



2022 Modern Slavery Act Transparency Statement

Sterling Check Corp.

I. Identifying the Reporting Entity

This statement is made pursuant to the Modern Slavery Act 2015 (UK), and section 6 of the Modern Slavery Act 2018 (Cth), to disclose the steps taken by Sterling Check Corp, (“Sterling”) headquartered in Independence, Ohio (NASDAQ: STER) and its subsidiary companies worldwide to combat and prevent modern slavery in our operations and supply chain during the financial year concluding on December 31, 2022.

This joint statement covers all Sterling wholly owned entities in the UK and Australia, including Sterling (EMEA) Ltd, and RISQ Group Holdings Pty Ltd. (ABN 19 127 622 646), which includes AIM Screening Pty Ltd (ABN 88 099 537 470), and National Crime Check Pvt Ltd (ABN 60 139 183 145). Although not all Sterling entities are subject to the Modern Slavery Acts of the United Kingdom or Australia, the practices and commitments described herein are applied globally.

II. Structure, Operations, and Supply Chain

Structure and Operations

Sterling is a publicly traded corporation (NASDAQ: STER) and world class global provider of technology-enabled background and identity verification services. Sterling can be differentiated by our deep market expertise, customer service, best in class data, and seamless workflows operating in the Human Capital Management sector. The corporate structure includes a Board of Directors (the “Board”) whose responsibilities include directing and overseeing the management of the business and affairs of Sterling in a manner consistent with the best interest of Sterling and its stockholders.

Sterling’s services help organizations create favourable environments for their most essential resource, people. We offer background checks and identity services to help create a foundation of trust and safety for over 50,000 clients worldwide, including over half of the Fortune 100. We help our clients make more informed hiring decisions, enhance workplace safety, protect their brand, and mitigate risk. With operations around the world, Sterling employs around 5000 employees, including approximately 50 employees in Australia, and conducts more than 95 million searches annually, offering services such as criminal background checks, identity services, employment and education verifications, workforce monitoring, drug and health screening, and fingerprinting services. Sterling operations are primarily located in the Americas, the EU and UK, and APAC.

Our organization operates across various industries to create, obtain, and administer background checks and identity services using data and technology. The industries we serve include Construction, Education, Energy & Utilities, Entertainment, Financial & Business Services, Franchise, Gig Economy, Government, Healthcare & Life Sciences, Hospitality, Manufacturing, Media & Advertising, Non-profit, Retail, Small & Mid-Sized Business, Staffing, Technology, and Transportation and others.



Supply Chain

Sterling has three main areas in its supply chain: data, technology, and operational expenses. Data is the core information we obtain from suppliers and utilize to provide services to our customers. Examples include, but are not limited to public records, criminal records, identity verification, employment verification, driving records, and health screening information. Data is obtained from a wide variety of sources, both public and proprietary, throughout the world. The largest volume of data in the supply chain is sourced in the U.S.

Technology includes the hardware, software, hosting, telecommunication, and resources associated with building, implementing, and operating our delivery platforms upon which our services are conducted and provided to customers.

Operational expenses include the labour, goods, and services acquired to operate our business and the facilities and environments in which we work, including operational overhead. Company operations engage in sales, data and information collection, evaluation and assembly, technology and software development, and the processing of information and delivery to Sterling clients. Since 2020, Sterling has adopted a remote-first environment, with most Sterling employees home-based, thus impacting this aspect of the supply chain by reducing the need for office support and resources.

III. Identifying the Risks of Modern Slavery

Sterling's data supply chain relies upon use of both direct data collection and the use of third-party suppliers across the globe. The international scope of a business like Sterling may pose some geographic and service risk in the procurement of data in areas where questionable practices may be more prevalent and may at times involve smaller third-party entities where people may be vulnerable to exploitation. Due to Sterling's large number of suppliers and complex supply chain, it has less visibility over the operations of small, third party and lower tier suppliers. The risk for modern slavery resides primarily in the extended smaller, lower tiers of the supply chain where our controls and policies are more difficult to implement. The company plans to work toward assessing this risk in subsequent reporting periods. Similarly, Sterling procures IT hardware as part of its supply chain. Sterling acknowledges that modern slavery risks are prevalent in the raw material extraction, manufacturing and disposal of IT equipment, all of which are production-stages or services that are generally undertaken in higher-risk jurisdictions. Sterling is working to assess risk in the area of technology procurement and will address going forward. With respect to operational aspects of the supply chain and risk-identification, the company's operating model is now remote-first, and the majority of the work force is no longer reporting to an office. Based on current practices and remote work, the operational risk of modern slavery associated with maintaining facilities and work environments is very low but will be re-evaluated as needed in the future.



