

# Anti-corruption and conflicts of interest policy

(PUBLIC EXTRACT FOR EXTERNAL STAKEHOLDERS)

## 1. OBJECTIVE

### 1.1 Introduction and purpose

As the global leader in the testing, inspection and certification industry, SGS SA, including all affiliated companies, (the “Company” or “SGS”) is trusted by customers, consumers, governments and other stakeholders who rely on SGS’s services to verify or certify that goods and services meet the required local and international standards, applicable laws and regulations or customer specifications. That trust cannot be jeopardized by any form of corruption or conflicts of interest.

Being conscious of this, the Company is committed to fighting corruption and has adopted a zero-tolerance policy towards it. In addition, it rejects any conflicts of interest that can compromise the objective judgement, decisions or actions of its employees or third parties acting on behalf of, or representing, SGS.

The purpose of this policy is to expand and further clarify the anti-corruption and conflicts of interest principles and rules stated in the [SGS Code of Integrity](#). This is done by providing additional guidance and information on recognizing and adequately dealing with corruption risks, explaining the specific rules concerning the disclosure and approval of “Integrity Disclosures” and indicating the different channels through which those disclosures must be made, hereafter referred to as “Integrity Disclosure Channels.”<sup>2</sup>

The policy contains SGS’s global minimum standards, obligations and expectations in relation to fighting corruption and conflicts of interest. In some countries or for some specific services, more stringent laws, regulations or industry codes may apply. Affiliates may also implement more detailed and stringent local rules if the minimum standards contained herein are respected.

In no case does this policy override requirements of local laws and regulations. Whenever they impose stricter requirements than those set forth in this policy, they shall always prevail.

## 2. APPLICABILITY AND EFFECTIVE DATE

### 2.1 Applicability

This Policy applies to all employees, officers and directors of SGS and its affiliated companies (hereafter collectively referred to as “SGS employees”), as well as to third parties acting on behalf of, or representing, SGS (including but not limited to sales agents and intermediaries), while they participate in business activities or transactions related to SGS (even when SGS is not directly involved in their actions) as they fall under SGS’s responsibility.

### 2.2 Effective date

This policy has been approved by the SGS Group CEO and is in force since December 12, 2024.

## 3. PRINCIPLES AND RULES

Corruption is an act that can take many forms, such as bribery, coercion, fraud, undue influence peddling, etc. and can have severe negative impacts on SGS. Among others, the Company may incur substantial liabilities, fines or penalties, suffer an adverse reputational impact, loss of revenue, increased operational, capital or regulatory costs, destruction of shareholder value and disqualification to obtain public grants or lines of credit or to participate in public or private tenders. In some jurisdictions, SGS, its employees and third parties acting on behalf of, or representing, SGS, may be subject to criminal charges for committing a criminal offence or for not implementing sufficient preventive, detective and corrective measures to mitigate the risk of corruption.

When referenced in this policy, the term “improper advantage” refers to anything of value, including but not limited to payments such as tips, commissions, rebates or other money or securities transfers, gifts, entertainment and hospitality, donations, sponsorships, discounts, employment or other contract offers, loans, favors, or any other benefits.

SGS does not engage in, tolerate or condone corruption of any form. SGS employees and third parties acting on behalf of, or representing, SGS must respect and fully comply with this statement.

<sup>1</sup> Refers to disclosures related to gifts, entertainment & hospitality, donations & sponsorships and conflicts of interest

<sup>2</sup> See section 4 - Integrity Disclosure Channels

The following sets out the principles and rules established by SGS to fight specific relevant forms of corruption and prevent conflicts of interest.

### 3.1 Bribery

Bribery is a form of corruption that has different forms:

#### Active bribery:

Refers to the act of offering, promising or giving, directly or indirectly through a third party, any improper advantage, with the purpose of influencing or rewarding the actions of an individual to obtain an improper advantage for SGS, oneself, a close relative or any third party.

