

# Global Code of Business Principles 2013



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# Message from the Group Chief Executive

2012 was a challenging year for Chemring Group in many respects but as we look forward to the future, it is important that we remind ourselves of our key strengths and values that will help to underpin our future success. Ensuring that we conduct our business in a responsible and proper manner is more important now than ever before, particularly as our traditional markets become more competitive, and we look for growth in new markets and with new customers.

Our Code of Business Principles sets out our fundamental values, and stipulates the standards of behaviour which the Board of Chemring Group PLC expects of all Chemring employees and third parties acting on our behalf, wherever they are located in the world. Each and every one of us must embrace these values and apply these standards in all that we do on behalf of Chemring Group.

A good reputation and maintaining the highest level of regard for the interests of all our stakeholders, including our employees, customers and shareholders, will bring us new business, will make us an attractive employer, and will encourage the long term support of our shareholders and investors. These must be key objectives for all of us in the year ahead.

Transparency and openness throughout the organisation is something I would particularly like to encourage during my tenure as Group Chief Executive. If you do encounter any situation which you are unsure about or which you think may not meet the spirit of the Code of Business Principles, please seek guidance. We wish to encourage an environment where employees can seek advice and voice concerns, and please therefore be assured that you can report any issues of concern without fear of reprisal.

## Mark Papworth

Group Chief Executive



# Introduction

Chemring Group PLC is committed to sound and ethical business conduct in the way we interact with our key stakeholders (shareholders, employees, customers, business partners and suppliers), governments and regulators, communities and society, and the environment.

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## Why do we have this Code?

This Code of Business Principles sets out the standards of behaviour we expect of all Chemring employees and third parties acting on our behalf, wherever they are located in the world. We expect these principles to be adopted by individuals whenever they are performing their day-to-day duties as employees of Chemring or where they are representing Chemring, and to take personal responsibility for ensuring that our commitment to sound and ethical business conduct is delivered.

## What is required of me?

You must read and understand the Code, and comply with it at all times.

If you are a manager or supervisor of employees, you have a responsibility to lead by example, and to display the highest level of ethical behaviour. You must also ensure that members of your team understand the Code, that they are able to seek guidance when required, and that any issues of concern which are reported to you are dealt with in the proper manner.

More detailed policies and guidelines supplement the principles of the Code, and are referred to in the Code. These may relate to specific issues such as health and safety, or may address specific requirements of the country in which you are located. All of these policies and guidelines are available from the Group Legal Director at the UK head office or from your local HR department.

The Code provides a framework and guidance for ethical conduct but is not designed to cover all situations which you may encounter in your day-to-day activities. If you are faced with a decision about an ethical matter and are unsure what to do, you should ask yourself the following questions:

- Is it legal, decent, fair and honest?
- How would it look if the issue was reported in the newspaper?
- Would I feel comfortable explaining this in a court?
- Am I personally comfortable with this?

Often, a common sense approach, using these principles as guidelines, will be the right approach. However, if you remain concerned, you should seek further advice.

### Where can I get further guidance?

If you require further guidance about any of the principles or about any issue which may arise, you can seek help from your line manager; your local HR manager or the Group Legal Director at:

**Chemring Group PLC**  
1500 Parkway  
Whiteley  
Fareham  
Hampshire PO15 7AF  
UK

**Tel:** +44 (0) 1489 881880  
**Email:** [ethics@chemring.co.uk](mailto:ethics@chemring.co.uk)

You can also report any matters of concern using the Ethics Reporting Line. This service is available 24 hours a day, seven days a week. The telephone numbers and website access details are listed on the inside back cover of this Code.

### We value your feedback

The Ethics Committee appointed by the Board of Chemring Group PLC is responsible for ensuring that the Code of Business Principles is being properly applied and implemented by the Executive Committee, and that it remains relevant as our business continues to change and grow.

If you have any suggestions on how the Code or other aspects of our procedures can be improved, please e-mail the Group Legal Director at [ethics@chemring.co.uk](mailto:ethics@chemring.co.uk).



