payment is a small payment to a low-level government or public official (which is not officially required), to secure, enable or speed-up a process of the official’s job – for example issuing permits, licences or releasing goods held in customs.

You (including commercial intermediaries and other forms of third party representatives) should not pay any form of facilitation or enabling payments to a government or public official to speed up or otherwise improperly procure a transaction. In terms of the Bribery Act 2010, these payments are viewed the same as bribes paid by a Group company and can lead to criminal proceedings against the Group and individuals.

Please note that there may be legitimate, published fees payable for a faster service from government or public officials, such as a payment to get a visa or a new passport more quickly from a Consulate. These are not facilitation payments and are allowed - provided, of course, that a proper receipt and proper business recording is made of the legitimate business expense.

Health, safety and welfare exception for facilitation payments
Individuals shall not make facilitation payments to any government or public officials. The only exception to this would be in circumstances where there is a real and imminent threat, to the health, safety or welfare of any employee (or a member of his or her family or a co-worker), if the payment is not made.

Any payment made under this limited emergency exception must be fully documented and reported immediately to the Group Risk and Compliance Counsel, as well as your line manager.

Commercial intermediary
The definition of a commercial intermediary would be: All contractors, consultants, agents – and all other forms of third party representative retained by a Hill & Smith Group company to assist in obtaining business or negotiating, representing (or otherwise interacting on behalf of) a Group company with:

› public or government officials; and/or
› private sector customers or suppliers, agencies, the police and armed forces.

Failure to comply with the Group policy on anti-bribery and corruption
There will be serious consequences for not complying with the Group anti-bribery and corruption policy.

Disciplinary action will be taken against individuals who are found to be giving or taking bribes or who offer, promise or give any improper or corrupt financial or other advantage. This may lead to dismissal or termination of employment and, if appropriate, criminal proceedings.

We will terminate business relationships with any commercial intermediary or third party representative that violates any provision or standard of the anti-bribery and corruption policy.

Use of agents, commercial intermediaries and third party representatives
Commercial intermediaries must be carefully chosen because their improper conduct could expose the Group to legal liabilities and other sanctions.

The UK Bribery Act imposes liability on a UK company if it fails to prevent an act of bribery by a party associated with it or providing services on its behalf – no matter where in the world that conduct took place. Other international anti-corruption legislation imposes similar obligations.
Our Group wins work on the basis of our superior people, products and services – and not because we offered lavish gifts and entertainment to various people in order to unfairly influence any decision.

Gifts and/or entertainment should be nominal in value in all cases and should only be given or accepted if they are within the bounds of accepted business practice, are lawful and would not influence business transactions involving any Group company.

The Group gifts and entertainment policy
The Group has implemented a gifts and entertainment policy which requires that:

› individuals must not offer, pay, solicit or accept improper or illegal gifts or entertainment in any form, either directly or indirectly.

› you must not participate in any kind of improper gift or entertainment-related activity, either directly or through any third party.

› all gifts and entertainment will be recorded transparently and accurately in each company’s books and records.

Any gifts or entertainment, whether given or received, that exceed the “nominal” set values, must be reviewed and approved by Group company management.

Policy guidance information
The timing of any proposed gift or entertainment is important so as to avoid any improper perceptions or inferences regarding competitive bids, tenders or contract negotiation/re-negotiations.

There should be no distinction between the giving or receiving of gifts and/or entertainment in a private capacity or as a Group representative. Where a relationship has been formed as a result of Group business, the standards required by the Group policy on gifts and entertainment should apply.

Gifts or entertainment must not place the provider or recipient under any obligation and should not be capable of being misconstrued.

Guidance on giving or receiving gifts
Gifts – whether given or received – must:

› be nominal in cost: £150 or less in relation to non-governmental organisations and £30 or less in relation to a government/public official or governmental organisation;

› not be intended to improperly influence a business transaction; and

› only be given or accepted if within the bounds of recognised business practice and local law.

Cash gifts are never acceptable.

Guidance on offering or receiving entertainment
Entertainment is often an element of a relationship with existing customers, clients or suppliers and future business prospects. Business entertainment or hospitality includes, but is not limited to: meals, dinners, sporting events or tickets (such as golf or football), parties, concerts and other events where business matters are discussed, but where it is apparent that the event is not intended solely as a business meeting.

