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## EQUALITY & DIVERSITY POLICY

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## **1. Policy Statement**

SGS United Kingdom Ltd (“the Company”) is committed to eliminating discrimination and encouraging equality for all individuals or groups of people who we employ or engage to deliver our services. Our aim is that our workforce is truly representative of all sections of society, in an environment where equality, respect and fairness applies to all.

As part of the SGS Group that operates in many parts of the World, the UK business appreciates the benefits of diversity and cultural differences within our workforce. We particularly recognise the contribution diversity can make as we seek to generate new ideas, improve services and grow our business.

No person applying for a job, any people engaged to provide our services, our customers or our suppliers will be treated less favourably than any other person or group, without justification, because of their age, race, disability, gender, religion or belief or sexual orientation.

The Company will abide by the provisions within equal opportunities related legislation as detailed within the Guidance Notes attached to this policy, also taking account of the various codes of practice provided by regulatory/advisory bodies.

To achieve our equality objectives, the Company will:-

- take any necessary steps to make sure that employment and relevant operational policies, procedures and practices are fair and do not disadvantage any individuals or particular groups of people;
- ensure that our employees, or any agents working on our behalf, understand they have a responsibility for the application of equal opportunities and are aware of the consequences of breaching this policy;
- communicate our commitment to equality and ensure employees receive appropriate training and guidance on this policy;
- seek, wherever practicable and within the framework of the law, to adequately reflect in all our activities the composition of the communities we draw from;
- identify, record and analyse relevant data (workforce composition, job applications, pay bands, etc) and take corrective action to mitigate potential for inequality;
- regard breaches of this policy as misconduct which could lead to disciplinary proceedings. Any employees who have discriminated, harassed or victimised any other person within the scope of this policy will be disciplined and, potentially, dismissed according to the Company’s Disciplinary Procedures.

## **2. Scope**

This policy, and the behaviours and practices it aims to promote, applies to employees at all levels of the Company, including those employed on a temporary or casual basis. Similarly, all agency workers, consultants and contractors engaged to deliver services on our behalf, but not employed directly by the Company, will also fall within the scope of this policy.

Supervisory and management personnel have additional responsibility for the effective implementation and application of the policy by all employees, and for their actions.

The policy forms an important part of how the Company functions as a responsible employer, but also has clear implications for how we provide our services and the way in which we treat our suppliers, clients and the general public.

### **3. Employment**

The Company aims to fairly employ a diverse mix of employees at all levels of the organisation, irrespective of age, sex, religion, sexual orientation, disability, etc.

To help achieve this objective, we will periodically monitor UK employment trends and, where practicable, take appropriate action to ensure that under-represented groups are encouraged and supported in seeking employment with us.

It is acknowledged, however, that the Company is operating in a free market environment and must apply its employment policies within a competitive context that demands a flexible approach to commercial realities.

To ensure the effectiveness of Equality & Diversity policies as an employer, attention will be focused on, but not restricted to, the following key areas:-

Recruitment – Ensuring new or replacement posts are filled in accordance with the principles of this policy, including,

- recruitment activity that is underpinned by up-to-date and objective job descriptions/person specifications, accurate job adverts, appropriate media selection, etc;
- training for employees engaged in recruitment activity;
- monitoring, wherever practicable, the age, race, disability, gender, religion or belief or sexual orientation of all job applicants;
- providing an annual report to the UK Management Committee on the workforce composition and undertaking analysis of job applicants, those short-listed and the successful candidates for posts filled in the previous year;
- periodic review of recruitment policies to eliminate any identified discriminatory practices and implement improvements in line with best practice.

Selection – Appointments, promotions, development opportunities or redundancies shall be determined according to objective performance and/or capability criteria only.

Pay and Conditions – The Company will endeavour to ensure transparent conditions of employment and rewards that are fair and equitable. Where applicable, managers will use the Company's pay banding and bonus scheme guidelines to ensure consistent decision making, whereby rewards are determined on the basis of a combination of factors, including business performance, individual contribution, qualifications, skills and prevailing market conditions.

Training & Development – Employees have a right not to be discriminated against either directly or indirectly in the provision of and undertaking of training. Opportunities will be made available for all employees to receive training based on an assessment of their training needs at appraisal, in line with the needs of the business.

Managers need to be aware of issues affecting staff undertaking training, which if not addressed may result in lost opportunities for progression - e.g. exploring alternative

training methods, dates, timings, etc, to ensure that part-time staff or shift-workers are not disadvantaged in any way.

#### **4. Provision of Services**

All our services should be provided in a professional and impartial manner, in full compliance with the general principles established by this policy and prevailing UK legislation. Respect and fairness towards others will extend beyond the workplace, to include how our employees engage with the general public, our customers, etc, whenever they are representing the Company.