# 1. Our people

We recognise the valuable contribution that our employees make to our success, and we aim to provide a working environment that reflects and rewards this.

## 1.1 Diversity and discrimination

### Our principles

Chemring is committed to providing equal opportunities for all employees, irrespective of race, nationality, gender, sexual orientation, marital status, religion, political belief, disability or age.

We aim to create an inclusive working environment in which all employees should feel respected and valued, and in which they are able to make the best use of their skills, free from discrimination and harassment.

### We will:

- treat our fellow employees, and all other individuals we meet whilst conducting our business, with dignity and respect at all times;
- have consideration and regard for the beliefs and opinions of others, even when they may differ from our own;
- support diversity within the workplace;
- ensure that the promotion of employees is based solely on their competency and ability to do a particular job; and
- speak up if we witness any individual being subjected to discrimination, bullying or harassment.

### We will not:

- discriminate against employees, or any other individuals we meet whilst conducting our business, on the grounds of race, nationality, gender, sexual orientation, marital status, religion, political belief, disability or age; nor
- display behaviour which offends, humiliates or threatens others.

### Example

**Q:** *My colleagues have adopted an "initiation ceremony" for new employees, which I believe is inappropriate and humiliating for the employees involved. This is a long-established practice and my colleagues think it is harmless fun but I do not agree. What should I do?*

**A:** *You have a right to object to behaviour in the workplace which you consider is unacceptable. You should speak to your line manager or your local HR manager about the matter.*

## 1.2 Privacy and personal information

### Our principles

We respect the personal privacy of employees in accordance with applicable laws, and acknowledge that employees have rights regarding the handling of their personal information.

### We will:

- collect, store and process personal information about individuals only in accordance with the laws of the countries in which we operate; and
- ensure that personal information is treated in a confidential and secure manner.

### We will not:

- access personal information for any reason other than a legitimate legal or business reason; nor
- transmit personal information to anyone in the organisation or a third party without proper authorisation and a valid legal or business reason for doing so.



## 1.3 Conflicts of interest

### Our principles

We avoid any relationships with customers, suppliers or competitors where our personal interests conflict or might appear to conflict with those of Chemring.

### We will:

- promptly disclose any potential conflicts of interest of which we become aware to our line manager; and
- seek approval prior to entering into any relationship which might impact on our ability to make objective and unbiased business decisions in the sole interests of Chemring and its shareholders.

### We will not:

- have a substantial personal shareholding in a company with whom a Chemring company does business, especially so if the company is a private one;
- perform any work in our spare time for a third party with whom a Chemring company does business or which is a competitor to Chemring;
- be involved in activities for our own personal gain which conflict with Chemring's business interests;
- accept or ask for gifts or favours from a third party with whom a Chemring company does business, where the gift or favour, due to its nature or size, is either illegal, disproportionate to normal business practice, or might put us under a sense of obligation to the third party in conflict with our duty to Chemring;
- borrow from any third party who does business with Chemring, other than at arms' length and on commercial terms; nor
- directly employ or appoint a partner or relative to perform services for Chemring for reward.

### Example

**Q:** *My niece is looking for a summer job, and we have a need for some additional help on a temporary basis within my department. Can I employ her?*

**A:** *You should seek approval from your line manager, making sure that you disclose the relationship. If approval is granted, you should avoid a situation whereby your niece reports directly to you or where you are responsible for overseeing her work.*

**Q:** *A plumber who carries out work for the company has offered to do some work at home for me at a discounted price. Can I accept?*

**A:** *Not if you are responsible for engaging the plumber on behalf of the company, as this would create a situation whereby you might feel obliged to offer him work in the future in preference to another supplier. If you do not have a direct business relationship with the plumber or, for example, he is offering his discounted rates to all employees, this may be acceptable but you should seek guidance and approval from your line manager.*

## 1.4 Outside appointments

### Our principles

We encourage employees to support their local communities and charitable organisations, and we will support employees who wish to undertake voluntary or charitable work, provided that it does not conflict with their duties to Chemring. We will also endeavour to support employees who wish to take up outside appointments for personal development reasons, where the experience they gain will be beneficial to their role within Chemring and where there is no conflict of interest.

