

MCS Control Systems

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Social & Ethical Policy for Corporate Responsibility

This policy is part of the MCS Code of Ethics and is to be read in conjunction with our Competition Law Compliance, Sustainable Development, Security Measures & Risk Management, Avoidance of Counterfeit Materials, Carbon Emission Reduction and Safeguarding policies, along with our commitment to SA 8000 Social Accountability and the Global Compact.

This policy is practised throughout our organisation from recruitment, through selection, training, promotion, discipline and dismissal.

At no stage in the past has the company or any of its Directors or employees been guilty of any social or ethical infringements.

Principle

The principles of corporate responsibility & sustainability for social & ethical reasons, as stated in ISO 26000:2010 the International Standard for Social Responsibility and SA 8000:2008 the international Standard for Social Accountability, are reflected throughout our long-standing business practices.

These principles, including our shared values and ethics, guide our relationships with our stakeholders, who are identified as directors, employees, clients, end users, suppliers and the communities & environment in which we operate.

We respect local laws and customs while supporting international laws and regulations.

Corporate Responsibility and Sustainability are integral to the way in which we have done business in the past, the way we do business today and will remain so in the future.

MCS values of performance, improvement, innovation, trust and integrity guide everything that the Group does as a business and form the basis of its relationships with all its stakeholders.

We are committed to establishing mutually beneficial relations with our stakeholders, who we recognise as employees, suppliers, customers, business partners and the community at large.

We recognise our responsibility to carry out its business activities in an ethical, environmentally and socially responsible manner.

We strive to incorporate ethical, environmental and social considerations into our all of our activities.

Any breaches to this policy will be investigated and could result in disciplinary action and possible dismissal.

Specifically, MCS has laid down the following legal, moral, social and ethical policies to be implemented.

Policy

Standard of Conduct

MCS conducts its operations with honesty, integrity and openness and with respect for the rights and interests of its employees.

It similarly respects the legitimate interests of those with whom it has relationships.

Obeying the Law

MCS and its stakeholders, including employees, sub-contractors and suppliers, are required to obey the law at all times and comply with all of the latest statutory regulations and legislation.

Confidentiality

MCS employees have a duty to protect confidential information and ensure that it is not communicated to the public or external parties.

Authority for disclosures of such information will only be granted with the approval of the Directors.

Conflicts of Interest

All MCS employees are required to avoid personal activities and financial interests which could conflict with their responsibilities to the company. Where conflicts of interest arise, they should be openly acknowledged and reported to head office.

MCS employees must not seek personal gain from third parties nor should they abuse their power within the company for personal gain.

Employees, Labour Rights & Conventions (Equal Opportunities)

All employment details are clearly laid out in the Terms & Conditions of Employment and the Employees Handbook.

MCS is committed to maintaining working environments where there is mutual trust and respect and where everyone feels responsible for the performance and reputation of the company.

We aim to provide equal opportunities for all involved in the provision of goods, works and services.

MCS has never used and will never use any form of child labour or forced labour.

We have always complied with the Modern Slavery Act 2015 in the past, including the last 12 months, and will always comply in the future.

We have in the past and will always ensure that forced labour, slavery and human trafficking is not taking place in our supply chain and any part of our own business now and in the future. This is further detailed in the next section of this policy.

Our supply chain is aware of this requirement, as detailed within the "Supplier" section later on within this Policy.

We have never used and will never use any forced, bonded or involuntary prison labour.

MCS recruits, employs and promotes employees on the sole basis of the qualifications and abilities needed to perform the work.

Discrimination is forbidden on the grounds of gender, age, race, national origin, religion and disability.

MCS respects the dignity of individuals and legal right of employees to membership in trade unions.

MCS implements remuneration practices in compliance with legal requirements and ensures that working hours are set at a respectful and responsible level.

Employees are encouraged to develop their skills through specialist training and development programmes where appropriate.

No employee or prospective employee should receive less favourable treatment than any other on the grounds of Race, Nationality, Ethnic Origin, Religion or Belief, Culture, Disability, Sexual Orientation, Gender, Marital Status or Age.

Any discrimination, victimisation or harassment in the workplace, or any other action that affects the dignity of our employees, customers, suppliers & visitors is totally unacceptable and will be investigated.

We take such action as deemed necessary in the circumstances, with disciplinarily action taken against any offenders.

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MCS are fully aware of the Commission for Racial Equality's (CRE) Statutory Employment Code of Practice 2006, which provides guidance & advice on promoting equal opportunities in the workplace and the removal of racism.

All new employees are accommodated as required and assessments are carried out to ensure that they are able to perform their duties in the safest and most effective manner.

We have in the past and will always uphold all laws relevant to countering bribery, corruption and fraud in the future. We remain bound by the laws of the UK, including the Bribery Act 2010, in respect of our conduct both at home and abroad.