Examples of active bribery include, but are not limited to:

- Bribes to secure or maintain business, including that arising from public or private tenders
- Bribes to secure a payment
- Bribes to secure an advantageous tax or customs treatment
- Bribes to obtain a permit, license or certificate
- Bribes to gain any other improper advantage by improperly influencing the decisions or acts of a third party

#### Passive bribery:

Refers to the act of requesting, accepting or agreeing to receive, directly or indirectly through a third party, any improper advantage for SGS, oneself, a close relative or any third party, in exchange or as a reward for an improper advantage for a third party.

Examples of passive bribery or kickbacks include, but are not limited to:

- Bribes to purchase the goods or services of a particular supplier or business partner
- Bribes to issue an untruthful or misleading testing, inspection or certification report or certificate
- Bribes to improperly misrepresent or change the findings and results of a conducted service
- Bribes to unjustifiably not follow the defined procedures or standards for conducting a service
- Bribes to secure any other improper advantage for a third party by influencing the decisions or acts of an SGS employee or a third party acting on behalf of, or representing, SGS

Bribery can involve a government authority<sup>3</sup>, state-owned enterprise<sup>4</sup>, public official<sup>5</sup> or another politically exposed person ("PEP"<sup>6</sup>). Such bribery is considered a form of public corruption. It can also involve an individual or entity from the private sector, being then considered a form of private corruption.

SGS employees and third parties acting on behalf of, or representing, SGS, must not:

Directly or indirectly be involved in any act of active or passive bribery with the purpose of obtaining an improper advantage for SGS, oneself or a third party

Make any payments to government officials

Although SGS does not distinguish between public or private corruption, particular care should be taken in any dealings with the public sector (specially with PEPs) as it has a higher exposure and is generally subject to stricter rules and controls than those of the private sector.

It is important to bear in mind that for an act to be considered a bribe it is not necessary that the delivery or concession of the improper advantage has materialized or taken place. It is sufficient that an improper advantage is offered.

#### Reporting bribery:

SGS employees and third parties acting on behalf of, or representing, SGS who receive a demand for a bribe, or are offered a bribe, in any form whatsoever, must **report** the matter immediately to their line manager and through the [SGS Integrity Helpline](#) (or any other official channel to report suspected or known violations of the [SGS Code of Integrity](#)). They will not be penalized for refusing to offer or accept a bribe.

#### 3.1.1 Facilitation payments

Facilitation payments are one-off payments of a modest value ("grease payments") made for the purpose of expediting or facilitating the performance typically by a low-level public official of a routine action which SGS is legally entitled to. They are illegal in most countries, and in some they are even considered a criminal offence.

Examples of routine actions include, but are not limited to:

- The obtention of permits, licenses or other official documents that qualify a person or entity to do business in a specific country or region
- The processing of government papers, such as visas or work orders
- The verification of passports or other required traveling documents
- The national or international transit of goods or the processing of the related papers
- The provision of security or police protection
- The provision of mail pick-up and delivery services
- The scheduling of regulatory inspections that SGS must pass
- The provision of phone service, power and water supply, and loading and unloading cargo
- The protection of perishable products from deterioration

SGS employees and third parties acting on behalf of, or representing, SGS must not make and should refuse any demands made by officials for facilitation payments.

<sup>3</sup> See section 7 - Definitions

<sup>4</sup> See section 7 - Definitions

<sup>5</sup> See section 7 - Definitions

<sup>6</sup> See section 7 - Definitions

#### Reporting facilitating payments:

SGS employees and third parties acting on behalf of, or representing, SGS who receive a demand for a bribe, or are offered a bribe, in any form whatsoever, must **report** the matter immediately to their line manager and through the **SGS Integrity Helpline** (or any other official channel to report suspected or known violations of the **SGS Code of Integrity**). They will not be penalized for refusing to offer or accept a bribe.

#### 3.1.2 Gifts, and entertainment and hospitality (and related disclosures)

SGS is aware and recognizes that the exchange of reasonable occasional courtesies in the form of gifts or entertainment and hospitality is a common practice in business relations as a way to foster good business relationships and show friendship, appreciation or gratitude. In some countries, this is a deeply rooted custom where non-participation can be perceived as impolite or may cause offense. However, they could also be used or be perceived as a vehicle through which bribes and other illicit or improper advantages can be given or received (including rewards for having acted or not acted improperly).

