



# SGS Supplier **Code of Conduct**

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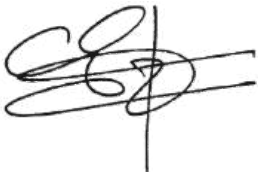
Dear suppliers,

SGS champions sustainability through its whole value chain and publishes regular and honest reports on its corporate sustainability performance.

Suppliers are important stakeholders for SGS, and we are committed to engaging in an ongoing dialogue to reach the highest social, economic and environmental standards.

This SGS Supplier Code of Conduct (“Code”) sets out the basis of our responsible sourcing approach. It defines not only the nonnegotiable minimum standards that we ask our suppliers to respect when conducting business with SGS but also the expression of values which are shared throughout SGS, its various businesses and affiliates and that we encourage our suppliers to adhere to.

As an industry leader, we hold ourselves to the highest standards of professional behavior, compliance and sustainability. We trust that this Code facilitates the implementation of our sustainability agenda, leads to transparent and ethical behavior and enhances SGS’s credibility in corporate sustainability management and leadership.



**Géraldine Picaud**  
Chief Executive Officer



# Introduction to **SGS Code of Conduct**

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## **PURPOSE**

The Code states five Principles – Professional Excellence, People, Health & Safety, Environment and Communities –aligned with SGS Business Principles, where the beliefs and behavior that have shaped SGS culture are stated.

The Principles outlined in the Code have been developed in consultation with our employees and management across the business as well as external stakeholders. They have also been benchmarked against internationally recognized best practice frameworks.

We base our Human Rights commitment on the International Bill of Human Rights consisting of the UN’s Declaration of Human Rights, the International Covenant on Civil and Political Rights, the International Covenant on Economic, Social and Cultural Rights, and the International Labour Organization’s fundamental conventions on Rights at Work. We support the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises.

These Principles reflect the most important sustainability issues for SGS, as analyzed through our comprehensive materiality process.

Finally, the Code aims to highlight the minimum standards of professional behavior, compliance and sustainability with which it expects its suppliers to be aligned.

The Code of Conduct for suppliers is underpinned by our policies and the SGS Code of Integrity, which are formally monitored to ensure adherence to SGS’s strict standards.

## **SCOPE AND IMPLEMENTATION**

### **APPLICABILITY**

The **SGS Code of Conduct** applies to all SGS suppliers (defined as a person or company supplying products or services to SGS), and their affiliates, with a spend in excess of Swiss francs (CHF) 30,000 per year. However, it does not apply to:

- Individual landlords
- Accreditation and certification bodies
- Government agencies, public authorities, customs and tax authorities, public authorities associates
- Law firms
- Partnership, trust, and non-profit and volunteer organizations

It is also recommended for energy and utilities companies.

The **SGS Code of Integrity** applies to all employees and third parties acting on behalf of, or representing SGS, including, but not limited to, contractors and subcontractors, freelancers and temporary staff, etc.

SGS strongly encourages SGS suppliers to promote the statements of this Code within their own supply chains.

### **HOW WE WORK WITH OUR SUPPLIERS**

At SGS, we are committed to ensuring a secure and sustainable supply chain while promoting best practices among our suppliers and partners. Therefore, we require all suppliers to act in alignment with the principles stated in this code.

While closely monitoring our financial risks, we also put the focus on our supply chain compliance and sustainability risks using the following tools:

- **Assessment during the selection of suppliers:** We include sustainability criteria in our sourcing events, aligned with our SGS 2030 Sustainability Ambitions, with a special focus on the alignment of our vendors to the principles of our Code of Conduct
- **Validation before the contracting of suppliers:** We ensure that all selected suppliers adhere to our Code [or provide an equivalent code in terms of SGS’s compliance and sustainability standards].

- **Evaluation during the contracting of suppliers:**  
We ensure that our key and most strategic suppliers are evaluated through our Self-Assessment Questionnaire, with the aim of identifying high risks that they or their own supply chain may pose to SGS and having actions in place to mitigate such risks.

### SEEKING GUIDANCE

SGS is committed to a culture where issues of integrity and professional ethics can be raised and discussed openly.

When in doubt about the meaning of this Code or the SGS Code of Integrity,

or their application to specific circumstances, SGS suppliers are encouraged to use the SGS Integrity Helpline which offers various options to ask questions and seek anonymous guidance in several languages.