### We will:

- seek prior approval before undertaking any community or charitable work, which might require the use of company time or equipment.

### We will not:

- engage in any outside occupation or interest that is dependent on the use of company time or equipment without prior approval; nor
- agree to take up an appointment as a director, whether executive or non-executive, of a third party company without prior approval from the Group Chief Executive.

## 1.5 Unacceptable behaviour

### Our principles

We are mindful of the impact our conduct can have on the reputation of Chemring, and we will seek to avoid any behaviour which could cause reputational damage to the company or any of its employees.

### We will:

- devote our energies whilst at work to pursuing the interests of Chemring in a lawful and responsible manner; and
- outside of the workplace, be mindful of the impact that certain activities we engage in, for example those of a political or activist nature, might have on Chemring's business and its reputation.

### We will not:

- engage in activities outside of work which would reflect badly on the reputation of Chemring, our ability to do our job, or trust in our integrity. Examples of this may include insider dealing, fraud or theft, or drug or alcohol abuse.



## 2. Our business

We are committed to conducting our business, in all of the countries in which we operate, in accordance with applicable laws, and in a responsible manner. We will not engage in anti-competitive behaviour, bribery or corruption, nor will we permit anyone acting on our behalf to engage in such activities.

### 2.1 Complying with laws and regulations

#### Our principles

All Chemring companies (including subsidiary companies and other controlled entities), our directors, officers, employees and other third parties acting on our behalf, must, as a minimum standard, comply with all applicable laws and regulations of the countries where they are employed or where they provide services on behalf of Chemring.

#### We will:

- ensure that all directors, officers, employees and other third parties acting on our behalf are aware that they are responsible for understanding the relevant legal requirements which apply to the role or business they are undertaking by obtaining appropriate advice if necessary; and
- seek to apply our own standards, even in situations where the applicable or local law is less restrictive than these standards.

### 2.2 Policy on the Sale of Goods and Services

#### Our principles

We will conduct our business in accordance with our Policy on the Sale of Goods and Services. The policy provides guidance for employees and third parties on the products and services that we will supply, to which customers, and to which countries. It also sets out a clear definition of what we will not supply, taking into account both legal and ethical considerations.

#### We will:

- take due care to ensure that any business which is proposed to be entered into by or on behalf of a Chemring company is permitted under the Policy on the Sale of Goods and Services; and
- ensure that all employees and third parties acting on our behalf understand the policy and are informed of any changes to the policy.

#### We will not:

- engage in any discussions with any third parties regarding the supply of products or services which is not permitted under the policy.

#### Example

**Q:** *I have received an unsolicited call from an unknown customer who is interested in learning more about our products for application in his private security business. Can I provide him with more information?*

**A:** *Our policy sets out very clearly the customers to whom we will sell products. These are usually governmental, military, and law enforcement agency customers in approved countries. You must explain that Chemring operates a strict Policy on the Sale of Goods and Services, and also has to comply at all times with export control legislation. You should ask the potential customer to put full details of his request in writing, and you should not provide any further information without prior approval from your line manager.*

## 2.3 Anti-competitive behaviour

### Our principles

Chemring aims to compete vigorously but fairly in all of the markets in which we operate. We will not resort to anti-competitive behaviour, nor will we tolerate such behaviour from employees or anyone acting on our behalf.

### We will:

- comply with anti-trust and competition laws in all jurisdictions in which we do business; and
- require all employees who have joined a Chemring company from a competitor, customer or supplier to respect the confidential information of their previous employer.

### We will not:

- obtain or use information on competitors, customers and suppliers which has been obtained by illegal or disreputable means;
- discuss pricing or bid strategies with our competitors;
- enter into discussions with competitors about sharing or restricting access to markets or customers; nor
- attempt to impose restrictions on our customers and distributors regarding the pricing of our products in onward sales to third parties.

