

# Anti Bribery & Corruption (ABAC) Policy

**Policy: GRC003 – Anti Bribery and Corruption**

**Owner:** Central Finance

**Version:** GRC003 v1

**Published Date:** 11/07/2023.

**Next review:** 10/08/2025



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## 1. Policy Statement

Delamode takes a zero-tolerance approach to bribery, corruption and the facilitation of tax evasion.

It is Delamode's policy to conduct all its business in an honest and ethical manner. We are committed to acting professionally, fairly and with integrity in all our business dealings and relationships, wherever we operate. We implement and enforce effective systems to counter bribery, corruption and the facilitation of tax evasion.

Delamode will comply with any trade, economic or financial sanctions laws, regulations, embargoes or restrictive measures administered, enacted or enforced by a Sanctions Authority, and will not provide services, market to and/or resources to those subject to sanctions.

Delamode is required to uphold all laws relevant to countering bribery, corruption and the facilitation of tax evasion in all jurisdictions where we operate. Primarily we remain bound by UK laws which include the Bribery Act 2010 ("Bribery legislation") and the Criminal Finances Act 2017 ("CFA").

It is forbidden to pay or receive a bribe whether paid or received directly or indirectly. There is no need for the bribe to be successful to be viewed as corrupt; the offering of it is enough to amount to a criminal offence.

At Delamode, bribes and corruption are forbidden anywhere in the world, regardless of local custom.

## 2. Purpose

The purpose of the ABAC Policy is to:

- **set out** Delamode's responsibilities, and the responsibilities of any person working for us or performing services on our behalf, in order to prevent bribery, corruption and the facilitation of tax evasion.
- **clarify** Delamode's position on compliance with national and international sanctions regimes; and
- **provide** information and guidance to those working for Delamode on how to
  - recognise and deal with bribery and corruption issues.
  - recognise and deal with issues relating to the facilitation of tax evasion; and
  - deal with the receipt and offering of gifts and hospitality.



### 3. Objectives

The objective of this Policy is to ensure that all Delamode employees and representatives:

- understand that this Policy applies to anyone who conducts business on behalf of or performs services for Delamode: this includes employees, agents, brokers, partners, consultants, contractors, distributors and other representatives performing work for the benefit of Delamode.
- conduct Delamode business in line with the Bribery legislation, the CFA, national and international sanctions regimes and the principles set out in this Policy.
- avoid any situation in which, by giving or receiving any benefit, an employee or representative finds themselves, or could be suspected of, being under an actual or implied obligation to customers, suppliers, or any other external organisations or third parties; and
- avoid the facilitation of tax evasion in any form.

### 4. Policy Summary

- You must not give or offer, directly or indirectly, anything that is, or could reasonably be viewed to be, a bribe.
- You must not accept or request, directly or indirectly, anything that is, or could reasonably be viewed to be, a bribe.
- You must not evade tax or facilitate any other person to evade tax.
- You must not accept or offer gifts, hospitality or entertainment other than in accordance with this Policy.
- You must act in accordance with this Policy and the associated Procedures.
- If requested, you must complete any mandatory training associated with this Policy.
- You must report any breach of this Policy as soon as possible, to your line manager, Internal Audit or via the Whistleblowing process.

## 5. What is Bribery and Corruption?

### What is Bribery?

It is a criminal offence to offer, promise, give, request, or accept a bribe.

Bribery is where a person or organisation, directly or indirectly, offers, promises, gives, requests or accepts any financial or other advantage, to induce another person or organisation to:

- act improperly in the performance of their functions.
- reward them for acting improperly; or
- by receiving the advantage, it would cause the other person to act improperly.

As an individual, if you are found guilty, you could be punished by up to ten years imprisonment and/or a fine.



As a company, Delamode can face a criminal conviction, an unlimited fine, exclusion from tendering for public contracts, and damage to our reputation, if it fails to prevent bribery or corruption by either:

- its employees, officers and directors; or
- any third party who conducts business on behalf of or performs services for Delamode (this includes agents, brokers, partners, consultants, contractors, distributors and other representatives performing work for the benefit of Delamode).

An **advantage** includes money, gifts, loans, fees, hospitality, services, discounts, and the award of a contract or anything else of value.

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.

It is also a criminal offence for a person to bribe a foreign public official with the intention of inducing the person in their role as a foreign public official.

A **public official** is an official of any government department, agency or any public international organisation (e.g., UN or World Bank); political party leader and official; candidate for public office; executive and employee of government-owned or government-run companies such as state-run hospitals; anyone acting on behalf of any of these officials; an individual holding a legislative, administrative or judicial position.

### **What is Corruption?**

Corruption is the abuse of entrusted power or position for private gain.

### **What might this look like at work?**

#### **Offering a bribe**

You offer a potential customer tickets to a major sporting event, but only if they agree to do business with us.

This may be an offence, as you are making the offer to gain a commercial and contractual advantage.

We may also be found to have committed an offence because the offer has been made to obtain business for us. It may also be an offence for the potential client to accept your offer.



### **Receiving a bribe**

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

It may be an offence for a supplier to make such an offer and for you to accept the offer.

### **Bribing a foreign public official**

You arrange for Delamode to pay an additional "facilitation" payment to a foreign public official to speed up an administrative process, such as clearing our goods through customs.

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. We may also be found to have committed an offence.

### **Facilitation Payments**

Facilitation payments, also known as "back-handers" or "grease payments", are typically unofficial payments made to secure or expedite a routine or necessary action (for example by a government official), such as obtaining licences or permits, processing visas, or securing customs clearances.

"Kickbacks" are typically payments made in return for a business favour or advantage.

Delamode does not make facilitation payments or kickbacks of any kind, made either by us or through agents or intermediaries, even where the payment is of nominal value. It is illegal to make any sort of facilitation payment.