Examples include, but are not limited to, the following:

- Those that are inappropriate in terms of typology or value because they exceed what is usual in normal business relations or are in breach of applicable SGS policies
- Those that are inappropriate in terms of timing because they are given or received during or right after the obtention or renewal of business, licenses or permits, etc

When referenced in this policy, entertainment and hospitality refers to any invitation related to food and drink, travel, accommodation or entertainment such as tickets to the theater, a musical, concert or other social or sports event and any payment to a third-party entertainer or entertainment organizer.

To reduce the risks detailed above, the Company has adopted a restrictive policy with regards to the exchange of those courtesies that includes the following rules:

As a general rule, SGS employees must avoid offering or accepting any form of gift or entertainment and hospitality that could be damaging to the reputation of SGS or improperly influences or creates the appearance of an improper influence on business decisions. This includes invitations to clubs or nightclubs, which may not be accepted or offered.

Also, third parties acting on behalf of, or representing, SGS are specifically prohibited from offering or accepting, on behalf of SGS or in connection with their business relationship with SGS, any gift or entertainment and hospitality to or from third parties.

- a) Gifts, and entertainment and hospitality offered to SGS employees:

#### Gifts:

SGS employees are prohibited from accepting any type of gift, cash, tip or loan from existing or prospective customers, suppliers and business partners. The only exceptions are promotional branded items of nominal value such as calendars, pens and notepads, as well as perishable items such as food and drinks. Perishable items must be shared and distributed amongst the SGS affiliate employees in accordance with local policies. As a matter of clarification, the nominal value must be defined by each SGS affiliate in accordance with reasonability and local courtesy customs. Such nominal value definition must be approved by the Global Head of Compliance and Business Ethics.

If the gift received cannot be returned without causing offence, a suitable method of disposal should be chosen in accordance with local policies, for example, donation to a charity.

#### Entertainment and hospitality:

In general:

SGS employees **must disclose** all entertainment and hospitality offered by existing or prospective customers, suppliers and business partners in advance and in accordance with applicable SGS policies.

Should circumstances not allow for advance disclosure, this should be done immediately after the entertainment or hospitality is received. As an exception, the acceptance of reasonable business meals, food and drinks offered at social or professional events and reasonable transportation does not require disclosure.

**Entertainment or hospitality offered in connection with services performed by SGS or by existing or prospective suppliers and business partners to SGS employees involved in the procurement process or the selection of suppliers or business partners.**

SGS employees are prohibited from accepting entertainment and hospitality when the offer is made in connection with services performed by SGS or is made by existing or prospective suppliers and business partners to SGS employees involved in the procurement process or the selection of suppliers or business partners. As an exception to this rule, SGS employees may attend but **must disclose** any invitation to the following events:

- Trade fairs and similar professional events which are sponsored by suppliers
- Wedding and wedding anniversaries
- Funerals
- Retirement parties

They may also accept reasonable food and drinks, such as access to a company's food canteen and reasonable transportation. The acceptance does not require disclosure.

b) Gifts, and entertainment and hospitality **offered by** SGS employees to third parties:

**Gifts:**

SGS employees are prohibited from offering any type of gift, cash, tip or loan to third parties, other than small promotional SGS branded items of nominal value such as calendars, pens and notepads, as well as perishable items such as food and drinks of a total value not exceeding CHF 100 per recipient and per calendar year. As a matter of clarification, the nominal value must be defined by each SGS affiliate in accordance with reasonability and local courtesy customs. Such nominal value definition must be approved by the Global Head of Compliance and Business Ethics.

Exceptions require **prior disclosure and approval** in accordance with applicable SGS policies.

**Entertainment and hospitality:**

Offering any type of entertainment and hospitality to third parties (including travel, accommodation and any hospitality), with the exception of business meals, requires **prior disclosure and approval** in accordance with applicable SGS policies.

**3.1.3 Donations and sponsorships (and related disclosures)**

SGS is proud of giving back to the communities where it operates by offering donations in various forms such as cash contributions, volunteering community hours and in-kind donations, such as goods or services offered for free or for less than the usual charge.