## 2.4 Anti-bribery and corruption

### Our principles

Bribery is a criminal offence. Paying or conspiring to pay, soliciting or accepting bribes is against the law in the UK and many other jurisdictions, and is contrary to our Code of Business Principles. We will not under any circumstance pay a bribe to, or receive a bribe from, any individual, incorporated or unincorporated organisation, and/or public officials in order to gain or retain any business advantage or for any other improper purpose. This applies not only to payments of cash but also the giving and receiving of other favours or benefits.

We require our employees and all third parties acting on our behalf to conduct business honestly and with integrity.

### We will:

- require employees and all third parties acting on our behalf, anywhere in the world, to comply at all times with our policies and procedures which have been adopted to prevent bribery, as set out in our Bribery Act Compliance Manual.

### We will not:

- offer, promise or give, solicit, agree to receive or demand any financial or other advantage, whether directly or indirectly, in order to induce or reward improper behaviour, where such behaviour would constitute a bribe;
- offer or make facilitation payments (which may also be referred to as "grease" or "speed" payments); nor
- pay a bribe or participate in any other corrupt activity, anywhere in the world, regardless of local custom and practice, for the purpose of winning or retaining business, or an advantage in the conduct of business, for Chemring.

### Example

**Q:** *At an industry exhibition, a representative from a competitor approaches me and asks if we might have a discussion about a forthcoming contract award which our respective companies are both likely to bid for, with a view to adopting a bidding approach which would be "mutually beneficial to both of us". Can I engage in this discussion?*

**A:** *As a general rule, any activity which is intended to prevent, restrict or distort competition is likely to breach competition law. You must not, therefore, engage in any discussions with competitors or other third parties where this is the intention. There are circumstances in which collaboration with a competitor may be permissible but legal advice must be sought from the Group Legal Director before any arrangements of this type are contemplated.*

**Q:** *A new employee has recently joined us from a competitor, and has offered to provide details of his former employer's pricing strategy for a particular customer. Can I receive this information as long as I ask him not to write it down?*

**A:** *No, this is confidential information belonging to a third party, which must not be disclosed either verbally or in writing. You should explain to your colleague that disclosure of this information would breach our Code of Business Principles.*

## 2.5 Appointment of third party advisers

(including sales agents, marketing or sales consultants, distributors and all third party service providers)

### Our principles

We will appoint as third party advisers (including sales agents, marketing or sales consultants, distributors and service providers) only those who meet our high ethical standards, and who are prepared to commit to compliance with our Code of Business Principles and all applicable laws. All such appointments of third party advisers and the contractual arrangements we make with them are subject to the approval procedures set out in our Bribery Act Compliance Manual.

### We will:

- conduct appropriate due diligence on all potential third party advisers;
- subject all third party advisers to ongoing review and monitoring, to ensure that they continue to demonstrate compliance with our Code of Business Principles; and
- adopt internal controls to govern the payments made to third party advisers.

### We will not:

- permit any third party advisers to:
  - offer, promise or give, solicit, agree to receive or demand any financial or other advantage, whether directly or indirectly, in order to induce or reward improper behaviour;
  - offer or make facilitation payments; nor
  - pay a bribe or participate in any other corrupt activity, anywhere in the world, regardless of local custom and practice, for the purpose of winning or retaining business, or an advantage in the conduct of business, for Chemring; nor
- pursue any commercial relationships with third party advisers which might require Chemring to engage in unethical behaviour or illegal acts.



responsibility  
 professionalism  
 honesty  
 commitment  
 integrity  
 objectivity

### Example

**Q:** I have been approached by a potential new sales agent at an exhibition, who claims to have knowledge of a business opportunity which would be of interest. After an initial discussion, he asks if he can pursue discussions with the potential customer, indicating that he is acting on our behalf. Is it acceptable to proceed informally?

**A:** No, you must follow the approval process in our Bribery Act Compliance Manual before authorising any third party to act on behalf of a Chemring company, and before agreeing to engage the third party, even if it is only a verbal commitment.

## 2.6 Gifts and hospitality

### Our principles

Whilst we recognise that the courtesy of giving and receiving gifts and hospitality of modest value in the normal course of business, where permitted by law, is acceptable in principle, under no circumstances must the giving or receiving be done with a view to the recipient being influenced to act improperly, or to obtaining any form of improper advantage.

