



### A. POLICY STATEMENT

1. It is our policy to conduct business in an honest and ethical manner. We have a zero tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate and to implement and enforce effective systems to prevent bribery and corruption.
2. The purpose of this policy ("**Policy**") is, for the benefit of all employees of Anpario plc., or one of its many subsidiaries around the world, to:
  - 2.1. set out our responsibilities in relation to, and stance, on bribery and corruption; and
  - 2.2. provide information and guidance on individual responsibilities, on how to recognise and deal with bribery and corruption issues.
3. As a business based in the United Kingdom ("**U.K.**"), the provisions of the Bribery Act 2010 ("**BA 2010**") apply to us and our employees and regulate our activities, not only in the U.K. but wherever we operate in the world.
4. Penalties under BA 2010 can be severe. Directors can be disqualified and employees may be subject to unlimited fines or imprisonment for up to ten years. We could be subject to unlimited fines or be removed from the Register of Companies.

### B. YOUR RESPONSIBILITIES

1. You must ensure that you read, understand and comply with this Policy.
2. The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all those working for us. You must not engage in any activity that might lead to, or suggest, a breach of this Policy.
3. You must notify a Senior Manager as soon as possible if you believe or suspect there has been a breach of this Policy or may occur in the future. e.g., if a customer or potential customer offers you something to gain a business advantage with us or indicates to you that a gift or payment is required to secure their business.
4. A Senior Manager upon being notified must immediately declare the matter to one of the contacts given in 'Section O' below.
5. Additional "Red Flags" that may indicate bribery or corruption are set out in 'Section D' below.

### C. WHAT IS BRIBERY AND CORRUPTION?

1. Bribery is offering, promising, giving or accepting any financial or other advantage, to induce the recipient or any other person to act improperly in the performance of their functions, or to reward them for acting improperly, or where the recipient would act improperly by accepting the advantage.
2. An **advantage** includes money, gifts, loans, fees, hospitality, services, discounts, the award of a contract or anything else of value.
3. A person acts **improperly** where they act illegally, unethically, or contrary to an expectation of good faith or impartiality, or where they abuse a position of trust. The improper acts may be in relation to any business or professional activities, public functions, acts in the course of employment, or other activities by or on behalf of any organisation of any kind.
4. **Corruption** is the abuse of entrusted power or position for private gain.
5. **Third party** means any individual or organisation you come into contact with during the course of your work for us, and includes actual and potential clients, customers, suppliers, distributors, agents, business contacts, advisers, and government and public bodies, including their advisors, representatives and officials, politicians and political parties.

Some examples of bribery:

#### **OFFERING A BRIBE**

*We are tendering for business, and you offer the potential customer tickets to a major sporting event, but only if they agree to do business with us.*

*This would be an offence as you are making the offer to gain a commercial and contractual advantage through improper conduct.*

*We may also be found to have committed an offence because the offer has been made to obtain business for us improperly and we have not prevented it. It may also be an offence for the potential client to accept your offer.*

#### **RECEIVING A BRIBE**

*A supplier gives your nephew a job but makes it clear that in return they expect you to use your influence in our organisation to ensure we continue to do business with them.*

*It is an offence for a supplier to make such an offer. It would be an offence for you to accept the offer as you would be doing so to gain a reward for acting improperly.*

#### **BRIBING A FOREIGN OFFICIAL**

*You arrange for the business to pay an additional "facilitation" payment to a foreign official to speed up an administrative process, such as registering our products.*

*The offence of bribing a foreign public official is committed as soon as the offer is made. This is because it is made to gain a business advantage for us through improper conduct. We may also be found to have committed an offence.*

### **D. OUR RISKS**

**1.** We have identified the following as some of the particular risks relevant for our business:

- ✓ we operate in many countries around the world and in some of these the culture of bribing local officials is regarded as normal practice;
- ✓ we operate in some of the most difficult countries in the world which have been "sanctioned" by international organisations such as the United Nations and the European Union;
- ✓ our products need to be accompanied by a health certificate and registered when they arrive in the destination country. This will often require the payment of a registration fee and interaction with local officials and governmental departments. Difficulties can arise if the destination country changes its regulations in respect of product registration creating the need for a second or retrospective registration, especially if our customer services are under pressure to ship products quickly;
- ✓ some smaller agents, distributors and customers are in remote and/or distant parts of the world, may not be well known to us and information difficult to obtain;
- ✓ it is routine and acceptable business practice to pay commission to overseas agents for selling products. However, if commission payments are not transparent and provided for in a signed commission agreement, they may be a appear to be a bribe;
- ✓ it can be challenging to always know or control the behaviour of distributors or agents.