IV. Taking Action Against Modern Slavery

Commitment and Overview

Sterling recognizes we can play a role in helping to combat and report modern slavery and human trafficking around the world. We recognize that eradicating these crises are a significant target of the UN's Sustainable Development goals, and that bona fide participation from the private sector is needed to achieve this. The principles contained within Sterling's Code of Conduct set the tone to ensure that ethical, responsible, and humane behaviour are integral to the day-to-day business operations at Sterling. The business culture and philosophies constituted by the Code of Conduct, and its universal application to all Sterling team members—internally, and in relations with vendors, clients, and partners—compel an environment that is consistent with the prevention and reporting of potential instances of modern slavery.

During the 2021 financial year, Sterling took steps to combat and prevent modern slavery in our operations and supply chain by updating our policies and procedures, rolling out a new Whistleblower Policy and a new Supplier Code of Conduct, also launched in 2021. The business is conducting due diligence and enforcing obligations on new vendors and clients, scheduling ongoing vetting of our existing vendors, and requiring all employees to complete training on our Code of Conduct, Anti-bribery and Anti-Corruption, Sanctions training, and other relevant policies.

Values and Policies

Sterling's core values include building trust and creating a safer world, coupled with our "It's all about people" philosophy. Policies and programs such Sterling's Code of Conduct, Global Ethics Hotline & Investigations Policy, Whistleblower Policy, Anti-Bribery and Anti-Corruption Policy, Global Vendor Management Policy, and Global Sanctions Policy— among others—compel an environment that is constructive to the prevention and reporting of potential instances of modern slavery, internally and with our partners and clients.

The Company's policies on internal reporting, training, and reporting tools and resources creates a corporate structure that encourages identification and reporting of cases or suspicions of modern slavery. Section 4 of Sterling's Code of Conduct addresses the reporting of concerns and guides employees to report violations of company policies and applicable laws to management as well as law enforcement or other government agencies. Section 5 of the Code requires a respectful and safe work environment with zero tolerance for harassment, discrimination, hostility, intimidation or violence in the workplace. It provides clear direction for employees to report wrongdoing, both directly to management and anonymously through the global Ethics Hotline. The Code also references the Company's Antibribery and Anti-Corruption Policy, and the need for employees to identify conflicts of interest and red flags that may signal a violation of laws and ethics, which would include instances of modern slavery.

Supplier and Client Due Diligence

Sterling applies a risk-based approach to assessing third party compliance with applicable laws and regulations, anti-corruption and anti-bribery standards, global sanctions policies, privacy and data protection standards, and information security. This approach allows Sterling to monitor, identify and take action in the event of a suspected or actual violation of a law or policy, including instances of modern slavery. Our Supplier Code of Conduct expressly prohibits forced labour and child labour, stating "Suppliers shall not use any form of forced, bonded or involuntary labour and must comply with applicable laws combatting modern slavery" and "Suppliers shall not use child



labour below the age of 16 or the applicable minimum age, whichever is higher”, actively seeking to reduce the risk of modern slavery.

Our Global Vendor Management Policy establishes the process to vet our suppliers and vendors prior to engagement, and provides for monitoring on an ongoing basis for continued compliance. These policies and procedures support our position against forced labour and human trafficking. Vendors are subject to a due diligence process that evaluates them in the following ways: documents the legitimacy and structure of their organisation; identifies their locations, practices, operations, and relationships with other organisations; screens for legal and financial red flags, sanctions, litigation, or regulatory violations, and ongoing investigations; and requires disclosure of their policies and compliance programs. Likewise, Sterling takes steps to credential clients to verify that they are legitimate, active, and registered legal entities that are subject to compliance with relevant laws and regulations. Sterling’s standard form contract requires that clients attest to compliance with all applicable laws including equal opportunity in employment and agree that our services will only be used for declared permissible purposes.