### We will:

- only accept or offer gifts or hospitality of a modest value, when it is lawful and customary practice to do so;
- ensure that the receipt and giving of gifts and hospitality is duly authorised, and recorded as necessary, in accordance with the Gifts and Hospitality Policy adopted by each Chemring company; and
- ensure that all records are made in a timely and verifiable form and manner.

### We will not:

- offer, promise or give any gifts or hospitality which may be (or may be misconstrued as) a personal reward for the recipient, intended to influence the recipient to act improperly, or to reward improper behaviour on the part of the recipient; nor
- request, agree to receive or accept any gifts or hospitality which we believe are intended to influence improper behaviour or decisions, or which would impose an obligation on us to treat another third party unfavourably.

## 2.7 Political donations and support

### Our principles

Chemring does not make donations or contributions to political parties or for party political purposes. Employees must not use corporate funds for this purpose.

### We will:

- if we engage in activities of a political nature outside of work, make it clear that any views expressed are personal and not those of Chemring; and
- be mindful, at all times, of any potentially harmful impact of our personal activities on Chemring's reputation.



## 2.8 Export control

### Our principles

We will comply with all export control laws applicable to the countries where we do business, and we will ensure that all requisite approvals are obtained for the transfer of products, services, technology and data.

### We will:

- fully comply with all applicable export control laws when transferring products, services, technology and data from one country to another, whether within Chemring or to third parties; and
- notwithstanding any export control restrictions, have due regard to any trade embargos imposed by the UK or the US in determining whether a Chemring company may do business with a particular country.

## 2.9 Protecting third parties' confidential information

### Our principles

Chemring will, from time to time, receive confidential, proprietary or security classified information from third parties. We will respect the conditions under which such information is supplied, and take appropriate steps to protect it.

### We will:

- only disclose third parties' confidential information with the express approval of the third party and on a need-to-know basis, or to satisfy a legal obligation following receipt of legal advice to do so; and
- when licensed by a third party to use its property, comply fully with the terms of the licence and use the property only for the intended purpose.

## 2.10 Human rights

### Our principles

We fully adhere to all relevant government guidelines designed to ensure that our products are not incorporated into weapons or other equipment used for the purposes of terrorism, internal repression or the abuse of human rights.

We will seek to uphold all internationally recognised human rights wherever our operations are based.

### Example

**Q:** *Another Chemring company, based overseas, is responding to a requirement from their customer for a product which my business currently manufactures. I have been asked to participate in a conference call with the customer, in order to provide a technical overview of the product, its specification and performance criteria. Is this permissible?*

**A:** *In most countries, the transfer of data and information relating to export controlled products is subject to the same export control law as applies to the export of the products themselves. You must check with your local export control manager before engaging in discussions with third parties, including other Chemring companies, regarding export controlled products, and if necessary, obtain the requisite export licence approval.*

## 3. Our company

We aim to uphold the highest standards of corporate governance, protect and grow our shareholders' assets, and engage in a fair and transparent manner with our external stakeholders.

### 3.1 Accounting standards and reporting financial performance

#### Our principles

We will maintain proper and accurate business and financial records. Financial transactions will be recorded in a timely manner, and in accordance with UK (or, for the purpose of producing local statutory accounts, relevant overseas) Generally Accepted Accounting Principles, as consistently applied by Chemring, so that all transactions and assets and liabilities are correctly recorded. Chemring's funds will not be held outside of our books of account.

We are committed to the prevention and detection of fraud, and will report fraudulent activity, which is a criminal offence, to the relevant authorities.

Our detailed financial and internal controls are set out in the Group Accounting Policy Manual.

#### We will:

- comply with the Group Accounting Policy Manual;
- be transparent with regards to all financial transactions; and
- utilise appropriate internal controls, including internal audit, to ensure that our business is managed effectively and that its reported results are accurate.

