



Stelrad Group plc

Anti-Corruption and Bribery policy

Introduction

This policy sets out the responsibilities of Stelrad Group plc and its group companies ("the Group") in observing and upholding a zero-tolerance position on bribery and corruption. This policy outlines the Group's position on preventing and prohibiting bribery, in accordance with the Bribery Act 2010.

The Group will not tolerate any form of bribery by, or of, its employees, agents or consultants or any person or body acting on its behalf. The Group is committed to implementing effective measures to prevent, monitor and eliminate bribery.

This policy also exists to act as a source of information and guidance to help anyone working for the Group recognise and deal with bribery and corruption issues, as well as understand their own responsibilities.

The Group reserves the right to amend this policy at any time as necessary.

Purpose

The purpose of this policy is to:

- (i) set out our responsibilities and of those working for us, in observing and upholding our position on bribery and corruption; and
- (ii) provide information and guidance to those working for us on how to recognise and deal with bribery and corruption issues.

Scope

This policy applies to all employees and officers of the Group, and to temporary workers, consultants, contractors, agency staff and agents acting for, or on behalf of, the Group ("associated persons") within the UK and overseas. Every employee and associated person acting for, or on behalf of, the Group is responsible for maintaining the highest standards of business conduct.

In this policy, 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, business contacts, agents, advisers, and government and public bodies, including their advisors, representatives and officials, politicians and political parties.

Any breach of this policy is likely to constitute a serious disciplinary, contractual and criminal matter for the individual concerned and may cause serious damage to the reputation and standing of the Group.

The Group may also face criminal liability for unlawful actions taken by its employees or associated persons under the Bribery Act 2010.

Bribery and corruption are punishable for individuals by up to ten years' imprisonment and if we are found to have taken part in corruption we could face an unlimited fine, be excluded from tendering for public contracts and face damage to our reputation. We therefore take our legal responsibilities very seriously.

Principles and objectives

It is our policy to conduct business in an honest and ethical manner. The Group takes a zero tolerance approach to bribery and corruption and is committed to acting professionally, fairly and with integrity in all our business dealings and relationships, wherever we operate and implementing and enforcing effective systems to counter bribery.

The Group will uphold all laws relevant to countering bribery and corruption in all the jurisdictions in which we operate. However, we remain bound by the laws of the UK, including the Bribery Act 2010, in respect of our conduct both in the UK and abroad.

What is Bribery?

A bribe is an inducement or reward offered, promised or provided in order to improperly gain any commercial, contractual, regulatory or personal advantage, which may constitute an offence under the Act, namely:

- (i) giving or offering a bribe; or
- (ii) receiving or requesting a bribe

The Group may also be liable under the Act if it fails to prevent bribery by an employee or an associated person for the Group's benefit.

Examples of bribes can be found in Schedule 1.

Gifts and hospitality

This policy does not prohibit normal and appropriate gifts and hospitality (given and received) to or from third parties.

However, we provide guidance to the Group's employees and associated persons as to what is to be regarded as normal and appropriate gifts and hospitality in terms of financial limits, subject to the principles set out below, namely that any gift or hospitality:

- (i) 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;
- (ii) it complies with local law in all relevant countries;
- (iii) it is given in the name of the organisation, not in an individual's name;
- (iv) it does not include cash or a cash equivalent (such as gift certificates or vouchers) ;
- (v) it is appropriate in the circumstances. For example, in the UK it is customary for small gifts to be given at Christmas time;
- (vi) taking into account the reason for the gift, it is of an appropriate type and value and given at an appropriate time;
- (vii) it is given openly, not secretly. For example, it is not appropriate to adjust invoices or payment terms in order to include an allowance for a gift, entertainment or hospitality; and
- (viii) gifts should not be offered to, or accepted from, government officials or representatives, or politicians or political parties.

The Group appreciates that the practice of giving business gifts 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 or hospitality is reasonable and justifiable both in the UK and any other relevant country. The intention behind the gift should always be considered.

What is not acceptable?

It is not acceptable for Group employees and associated persons (or someone on their behalf) to:

- (i) give, promise to give, or offer, a payment, gift or hospitality with the expectation or hope that a business advantage will be received, or to reward a business advantage already given;
- (ii) give, promise to give, or offer, a payment, gift or hospitality to a government official, agent or representative to "facilitate" or expedite a routine procedure;
- (iii) accept payment from a third party that you know or suspect is offered with the expectation that it will obtain a business advantage for them;
- (iv) accept a gift or hospitality from a third party if you know or suspect that it is offered or provided with an expectation that a business advantage will be provided by us in return;
- (v) threaten or retaliate against another employee or associated person who has refused to commit a bribery offence or who has raised concerns under this policy; or
- (vi) engage in any activity that might lead to a breach of this policy.

