



Veriflo
Water Asset Management

POLICY 001: Anti-Bribery & Corruption

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ANTI-BRIBERY & CORRUPTION POLICY

1 Introduction

The Company values its reputation and is committed to maintaining the highest level of ethical standards in the conduct of its business affairs. The actions and conduct of the Company's staff as well as others acting on the Company's behalf are key to maintaining these standards.

The purpose of this document is to set out the Company policy in relation to bribery and corruption. The policy applies strictly to all employees, Directors, agents, consultants, contractors and to any other people or bodies associated with the Company, within all regions, areas, and functions.

2 Top-level Commitment

This Anti-Bribery and Corruption Policy has the full support and approval of the Company Executive Directors. The Directors are committed to maintaining a culture of zero-tolerance and preventing bribery and corruption throughout the organisation. The Executive Directors will be responsible for leading by example, communicating this policy to all employees and agents, and making suitable resources available to monitor compliance, with responsible employees enabled and supported in investigating any suspicious activity.

The zero-tolerance approach to bribery and corruption as enshrined in this Policy will be communicated to all suppliers, contractors, and business partners at the outset of our business relationship with them and as appropriate thereafter. A copy of this policy will be made available for the review of all business relations.

3 Understanding and Recognising Bribery and Corruption

A bribe refers to any inducement, reward, or object/item of value offered to another individual in order to gain commercial, contractual, regulatory, or personal advantage. Bribes are not always a matter of handing over cash. Gifts, hospitality, and entertainment can be bribes if they are intended to influence a decision.

Bribery can be defined as offering, promising, or giving a financial (or other) advantage to another person with the intention of inducing or rewarding that person to act or for having acted in a way which a reasonable person would consider improper in the circumstances.

Bribery may be Active – the offering or giving of a bribe or Passive – the acceptance of such. Both are treated with the same severity.

Corruption is any form of abuse of entrusted power for private gain and may include, but is not limited to, bribery, but may also include embezzlement, fraud or collusion with such activities.

Acts of bribery or corruption are designed to influence an individual in the performance of their duty and incline them to act in a way that a reasonable person would consider to be dishonest in the circumstances.

4 Penalties

The Bribery Act 2010 came into force on 1 July 2011. Under the Act, bribery by individuals is punishable by up to ten years' imprisonment and/or an unlimited fine. If the Company is found to have been complicit in the bribery or is found to lack adequate procedures to prevent and discourage bribery, it too could also face an unlimited fine.

A conviction for a bribery or corruption related offence would have severe reputational and/or financial consequences for the Company and would likely lead to the loss of critical contracts.

5 Policy

The Company will not tolerate bribery or corruption in any form, neither in the offering or acceptance of such.

The Company prohibits the offering, giving, solicitation or the acceptance of any bribe or corrupt inducement, whether in cash or in any other form:

- to or from any person or Company wherever located, whether a public official or public body, or a private person or Company.
- by any individual employee, director, agent, consultant, contractor or other person or body acting on the Company's behalf.
- in order to gain any commercial, contractual, or regulatory advantage for the Company in any way which is unethical or to gain any personal advantage, pecuniary or otherwise, for the individual or anyone connected with the individual.

This policy is not intended to prohibit the following practices provided they are appropriate, proportionate and are properly recorded:

- normal hospitality, provided that it complies with the Company's acceptable standards
- fast tracking a process which is available to all on the payment of a fee; and/or
- providing resources to assist a person or body to make a decision more efficiently, provided that it is for this purpose only.

It may not always be a simple matter to determine whether a possible course of action is appropriate. If you are in any doubt as to whether a possible act might be in breach of this policy or the law, the matter should be referred to your Line Manager or a Director.

The Company will investigate thoroughly any actual or suspected breach of this policy, or the spirit of this policy. Employees found to be in breach of this policy may be subject to disciplinary action which may ultimately result in their dismissal and may face legal consequences.

5.1 Legal Action

If findings suggest that a case of bribery has been committed or there is evidence of corruption within the organisation or in dealings with external stakeholders, the Company shall refer the matter to the police or other relevant authority for investigation and potential prosecution.

6 Due Diligence

The Company shall take appropriate care when entering relationships or markets with the risk of bribery. If a reasonable risk of bribery is considered to exist, a risk assessment shall be conducted, and ongoing monitoring activities shall be carried out. In higher risk relationships, consideration should be given to areas of weakness

that may give rise to increased bribery risk including:

- the lack of a clear anti-bribery message from top-level management
- a bonus culture, or aggressive sales targets, that engender excessive risk taking
- a lack of clarity in the organisation's policies and procedures for hospitality and promotional expenditure, and political or charitable contributions
- a lack of clear financial controls
- deficiencies in team member training, skills, and knowledge
- insufficient assurance, management information or audit work

7 Acceptability

The line between a bribe and genuine hospitality can be unclear in certain situations. Some acts of hospitality could appear to fall within the Bribery Act, and instances of bribery could be masked as acts of hospitality. To bring clarity to acts which are considered acceptable and not acceptable, this section of the policy refers to 5 areas:

- Gifts and hospitality
- Facilitation payments
- Political contributions
- Charitable contributions
- Conflicts of interest