#### **5. Third Party Consultants, Contractors and Suppliers**

Equal treatment should be afforded to all contractors, consultants and agents and the Company will take immediate action to address any incidence of discrimination.

Whilst the Company will endeavour to ensure any third party agent we engage has adopted comparable equal opportunities practices, it is acknowledged that many small operators will not have developed their own formal policies. In such circumstances, contractors, consultants and agents should confirm that they will abide by the general principles contained within this policy.

Procurement of any goods or services must be conducted fairly and transparently in order to secure the best quality at the best price in a competitive process. Supply contracts should be awarded on an impartial basis, whilst organisations that are deemed to adopt questionable ethical standards will not be engaged.

#### **6. Implementation**

This policy will be implemented in accordance with the statutory provisions and legislation as detailed within the appended Guidance Notes.

Existing employment and operational policies and procedures will be reviewed to ensure that they comply with legislation and good equal opportunities practice. Any new policies will be drafted in the same manner.

The Company will seek to promote equality of opportunity and the benefits of diversity by ensuring widespread communication to internal and external stakeholders. In addition, training delivery will seek to ensure employees are equipped and supported, at the required level, in understanding their legal obligations and behavioural standards advocated by the Company.

Specifically, employees are required to abide by the SGS Group's Code of Integrity & Professional Conduct. This document specifies that acts of discrimination or harassment will not be tolerated and it is an SGS Group requirement that associated training is given to all employees on an annual basis. In future, these sessions will be extended to include a more comprehensive coverage of equality and diversity issues.

Furthermore, SGS UK will develop and communicate a local Code of Conduct that will also emphasise key principles contained within this document.

Finally, the Company will continue to monitor and measure the effectiveness of its Equality and Diversity policies and take appropriate steps to mitigate or eliminate non-compliance and/or any negative impact.

## **7. Roles & Responsibilities**

Everyone in the Company has a part to play in helping create a positive, non-discriminatory environment in which all persons are respected and provided with equal opportunity of employment and access to services.

Overall responsibility will rest with the Company's Managing Director, however the UK HR Manager will be accountable for ensuring that the principles are applied consistently, that they are reflected in existing HR policies and procedures and for the monitoring and reviewing of equal opportunities practices.

The UK's Senior Management team members are responsible for promoting fairness and equality in their respective businesses or functions, and for ensuring resources are available to meet the Equality and Diversity policy objectives.

Routinely, all managers should:-

- set a good example by treating people with dignity and respect;
- correct unacceptable behaviour;
- ensure people are aware of procedures for reporting harassment or bullying;
- make sure that the reporting of any harassment or unfair treatment does not result in victimisation;
- deal with complaints fairly, thoroughly, quickly and confidentially;
- effectively apply this policy within their area of control.

Whilst the UK Human Resources team will:-

- maintain, review and update this policy in consultation with senior management, relevant employee forums and any legislative changes;
- seek feedback from those using the policy on its effectiveness in dealing with specific cases;
- provide advice and guidance to line managers;
- establish and maintain effective monitoring procedures;
- take an active role in ensuring a fair application of the appropriate complaints procedure.

## **8. Equal Opportunities Monitoring**

The collection, recording, analysing and reporting of information is essential to a process of continuous improvement and general policy compliance. In order to assess whether the Company is complying with legislation and its own policies, systems will be put in place to record and monitor the composition of the permanent workforce and job applicants.

This policy will be reviewed biennially and in consideration of legislative changes. Any resultant amendments or revisions will be made and communicated accordingly.

## **9. Related Policies, Procedures & Useful Links**

The following highlights several related Company policies and procedures, but is not an exhaustive list. Copies can be obtained from the intranet site, "sgs.net", or the HR Dept.

- Disciplinary Procedure

- Grievance Procedure
- Recruitment Policy & Procedure
- Code of Integrity and Professional Conduct
- Training and Development Policy
- Bullying and Harassment Policy

*Useful links:-*

- SGS Compliance & Integrity:  
<http://sgs.net/C6/Compliance%20%20Integrity/default.aspx>
- SGS UK Human Resources Teamsite:  
<http://sgs.net/C4/Human%20Resources0/default.aspx>
- The Commission for Equality and Human Rights :  
<http://www.cehropportunities.org.uk/About.asp>
- Employment Equality Legislation:  
<http://www.berr.gov.uk/employment/discrimination>

## **Guidance Notes - Discrimination and the Legislative Framework**

### **Discrimination Issues – Interpretation**

Discrimination usually takes three main forms; Direct Discrimination (including Harassment), Indirect Discrimination and Victimisation. The Company has a separate policy covering Harassment, Bullying and Victimisation, a copy of which can be obtained from the intranet site, “sgs.net”, or the HR Dept.