### RAISING A CONCERN

SGS suppliers are encouraged to speak up and report any suspected or known violation of this Code, or the SGS Code of Integrity, by an SGS representative, or any third party, using the SGS Integrity Helpline.

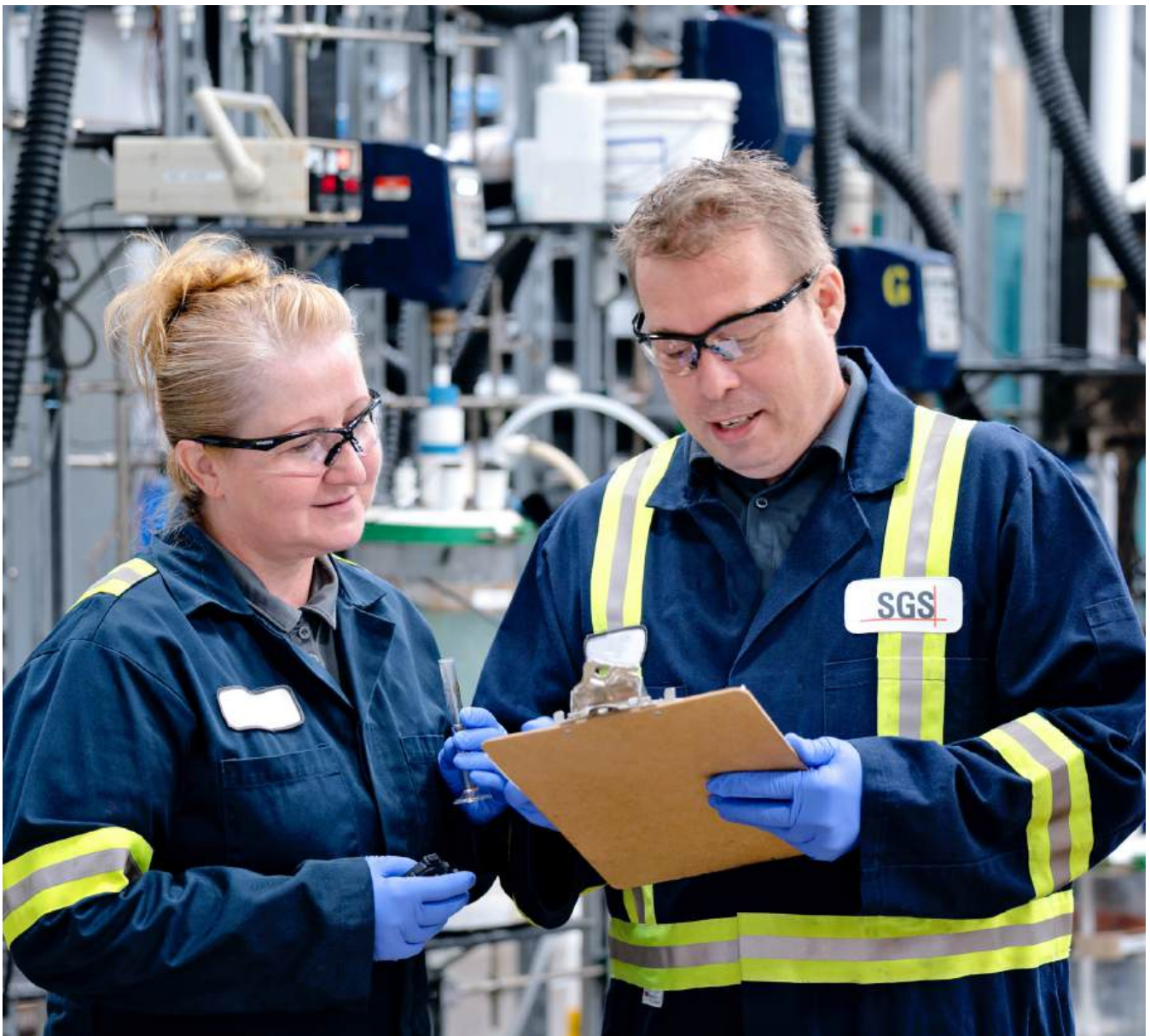
The Helpline is a safe and secure platform that offers various options to file a report in several languages.

Reports can be filed anonymously. Any information provided is stored securely and is treated with the utmost confidentiality.

### NO RETALIATION

SGS protects and will ensure that no supplier faces any form of retaliation or adverse consequences for seeking advice, raising concerns and reporting violations of this Code or the SGS Code of Integrity in good faith.