Entertainment – whether given or received – must:

› be nominal in cost: £400 or less per person per event in relation to non-governmental organisations and £30 or less in relation to a government/public official or governmental organisation;

› not be intended to improperly influence a business transaction; and

› only be given or accepted if within the bounds of recognised business practice and local law.

Failure to comply with the Group policy on gifts and entertainment
There will be serious consequences for failing to comply with the Group policy on gifts and entertainment.

Disciplinary action will be taken against employees who are found to be giving or taking gifts or entertainment in violation of this policy, or who offer, promise or give any other improper or corrupt advantage. This may lead to dismissal or termination of employment and, if appropriate, criminal proceedings.

The Group will terminate business relationships with any commercial intermediary or other third party representative that violates any provision or standard of this policy or who offer, promise or give any other improper or corrupt advantage.
Requests for approval to exceed nominal values - management approval

We recognise that there may be situations where it is culturally appropriate to give or receive something from a customer or supplier that exceeds the “nominal” values and where there is a related business purpose. In such cases employees must complete the relevant request for approval form and obtain management approval.

Gifts and entertainment that exceed nominal values will require the written and recorded approval of a line manager and the Managing Director of that particular company.

Gifts or entertainment given to government/public officials (or persons associated with a governmental organisation) that exceed the nominal value of £30 will require the written and recorded approval of a line manager, the appropriate company’s Managing Director and the Group Risk and Compliance Counsel.

In some countries government/public officials are prohibited from accepting any gifts, meals or entertainment, no matter what the value.

Non-solicitation

Individuals must not solicit gifts, meals or entertainment from current or potential customers and suppliers. Exceptions may apply:

- where you are assisting a charitable organisation in fundraising efforts; or
- for company sponsored events, such as golf tournaments.

To determine if an exception applies please check with the Group Risk and Compliance Counsel.

Individuals must not offer, pay, solicit or accept improper or illegal gifts or entertainment in any form, either directly or indirectly.
Export controls and economic sanctions

The Group must trade in accordance with all valid international economic sanctions and the legal requirements for the import and export of goods, technology and services in the countries in which it operates. We are committed to ensuring compliance with all regulatory and licensing requirements.

Economic sanctions are trade restrictions imposed by international organisations such as the UN or EU, or occasionally by individual countries, against a target country or state - usually in response to some unacceptable behaviour on the part of the targeted country.

Import and export controls are set up by national laws or the regulations of larger economic entities (such as the EU). There are specific, stricter requirements for exports of certain products (e.g. those for military or nuclear use) and to certain countries or customers.

Before any Group company quotes for, agrees to any work or otherwise commits to providing services, products or equipment to a customer, it is essential that they make sufficient enquiry to establish the ultimate country of destination (or use) for any services, products or equipment to be provided and the source and denomination of the currency for the transaction. This must be properly recorded on all export or import documentation.

Compliance with economic sanctions programmes and import and export controls are mandatory and penalties for non-compliance can be severe - fines, revocation of permits to export and even imprisonment can apply when these laws are broken.

We will not knowingly do business with any party who has been “blacklisted” by UN, EU, UK or US regulatory agencies or authorities.

Individuals involved in the sale, shipment or transfer of products or services are expected and required to keep up-to-date with all applicable laws and regulations.

Competition/antitrust laws and regulations

The Group is committed to conducting its business in an open, vigorous and competitive fashion.

We will not engage in any business practice or activity which is in breach of any applicable competition and/or antitrust law.

In general, competition and antitrust laws:

› prohibit agreements between competitors that undermine competition.
› regulate the behaviour of companies that are in a dominant (or market-leading) position.
› require prior review (and in some instances clearance) for mergers, acquisitions and certain other transactions, in order to prevent transactions that would substantially reduce competition.

The laws apply to all our companies – and also to our competitors, suppliers and business customers. It is important to be aware of these laws - not only to avoid infringement by us but also to ensure that suppliers or customers are not engaging in anti-competitive activities that could somehow damage our business and reputation.

Examples of some of the most common illegal competition and antitrust law activities would include (but are not limited to):

› Agreements between competitors regarding price fixing, bid rigging or to reduce the production of certain products.
› Agreements between competitors about which suppliers or customers they will deal (or not deal) with.
› Agreements between competitors not to compete in relation to specific customers, contract opportunities, or in certain geographic regions/countries.