These are made with the purpose of supporting charitable organizations, not-for-profit community-based programs, such as those related to assistance in emergency relief efforts following natural disasters, education, healthcare and financial support for collectives at risk and research, or other beneficiaries in need, such as schools, medical centers, etc. These donations are voluntary and are made with no expectation of anything in return.

SGS engages in sponsorships by supporting specific events, organizations, media channels or individuals to promote itself and enhance the Company's reputation and revenue streams.

However, donations and sponsorships can be used or be perceived as a vehicle through which bribes or other illicit payments can be given or received. To reduce these risks, the Company has implemented precautionary measures that include the following rules:

- SGS neither supports nor contributes funds or resources, directly or indirectly, to any political party, elected official, candidate for public office, political campaigns or religious organizations. As a result, donations related to those third parties are prohibited

- SGS employees who wish to offer non-prohibited donations or sponsorships, on behalf of SGS, must disclose them in advance and obtain prior approval in accordance with applicable SGS policies. Approval will not be given if they are intended or appear to influence third parties to grant improper advantages to oneself, SGS or other third parties
- With regards to requests, SGS employees are prohibited from requesting third parties for donations and sponsorships on behalf of SGS or in connection with their employment at SGS. This rule does not apply to internal donation campaigns in which SGS encourages its employees to participate
- Concerning third parties acting on behalf of, or representing, SGS, they are specifically prohibited from offering, requesting or accepting on behalf of SGS, or in connection with their business relationship with SGS, any donation or sponsorship
- Donations and sponsorships on behalf of SGS that do not follow these rules are not allowed, even if personal or third-party assets, resources or funds are to be used. Any donation or sponsorship made personally will not be reimbursed by SGS

**3.2 Coercion**

Coercion is a form of corruption that involves, directly or indirectly, using an act of pressure, including the use of force or threat to influence the will or conduct of a third party.

SGS employees and third parties acting on behalf of, or representing, SGS must not directly or indirectly be involved in any act of coercion with the purpose of obtaining an improper advantage for SGS, oneself or a third party.

**Reporting coercion:**

SGS employees and third parties acting on behalf of, or representing, SGS who are placed under acts of coercion, force or threat must report the matter immediately to their line manager and through the SGS Integrity Helpline (or any other official channel to report suspected or known violations of the SGS Code of Integrity). They will not be penalized for refusing to engage or succumb to coercion.

**3.3 Fraud and embezzlement**

**Fraud:**

Fraud is a form of corruption that involves, directly or indirectly, deceiving others for personal gain. It has many forms, such as financial fraud, tax fraud, among others. It often involves misrepresenting, manipulating or abusing information for personal gain.

SGS rejects and strictly prohibits any form of fraud.

SGS employees and third parties acting on behalf of, or representing, SGS must ensure that business and financial records related to SGS, in both physical and digital form, are complete, true, accurate and fair. All information and transactions must be filed and archived in a timely manner, in accordance with applicable laws and SGS Group policies.

As a matter of reference, they are specifically prohibited from:

- Falsifying or misrepresenting business or financial records
- Altering or destroying business records in breach of SGS Group policies, procedures or applicable law
- Misrepresenting or altering sales figures to meet goals or targets
- Submitting false or inflated expense claims related to travel or other expenses
- Submitting false or inflated work or overtime timesheets
- Pursuing any personal investment or business opportunity on the basis of non-public information regarding SGS, its customers or third parties
- Trading in shares, options and other securities issued by SGS, its customers or third parties while in possession of non-public information
- Disclosing confidential information or providing investment tips to third parties on the basis of insider information

#### **Embezzlement:**

Embezzlement is a form of financial fraud that involves, directly or indirectly, using a position for personal benefit by misusing, misplacing or stealing assets, resources and or funds entrusted to that person. This also includes but is not limited to falsifying financial records, creating fake invoices or diverting money to personal accounts.

SGS rejects and strictly prohibits any form of embezzlement.

SGS employees and third parties acting on behalf of, or representing, SGS have a duty to respect and safeguard SGS and third-party assets, resources and funds, and must not use them improperly or for any form of personal benefit.

They must maintain the confidentiality of SGS information and not disclose or discuss any sensitive information regarding SGS, its business, financial performance, investments, strategies and customers.