Victimisation can be present in any discrimination case and its interpretation along with others is outlined below.

#### **Victimisation**

Victimisation means treating a person less favourably than others because, in good faith, that person had made a complaint or allegation of discrimination or harassment or where, in good faith, that person is assisting another in any complaint or proceedings connected with a complaint.

#### **Direct Discrimination**

Direct discrimination is treating a person less favourably than another on the grounds of age, sex, sexual orientation, marital status, race, religion or belief, disability, etc. Direct discrimination can apply to employment, provision of goods, facilities and services, etc. For employers, this specifically includes recruitment, selection, promotion, redeployment, termination, training or any other term or condition of employment.

An example of direct sex discrimination would be a stated policy that certain jobs are open to men (or women) only. An example of direct race discrimination would be refusing to select an individual for promotion on the grounds of race.

#### **Indirect Discrimination**

Indirect discrimination can occur when an unjustified provision, criterion or practice is imposed which, on the face of it, is apparently the same for all but which has a disproportionately adverse effect on one sex, racial group, persons of a particular age, religion or belief, sexual orientation or disability, national origin, etc.

For example, the number of people from a racial group or of one sex that can meet a particular job criterion is considerably smaller than the rest of the population owing to unnecessary and unjustifiable criteria in relation to language ability, age, number of year’s experience.

Indirect Discrimination is unlawful whether intentional or not.

### **Legislative Framework**

#### **Positive Action**

Both the Race Relation Act (s.38) and the Sex Discrimination Act (s.48) allows for positive action by employers to overcome the effects of past discrimination and to address any imbalance within the workforce.

The RRA allows encouragement of employees and potential employees and to provide training for employees who are members of particular racial groups which have been under-represented in particular work.

A racial group is under-represented if, at any time during the previous twelve months, there was no one of that group doing the work in question, or there were disproportionately few in comparison to the other racial grouping. Census information will be used as a basis for comparisons.

Examples of positive action measures include but are not restricted to:

- In conjunction with other media, the use of ethnic minority press;
- Use of agencies and careers offices where particular groups are concentrated;
- Recruitment and selection and training schemes aimed at schools;
- Promotion of skills training to under represented groups

The purpose of these provisions is to open up opportunities and access to them for members of disadvantaged groups.

Discrimination on any criteria other than that which is skills-based is not permitted at the point of selection or promotion.

### **Positive Discrimination**

It is important to distinguish between positive action and positive discrimination.

Positive discrimination on the grounds of age, sex or race in employment is not permissible except in a very few specific cases defined within the Acts.

### **Relevant Laws**

The following list introduces the main legislation that has implications for the Company as an employer and provider of services:-

- Race Relations Act 1976, as amended 2000
- Sex Discrimination Acts 1975 and 1986
- Equal Pay 1970 amended 1986
- Disability Discrimination Act 1995
- Sex Discrimination (gender re assignment) Regulations 1999
- Employment Equality (Sexual Orientation) & (Religion and Belief) Regulations 2003
- Employment Equality (Age) Regulations 2006
- Part time Workers (prevention of less favourable treatment) Regulations 2000
- Human Rights Act 1998
- Employment Rights Act 1996
- Maternity and Parental Leave etc Regulations 1999
- Employment Act 2002 including Fixed Term Workers (prevention of less favourable treatment) Regulations
- Public Interest Disclosure Act 1998 (“Whistleblowers” Act) – offers protection to workers who disclose information outside the company in cases where the matter has been raised internally and has not been resolved as a result.

A brief description of the main areas and more recently introduced legislation are detailed below:-

***The Race Relations Act 1976 as amended by the Race Relations (Amendment) Act (RRAA) 2000*** Under the RRAA, it is unlawful to discriminate on the grounds of race, colour, nationality, or ethnic or national origin. The Act applies to employment, education, provision of goods and services, facilities, etc. Essentially, the RRAA seeks to outlaw three types of behaviour:-

- Direct discrimination - treating a person less favourably than another;
- Indirect discrimination - applying a provision, criterion or practice which, although applied equally to people of all racial groups, the effect is that a much smaller proportion of a particular racial group can comply with it and that this cannot be justified;
- Victimisation

The Act applies to both employers and individual staff members whereby all have a responsibility not to discriminate. An employer is vicariously liable for the discriminatory practices carried out by its staff unless reasonable steps to prevent it occurring have been taken.

***The Sex Discrimination Acts 1975*** This Act made it unlawful to discriminate, directly or indirectly, against anyone on the grounds of their gender or marital status. As with the RRAA above, the legislation basically prohibits direct discrimination (including sexual harassment), indirect discrimination and victimisation.