To ask a question, seek guidance, raise a concern or report an integrity violation, please go to: <http://integrityhelpline.sgs.com>



# Five principles underlying the Code

## PROFESSIONAL EXCELLENCE – ENSURING INTEGRITY



**SGS is committed to and maintains the highest business ethics, compliance and integrity standards.**

Our reputation and the trust in our services have been built through decades of unwavering adherence to our values and principles. Thereby, we have a responsibility towards our employees, customers and stakeholders to maintain these standards and trust in all the communities we operate in.

We therefore also expect our suppliers to respect our values and principles and to support us in maintaining these standards and trust.

### COMPLIANCE WITH LAWS AND REGULATIONS

SGS suppliers must adhere to all applicable national and international laws and regulations in all countries in which they operate. This includes compliance with all applicable sanction regimes with jurisdiction and trade controls.

Furthermore, SGS encourages its suppliers to comply with international and industry standards and best practices.

SGS suppliers are required to cooperate fully with any appropriately authorized internal or external investigation and should never attempt to tamper or conceal evidence, destroy documents, mislead or otherwise obstruct any legitimate investigation.

### ANTI-CORRUPTION

SGS does not engage in or condone corruption in any of its forms, including bribery and coercion. Under no circumstance will SGS suppliers pay, offer or promise, directly or indirectly, financial advantage or any other advantage, including but not limited to any type of gift, entertainment, hospitality, donation or sponsorship; or engage in corrupt practices, with the purpose of influencing the decisions of a third party, securing business or to secure an improper advantage or benefit.

Likewise, SGS suppliers must never request, accept or agree to accept a financial advantage or any other advantage, including but not limited to any type of gift, entertainment, hospitality, donation or sponsorship;



or engage in corrupt practices, directly or indirectly, with the purpose of influencing its decisions, securing business or to secure an improper advantage or benefit.

Facilitation payments in connection with their business relationship with SGS is prohibited and any related demands by officials for facilitation payments must be refused.

Violations of these principles will result in the immediate termination of business relations with SGS and may even result in legal prosecution and reporting to the competent authorities.

### **CONFLICTS OF INTEREST**

In their dealings with SGS, suppliers must avoid all conflicts of interest. All and any conflict of interest in any business dealings with SGS, of which the suppliers are aware, must be declared to us so that we have the opportunity to take appropriate actions.

### **BUSINESS AND FINANCIAL RECORDS RELATED TO SGS**

All business and commercial deals are recorded with the name of the contracted supplier or other third party and we expect full collaboration in the case of audits and access to evidence.

### **INSIDER DEALING**

SGS suppliers are prohibited from using any non-public confidential information entrusted to them by SGS, or to which they have access due to their business relation with SGS for any insider dealing. This includes trading in shares, options and other securities related to SGS or any other third parties related to the nonpublic information,

disclosing the information or providing investment tips to third parties on the basis of the information.

### **MONEY LAUNDERING, AND CRIMINAL AND TERRORISM FINANCING**

SGS suppliers are expected to have implemented measures to ensure that their operations are not tainted, willingly or unwillingly, by any money laundering or facilitation of the financing of terrorist or other criminal activities.

### **DATA PRIVACY**

All suppliers are required to uphold the highest standards of privacy and data protection, in accordance with global regulations and industry best practices.

Suppliers are expected to respect the privacy of SGS employees, contractors, workers, customers and other individuals whose personal information they have access to, according to local and international law.

SGS suppliers shall adhere to cross-border data transfer requirements as mandated by applicable regulations, ensure the security of personal information and use the appropriate management systems, as well as controls and reporting mechanisms concerning the categorization and handling of personal data.

### **SAFEGUARDING SGS ASSETS, RESOURCES AND FUNDS**

Suppliers have a duty to safeguard and to make appropriate use of all assets, resources and funds entrusted to them by SGS, regardless of whether they belong to SGS or any other third party.

They must never be used improperly or for an illicit or unethical gain. This includes any information, documentation or asset protected by intellectual property which must be respected. Plagiarism is not acceptable in any case.

Suppliers must maintain the confidentiality of the entrusted assets and resources, and must never disclose or transfer information without the appropriate authorization by SGS or without the appropriate security measures.

### **ETHICAL BUSINESS CONDUCT**

SGS strongly recommends that suppliers have a comprehensive Code of Conduct applicable to their operations and supply chain.

### **FAIR COMPETITION**

SGS suppliers shall conduct their business using competitive and fair market practices.

