Code of business ethics

Revised February 2017
Code of business ethics
Our Code applies to all businesses and employees of Smiths Group worldwide. Compliance with our Code helps to sustain and enhance the good reputation of the Company and contributes to long term value creation for shareholders. We believe that every employee plays their part in building and strengthening the Group as a whole. We operate a non-retaliation policy: any employee who in good faith reports any act of apparent misconduct or unethical behaviour will not be victimised or treated adversely.
Introduction

As a global company, Smiths Group interfaces with customers, shareholders and suppliers all over the world. These groups, together with other organisations and individuals with which our businesses interact, take a close interest in what we do.

Their opinions about Smiths are influenced by our actions. A good reputation is not just important, it is essential to our ongoing success. A key determinant of this reputation is how we all behave – both as individuals and collectively.

In a complex world, it is impractical to set specific rules and regulations to cover every situation. However, we in Smiths do have a Code of Business Ethics which seeks to offer clear standards and guidance for the business dealings of every employee.

The Code was first introduced in 2004 and has now been updated to reflect today’s challenges. It outlines the standards that we must all attain and covers a range of different areas of activity. Whilst it cannot deal with every circumstance, it creates a framework to help us decide how to behave.

The Code is designed to help set our interactions with colleagues, external stakeholders and the communities in which we work on strong ethical foundations.

Our objective is not only to protect the reputation of our company and to safeguard the investment of our shareholders, but also to protect the interests of every employee by ensuring individual legal and regulatory compliance as well as responsible behaviour.

Supporting the Code are specific policies. These are available on the Intranet and set out in more detail how we should conduct our business. They underline the important message that behaving responsibly, and ethically, is an integral part of all of our jobs. As such it is the personal responsibility of each one of us, as well as an important duty of line management to monitor compliance.

The Board and senior executive management of Smiths endorse and support the Code.

To ensure that each one of us is fully aware of what the Code requires and understands its implications, we expect all employees to participate in appropriate training.

If you are ever in any doubt about how to behave in specific situations or wish to report what might be a violation of the Code, there are a number of ways of doing this.

In addition to the usual management and human resources reporting lines, confidential, dedicated helplines have been established. The number of the relevant country-specific helpline is advertised locally on posters at each site, and all the numbers are also available on the Smiths intranet site. The helpline is also available via e-mail.

We undertake that anyone raising a concern in good faith may do so without fear of victimisation or negative consequences.

In conclusion it is vitally important that Smiths and its businesses are, and can be seen to be, responsible and ethical participants in the markets in which we operate around the globe. I ask for the commitment of every employee to uphold the Code and to contribute towards the success of a great company.

Thank you
We comply with the law

1.0 Compliance with laws
1.1 Smiths Group plc and its subsidiary companies (‘Smiths’), its employees and agents, are required, as a minimum standard, to comply with all the laws and regulations of the countries in which they operate.

We compete fairly

2.0 Competition
2.1 Smiths believes in competing fairly and vigorously in its market sectors. Smiths does not engage in, nor is it party to, agreements, business practices or conduct that, as a matter of law, are anti-competitive.

We act with integrity in all our business dealings

3.0 Proper Business Behaviour
3.1 Smiths expects its employees to act with integrity at all times to safeguard the trust in which Smiths is held by its customers, shareholders, suppliers and other individuals and organisations with which our businesses interact. This helps to protect the investment of shareholders.

3.2 No employee shall engage in personal activities or pursue financial or business interests which might give rise to, or give the appearance of, conflicts of interest with Smiths, or which might compromise their ability to meet the responsibilities of their job.

3.3 Smiths does not offer, promise, give, demand or accept bribes or other unethical advantage in order to obtain, retain or give business or other advantage.

3.4 Smiths employees who have access to privileged information (including proprietary and confidential information, whether belonging to Smiths or others) must not use it to achieve personal gain for themselves or others.

3.5 Smiths employees must ensure proper and responsible use of all Smiths’ assets, including physical property, intangible assets, IT equipment and communication resources.

We treat suppliers, partners and customers properly

4.0 Dealings with Suppliers, Business Partners and Customers
4.1 Smiths suppliers are paid promptly within agreed terms of business.

4.2 Smiths seeks to provide its customers with products and services, which meet or exceed their requirements, through the application of quality management systems and continuous improvement programmes. These are designed to develop and apply innovative ideas, to respond quickly to changing customer demand and to improve continuously product quality, value and delivery times.

4.3 Smiths believes in working in partnership with its suppliers, so as to meet the expectations of Smiths customers, and to ensure quality, value and timeliness throughout the supply chain.

4.4 Smiths employees must respect and treat in accordance with agreed terms the technology, intellectual property, confidential information and any other assets or data received from customers, suppliers and others.