### **3.4 Lobbying**

Lobbying refers to the lawful act of seeking or attempting to influence the actions, policies or decisions of government authorities, political parties or judicial bodies.

SGS practices responsible lobbying, directly or indirectly through third parties, such as associations or lobbying organizations, to defend its interests.

To ensure this, the Company has implemented the following rules:

- Although responsible lobbying is permitted, SGS employees and third parties acting on behalf of, or representing, SGS are prohibited from engaging in undue influence peddling by using a personal influence or connection with a government authority, member of a political party or judicial body to secure any illegal or improper advantage in exchange for offering another advantage or contribution to a third party

- Any relationship SGS maintains with government authorities, members of political parties or judicial bodies must fully comply with applicable laws

### **3.5 Conflicts of interest (and related disclosures)**

Conflicts of interest are situations in which personal interests collide with professional duties or responsibilities. This includes situations in which an SGS employee's personal interests, or those of a close relative<sup>7</sup> or a close friend, could interfere with the employee's judgment, objectivity, independence or loyalty to SGS.

To reduce this risk, the Company has implemented precaution measures that include the following rules.

SGS prohibits the following conflicts of interest for SGS employees:

- Having any involvement in the provision of services to an existing or prospective SGS customer in which they or a close relative of theirs has a significant shareholding or other financial interests, or occupies a procurement, management or director position
- Participating in the procurement process to select a supplier or business partner in which they or a close relative of theirs occupies a sales, management or director position
- Participating in, supervising or having any influence on the hiring process of a close relative, as well as supervising, managing or having any influence on the terms of employment, such as promotion or compensation of a close relative
- Sharing any internal information with candidates for open job positions at SGS
- Working for an SGS customer for whom the employee has performed services in the course of their SGS employment, working for an SGS supplier or business partner, working for an SGS competitor, competing with SGS and offering or participating in any form of professional or consultancy services to an SGS customer or prospective customer

SGS enforces **prior disclosure and approval** rules for each Integrity Disclosure related to certain situations of, or the appearance of conflicts of interest, with which SGS employees must also comply in accordance with applicable SGS policies

It is not possible to cover all situations of, or the appearance of conflicts of interest. When in doubt regarding a particular situation not specifically covered by the **SGS Code of Integrity**, SGS employees and third parties acting on behalf of, or representing, SGS, while they participate in business operations related to SGS, must abstain from taking an impulsive action or decision and disclose the situation to their managers and Business Ethics<sup>8</sup> for appropriate review and approval.

<sup>7</sup> See section 7 - Definitions

<sup>8</sup> See section 4 - Integrity Disclosure Channels



### 3.6 Relations with third parties

Fully committed to compliance, SGS has implemented various additional controls to mitigate the counterparty risk of corruption and other compliance risks in its relations with third parties including suppliers and business partners, customers and SGS counterparties in mergers, acquisitions, joint-ventures and consortiums.

These measures include, but are not limited to the following, as applicable:

- Due diligence before a contractual relationship with the third party is established
- Specific approval, periodic oversight and monitoring requirements
- Certain minimum contractual requirements
- Third-party declarations

Also, the Company has identified a series of risk indicators ("corruption red flags"<sup>9</sup>) that may indicate a potential ethics, compliance or integrity concern that must be observed and taken into account.

### 3.7 Due diligence requests

To request due diligence, SGS employees must fill out an SGS Due Diligence Request Form, which can be done by accessing the Due Diligence SharePoint at: [DUE DILIGENCE \(sharepoint.com\)](https://sharepoint.com) and submitting the request to the following email address [duediligence@sgs.com](mailto:duediligence@sgs.com).

## 4. INTEGRITY DISCLOSURE CHANNELS

SGS employees with a corporate email account must submit their disclosures using the **SGS Integrity Disclosure Platform**.

Those without a corporate email account and third parties acting on behalf of, or representing, SGS, must submit their disclosures by contacting Business Ethics using the following email address: [integritydisclosures@sgs.com](mailto:integritydisclosures@sgs.com).