#### We will not:

- deliberately make a false or inaccurate entry in any company records or books of account;
- artificially inflate the financial results of a period to show a position which is better than actual; nor
- enter into any fraudulent or illegal transaction, for the purpose of increasing our financial results or accelerating the receipt of profit or cash into an earlier period than it would otherwise fall due.



responsible  
discrete  
honest  
inclusive  
ethical  
objective



## 3.2 Protecting Chemring's assets

### Our principles

We will protect Chemring's property, whether tangible (such as computers, plant and equipment, stock or furniture) or intangible (such as intellectual property, proprietary software, trade secrets and confidential information), and will only use such property for Chemring's business, and not for personal benefit or for any illegal purpose.

### We will not:

- disclose, without proper authorisation or unless legally required, confidential information about Chemring to third parties, whether verbally, in writing, or electronically via the internet, social media and blogs;
- use Chemring's property or products for our own personal gain; nor
- use Chemring's computer equipment to download or send to others pornography or offensive material.

## 3.3 Protecting Chemring's reputation

### Our principles

We recognise that Chemring's good reputation is one of its key assets, and we will not take any action or engage in any behaviour, either at work or outside of the workplace, which could cause reputational damage to the company or any of its employees.

### We will:

- act in a way which protects and promotes Chemring's good reputation at all times.

### We will not:

- make disparaging or damaging remarks about Chemring or any of its employees or stakeholders, whether verbally, in writing, or electronically via the internet, social media and blogs; nor
- engage in any activities outside of work which would reflect badly on the reputation of Chemring, our ability to do our jobs, or trust in our integrity. Examples of this may include insider dealing, fraud or theft, or drug or alcohol abuse.

## 3.4 Protecting Chemring's confidential information

### Our principles

We will take all necessary steps to protect Chemring's confidential, proprietary and security classified information, and we will not use it for our personal benefit or for any illegal purpose.

### We will:

- keep confidential information protected and secure at all times; and
- observe and comply with any government security classification applied to documents or information.

### We will not:

- disclose confidential information to any third party without entering into a properly authorised confidentiality agreement; nor
- divulge details of any contracts or programmes subject to government security classification to individuals who do not have the requisite security clearance.



professionalism  
responsibility  
stability  
commitment  
honesty  
objectivity



## 3.5 Dissemination of inside information and share dealing

### Our principles

Chemring's shares are listed on the London Stock Exchange. We will help to maintain an equitable market in the company's shares by ensuring that inside information is released to the market in a clear, co-ordinated and timely way. Employees must not profit from the possession of inside information, and must not distort the market by making inaccurate or misleading statements about the company.

There are certain periods when directors and employees must not deal in the company's shares. These periods are generally the two months preceding the announcement of the interim and final financial results. In addition, employees must not deal in Chemring shares at any other time when they are in possession of unpublished inside information. This also applies to members of the immediate family of the employee.

Insider dealing, deliberately creating a false market in Chemring shares, or market abuse by any Chemring employee will constitute gross misconduct. Further details are set out in Chemring's Share Dealing Code.

### We will not:

- whilst in possession of inside information about Chemring, buy or sell Chemring shares, or disclose the inside information to third parties who wish to deal in Chemring shares;
- whilst in possession of inside information about customers, competitors or suppliers, use that information to deal in the shares of those companies for personal gain;
- divulge inside information to anyone without the prior consent of a Chemring main Board director; nor
- knowingly or recklessly make a misleading statement or forecast, or create a false market in Chemring shares.

### Example

*Q: I have been asked to assist with due diligence on a company which Chemring is interested in acquiring, which is a subsidiary of a listed public company parent. Is it acceptable for me to buy shares in the parent?*

*A: No, it is likely you are in possession of price sensitive inside information relating to both Chemring and the parent. Dealing in shares whilst in possession of price sensitive information is a criminal offence. You must also take care not to tell anyone else about the work you are doing and the potential acquisition. If they deal in shares of either Chemring or the parent as a result of receiving this information from you, both you and they may commit a criminal offence.*

## 4. Our environment

We acknowledge our responsibility to ensure the safe and responsible operation of our business at all times, with regard to our employees, our local environment and the wider community.