Facilitation payments and kickbacks

The Group does not make, and will not accept, facilitation payments or "kickbacks" of any kind. Facilitation payments are typically small, unofficial payments made to secure or expedite a routine government action by a government official, or payments in return for a business favour or advantage.

If you are asked to make a payment on the Group's 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 your manager or via the Group whistleblowing policy (compliance@srgl.com or +44 191 261 3306).

The Group whistleblowing policy can be found on the Group website www.stelradplc.com

Donations

The Group does not make contributions to political parties.

The Group considers that charitable giving can form part of its wider commitment and responsibility to the community. The Group supports a number of charities and may also support fundraising events involving employees.

The Group only makes charitable donations that are legal and ethical under local laws and practices. Donations must be proportionate, reasonable and made in good faith. Donations should never be used to facilitate and conceal acts of bribery.

Clear and complete records of all donations made must be kept.

Your responsibilities

You must ensure that you read, understand and comply with this policy.

The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all those working for us or under our control. All employees and associated persons are required to avoid any activity that might lead to, or suggest, a breach of this policy.

You must notify your manager or use the Group whistleblowing policy (compliance@srgl.com or +44 191 261 3306) as soon as possible if you believe or suspect that a conflict with this policy has occurred, or may occur in the future, or if you are offered a bribe, are asked to make one, suspect that this may happen in the future, or believe that you are a victim of another form of unlawful activity. For example, if a client or potential client 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. Further "red flags" that may indicate bribery or corruption are set out in Schedule 2 attached to this policy.

Any employee or associated person who breaches this policy will face disciplinary action, which could result in dismissal for gross misconduct. The Group reserves the right to terminate the contractual relationship with other workers if they breach this policy.

If any third party is aware of any activity by any Group employee or associated person which might lead to, or suggest, a breach of this policy, they should raise their concerns using the Group whistleblowing policy. The contact details are: compliance@srgl.com or +44 191 261 3306.

The Group whistleblowing policy can be found on the Group website www.stelradplc.com

Record-keeping

The Group must keep financial records and have appropriate internal controls in place which will evidence the business reason for making payments to third parties.

Employees and, where applicable, associated persons are required to take particular care to ensure that all records are maintained with strict accuracy and completeness in relation to any contracts, business activities or dealings with third parties. This includes financial invoices, all payment transactions, memoranda and other documents with clients, suppliers and public officials. No accounts must be kept "off-book" to facilitate or conceal improper payments.

Due diligence should be undertaken by employees and associated persons prior to entering into any contract, arrangement or relationship with a potential supplier of services, agent, consultant or representative.

Employees and associated persons are required to keep accurate, detailed and up-to-date records of all corporate hospitality, entertainment or gifts accepted or offered.

A register for recording gifts and hospitality should be maintained by each operating unit of the Group.

How to raise a concern

You are encouraged to raise concerns about any issue or suspicion of malpractice at the earliest possible stage. If you are unsure whether a particular act constitutes bribery or corruption, or if you have any other queries, these should be raised with your manager or using the Group whistleblowing policy. The contact details are: compliance@srgl.com or +44 191 261 3306.

The Group whistleblowing policy can be found on the Group website www.stelradplc.com

What to do if you are a victim of bribery or corruption

The Group depends on its employees and associated persons to ensure that the highest standards of ethical conduct are maintained in all its business dealings. Employees and associated persons are requested to assist the Group and to remain vigilant in preventing, detecting and reporting bribery.

Employees and associated persons are encouraged to report any concerns that they may have to their manager or via the Group whistleblowing policy (compliance@srgl.com or +44 191 261 3306) as soon as possible if you are offered a bribe by a third party, are asked to make one, suspect that this may happen in the future, or believe that you are a victim of another form of unlawful activity. Issues that should be reported include:

- (i) any suspected or actual attempts at bribery;
- (ii) concerns that other employees or associated persons may be being bribed; or
- (iii) concerns that other employees or associated persons may be bribing third parties, such as clients or government officials.

Employees are required to record any incidents or concerns about bribery or corruption and raise these with their manager. There may however be occasions when raising a concern through line management is inappropriate. In such cases, employees should use the Group whistleblowing policy (compliance@srgl.com or +44 191 261 3306). Any such reports will be thoroughly and promptly investigated in the strictest confidence. Employees and associated persons will be required to assist in any investigation into possible or suspected bribery.

If told not to raise or pursue any concern, even by a person in authority such as a manager, employees and associated persons should not agree to remain silent. They should report the matter via the Group whistleblowing policy (compliance@srgl.com or +44 191 261 3306).