## 5. SEEKING GUIDANCE ON OR REPORTING VIOLATIONS OF THE SGS CODE OF INTEGRITY

SGS employees and third parties may access the **SGS Integrity Helpline** at <http://integrityhelpline.sgs.com>, or alternatively use any other official general or local channel, to seek guidance on or report a suspected or known violation of the **SGS Code of Integrity** or this policy, as appropriate.

## 6. POLICY COMPLIANCE

Every managing director is responsible for ensuring that this policy is implemented in the affiliate they are managing.

Line managers at all levels are additionally responsible for ensuring that their direct reports are made aware and understand the contents of this policy.

Violations of this policy will result in disciplinary action, which may include the termination of employment or business relationship and even legal prosecution for serious violations.

## 7. DEFINITIONS

**Government authority** – refers to the body of persons that officially control a country and its agencies, divisions and subdivisions.

**State-owned enterprise** – a company that is owned or effectively controlled by the government of a country and that is designed to pursue financial objectives by commercial means.

**Public official** – an individual employed in the public sector, by a government or any of its agencies, divisions, subdivisions or instrumentalities, which holds a legislative, administrative or judicial position of any kind, whether appointed or elected. This also includes any individual employed by a private organization performing a public service. Depending on the level of the position, a public official can also be considered a PEP.

**PEP** – a politically exposed person (PEP) is an individual that is considered of higher risk due to his/her position and influence, which can be abused for the purpose of committing money laundering, corruption, among other offences. PEPs are individuals that have been entrusted with a prominent public function such as heads of state, heads of government, ministers and deputy or assistant ministers, members of parliaments, members of supreme or constitutional courts or of other high-level judicial bodies, members of courts of auditors or of the boards of central banks, ambassadors, high-ranking officers in the armed forces and members of the administrative, management or supervisory bodies of state-owned enterprises.

Known close associates of a PEP are also considered PEPs:

- Anyone with a close business relationship or joint beneficial ownership of legal entities or legal arrangements with a PEP
- Anyone who has the sole beneficial ownership of a legal entity which is known to have been set up for the benefit de facto of a PEP

Close relatives of a PEP are also considered PEPs.

**Close relative** – a close relative of an SGS employee is defined as a spouse, child, grandchild, parent, grandparent, sibling, brother or sister-in-law, son or daughter-in-law, uncle, aunt, niece, nephew and any person living with the employee.

<sup>9</sup> See annex A - Corruption red flags

## 8. ANNEX A: CORRUPTION RED FLAGS

Corruption can sometimes be very obvious and direct, but it is often a lot more subtle. The following is an illustrative and non-exhaustive list of corruption red flags identified by SGS.

### General:

Applicable to existing or prospective suppliers, business partners and customers:

- The third party requires unusual payment conditions such as payments in cash or other unusual money instruments such as digital currencies, etc., payments channeled through other third parties or related to a bank account for which the third party cannot demonstrate ownership
- The third party refuses to sign a written contract containing anti-corruption and overall compliance and integrity contractual provisions
- There is evidence that the third party has manipulated key data of the documentation provided, such as the registration number, bank account ownership certificate, etc.
- The third party has a recent registration date (less than one year old)

### Existing or prospective suppliers and business partners:

- The supplier or business partner has been proposed, recommended or imposed by an existing or prospective customer
- The supplier or business partner is selected because of its relationship with a customer

- The supplier or business partner requests a substantial advanced payment
- The supplier or business partner is providing goods or services that are outside its usual offerings or area of expertise
- It is detected that the supplier or business partner has an opaque or implausible organizational and ownership structure
- The supplier or business partner demands additional payment or any other advantage when there is no legitimate reason for it
- The supplier or business partner refuses to provide SGS with supporting documentation for the invoices issued or the claimed expenditures
- The goods or services of the supplier or business partner are priced substantially above market value
- The supplier or business partner refuses to sign the **SGS Supplier Code of Conduct** and/or the **SGS Code of Integrity**, as applicable
- In the case of a joint-venture, the joint-venture partner does not provide financing in proportion to its shareholding in the joint-venture

### Existing or prospective customers:

- The customer conditions the obtention or renewal of a business contract to a donation, sponsorship or any form of improper payment or advantage
- The customer demands unusual payment conditions

**When you need to be sure**