How to ensure competition law compliance

The following are things that you should avoid doing with a competitor (or competitor representative):

› Do not discuss the pricing or the terms of any Group company’s bid or agree to receive information regarding the pricing of a competitor’s bid for a project that has been placed out to tender.
› Do not discuss production, sales capacity or volume with a competitor.
› Do not discuss market share, costs, profits or profit margins with a competitor.
› Do not agree with a competitor to target certain customers, products, services or geographic territories.

Political donations

Hill & Smith companies are prohibited from making any donation or contribution intended to procure political influence.

Group funds, assets or resources may not be used to contribute to any political cause, party or candidate.

Charitable donations

All companies are permitted to make charitable donations or contributions – provided that the prior written approval of the relevant company’s Managing Director or Finance Director has been obtained.

Charitable donations or contributions must be made against a specifically approved budget and have relevance to the community in which we operate. The donation or contribution must serve the purpose of the charity concerned and enhance our reputation as a good citizen.

Caution must be exercised where a charitable donation or contribution is requested or suggested by a government or public official that individuals may be interacting or working with. In certain circumstances the requested charitable donation or contribution could be perceived as an improper payment – particularly where the request is linked or connected to a project or piece of work that we are bidding for. In such instances the Group Risk and Compliance Counsel should be contacted for further guidance.
Where you feel unable to report any non-compliance or issue of concern to your line manager or usual contact person, you can report confidentially or anonymously to the Group Risk and Compliance Counsel.

Tel: +44 (0)121 704 7435  
email: compliance@hsholdings.com
Conflicts of interest
Individuals should avoid conflicts of interest between their private or personal activities and their duties owed to the Group and their relevant Group company.

Conflicts of interest include any personal interests which may affect the impartiality of a person to make a decision in relation to a matter relevant to their duties.

Even when nothing wrong is intended, the appearance of a conflict of interest can have negative effects. It is crucial to consider how actions might appear, and to avoid the perception of a conflict of interest. Many conflicts of interest can be resolved in a mutually acceptable way, but they must be dealt with. Failure to disclose a conflict may lead to disciplinary action.

Any potential or actual conflicts of interest must be declared by employees to their line manager, HR representative or, (as may be the case for non-employees), to the Group Risk and Compliance Counsel.

Equal opportunities
As a Group we are committed to providing a working environment where equal opportunities are promoted, diversity is respected and discriminatory practices are prohibited.

It is the obligation of all individuals to conduct business and behave in a manner that supports the following commitments and principles, as set out in the Group’s equal opportunities, discrimination and diversity policy. These obligations are:

› to create an environment in which individual differences and the contribution of all employees are recognised and valued.
› to ensure that the Group has access to the widest labour market and secures the best employees to match its requirements.
› to ensure that no job applicant or employee receives less favourable treatment and, wherever possible, every employee is given the help that he/she needs to realise their full potential to the benefit of the Group and themselves.
› to achieve an ability-based workforce which reflects both the diversity of the communities in which the Group operates and its customers.

Managers and supervisors have specific responsibility for ensuring that decisions affecting employees or potential employees are taken in a non-discriminatory manner and that all individuals enjoy equality of opportunity in all employment practices, policies and procedures in line with legislation and best practice.

We prohibit discriminatory practices, including any form of discrimination on the basis of race, colour, religion, gender (including pregnancy), national origin, age, marital status, disability, or any other status protected under applicable law.

We strongly encourage the reporting of all incidents of actual or possible discrimination. Management within Group companies are empowered to take appropriate steps to redress allegations of discrimination.
Harassment
Group companies are committed to maintaining a work environment free from harassment in which all individuals are treated with respect and dignity.

Harassment is considered a form of discrimination and it will not be tolerated in the workplace in any form. Individuals must be able to work in an environment which is free from harassment, including victimisation and bullying, and in which we treat each other with mutual respect and dignity.

Workplace conduct, whether verbal or physical, will be considered harassment if it shows hostility toward an individual because of his or her race, colour, religion, gender (including pregnancy), national origin, age, marital status, disability, or any other status protected under applicable law if it has the purpose or effect of:

› creating an intimidating, hostile, or offensive work environment.
› unreasonably interfering with an individual’s work performance.
› negatively affecting an individual’s work performance.
› violating an individual’s dignity.