Unethical practices, such as participating, directly, or indirectly, in any sort of collusion with third parties, to improperly influence market conditions or to gain an unfair market advantage, marketing its goods or services in a deceptive or misleading way, or obtaining confidential information using illegal or unethical means, must always be avoided. Failure to comply with this principle will result in the immediate termination of business relations with SGS and may even result in legal prosecution and reporting to the competent authorities.

## PEOPLE



**SGS supports and respects the protection of human rights. We continuously assess the direct and indirect human rights impact of our operations and seek to recognize our responsibilities under the UN Guiding Principles on Business and Human Rights (UNGPs).**

Furthermore, we provide a safe and secure working environment, and promote the health and wellbeing of our employees. We ensure that our employees have the necessary training and equipment to conduct their duties safely.

Therefore, we expect our suppliers to respect the dignity and human rights of everyone they engage with, such as employees, local communities and minorities, suppliers and other stakeholders.

Moreover, land, forest and water protections must be respected.

We also expect our suppliers to uphold a duty of care for health and safety, both within their own

organization and as regards the products or services they provide, preferably aligned with an international standard.

### **PREVENTION OF INVOLUNTARY LABOR & HUMAN TRAFFICKING**

All work must be voluntary, and workers free to leave work or terminate their employment with a notice period according to local legislation. SGS suppliers will not traffic persons or use any form of slave, forced, bonded indentured, or prison labor. Violations of right to life, torture, cruel/inhuman or degrading treatment are not permitted. This statement must be shared and complied with by suppliers' third party agencies.

### **PROMOTING DIVERSITY AND AVOIDING DISCRIMINATION**

SGS suppliers should be committed to a workforce free of harassment and unlawful discrimination.

The suppliers will not engage in discrimination based on age, disability, ethnicity, family status, gender identity, ideological views, marital status, nationality, political affiliation, pregnancy, religion, sexual orientation, social origin or any other status that is protected by law.

### **PREVENTION OF UNDERAGE LABOR AND PROTECTION OF YOUNG WORKERS**

Child labor is strictly prohibited. The minimum age for employment or work shall be 16 years, the minimum age for employment in the country, or the age for completing compulsory education in the country, whichever is higher. When young workers (above the minimum legislated age) are employed, they must not work in activities that are mentally, physically, socially or morally dangerous or harmful, or that may interfere with their schooling and access to legal education.

## FAIR WAGES

SGS suppliers must pay all workers at least the minimum wage required by applicable laws and regulations and provide all legal benefits. All employment conditions, including compensations, working hours, vacation time, leave periods and holidays should be consistent with applicable laws and regulations and mandatory industry standards, whichever is the highest.

## FAIR TREATMENT

Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation are prohibited. Disciplinary measures should be fair and clearly communicated to workers. All workers should have access to the mechanisms established by the suppliers to anonymously report any violation in this respect.

## WORKING HOURS

Under no circumstances shall work weeks exceed the maximum permitted under applicable laws and regulations. Work week hours shall include rest periods according to legislation.

## FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

SGS suppliers shall recognize and respect the rights of employees to freely associate, organize and bargain collectively, in accordance with legislation in the countries they operate.



## HEALTH AND SAFETY



### OCCUPATIONAL INJURY PREVENTION

SGS suppliers shall identify potential hazards, assess who might be harmed, evaluate risks and develop mitigating actions. The suppliers shall eliminate physical hazards where possible. In all cases, the suppliers shall provide workers with appropriate personal protective equipment free of charge. SGS encourages their suppliers to provide health and safety training for all their workers. Workers should not be disciplined for raising safety concerns and should have the right to refuse unsafe working conditions without fear of reprisal.

### WORKING CONDITIONS

A safe, hygienic, and adequate working environment shall be provided, keeping the highest standards in the market in which industry suppliers operate.

Adequate actions shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimizing, so far as is reasonably practicable, the causes of hazards inherent in the working environment.

### OCCUPATIONAL SAFETY PROCEDURES AND SYSTEMS & PREVENTION OF HAZARDOUS MATERIALS EXPOSURE

SGS suppliers should establish procedures and systems to manage, track, and report occupational injury and illness. SGS expects its suppliers to have their own Health and Safety policy and management systems aligned with international standards and best practices.

The suppliers shall identify, evaluate, and control worker exposure to hazardous chemical, biological and physical agents, and ensure their safe handling, movement, storage, recycling, reuse and disposal. The suppliers must eliminate chemical hazards where possible. The suppliers shall provide workers with appropriate personal protective equipment free of charge.