In support of the above, the Group will endeavour to comply with the following at all times, as a minimum:

- Equal Pay Act 1970
- Race Relations Act 1976
- Race Relations (Amendment) Act 2000
- Race Relations Act 1976 (Amendment) Regulations 2003
- Sex Discrimination Act 1995
- Sex Discrimination (Gender Reassignment) Regulations 1999
- Disability Discrimination Act 1995
- Human Rights Act 1998
- Working Time Regulations 1998
- Part Time Workers (Prevention of Less Favourable Treatment) Regulations 2000
- Employment Equality (Religion or Belief) Regulations 2003
- Employment Equality (Sexual Orientation) Regulations 2003
- Employment Equality (Age) Regulations 2006
- Equality Act 2010
- Modern Slavery Act 2015
- Any other relevant legislation and regulations

Slavery and Human Trafficking (Modern Slavery Transparency Statement)

The Modern Slavery Act of 2015 requires certain businesses to provide disclosure concerning their efforts to address the issues of slavery and human trafficking in their supply chains. The disclosures are intended to provide clients with the ability to make better informed decisions about the services they buy and companies they support.

MCS is committed to preventing slavery & human trafficking throughout our operations and those associated with our business.

This is not a standalone issue, but one which forms part of our approach to ensuring we treat people with dignity and respect, that we source goods and services responsibly, that we promote and strive for transparency and that we conduct our business with the highest regard to ethical and environmental standards.

We are committed to ensuring that all of our employees and third parties performing services for or on our behalf and/or joint venture parties abide by the highest professional and ethical standards.

Our supply chain includes companies who supply materials such as steelwork and electrical / electronic components for the manufacture & installation of electrical & control systems. We also utilise specialist contractors, labour-only subcontractors and other specialist professional organisations that provide a range of services across the portfolio of projects we deliver for our clients.

We are committed to maintaining and improving systems & processes to avoid complicity in human rights violations, related to our own operations and that of our supply chain.

MCS recognises that slavery & human trafficking can occur in many forms, therefore throughout this disclosure we use the terms "slavery & human trafficking" to encompass various forms of coerced labour.

We believe that working in partnership with our clients, stakeholders and supply chain in a sustainable way, enables us to find practical, safer methods of ethical trading free from slavery & human trafficking.

This Policy reflects our commitment to acting ethically and with integrity in all our business relationships and to implementing and enforcing effective systems and controls to ensure slavery & human trafficking is not taking place anywhere in our supply chains.

We undertake all reasonable and practical steps to ensure that our standards are being implemented throughout the businesses of our suppliers and that relevant legislation and regulations are complied with.

We will only trade with those who fully comply with this policy.

Business Integrity, Anti-Corruption, Bribery & Fraud

It has always been our policy to conduct all business in an honest & ethical manner and this will continue in the future. MCS & its employees will always act in good faith in all business decisions.

We take a zero-tolerance approach to any type of fraud, including bribery, corruption & tax evasion and we are committed to acting professionally, fairly and with integrity in all our relationships and business dealings wherever we operate and to implementing and enforcing effective systems to counter bribery, corruption and fraud.

We have always upheld all laws relevant to countering bribery, corruption and fraud and we will always remain bound by the laws of the UK, including the Bribery Act 2010 and the Criminal Finances Act 2017, in respect of our conduct both at home and abroad.

We are fully aware that if we are found to have taken part in any form of corruption, we could face an unlimited fine and/or have assets seized and face significant damage to our reputation. We therefore take our legal responsibilities very seriously.

It is our policy to abide by all laws at all times and not to give or receive inducements for business or financial gain.

No employees may offer, give or receive any gift or payment which is, or may be construed as being an inducement.

Any demand for, or offer of, an inducement will be rejected immediately and reported to management.

It is strictly forbidden for the company, including any Director or employee, to be involved in any form of money laundering or tax evasion.

MCS accounting records & supporting documentation accurately describes & reflects the nature of the underlying transactions.

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No undisclosed or unrecorded account, fund or asset is established or maintained.

The parties with whom MCS conducts business are expected to commit to corresponding levels of business integrity.

We have always complied with all legislation and will comply in the future, including all and any of the following:

- United Nations Convention against Corruption and the United States Foreign Corrupt Practices Act of 1977, as amended
- Organization For Economic Co-operation and Development Convention on Combating Bribery of Foreign Public Officials in international Business Transactions and related implementing legislation
- Relevant common law legislation from time to time in force in the United Kingdom including the Public Bodies Corrupt Practices Act 1889; the Prevention of Corruption Act 1906- as supplemented by the Prevention of Corruption Act 1916 and the Anti-Terrorism, Crime and Security Act 2001, and/ or Criminal Law Act 1977 as amended; the Criminal Justice Scotland Act 2003; and the Bribery Act 2010 and the Proceeds of Crime Act 2002
- Any anti-bribery or anti-corruption related provisions in criminal and anti- competition laws and/ or anti-bribery or anti-corruption laws of the jurisdiction in which the Supplier provides the Services
- Any and all similar anti-bribery and/ or anti-corruption legislation of any jurisdiction applicable from time to time to this Agreement and / or its subject matter.