The Group will fully investigate any instances of alleged or suspected bribery. Employees suspected of bribery may be suspended from their duties while the investigation is being carried out. The Group will invoke its disciplinary procedures where any employee is suspected of bribery, and proven allegations may result in a finding of gross misconduct and immediate dismissal. The Group may terminate the contracts of any associated persons, including consultants or other workers who act for, or on behalf of, the Group who are found to have breached this policy.

The Group may also report any matter to the relevant authorities, including the Director of Public Prosecutions, Serious Fraud Office, Revenue and Customs Prosecutions Office and the police. The Group will provide all necessary assistance to the relevant authorities in any subsequent prosecution.

The Group whistleblowing policy can be found on the Group website www.stelradplc.com

Protection

Employees or associated persons who refuse to accept or offer a bribe, or those who raise concerns or report another's wrongdoing, are sometimes worried about possible repercussions. The Group encourages openness and employees or associated persons who report instances of bribery in good faith will be supported, even if they turn out to be mistaken.

The Group will ensure that the individual is not subjected to detrimental treatment as a consequence of his/her report. Any instances of detrimental treatment by a fellow employee because an employee has made a report will be treated as a disciplinary offence. An instruction to cover up wrongdoing is itself a disciplinary offence.

Training and Communication

The Group will communicate its anti-bribery measures to employees and associated persons. The policy will be available to all employees and on an annual basis the Group's senior managers will be required to read / review the policy to ensure ongoing compliance.

Employees and those working for, or on behalf of, the Group are encouraged to contact the Group compliance team (compliance@srgl.com or +44 191 261 3306) with any suggestions, comments or feedback that they may have on how these procedures may be improved.

Our zero-tolerance approach to bribery and corruption must be communicated to all suppliers, contractors and business partners at the outset of our business relationship with them and as appropriate thereafter.

Who is responsible for the policy?

The Group Board has overall responsibility for ensuring this policy complies with our legal and ethical obligations, and that all those under our control comply with it. The Group Board has reviewed and approved the policy and will review it every two years.

The Group compliance team has primary and day-to-day responsibility for implementing this policy and for monitoring its use and effectiveness and dealing with any queries on its interpretation. Management at all levels are responsible for ensuring those reporting to them are made aware of and understand this policy and are given adequate and regular training on it.

All employees and associated persons are responsible for the success of this policy and should ensure they use it to disclose any suspected danger or wrongdoing.

This policy does not form part of any employee's contract of employment and it may be amended at any time.

Policy review

The Group compliance team will monitor the effectiveness and review the implementation of this policy, regularly considering its suitability, adequacy and effectiveness. Any improvements identified will be made as soon as possible. Internal control systems and procedures will be subject to regular audits to provide assurance that they are effective in countering bribery and corruption.

Responsibility for document:	Group compliance team
Effective date:	October 2023
Frequency of review:	Every two years
Next review date:	October 2025

Version control

Date	Version	Reason for change	Author
October 2023	1.0	Initial release	Group compliance team

Schedule 1: Examples of bribes

Offering a bribe

You offer 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.

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 personal advantage.

Schedule 2: Potential risk scenarios

"Red flags"

The following is a list of possible red flags that may arise during the course of you working for us and which may raise concerns under various anti-bribery and anti-corruption laws. The list is not intended to be exhaustive and is for illustrative purposes only.

If you encounter any of these red flags while working for us, you must report them promptly to your manager or via the Group whistleblowing policy (compliance@srgl.com or +44 191 261 3306). The Group whistleblowing policy can be found on the Group website www.stelradplc.com

- (i) You become aware that a third party engages in, or has been accused of engaging in, improper business practices.
- (ii) 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.
- (iii) 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.
- (iv) A third party requests payment in cash and/or refuses to sign a formal commission or fee agreement, or to provide an invoice or receipt for a payment made.
- (v) A third party requests that payment is made to a country or geographic location different from where the third party resides or conducts business.
- (vi) A third party requests an unexpected additional fee or commission to "facilitate" a service.
- (vii) A third party demands lavish entertainment or gifts before commencing or continuing contractual negotiations or provision of services.
- (viii) A third party requests that a payment is made to "overlook" potential legal violations.
- (ix) A third party requests that you provide employment or some other advantage to a friend or relative.
- (x) You receive an invoice from a third party that appears to be non-standard or customised.
- (xi) A third party insists on the use of side letters or refuses to put terms agreed in writing.
- (xii) You notice that the Group has been invoiced for a commission or fee payment that appears large given the service stated to have been provided.
- (xiii) 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.
- (xiv) You are offered an unusually generous gift or offered lavish hospitality by a third party.