

Anti-Bribery and Corruption Policy

Summary

We conduct all of our business in an honest, straightforward and ethical manner, taking a zero-tolerance approach to bribery and corruption. We are committed to acting with integrity in all of our business dealings and relationships. Therefore, we have implemented effective systems to counter the risk of bribery and corruption and ensure that we are compliant with all of our legal and ethical obligations.

We have created this policy to clearly set out all the responsibilities that apply to all of our employees. It will help you to understand how to recognise bribery and what to do in a situation where you suspect bribery is taking place.

As a business, we could be faced with an unlimited fine if bribery and corruption charges are successfully brought against us, not to mention irreparable damage to our reputation. You should be aware that as an individual, you could also face fines and imprisonment if you take part in corruption or bribery.

This is a topic we take very seriously, so you must take the time to read and understand this policy.

If you do have any questions, please contact your Reporting or Office Manager.

This policy applies to all employees in the company, within all sectors, regions, areas and functions. We operate our business with integrity. All of our officers and employees must work together to ensure that they remain untainted by bribery or corruption. This policy is integral to that effort.

We are committed to maintaining the highest level of legal and ethical standards in the conduct of its business affairs and accordingly will:

- not sanction corrupt behaviour in any circumstances
- not engage in bribery in any of its activities
- not tolerate the acceptance of bribes in any of its activities
- apply restrictions to the giving and receiving of gifts and hospitality.

We have therefore adopted the following policy to make its position clear. Any breach of this policy will be regarded as a serious matter and may result in disciplinary action.

What is Bribery?

A bribe is an incentive or reward offered, promised or provided in order to gain any commercial, contractual, regulatory or personal advantage.

It matters because bribery can give an unfair advantage to those who may not need or deserve it.

For every bribe accepted, business and industry are a little less fair, robust and competitive. It weakens the law and damages social and economic development.

The prevalence of bribery and corruption is increasing, so it is important that you are aware of the risks. In the company, we 'fight fair', and bribery is never tolerated.

Examples:

Offering a bribe

- You offer a potential supplier tickets to a major sporting event, but on the condition that they agree to do business with you, or on preferential terms.
- STOP! This is an offence because you are making an offer in order to gain a commercial and contractual advantage.

Bribing a foreign official

- You arrange for your business to make an additional payment to a foreign official to speed up an administrative process, such as clearing our goods through customs.
- STOP! The offence of bribing a foreign public official has been committed as soon as the offer is made because it was made in order to gain a business advantage.
- Whilst the last scenario is less likely due to the structure of our business, it is important to understand the many ways bribery can occur.

Our Position on Bribery

Our position is simple: we conduct our business to the highest legal and ethical standards. We will not be party to corruption or bribery in any form. Such acts would damage its reputation and expose it, and its officers and employees, to the risk of fines and imprisonment. We take a zero-tolerance approach to bribery and corruption by our officers, employees and our third party representatives.

Risky 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 could raise concerns under anti-bribery and anti-corruption laws. This is not a complete list and acts as guidelines for what you should be looking out for.

If you encounter any of these red flags, you must report them promptly to your Reporting or Office Manager:

- You become aware that a third party 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 and/or refuses to sign a formal commission or fee agreement or to provide an invoice or receipt for a payment made;
- A third-party requests that a payment is made to a country or geographical location different from the third party officially conducts business;
- 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 the provision of services;
- A third-party requests that a payment is made to “overlook” potential legal violations;
- 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 documents, which are not formally part of the written contract 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 service stated to have been provided;
- 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; or
- You are offered an unusually generous gift or offered lavish hospitality by a third party.

Your Responsibilities

- You should read, understand and comply with this policy. The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of everyone working for or with us.
- You must notify your Reporting or Office Manager as soon as possible if you believe or suspect that a conflict with this policy has happened or may happen in the future.
- If you are an employee and you breach this policy, you may face formal disciplinary action up to and including gross misconduct and summary dismissal.
- If you are a worker or third party and you breach this policy whilst working with us, we reserve our right to terminate our contractual relationship with workers if they breach this policy.

Gifts and Hospitality

What is acceptable?

This policy does not stop normal and appropriate hospitality or gifting to or from third parties, 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 obtain favours or benefits;
- it complies with local law;
- it is given in our business name, not in your own name;
- it does not include cash or a cash equivalent (such as gift certificates or vouchers);
- it is not lavish but is customary, appropriate and proportionate in the circumstances.

For example, in the UK and internationally it is customary for small gifts to be given for special occasions;

- taking into account the reason for the gift, it is of an appropriate type and value and given at an appropriate time;
- it is given openly, not secretly; and
- it is not being offered to or accepted from government officials, politicians or political parties.

We appreciate that the practice of giving business gifts varies between regions and what may be normal and acceptable in one region may not be in others. The test to be applied is whether in all the circumstances the gift or hospitality is reasonable and justifiable. You should always consider the intention behind the gift before it is accepted or offered.