Customers

MCS is committed to providing customers with products, systems and solutions which offer good value in terms of price and quality, which have been supplied from, wherever possible, the most sustainable sources.

Suppliers

Reference to this Policy is made in our "Conditions of Purchase", which includes the requirements within this section.

MCS has clearly specified the role that Purchasing Officers play in the identification and selection of ethically sourced sustainable products and services.

We endeavour to operate a policy which encourages supplier diversity equality and inclusion, by adopting a fair and inclusive procurement process, ensuring all businesses, regardless of their size, location, and the background of their workforce, have the same opportunities to compete for the supply of goods and services to MCS.

Supplier Diversity is not about positive discrimination; it is about providing a platform of opportunity for businesses into our supply chain. Our procurement process strives to acquire goods and services that meet our service, quality, cost, innovation, risk and sustainability standards, and these criteria must continue to be delivered by all suppliers.

These diverse businesses must be, but not limited to, those that are majority owned, operated, managed, and controlled by women, people with a disability, people belonging to an ethnic minority or with an immigrant background, lesbians, gays, and bisexuals or trans-gender (LBGT) people.

Suppliers are constantly reminded, through the "Conditions of Purchase" provided to them that they must continually comply with the Modern Slavery Act 2015 and ensure that slavery & human trafficking is not taking place within their own supply chain and any part of their business. This is referenced in the "Slavery and Human Trafficking" section above.

We also require our suppliers to uphold all laws relevant to countering bribery, corruption and fraud, including the Bribery Act 2010 and the Criminal Finances Act 2017.

We give preference to products and services that can be manufactured, used, and disposed of in an ethically, environmentally and socially responsible way (including suppliers not using child labour) and consider whole life costs when assessing product suitability.

Any subcontractors are required to comply with our requirements.

MCS has a Sustainable Development Policy (SF258) and requires that our supply chain meets our needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis in terms of generating benefits to ourselves, our clients, end users, society and the economy, whilst minimising damage to the environment.

To fulfil this, suppliers may need to consider some or all of the following environmental, social and economic consequences of: design; non-renewable material use; manufacture and production methods; logistics; service delivery; use; operation; maintenance; re-use; recycling options and final disposal.

Counterfeit Materials

MCS has produced an Avoidance of Counterfeit Materials Policy (SF118), which has been written in accordance with the Defence Standard (DEF STAN) 05-135 and the requirements contained within. The policy reflects our commitment in planning & managing the risk of counterfeit material in our supply chain and avoiding inclusion of such materials & equipment (including software) within our products and prevention of delivery to our customers. Please refer to the policy for further details.

Grievance & Disciplinary Procedures

Grievance and Disciplinary Procedures are followed in accordance with the latest Government guidelines, issued by the Department of Trade and Industry (DTi) in association with ACAS and these are clearly detailed within the MCS Employees Handbook and SF253 - Disciplinary & Grievance Policy.

Public Interest Disclosure Policy (Whistleblowing)

MCS Control Systems Ltd strives at all times to conduct its business with the highest standards of integrity and honesty.

It expects all employees to maintain the same standards in everything they do. Employees are therefore encouraged to report any wrongdoing by MCS or its employees that fall short of these business principles.

The Public Interest Disclosure Act protects employees who report wrongdoing in workplaces, but it is the aim of this policy to ensure that, as far as possible, they are able to tell us about any wrongdoing at work, which they believe has occurred, is occurring or is likely to occur.

We recognise that employees may not always feel comfortable about discussing their concerns internally, especially if they believe that MCS itself is responsible for any wrongdoings.

The aim of this policy is to ensure that employees are confident that they can raise any matter that concerns them in the knowledge that it will be taken seriously, treated as confidential and that no action whatsoever will be taken against the employee.

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All employees will be informed about the Public Concern at Work, the whistleblowing charity, which will help an employee 'blow the whistle' in an anonymous manner, or provide any required information or assistance.

Employees are encouraged to use the procedure set out below if they have any concerns at all about wrongdoing at work, including any criminal offence, a failure to comply with legal obligations, a miscarriage of justice, a health and safety danger, an environmental risk or a concealment of any of these.

If appropriate, an employee should discuss the matter with their line manager in the first instance, or if they feel that this is not appropriate, for whatever reason, they can discuss the issue with any independent party, such as the Group Support Manager. An informal approach to a line manager, or other independent party, will always be treated as completely confidential.