4.5 Smiths expects agents, suppliers and others working on its behalf to act lawfully and ethically, and in accordance with the values and standards set out in this Code.
We treat our co-workers respectfully

5.0 Employees
5.1 Smiths recruits, selects, and promotes employees on the basis of their qualifications, skills, aptitude and attitude.

5.2 In employment related decisions, Smiths complies with anti-discrimination requirements in the relevant jurisdictions concerning matters of race, colour, national origin, gender, marital status, sexual orientation, religious belief, age or physical or mental disability.

5.3 All Smiths employees shall be treated with respect and dignity. Accordingly, any harassment or bullying is unacceptable.

5.4 Smiths respects the rights of each employee to join or not join a trade union or other bona fide employee representative organisation.

5.5 Smiths believes in good communications with employees and in promoting consultation, co-operation and teamwork on matters of mutual concern.

We contribute to healthy, safe and secure workplaces

6.0 Health, Safety and Security
6.1 Smiths is committed to conducting all its activities in a manner which achieves the highest practicable standards of health and safety.

6.2 Smiths seeks to protect its employees, physical assets, information and reputation from potential security threats.

We respect the environment

7.0 Environment
7.1 Smiths is committed to ensuring that, as far as reasonably practicable, any detrimental effects of its activities, products and services upon the environment are minimised.

We contribute to our communities

8.0 Communities
8.1 In addition to the provision of employment opportunities and training and development activities, Smiths seeks to contribute to the communities in which it operates by participation in, and support for, community and charitable initiatives.

8.2 Smiths properly pays the taxes arising on its operations and activities whenever and wherever due.

We participate in relevant public debates

9.0 Public Activities
9.1 As and when appropriate, Smiths engages with governments, government departments, agencies and other organisations in relation to issues which affect its legitimate business interests, either directly or through trade associations or other similar bodies.

We respect human rights

10.0 Human Rights
10.1 Smiths seeks to uphold all internationally recognised human rights wherever its operations are located.

10.2 Smiths adheres to all relevant government guidelines designed to ensure that products are not incorporated into weapons or other equipment used for the purposes of terrorism or abuse of human rights.
We have high standards of financial record-keeping and reporting

11.0 Reporting and Internal Controls
11.1 Smiths records all business transactions accurately, prudently and transparently, in compliance with the accounting policies as detailed in the Smiths Group plc Annual Report & Accounts and in accordance with best practice.

11.2 Comprehensive assessment and management of risk, together with strong systems of internal control, are essential aspects of Smiths structure and serve to ensure that it is managed effectively and that reported results are accurate.

11.3 An independent Internal Audit function monitors and reports to the Board of Smiths Group plc on the effectiveness of internal controls and on the ongoing risk management process for identifying, evaluating and managing significant business risk.

The Code applies to all of us

12.0 Application and Compliance
12.1 Our Code applies throughout Smiths and to all its employees worldwide. It is translated where appropriate, is provided in hard copy by local Human Resources departments, and is available on the Group intranet site. Disregard or breach of the Group Code by an employee may result in disciplinary action.

12.2 Our Code is not intended to replace existing policies of Smiths Group plc or its businesses. It serves as a governing document to which other policies must adhere. In addition to Group and business-level policies, the Code is supported by a question and answer booklet and other guidance and training.

12.3 Where a Smiths company is a participant in any joint venture or commercial sharing arrangement, Smiths seeks, as far as practicable, to ensure that the combined vehicle complies with our Code.

12.4 Smiths expects and encourages employees to bring promptly to management’s attention any suspected or actual breaches of our Code. Any employee making such information known through the appropriate channels will not face any adverse or unfavourable treatment for such disclosure.
Obtaining Advice and Reporting Issues
Any queries, requests for guidance or reports of alleged breaches in relation to the Code can be raised via a number of routes:

- Speak to your supervisor or line manager, or to your local Human Resources representative
- If you wish to raise the issue outside your immediate working environment contact:
  - Any member of divisional management, divisional Human Resources or the legal counsel that supports your business
  - E-mail ethicsalertline@smiths.com
  - Call the Ethics Helpline for your country or region, the number for which is displayed on posters at your site and on the Smiths Group intranet site, https://online.smiths.com/functions-and-policies/ethics/

All reports are treated confidentially and investigated properly and promptly.

Governance
In order to enhance our ability to comply with the Code, we maintain a Business Ethics Programme (‘Programme’). The Board of Directors has overall responsibility for the Code and the Programme. The Audit Committee of the Board of Directors has responsibility for monitoring the implementation of the Code and the Programme and compliance with the Code’s provisions. The Compliance Council for the Code of Business Ethics is responsible for determining priorities, reviewing key issues and making recommendations to the Audit Committee.