If a gift is of a more personal nature (for example a birthday gift) you should let your Reporting or Office Manager know what it is and where it is from, they will aim to decide if its value is appropriate (less than £50) If so, this gift can be accepted and kept by the individual as long as it is not in contradiction to the spirit of this policy.

What is unacceptable?

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

- give, promise to give or offer payment, gift or hospitality with the expectation or hope that you will get a business advantage or to reward a business advantage already given;
- give, promise to give or offer a payment, gift or hospitality to a government official, agent or representative to “facilitate” or speed up a routine procedure;
- accept payment from a third party that you know or suspect is offered with the expectation that it will get a business advantage for them;
- 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 given by us in return;
- threaten or retaliate against another employee or worker, who has refused to commit a bribery offence or who has raised concerns about bribery or corruption under this policy; or
- engage in any activity that might lead to a breach of this policy.

Facilitation Payments and Kickbacks

Facilitation payments are typically small, unofficial payments made to secure or speed up a routine government action by a government official. They are not common in the UK, but are common in some other jurisdictions in which we may operate in the future as the business grows.

Kickbacks are typically payments made in return for a business favour or advantage. An example of a kickback payment could be if we were asked to make a small cash payment to speed up the processing of work visa and permit paperwork for a new international employee.

We do not make, and will not accept, facilitation payments or “kickbacks” of any kind.

If you are asked to make a payment on behalf of our business:

- be mindful of what the payment is for
- is the amount requested proportionate to the goods and services provided?
- always ask for a receipt which details the reason for the payment
- if doubtful, simply say ‘that does not reflect my businesses’ policy, I will have to check with my Reporting or Office Manager before making a payment to you’.

If you have suspicions – raise the alarm with your Reporting or Office Manager, they will support you to find a resolution.

You must avoid any activity that might lead to or suggest that a facilitation payment or kickback will be made or accepted by us.

Donations

- We do not make contributions to political parties.
- The only donations that we permit are legal and ethical charitable donations.
- You should not offer or make a donation without prior approval of your Managing Director.
- This is to make sure that the payment cannot be mistaken for an inappropriate or unlawful payment.

Record Keeping

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

As mentioned previously, any gifts should be declared to your Reporting or Office Manager.

You must ensure all expense claims relating to hospitality, gifts or expenses incurred to third parties are submitted in accordance with our expenses policy and specifically record the reason for the expenditure. All accounts, invoices, notes and other documents and records relating to dealings with third parties, such as clients, suppliers and business contacts, should be prepared and maintained with strict accuracy and completeness. No accounts must be kept “off-book” to facilitate or conceal improper payments.

How Should I Raised a Concern?

We all have a responsibility to speak out if we discover anything corrupt or otherwise improper occurring in relation to our business. Our business cannot maintain its integrity unless we do that. If anyone discovers or suspects corruption, whether by:

- another employee;
- a third party who represents our business;
- one of its suppliers or competitors; or
- anyone else, perhaps even a customer seeking to get better terms;

they must report it to the Managing Director as soon as possible, or in accordance with the Company’s whistleblowing policy. This report may be made anonymously.

We will need to conduct a formal investigation into the concerns that you have raised, so telling us as much information as you can early on is really important. By presenting facts, dates, copies of communication or any other evidence to support your concern you give us a solid platform to work from. If a breach of this policy is discovered, we will take all appropriate measures necessary to meet its legal obligations which may include disciplinary action against any of our employees who are found to have been involved in such a breach.

Protecting You

We aim to encourage openness and will support anyone who raises genuine concerns in good faith under this policy, even if they turn out to be mistaken. People are often concerned about putting their hand up and raising a concern like this. We will work with you to understand the detail and find the right resolution to the issue.

We mean it when we say 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 of reporting in good faith their suspicion that an actual or potential bribery or other corruption offence has taken place or may take place in the future.

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 either inform your Reporting or Office Manager or a member of the HR team immediately.

Training and Communication

Training on this policy will form part of the induction process for all new employees and workers. All existing employees and workers will receive updates on how to implement and adhere to this policy.

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 afterwards. The easiest way to do that is to share this policy with them.

Responsibility

The Senior Management Team have overall responsibility for ensuring this policy complies with our legal and ethical obligations and that all those under our control comply with it.

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.

Risk Assessment

Risk within the business will vary by department or area. The Managers of each business and their business or department is subject, and, with the approval of Managing Director will put in department, working with Managing Director are responsible for assessing the level of risk to which place any measures additional to those outlined in this policy they consider are required.

Monitoring and Review

We will monitor the effectiveness and review the implementation of this policy on an ongoing basis, regularly considering if it remains current, suitable, adequate and effective. Any improvements needed will be made as soon as possible. Internal control systems and procedures will be regularly audited to make sure they are effective in countering bribery and corruption.

All workers 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.

Signed.......... Date.....8th June 2023.....
(reviewed annually)
Andrew Hubbard
Managing Director
Bathgate Flooring Ltd