If the matter requires further investigation, an investigation will be carried out by the Management and the employee will always be informed of the outcome and what, if any, action has been taken.

If the employee remains unhappy about the speed or conduct of the investigation or the way in which the matter has been resolved, they should refer the matter to a Company Director. When the complaint has been investigated, the employee will be informed of the result and what, if any, action has to be taken or has been taken.

MCS undertakes that no employee who makes a bona fide report under this procedure will be subjected to any detriment as a result, in accordance with section 47B of the Employment Rights Act 1996.

In the event of an employee believing they are being subjected to a detriment by any person within MCS, as a result of their decision to invoke the procedure, they must inform the Management immediately and appropriate action will be taken to protect them from reprisals.

If it becomes clear that the procedure has not been invoked in good faith, for example for malicious reasons or to pursue a personal grudge against another employee, this will constitute misconduct and will be dealt with in accordance with our disciplinary procedure.

We are keen to hear of any concerns that any employee may have about any wrongdoing at work and we encourage all employees to use the procedure described above wherever possible.

MCS recognises there may be matters that cannot be dealt with internally and external authorities will need to become involved. Where necessary we reserve the right to make such a referral without an employee's consent.

Data Protection

MCS Control Systems is fully committed to compliance with the requirements of the General Data Protection Regulations (GDPR).

We will therefore follow procedures aiming to ensure that all employees who have access to any personal data held by or on behalf of the company are fully aware of and abide by their duties under the GDPR.

In order to operate efficiently, MCS has to collect and use information about people with whom it works. These may include current, past and prospective employees, clients / customers and suppliers.

This personal information must be handled and dealt with properly, however it is collected, recorded and used, and whether it be on paper, in computer records or recorded by any other means. There are safeguards within the Act to ensure this.

MCS regards the lawful and correct treatment of personal information as very important to its successful operations and to maintaining confidence between the company and those with whom it carries out business. The company will ensure that it treats personal information lawfully and correctly.

MCS require any person or entity to formally consent to any data being collected.

To this end MCS fully endorses and adheres to the principles of Data Protection as set out in the GDPR.

Community Involvement & Engagement

MCS aims to fulfil its responsibilities to the societies and communities where it carries out its operations, consistent with its business objectives and legal obligations.

Modest donations to local charities are permitted.

Public Activities

MCS promotes and defends its legitimate business interests. MCS co-operates with Government and other organisations, both directly and indirectly in the development of regulations, which may affect legitimate business interests. MCS neither supports political parties nor contributes to the funds of groups whose activities are calculated to promote party interests.

Any political statements made by employees are made in their personal capacity.

The Environment

MCS is certificated to ISO14001 and is committed to making continuous improvements in the management of its environmental impact and further details are given in the Environmental Policy and our Environmental Management System.

In the interests of bio-diversity and ecology we work with our stakeholders to optimise all opportunities in increasing sustainability and lowering our carbon footprint, by reducing energy & waste, improving output and minimising whole life cost, whilst engaging in long term supply and service agreements.

To support the above we have policies for Carbon Emissions Reduction, Sustainable Development and Waste Minimisation.

Health & Safety

MCS promotes a safe and healthy working environment and is certificated to SAFEcontractor, which gives a clear indication of our commitment to full compliance with health and safety regulations in the workplace and further details are laid down in the H&S Policy and our H&S Management System.

Group Property

MCS employees are expected to properly preserve Group property, including inventories, fixed assets and intellectual property and properly utilise employee time as far as is reasonable and practicable, only for the legitimate business interests of MCS. Property may not be loaned or disposed of except in accordance with established Group policy.

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Competition

The company and its employees are required to comply with all competition laws and to promote the conduct of company operations in accordance with those laws and regulations.

Communication, Compliance & Reporting

This policy is practised throughout our organisation from recruitment, through selection, training, promotion, discipline and dismissal.

MCS has communicated this Social and Ethical policy and all other policies referenced within this document to all employees and where appropriate, they will be posted on the MCS website.

The Directors expect employees to bring to the attention any breach or suspected breach of these policies.

Employees are allowed to communicate breaches anonymously in confidence and no employee will suffer as a consequence of so doing.

Breaches in Policy

Any breaches to this policy will be investigated and could result in disciplinary action and possible dismissal of any individuals.

MCS reserves the right to contact the necessary authorities if there are any breaches to this policy.

This policy will be kept up to date, the policy and the way in which it has operated, is reviewed every year.

Signed:



Name: Stephen Poole **Position:** Group Managing Director

This Policy Statement will only be signed on the original copy (available upon request)

Date Issued: 02/01/19

Review Date: 02/01/20