The Group strongly encourage the reporting of all incidents of actual or possible harassment. The management of Group companies are empowered to take appropriate steps to redress allegations of harassment and will endeavour to ensure that complainants are not retaliated against or victimised as a result of raising an allegation or complaint.

Anti-Slavery and Human Trafficking
The Group is committed to ensuring that modern slavery (in all its forms) does not exist within its own business or from within its supply chain.

The offences of slavery, servitude, forced and compulsory labour and human trafficking all have the impact of a person (or persons) being deprived of their fundamental freedoms and human rights and the group has a zero tolerance approach to occurrences of modern slavery both within the scope of its own activities and anywhere in its supply chain.

The Group is committed to implementing effective systems and controls to avoid complicity in human rights violations related to its own operations, its supply chain or its products. The Group is committed to be transparent in its approach to tackling modern slavery, such that it is able to fully comply with its obligations under the Modern Slavery Act 2015 through the publication of annual statements as to the Group’s activities and initiatives in support of its commitment on anti-slavery and human trafficking.

Nominated staff will receive training in respect of the identification and reporting of forms of modern slavery. We strongly encourage the reporting of all incidents of actual or possible occurrences of modern slavery. The Board of Directors of the Group fully support and has ultimate responsibility for ensuring compliance with modern slavery law. Violations of the Group’s policies, procedures and training will result in appropriate steps being taken to redress allegations of modern slavery in our business or supply chains.
Substance abuse
Group companies will provide a safe and productive working environment by ensuring that the workplace is free from any form of substance abuse.

Hill & Smith Group companies, wherever they are located in the world, will abide by the applicable laws and regulations related to the possession, purchase, sale, transfer or use of alcohol and drugs.

Individuals are prohibited from being at work or on Hill & Smith business while impaired by drugs or alcohol or with illegal drugs present in their system.

The use, possession, sale or distribution of illegal drugs and the misuse of legal drugs or other substances is prohibited.

Except where authorised by management, alcohol consumption is not permitted within a Group company workplace or work-site.

Human rights
The Group recognises all individuals’ basic human rights and is committed to respecting the Universal Declaration for Human Rights in the design of diversity practice and ethical approach to employees, suppliers and customers.

The Group will respect the human rights of all those working for or with us, and of the people in the communities where we operate. We will not knowingly do business with companies, organisations or individuals that we believe are not working to at least basic human rights standards.

In achieving its strategic objectives the Group recognises its impact on the communities in which it operates and that it is essential that we act in an ethical and responsible manner to all our stakeholders. We are committed to engaging in dialogue with stakeholders on human rights issues related to our business and we believe that local issues are most appropriately addressed at the local level. We are also committed to creating economic opportunity and fostering goodwill in the communities in which we operate through locally relevant initiatives.

Regardless of personal characteristics or status, the Company does not tolerate disrespectful or inappropriate behaviour, unfair treatment or retaliation of any kind. Harassment is unacceptable in the workplace and in any work-related circumstance outside the workplace.

Hill & Smith Group companies will comply with all applicable wage and working-time laws and other laws or regulations affecting the employer/employee relationship and the workplace.

The Group will not employ child labour in any of our operations and also prohibits all forms of forced labour and any form of human trafficking and has established an anti-slavery and human trafficking policy and all employees must commit to compliance with this policy.

The Group data protection policy
Group companies will treat personal information with respect and sensitivity and in accordance with any obligations of privacy.

Individuals must:
› only collect or use personal data for Group business purposes;
› only share personal data if the people whose information held have consented to this or there is some other legal and lawful reason for doing so; and
› keep personal data and information securely, whether it is held electronically or on paper and put in place processes to prevent unauthorised or accidental disclosure or loss.

Data protection
Group companies must always take care as to how they collect, maintain and manage personal information about employees, customers, suppliers and other individuals.

Through application of the Group data protection policy, Group companies must adhere to the requirements of their country’s data protection or equivalent privacy legislation.

The Group collects, maintains and processes personal information about employees, customers, suppliers and other individuals. This information is often referred to as personal data.

All Group companies must put in place procedures to ensure that where applicable, any formal registration requirements for the processing of personal data by that company are regularly reviewed and kept up-to-date.

Each Group company must be able to answer any enquiries regarding the processing of personal data from employees, third parties or regulators promptly and within any applicable legislative time limits.