## ENVIRONMENT



**SGS is committed to protecting the environment. We use natural resources efficiently and minimize waste.**

We believe that growing our business and improving our environmental impacts should be achieved in parallel. Our readiness to adapt to climate change will ensure the sustainability of our business. We are consequently minimizing our energy consumption, reducing our carbon intensity and investing in new technologies. We therefore expect our suppliers to achieve sustainable growth whilst managing the impacts of their business by improving their environmental performance. We also encourage our suppliers to have environmental policies in place according to best standards in the industry and share these with their own supply chain.

### ENVIRONMENTAL MANAGEMENT SYSTEMS

We expect all SGS suppliers with an environmental impact to have a structured and systematic approach to manage environmental aspects including amongst others air quality, soil quality, energy, water quality and consumption, waste, and responsible chemical management. We encourage our suppliers to have their own Environmental Management System, preferably certified by an internationally recognized standard.

### ANIMAL WELFARE/ PROTECTION

We expect SGS suppliers to comply with applicable laws on animal protection and animal welfare standards to fulfill the natural needs of the respective animal species.

### DOING MORE WITH LESS

We expect SGS suppliers to prevent pollution and minimize the generation of environmental impacts related to waste, water waste and air emissions due to their business activities. We expect the supplier to actively act in the interests of biodiversity preservation, including the use of alternative materials, reuse and recycling, deforestation prevention and noise reduction among others. SGS expects suppliers to have their own waste management system and manage waste according to applicable laws and regulations.

### INVESTING IN A CARBON-FREE FUTURE

SGS promotes the reduction of energy consumption, greenhouse gas emissions and carbon intensity, and expects its suppliers to contribute to a carbon-free future with tangible actions through investment in new technologies and the optimization of consumption of natural resources.

## COMMUNITIES



**SGS helps to create sustainable communities by providing local employment and encouraging our people to engage in local projects.**

We are committed to meeting the immediate needs of the victims of natural and man-made disasters. We believe that everyone has a fundamental right of access to food, health, education, shelter and enterprise. We contribute to the welfare of the communities we operate in through local investment.

We therefore encourage our suppliers to partner with local governments and communities to improve the well-being of the communities in which they live and serve.

### **LOCAL SOCIAL EMPOWERMENT AND DEVELOPMENT**

SGS suppliers are encouraged to attract local talent and build relationships that contribute to the local economy.

### **COMMUNITY CONDITION OF LIFE IMPROVEMENT**

SGS suppliers are encouraged to engage with communities to help foster social and economic development and to contribute to the sustainability of the communities in which they operate.

# References

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SGS consulted the following references in preparing this Code:

- Electronic Industry Code of Conduct  
[www.eicc.info/eicc\\_code.shtml](http://www.eicc.info/eicc_code.shtml)
- ILO Codes of Practice in Safety and Health  
<https://www.ilo.org/topics/safety-and-health-work>
- ILO International Labour Standards  
[www.ilo.org/public/english/standards/norm/whatare/fundam/index.htm](http://www.ilo.org/public/english/standards/norm/whatare/fundam/index.htm)
- ISO 26000  
ISO 14001  
[www.iso.org](http://www.iso.org)
- OECD Guidelines for Multinational Enterprises  
[www.oecd.org](http://www.oecd.org)
- OHSAS 18001  
[www.bsi-global.com/index.xalter](http://www.bsi-global.com/index.xalter)
- United Nations Convention Against Corruption  
[www.unodc.org/unodc/en/corruption/index.html?ref=menuaside8](http://www.unodc.org/unodc/en/corruption/index.html?ref=menuaside8)
- United Nations Global Compact  
[www.unglobalcompact.org](http://www.unglobalcompact.org)
- United Nations Guiding Principles on Business and Human Rights  
[http://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR\\_EN.pdf](http://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf)
- Universal Declaration of Human Rights  
<https://www.un.org/en/about-us/universal-declaration-of-human-rights>
- SGS Sustainability Approach  
<https://www.sgs.com/en/sustainability/corporate-sustainability>
- SGS Code of Integrity  
<https://www.sgs.com/en/our-company/compliance-and-integrity/code-of-integrity>



**When you need to be sure**

**SGS Headquarters**  
1 Place des Alpes  
P.O. Box 2152  
1211 Geneva 1  
Switzerland

**sgs.com**