Training

Members of the Sterling team are held to high standards of quality and professionalism, and employees are trained on the Company policies and procedures. Annual training for all employees includes training and testing on the Code of Conduct and how to report incidents, Anti-Harassment, Anti-Bribery and Anti-Corruption, Fair Credit Reporting Act, Global Sanctions, Information Security, and Privacy. All employees are required to complete the training and testing, and then acknowledge receipt and review of the relevant and applicable Company policy. Through training and experience, Sterling employees are well- equipped to identify fraudulent or stolen documents, irregularity in supplier or vendor activity, unapproved activity outside of policy or outside of the contracted services, corrupt behaviour, noncompliance with relevant laws and regulations, and other red flags that may indicate forced labour or human trafficking. Sterling plans to look for ways to enhance the training program to specifically address modern slavery in the next reporting period.

Grievance and Remediation

Sterling’s policies create a framework to report and address suspected risks of modern slavery. In the event of a suspected or known violation of law or policy, the Sterling Code of Conduct requires reporting of grievances and a process for anonymous reporting. Section 4 of the Code of Conduct covers reporting of concerns, and clearly communicates the requirement to report suspected violations of the Code, other policies and applicable laws and regulations. In addition, the Sterling Whistleblower Policy provides a framework for employees and others to address suspected misconduct, allowing for anonymity if desired, and a means for investigation and remediation when needed. The Supplier Code of Conduct sets expectations and requirements for regulatory and legal compliance for suppliers, and an ethics framework for those suppliers participating in the Sterling supply chain. Suppliers are instructed and have contractual obligations to follow the law, report grievances, and participate in remediation if needed.

V. Assessment and Ongoing Commitment

Sterling's evaluation and assessment for human rights violations in our operations and supply chain is risk based, and relative to the nature of our services and procurement. Demonstration of our commitment is evidenced by new policies to specifically address whistle-blowers, updates to our Code of Conduct, and adoption of a Supplier Code of Conduct.

Measuring Effectiveness

Sterling conducts internal reviews of its policies and procedures on an annual basis to identify opportunities for improvement, making updates and modifications as appropriate to reduce the risks of modern slavery. In addition, in subsequent reporting periods we will evaluate our training and seek feedback from stakeholders and advisors to support employees with clear policy direction and tools needed to uphold the relevant laws and policies to identify, assess and address risks of modern slavery. Our efforts to ensure that we are not enabling, contributing, or are otherwise linked to slavery or human trafficking will be further refined to minimize potential for exposure, controlling for evolving risks through strict adherence and routine updating of the policies and due diligence practices listed above.

Consultation

In order to prepare this statement, we engaged with each of the reporting entities covered by this statement and consulted the entities we own or control. Sterling's centralized procurement, legal and compliance functions have worked together with the various Sterling entities, including those located in UK and Australia, to develop the policies, procedures and trainings referenced herein. All Sterling owned entities, including those in the UK and Australia participate in risk assessment activities, and are engaged in the development of new policies and procedures for enhanced compliance. Sterling plans to work with all global entities to further identify possible risks of modern slavery and address as needed. Sterling has engaged with third parties when needed to support these efforts, including outside counsel and auditors to assess compliance with laws and industry best practices. Sterling will continue to review and consult, seeking specific recommendations on policy, training, contracts, and other tools available to reduce risks of modern slavery.

As new trends and risks emerge, Sterling maintains our commitment to complying with the Modern Slavery Act 2015 (UK) and Modern Slavery Act 2018 (Cth), combatting forced labour and human trafficking, and holding ourselves and our partners accountable in doing so.

This statement was approved by the Board of Sterling (EMEA) Ltd. and RISQ Group Holdings Pty Ltd. (on behalf of AIM Screening Pty Ltd. and National Crime Check Pvt Ltd.) on January 24, 2022.



Steven L. Barnett
Director, Sterling (EMEA) Ltd. and RISQ Group Holdings Pty Ltd.