**RED FLAGS:** The following is a list of possible red flags that may arise during the course of your working for us and which may raise concerns under the B.A 2010.

- ✓ you become aware that a third party, (for example one of our agents or distributors), engages in, or has been accused of engaging in, improper business practices;
- ✓ you learn that a third party has a reputation for paying bribes, or requiring that bribes are paid to them, or has a reputation for having a "special relationship" with foreign government officials;
- ✓ a third party insists on receiving a commission or fee payment before committing to sign up to a contract with us, or carrying out a government function or process for us;
- ✓ a third party requests payment in cash or refuses to sign a formal commission or fee agreement, or refuses to provide an invoice or receipt for a payment made;
- ✓ a third party requests that payment is made to a country or geographic location different from where the third party resides or conducts business or to a third party;
- ✓ a third party requests an unexpected additional fee or commission to "facilitate" a service;
- ✓ a third party demands lavish entertainment or gifts before commencing or continuing contractual negotiations or provision of services;
- ✓ a third party requests that a payment is made to "overlook" potential legal violations;

## RED FLAGS (continued)

- ✓ an agent or distributor appears to be unusually connected to the end user or have a business interest in the end user which may be a conflict of interest;
- ✓ a third party requests that you provide employment or some other advantage to a friend or relative; you receive an invoice from a third party that appears to be non-standard or customised;
- ✓ a third party insists on the use of side letters or refuses to put terms agreed in writing;
- ✓ you notice that we have been invoiced for a commission or fee payment that appears large given the amount of product sold;
- ✓ a third party requests or requires the use of an agent, intermediary, consultant, distributor or supplier that is not typically used by or known to us.
- ✓ you are offered an unusually generous gift or offered lavish hospitality by a third party

*The list is not intended to be exhaustive and is for illustrative purposes only.*

*Should you encounter any of these red flags or other actual or perceived risks while working for us, you must report them promptly to a Senior Manager.*

## 2. To address our risks, we:

- ✓ have measures in place so that new customer accounts for both new distributors and new end users cannot be created until we have key information about their ownership. We require details about the company's directors, partners and main shareholders including their names, date and places of birth and passport or ID numbers;
- ✓ ensure that new customer accounts cannot be created until our finance have obtained credit checks, credit references and, if appropriate, performed a sanctions check;
- ✓ use the 'New Customer Accounts Form' which for all new customers, which also sets out our Code of Conduct and requires new customers to acknowledge receipt of the Code of Conduct;
- ✓ ensure that where agents are to be paid commission they are subject to due diligence checks, sign a formal Commission Agreement which sets out the commission structure and refers them to our Code of Conduct.
- ✓ all Commission Agreements are approved by the Group Finance Director and Group Commercial Director, we retain copies of all Commission Agreements and commission will only be paid to agents when the agreed process has been adhered to.

## E. **WHAT YOU MUST NOT DO**

### 1. It is not acceptable for you (or someone on your behalf) to:

- 1.1. give, promise to give, or offer, a payment, gift, hospitality or other advantage with the expectation of that person acting improperly or hope that a business advantage will be received, or to reward a business advantage already given through improper conduct;
- 1.2. give or accept a gift or hospitality or other advantage during any commercial negotiations or tender process, if this could be perceived as intended or likely to influence the outcome. However, please refer to 'Section H' below regarding what is allowed;
- 1.3. accept a payment, gift or hospitality or other advantage from a third party that you know, or suspect, is offered with the expectation that we will provide a business advantage for them or anyone else in return;
- 1.4. accept hospitality from a third party that is unduly lavish or extravagant under the circumstances, offer or accept a gift to or from government officials or representatives, politicians or political parties, without the prior approval of the Corporate Responsibility Director;
- 1.5. threaten or retaliate against another individual who has refused to commit a bribery offence or who has raised concerns under this Policy; or
- 1.6. engage in any other activity that might lead to a breach of this Policy.