Personal data
Personal data means data which relates to a living individual who can be identified either:
› from that data; or
› from data and other information which is in the possession of, or is likely to come into the possession of, a data controller (the entity which controls the data concerned). The definition includes expressions of opinion about the individual and any indication of intentions in respect of that individual.

Processing means obtaining, recording or holding the information or data, or carrying out any operation or set of operations on the information or data, including:
› organisation, adaptation or alteration;
› retrieval, consultation or use;
› disclosure, transmission, dissemination or otherwise making available the data; or
› alignment, combination, blocking, erasure or destruction.
Protecting Resources and Assets

**Misuse of company assets**
All individuals must protect and preserve the Group’s assets and resources and assist in its on-going efforts to obtain best value.

The use of Group assets and resources for anything other than the conduct of Group business requires the express written permission of the relevant Group company’s Managing Director.

The use of Group assets and resources for personal financial gain is strictly prohibited.

**Accounting systems, financial reporting and procedures**
Each Hill & Smith company will maintain accounting systems and procedures which conform with generally accepted accounting principles and standards to enable an accurate and fair view of its assets, liabilities, profits, losses and cash flow.

Honest, accurate and complete recording and reporting of accounting and financial information is essential to the Group’s credibility and reputation, to meet legal and regulatory obligations and to fulfil responsibilities to shareholders and other external stakeholders. Such recording and reporting also informs and supports the Group’s business decisions and actions – informed decisions and actions are impossible with inaccurate or incomplete information.

No record, entry or document shall be deliberately false, distorted, misleading, misdirected, incomplete or suppressed. Problems are best addressed openly and directly rather than by making false or incomplete records or reports to hide problems.

**Fraud**
The Group has put in place procedures for the prevention, detection, reporting and investigation of suspected frauds.

Fraudulent acts and behaviours can have significant consequences for the Group and the individuals involved, including loss of contracts, business or opportunities, litigation and reputational damage.

Those individuals who commit or attempt fraud against the Group can expect to face disciplinary action, and, in certain cases, will be reported to the relevant enforcement authorities for criminal prosecution.

If you suspect that fraudulent activity may have occurred you should immediately report such suspicion to your company Finance Director and/or the Group Risk and Compliance Counsel for further investigation.

**Fraud**

Fraud can mean a number of things, but typically means deceiving others, acting dishonestly or abusing a position of trust or authority to get some advantage. Fraud is usually carried out for profit or to obtain money, goods or services wrongfully.

Some examples of fraud might include (but are not limited to):

- misappropriation or theft of Group, customer, supplier or contractor assets or resources;
- dishonesty;
- embezzlement;
- falsification, alteration or forgery of Hill & Smith Group company records or financial statements for personal or other reasons;
- deliberate misrepresentations about the Group’s products, experiences or services.
Intellectual property

Intellectual property can include any business asset developed for the Group or with Group time and resources.

All intellectual property rights, including patent rights, copyright, design rights, database rights, trade marks and service marks in all inventions, improvements, documents, plans, designs and computer programs created, devised or undertaken by individuals, belong to the Group.

Individuals must promptly disclose any new idea, process, design, invention or improvement to enable the Group to protect the asset – for example by filing for a patent or a trade mark.

The Group will not knowingly infringe upon or otherwise make improper use of the intellectual property belonging to third parties. Such unauthorised use of others’ intellectual property can expose the Group to legal claims for loss and damages.

Individuals are responsible for the proper handling of materials and documents that are copyrighted materials. Such documents should not be copied without first seeking the written authorisation from the copyright owner.

Before installing any software not provided by a Group company’s IT department or preferred supplier, employees should check and obtain the written approval of their line manager or their assigned Group company IT Manager.

Confidential information and trade secrets

Individuals will protect the Group’s trade secrets and other confidential information (whether technical or business information) from unauthorised use or disclosure, including any confidential information relating or belonging to customers, suppliers, contractors, employees and other third parties.

Individuals must not disclose or use any confidential information learned while working for another company.

Importance of protecting confidential information, intellectual property and trade secrets

The release (intentional or inadvertent) of any confidential information or intellectual property to third parties without appropriate controls and/or protection can damage the Group. An unauthorised release of the Group’s non-public business or financial information can have serious legal implications (see sections on Competition Antitrust Laws and Inside Information elsewhere within this code).