7.1 Gifts / hospitality

The Company will accept normal and appropriate gestures of hospitality and goodwill (whether given to/received from third parties) so long as the giving or receiving of gifts meets the following requirements;

- It is not made with the intention of influencing the party to whom it is being given, in exchange for favours or benefits, or to obtain or reward the retention of a business or a business advantage.
- It is not made with the suggestion that a return favour is expected.
- It is made in compliance with local law.
- It is given in the name of the Company, not the name of an individual.
- It does not include cash or a cash equivalent (e.g., a voucher or gift certificate).
- It is of an appropriate type and value and given at an appropriate time, considering the reason
- It is given/received openly, not secretly.
- It is not selectively given to a key, influential person, with the intention of directly influencing them.
- It is not above a value of £100.
- It is not offered to, or accepted from, a government official or representative or politician or political party.
- A gift may be accepted where it is inappropriate to decline the offer (i.e., with individuals of a religion/culture who may take offence), provided it is declared to the directors, who shall assess the situation.
- Gifts and hospitality must be disclosed to the Executive Directors. The intention behind a gift being given/received should always be considered. If there is any uncertainty, the approval of the Executive Directors must be sought.

7.2 Facilitation Payments and Kickbacks

The Company does not accept and will not make any form of facilitation payments of any nature. We recognise that facilitation payments are a form of bribery that involves expediting or facilitating the performance of a public official for a routine governmental action.

7.3 Political contributions

The Company will not make donations, whether in cash, kind, or by any other means, to support any political parties or candidates. We recognise this as a form of corruption, as an attempt to gain an improper business advantage.

7.4 Charitable contributions

The Company accepts the act of donating to charities – whether through services, knowledge, time, or direct financial contributions (cash or otherwise) – and agrees to disclose all charitable contributions it makes.

Employees must ensure that charitable contributions are not used to facilitate and conceal acts of bribery or corruption. The Company will ensure that all charitable donations made are legal and ethical under local laws and practices, and that donations are not made without the approval of the Executive Directors.

7.5 Conflicts of interest

A conflict of interest may arise where an individual has a direct or indirect interest in a transaction, contract, or proposed contract. This may be the result of private business dealings, personal relationships, or other activities outside the scope of employment.

Employees are required to report any potential or realised conflicts of interest to the Executive Directors. The Directors shall decide whether the potential conflict of interest will affect the manner in which the relationship between the two parties is conducted and what necessary action will be taken to prevent the possibility of inadvertent bribery, favouritism or corruption entering the operation.

Failure to report potential or actual conflicts of interest shall be investigated and may result in disciplinary action being taken up to and including dismissal.

8 Employee Responsibility and How to Raise a Concern

The prevention, detection and reporting of bribery or corruption is the responsibility of all employees throughout the Company. If you become aware or suspect that an activity or conduct which is proposed or has taken place is a bribe or corrupt, then you have a duty to report this. All parties must:

- ensure that they read, understand, and comply with this policy
- raise concerns as soon as possible if it is believed or suspected that a conflict with this policy has occurred or may occur in the future.

As well as the possibility of civil and criminal prosecution, employees that breach this policy will face disciplinary action, which could result in dismissal for gross misconduct.

8.1 Raising a concern

The primary point of contact for any report of this type should be the Managing Director Neil Scott. If for any reason this channel is not appropriate, then another Director or an alternate member of the Senior Management Team should be considered.

If an individual has a concern regarding a suspected instance of bribery or corruption, the Company encourages them speak up. The earlier information is received, the sooner action can be taken to stop and resolve any act of corruption.

All reports will be treated in strict confidentiality. Whistleblowing is protected by law – and whistle-blowers will not be treated unfairly or lose their jobs because of their actions. If an employee wishes to make an

anonymous report, this may be posted to the Company's registered office and addressed to the attention of the appropriate person.

Reports will be formally investigated with immediate effect. In the case that an instance of corruption or bribery is detected, the matter shall be reported to the relevant authority and a detailed root cause analysis shall be conducted and documented through the Company's established non-conformance procedure. Based upon findings, preventative action will be implemented to avoid the reoccurrence of the issue in other areas of the business and other relationships.

8.2 Protection

Personnel who refuse to accept or offer a bribe, or those who raise concerns or report another's wrongdoing, may be worried about possible repercussions. The Company aim to encourage openness and will support anyone who raises genuine concerns in good faith under this policy, even if this results in being mistaken.

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 HR Manager immediately.

8.3 Training and Communication

Briefing on this policy and its requirements forms part of the induction process for all new team members. Existing personnel shall have access to this policy and their acknowledgement of their understanding and acceptance of this policy is required. This policy shall be reviewed annually or following any reasonable cause to amend these arrangements and shall be reviewed by all employees at this time.

9 Associated Documents

POL 002: Anti-Tax evasion
POL 004: Corporate Social Responsibility
POL 006: Disciplinary Policy
POL 020: Whistleblowing
PROC 008: Responsible Procurement
PROC 009 Proactive Risk Management
PROC 011: Investigation and Analysis
PROC 012: Supply Chain Assurance

Approved and implemented.



Kirsty Scott, Business Director, Veriflo Ltd.
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