## F. **FACILITATION PAYMENTS AND KICKBACKS**

1. We do not make, and will not accept, facilitation payments or "kickbacks" of any kind. It is strictly prohibited for any facilitation payments to be made by any employee of Anpario or by anyone else on behalf of the Company.
2. **Facilitation payments**, also known as "back-handers" or "grease payments", are typically small, unofficial payments made to secure or expedite a routine or necessary action (for example by a government official). They are not common in the UK but are common in many of the jurisdictions in which we operate.
3. **Kickbacks** are typically payments made in return for a business favour or advantage.
4. You must not engage in any activity that might lead to a facilitation payment or kickback being made or accepted by us or on our behalf, or that might suggest that such a payment will be made or accepted. If you

are asked to make a payment on our behalf, you should always be mindful of what the payment is for and whether the amount requested is proportionate to the goods or services provided. You should always ask for a receipt which details the reason for the payment. If you have any suspicions, concerns or queries regarding a payment, you should raise these with a Senior Manager who must then immediately report the matter to the Corporate Responsibility Director.

## **G. GIFTS, HOSPITALITY AND EXPENSES**

1. This Policy allows reasonable, appropriate and proportionate hospitality or entertainment given to, or received from, third parties for the purposes of:
  - ✓ establishing or maintaining good business relationships;
  - ✓ improving or maintaining our image or reputation; or
  - ✓ marketing or presenting our products and/or services effectively.
2. Entertainment or hospitality:
  - 2.1. may only be accepted if it is not unduly extravagant or lavish; and
  - 2.2. may only be provided if it has pre-approved by a senior manager or an executive director. Details of the hospitality or entertainment must be fully recorded and submitted to the finance department as soon as possible. This will form part of a log, which will be reviewed by the Corporate Responsibility Director.
3. The giving and accepting of gifts is allowed if the following requirements are met:
  - ✓ it is not made with the intention of influencing a third party to obtain or retain business or a business advantage, or to reward the provision or retention of business or a business advantage, or in explicit or implicit exchange for favours or benefits;
  - ✓ it is given in our name, not in your name;
  - ✓ it does not include cash or a cash equivalent (such as gift certificates or vouchers);
  - ✓ it is appropriate in the circumstances, taking account of the reason for the gift, its timing and value. For example, in the UK it is customary for small gifts to be given at Christmas;
  - ✓ it is given openly, not secretly;
  - ✓ it complies with any applicable local law; and
  - ✓ it is done in accordance with this Policy.

**If you have any questions or concerns raise these with your manager or the Corporate Responsibility Director before taking action.**

4. The following are usually acceptable:
  - ✓ promotional gifts of low value such as branded stationery to or from existing customers, suppliers and business partners will usually be acceptable;
  - ✓ reimbursing a third party's expenses, or accepting an offer to reimburse our expenses (for example, the costs of hosting or attending a technical seminar or a business meeting) would not usually amount to bribery;
  - ✓ hosting a factory visit or product training either by Anpario or for product training.
5. We understand that practice varies between countries and regions and what may be normal and acceptable in one region may not be in another. The test to be applied is whether in all the circumstances the gift, hospitality or payment is reasonable and justifiable. The intention behind it should always be considered.
6. All or any business expenses claimed or paid must be accompanied by corresponding documentary evidence, such as invoices or receipts. A payment in excess of genuine and reasonable business expenses (such as the cost of an extended and/or unconnected hotel stay) is not acceptable.

## **H. DONATIONS**

1. We do not make contributions to political parties. Occasionally we may make charitable donations provided they do not breach the B.A. 2010 or laws and practices in the country where they are made.
2. No donation must be offered or made without the prior approval of the Corporate Responsibility Director and an Executive Director.