The duties that individuals have in relation to trade secrets and confidentiality not only apply during employment (and whilst services are being provided) but also after any employment or provision of services has ended.

What is confidential information and what are trade secrets?

Confidential information includes trade secrets and any other information to which the Group is required by law or contract to keep confidential (such as customer data and employee personnel records) or has declared to be confidential or proprietary.

A trade secret is generally defined as any type of information that the Group maintains as confidential and that has economic value to the Group because of its secrecy – something that gives a Group company an advantage over its competitors, or that would be harmful to the Group if its competitors obtained that information.

Examples of trade secrets would include (but are not limited to): business information; inventions; customer lists; product designs; technical information; business methods; prices paid or charged for equipment, products or labour; product information; manufacturing knowledge (such as processes, sources of materials and inventories) and “know-how”.

How to protect confidentiality

› Be careful if discussing company business in public places.
› Discuss confidential information on a “need-to-know basis” with those employees who have a legitimate need to know.
› Disclose confidential information to a third party only where there is a compelling business reason to do so and a written non-disclosure or confidentiality agreement in place.
› Take care transmitting confidential materials via e-mail.
› Mark all confidential information “confidential” to notify anyone handling the information that it is confidential and requires special precautions.
Inside information and insider dealing

All Group employees, Directors and officers are prohibited from trading in shares of other securities in Hill & Smith Holdings PLC or any other publicly traded company on the basis of “material non-public information” (also called “inside information”).

Company employees (including all officers and/or Directors) should not deal in shares in Hill & Smith Holdings PLC based on inside information about Hill & Smith, nor disclose that information to any third party who might use it to deal in such shares or encourage any third party to carry out any dealing in such shares.

Many countries have laws prohibiting the use or disclosure of material, non-public and unpublished price sensitive or “inside information” – specific or precise information that generally is not available to the public and that could, if publicly known, affect the market price of Hill & Smith’s shares (or those of one of our customers).

Inside information may also be about another publicly traded company. It may be information obtained confidentially about another company during the course of a Hill & Smith Group company performing work or services – for example a customer or supplier.

Generally speaking, if that information is “material” – that is information a reasonable investor would likely consider important in deciding whether to buy or sell shares and that could affect the price of the share – then if you possess such information you should not buy or sell Hill & Smith shares (or the customer’s or the third party’s shares) or provide such information to others, until it becomes public.

Inside information might include, for example, confidential information about:

› unpublished financial results, statements or forecasts.
› actual or possible mergers, acquisitions or joint ventures.
› important contracts that are to be entered into or terminated.
› major developments in litigation.
› significant changes in senior management or to the Board of Directors.

Penalties for insider trading are severe. Breaches are taken very seriously by International Regulators and penalties can include large fines for companies and imprisonment of persons deemed to be involved.

Share dealing code

Hill & Smith Holdings PLC, as a registered UK Public Limited Company, has adopted its own Share Dealing Code, based on the UK Listing Authority’s Model Code, to comply with its London Stock Market listing obligations. Directors and specified senior executives/officers discharging managerial responsibilities will be notified whether or not they are a relevant person for the purposes of the Code and are included on the Group’s insider list of those who have access to inside information. The Code imposes certain close period “blackout” dates where trading in securities may be suspended – for example where the Group is due to file its quarterly, half-yearly and annual results.

The Group company secretary should be contacted for guidance as to whether or not you may trade in Hill & Smith Holdings PLC securities.

Use of IT systems

Individuals must use Group company IT systems properly and responsibly, making sure that the equipment itself and the information it contains remains secure.

Group company IT systems should not be used in any way that might affect their operation or integrity or create a security risk.

Computer hardware and software and all information stored on Group company IT systems are Group property.

The use of Group company IT systems may be logged and may also be monitored for the purposes of information security, operational management, maintenance, business needs and to ensure compliance with laws, regulations and Group company policies.

Any deliberate attempt to disable, defeat or circumvent any Group company logging-system, firewall or other network security system will be subject to disciplinary action, up to and including termination.

Personal use of IT systems

Some Group companies may accept a limited, appropriate and occasional use of their IT and communication facilities for personal purposes. Where limited personal use of IT systems is permitted it should not incur substantial cost, negatively affect productivity or displace any business activity.

Please contact your company’s IT Manager or Managing Director for further guidance.