As with the RRAA, the Sex Discrimination Act applies to both individuals and the organisation, which is required to effect reasonable measures aimed at preventing discriminatory practice.

***The Equal Pay Act 1970 & The Equal Pay (Amendment) Regulations 1983 & 1986*** Employees are entitled to equal pay and equal contractual terms and conditions with employees of the opposite sex if they are doing the same work or work of a broadly similar nature or value in terms of the skills effort and decisions.

***Employment Equality (Age) Regulations 2006*** This Act made it unlawful to discriminate, directly or indirectly, against anyone on the grounds of their age. For employment purposes, the regulations cover recruitment, terms and conditions, promotions, transfers, dismissals and training.

As above, the regulations apply to both individuals and the organisation itself, which should take reasonable steps to ensure discrimination will not occur.

***The Disability Discrimination Act 1995*** This Act establishes a framework of rights for disabled persons in terms of employment and access to goods and services.

Disability within the act is defined as a “physical or mental impairment, which has substantial and long term adverse effect on a person’s ability to carry out normal day to day activities”.

The Act imposes responsibilities on employers to protect the rights of disabled people including a requirement to make reasonable adjustments to the workplace to overcome practical constraints imposed by a person’s disability.

It is unlawful for an employer to treat someone less favourably for a reason related to that person’s past or present disability than it treats or would treat a person to whom

that reason does not or would not apply. However, less favourable treatment is not unlawful if the employer can show that the treatment is justified.

It is unlawful to victimise a person who brings proceedings under the act or who alleges that the act has been breached.

As in sex, race and age cases an employer is vicariously liable for the discriminatory practices carried out by its staff unless reasonable steps to prevent it occurring has been taken.

Where an arrangement made by an employer or a physical feature of the premises, puts a disabled applicant or employee at a substantial disadvantage, the employer must make reasonable adjustments to prevent that disadvantage arising.

***Sex Discrimination (gender re assignment) Regulation 1999*** This piece of legislation amends the SDA 1975 and has been introduced to protect, in employment and training, persons who are undergoing or intend to undergo gender re-assignment.

***Employment Equality (Religion or Belief) Regulations 2003*** The regulations came into force in December 2003 and made it unlawful to discriminate against a person on the grounds of religion, religious belief, perceived religion or religious belief or similar philosophical belief. Political beliefs are excluded.

It is as unlawful to discriminate against a person for not holding a specific religion or belief as it is to discriminate against someone for actually holding or subscribing to a particular belief. As with sex, race, age and disability discrimination legislation, these regulations apply to employment, education, provision of goods, facilities and services, etc. It is therefore unlawful to:-

- Discriminate directly by treating another person less favourably on the grounds of religion or belief;
- Discriminate indirectly by applying a provision, criterion or practice which disadvantages people of a particular religion or belief without a good business reason;
- Harass someone on the grounds of religion or belief;
- Victimise someone because he or she has made a complaint, allegation or given evidence against someone in relation to a case involving discrimination on the grounds of religion or belief;
- Discriminate against someone after the working relationship has ended

Two limited exceptions being that being of a particular religion or belief is a genuine occupational requirement and secondly where the employer has a particular ethos based on that religion or belief.

***Employment Equality (Sexual Orientation) Regulations 2003*** The regulations also came into force in December 2003 and made it unlawful to discriminate on the grounds of sexual orientation.

Discrimination or harassment on the grounds of sexual orientation is defined as meaning sexual orientation towards:-

- persons of the same sex
- persons of the opposite sex

- persons of the same and the opposite sex

*The law therefore protects people from discrimination whatever their sexual orientation. However it does not protect from discrimination relating to particular sexual practices or fetishes.*

The regulations provide exemptions in limited circumstances where being of a particular sexual orientation can be categorised as a genuine and determining occupational requirement e.g. counselling or support services relating to sexual matters.

***Part Time Workers (prevention of less favourable treatment) Regulations 2000***

These regulations protect part time workers to ensure that they are not treated in a less favourable manner than comparator full time workers in terms of:-

- Pay per hour (overtime can be permitted to be paid only when the hours worked are in excess of normal full time e.g. 37hrs p/w);
- Sick and Maternity pay ;
- Length of service criteria to qualify for additional leave etc;
- Access to pension and pro rata benefits;
- Pro rata contractual term

***Human Rights Act 1998*** *Convention Rights* guaranteed by the act are:-

Right to life;  
Right to the prohibition of torture;  
Prohibition of slavery and forced labour;  
Right to liberty and security;  
Right to a fair trial;  
No punishment without the law;  
Respect for private and family life;  
Freedom of thought, conscience and religion;  
Freedom of expression.

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