### 4.1 Health and safety

#### Our principles

We believe that the highest levels of safety are required in order to protect our employees, product end users and the general public, if we are to maintain leadership in our chosen markets.

We believe that all incidents and injuries are preventable, and that all employees have the right to return home safely at the end of every working day. The long term strategies we have adopted aim to ensure we continually improve our performance and reduce risk.

Further details of the health and safety policies and procedures adopted by the Chemring company for which you work can be obtained from your line manager.

#### We will:

- require managers and supervisors at all levels to enforce health and safety procedures, and to provide leadership and commitment to promote and embrace a positive health and safety culture;
- expect all employees to take personal responsibility for ensuring that health and safety rules and procedures are complied with, both for their own safety and others; and
- report potential hazards and concerns through the appropriate channels.

#### We will not:

- ignore or circumvent health and safety rules and procedures; nor
- take unnecessary risks or put others in danger as a result of our actions.



## 4.2 The local environment

### Our principles

Chemring believes that protecting the environment by minimising our environmental impact will help to secure the long term future of our business.

### We will:

- control pollution, minimise the quantity of material burnt at each of our sites, consume resources efficiently, and use materials that minimise the environmental impact of our operations.

## 4.3 In the community

### Our principles

We recognise that each Chemring company has an important role to play in its local community, and we therefore encourage community interaction for the benefit of Chemring and its stakeholders.

Chemring's approach on charitable donations is to support charitable causes with a focus on the military and armed services, and those linked to the local communities in which our businesses operate.

### We will:

- in addition to making cash donations, encourage and support employees who wish to undertake voluntary work in their community, subject to local approval.



consideration  
conscientiousness  
responsible  
professionalism  
integrity  
responsibility

## 5. Applying these principles

The Executive Committee, the Ethics Committee and the Board of Chemring Group PLC have all approved this Code of Business Principles. The Executive Committee is responsible for its effective implementation.

The Code applies to all subsidiary companies of Chemring Group PLC, and their directors, officers, managers and employees. Third party partners or advisers who act on Chemring's behalf will also be expected to comply with the Code.

Joint venture companies, in which Chemring does not have a majority shareholding interest, will be encouraged to comply with the Code.

All current and new employees will receive a copy of the Code, and will be required to sign, from time to time, a statement that they are aware of and understand the Code's contents, and that they will comply with it. All managers must ensure that their staff are properly briefed.

The Code will be reviewed and reissued on an annual basis.

### What do I do if I am concerned about a breach of the Code?

Chemring attaches great importance to due and proper compliance with its Code of Business Principles, and is committed to ensuring that mechanisms are in place to assist all employees in such compliance.

If you believe that you have experienced or witnessed unethical behaviour, you have a responsibility to do something about it. You may first wish to discuss the matter informally with your line manager or your HR manager. For more serious issues, the Group's Whistleblowing Policy and Procedures provide a mechanism by which employees can report genuinely held concerns about the application of the Code or about business practices, without fear of reprisals. The telephone numbers and website access details for the external Ethics Reporting Line are listed on the back page of this Code.

If you believe you are being treated unfairly as a consequence of raising a concern, you should report the matter through the Ethics Reporting Line. Any such claims will be investigated thoroughly. Anyone who engages in retaliation or reprisal will be considered to be in breach of this Code.

### What are the consequences of breaching the Code?

Chemring regards any failure to comply with the Code as a serious issue which may cause substantial damage to its business interests and reputation. Accordingly, breaches of the Code will be dealt with as a serious disciplinary matter, which may lead to reprimand or dismissal of the individual in question.



# Chemring Ethics Reporting Line Numbers

<b>United Kingdom</b>	<b>0800-032-8483</b>
<b>United States</b>	<b>1-888-258-4544</b>
<b>Australia</b>	<b>1-800-339276</b>
<b>Belgium</b>	<b>0800-77004</b>
<b>Germany</b>	<b>0800-1016582</b>
<b>Italy</b>	<b>800-786907</b>
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