## **I. RECORD-KEEPING**

1. We must keep financial records and have appropriate internal controls in place which will evidence the business reason for making payments to third parties.
2. All hospitality, entertainment or gifts given or received by you must be recorded on a monthly basis in the

'Hospitality, Entertaining and Gifts Register' which will be reviewed regularly by the Corporate Responsibility Director.

3. You must submit all expenses claims relating to hospitality, gifts or payments to third parties in accordance with our 'Expenses Policy' and record the reason for expenditure.
4. All accounts, invoices, and other records relating to dealings with third parties including suppliers, agents, distributors and customers should be prepared with strict accuracy and completeness. Accounts must not be kept "off-book" to facilitate or conceal improper payments.

#### **J. TRAINING AND COMMUNICATION**

1. Training on this Policy forms part of the induction process for all individuals who work for us, and regular training will be provided as necessary.
2. Our zero tolerance approach to bribery and corruption must be communicated to all agents, distributors, suppliers, and business partners at the outset of our business relationship with them and as appropriate during the relationship.

#### **K. BREACHES OF THIS POLICY**

1. Any employee who breaches this Policy will face disciplinary action which could result in dismissal for misconduct or gross misconduct.
2. We may terminate our relationship with individuals and organisations working on our behalf if they act in a way inconsistent with this Policy.

#### **L. HOW TO RAISE A CONCERN**

1. You are encouraged to raise concerns about any issue or suspicion of bribery or corruption at the earliest possible stage.
2. Any employee must, for the avoidance of doubt, report their own wrong doing.
3. If you are offered a bribe, or are asked to make one, or if you believe or suspect that any bribery, corruption or other breach of this Policy has occurred or may occur or are unsure about whether a particular act constitutes bribery or corruption you must notify a Senior Manager who will then immediately declare the matter to the Corporate Responsibility Director.

#### **M. PROTECTION**

1. Individuals who refuse to accept or offer a bribe, or who raise concerns or report another's wrongdoing, are sometimes worried about possible repercussions. We aim to encourage openness and will support anyone who raises genuine concerns in good faith under this Policy whether or not those concerns turn out to be mistaken.
2. We are committed to ensuring no one suffers any detrimental treatment as a result of refusing to take part in bribery or corruption, or because they report in good faith a suspicion that an actual or potential bribery or other corruption offence has taken place or may take place in the future.
3. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern. If you believe that you have suffered any such treatment you should inform the Corporate Responsibility Director immediately. If the matter is not remedied, you should raise it formally using the Grievance Procedure.

#### **N. WHO IS RESPONSIBLE?**

1. Board of Directors: has overall responsibility for ensuring this Policy fulfils our legal and ethical obligations, and that all those under our control comply with it.
2. Corporate Responsibility Director: has primary and day-to-day responsibility for implementing this Policy, monitoring its use and effectiveness, dealing with any queries about it, and auditing internal control systems and procedures to ensure they are effective in countering bribery and corruption
3. Management at all levels are responsible for ensuring those reporting to them understand and comply with this Policy and are given adequate and regular training on it.
4. You: have a responsibility to be aware of and follow this Policy. You are invited to comment on this Policy and suggest ways in which it might be improved. Comments, suggestions and queries should be addressed to the Corporate Responsibility Director.

**O. RAISING CONCERNS AND CONTACT INFORMATION**

**1.** All employees encouraged to raise concerns about instances of actual or suspected financial malpractice at the earliest possible stage by reporting this to their Senior Manager or alternatively you may report directly to Corporate Responsibility Director. If you prefer, you may report concerns under our Whistleblowing Policy which can be found in the 'Employee Handbook'.

**2.** Anpario contacts:

Corporate Responsibility Director	Karen Prior	<a href="mailto:karen.prior@anpario.com">karen.prior@anpario.com</a>
Group Finance Director	Marc Wilson	<a href="mailto:marc.wilson@anpario.com">marc.wilson@anpario.com</a>
General Counsel	Anthony Lee	<a href="mailto:tony.lee@anpario.com">tony.lee@anpario.com</a>

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