You must avoid any activity that might lead to a facilitation payment or kickback being made by us or on our behalf, or that might suggest that such a payment will be made.

If you are asked to make a payment on Delamode's behalf, you must confirm what the payment is for and whether the amount requested is proportionate to the goods or services provided. You must 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 line manager, Internal Audit or via the Whistleblowing process.

### **What is the Facilitation of Tax Evasion?**

It is a criminal offence to evade tax, and to help anyone else to evade tax.

Tax evasion is the offence of cheating the public revenue or fraudulently evading UK tax. There must be an element of fraud for the offence to be committed, so there must be deliberate action, or omission with dishonest intent.



Foreign tax evasion means evading tax in a foreign country, where such conduct is an offence in that country and would be a criminal offence if committed in the UK.

The **facilitation of tax evasion** is a criminal offence, where it is done deliberately and dishonestly. The facilitation of tax evasion is the offence of being knowingly concerned in, or taking steps with a view to, the fraudulent evasion of tax (whether UK tax or tax in a foreign country) by another person, or aiding, abetting, counselling or procuring the commission of that offence.

Delamode automatically commits a separate offence in law where the tax evasion is facilitated by a person acting in the capacity of an “associated person” to Delamode. For the offence to be made out, the associated person must deliberately and dishonestly take action to facilitate the tax evasion by the taxpayer. If the associated person accidentally, ignorantly, or negligently facilitates the tax evasion, then the corporate offence will not have been committed.

Delamode does not have to have deliberately or dishonestly facilitated the tax evasion itself: the fact that the associated person has done so creates the liability for Delamode.

Note that tax evasion is different from tax avoidance or tax planning.

Tax evasion involves deliberate and dishonest conduct. Tax avoidance is not illegal and involves taking steps within the law to minimise tax payable (or maximise tax reliefs).

You (or someone on your behalf) must not:

- engage in any form of facilitating tax evasion or foreign tax evasion.
- aid, abet, counsel or procure the commission of the offence of tax evasion or foreign tax evasion by another person.
- fail to promptly report any request or demand from any third party to facilitate the fraudulent evasion of tax (whether UK tax or tax in a foreign country), or any suspected fraudulent evasion of tax (whether UK tax or tax in a foreign country) by another person, in accordance with this Policy.
- engage in any other activity that might lead to a breach of this Policy; or
- threaten or retaliate against another individual who has refused to commit a tax evasion offence or a foreign tax evasion offence or who has raised concerns under this Policy.

### **What might this look like at work?**

#### **False statements relating to tax affairs.**

In the course of your work, you become aware that a third party has made or intends to make false statements relating to tax, or has failed to disclose income or gains to, or to register with, HMRC (or equivalent authority outside the UK). You may be facilitating tax evasion if you fail to report this matter.



### Failure to register for VAT.

You become aware that a supplier has deliberately failed to register for, or account for, VAT despite being required to do so. You may commit the offence of facilitating tax evasion if you do not report this matter and continue to do business with the supplier.

### Employee status

You may commit the offence of facilitating tax evasion if you become aware that a third party working for Delamode as an employee asks to be treated as a self-employed contractor without any material changes to their working conditions.

### Who are Third Party Representatives?

Third Party Representatives are any third party that acts on behalf of or performs services for Delamode, for example agents, brokers, partners, consultants, contractors, distributors and any other representative performing work for the benefit of Delamode.

You must not make a payment to a Third-Party Representative if you know or suspect that the person may use or offer all or a portion of the payment directly or indirectly as a bribe.

We do not:

- do business with individuals or organisations known to make corrupt payments, or who could otherwise harm Delamode reputation; or
- use or induce any Third-Party Representative to perform any act prohibited by this Policy, by any other Delamode policy or by law.

### Political contributions and Charitable Donations

**Political** contributions, either monetary or in-kind, to political parties, party officials, Public Officials, candidates for political office, or persons closely related to them may be considered bribes and are therefore absolutely prohibited unless prior authorisation is obtained from the CEO.

**Charitable** donations are permitted where the purpose is to support the communities in which we work: colleagues have the freedom to choose the activities they get involved with, and Delamode may **support** at a corporate level with additional funding, equipment or other resources, helping to ensure we are good neighbours and have a positive influence in our communities.

## 6. How to apply this Policy in practice

### Procedures for Hospitality and Entertainment

Hospitality and entertainment are part of normal business in many places that Delamode operates and can be an important way of deepening business relationships. However, there may be instances where hospitality and entertainment are, or may appear to be, used as bribes.





Examples include attending a sporting, art, cultural or social event with a customer, supplier or other third party.

Hospitality or entertainment is only permitted where the purpose is to:

- establish or maintain good business relationships.
- improve or maintain our image or reputation; or
- market or present our products and/or services effectively.

The event must be deemed as business appropriate and proportionate to the relationship.

You must follow the procedure below for any hospitality or entertainment worth £200 or more in value per person (when more than one Delamode employee or representative is attending), whether provided by a third party, or offered to third parties by Delamode employees or representatives.

If you are unsure of the value, you should make a reasonable estimation.

It is your responsibility when wishing to accept or make an offer:

- to make reasonable checks to ensure the event is business appropriate and proportionate to the relationship.
- to be confident that it could not reasonably be considered or interpreted as an inducement to you or Delamode; and
- to consider the full value of the hospitality or entertainment and not just the face value of any ticket.

Under no circumstances should hospitality or entertainment be offered to a customer or supplier where it may be perceived as an attempt to bribe or influence decisions.

Acceptances of hospitality or entertainment that do not directly benefit Delamode, and as such are considered a personal benefit only, are considered a gift. These gifts (which could include sporting events and holidays) are not permitted under any circumstances. See Gifts procedure below.

### **Authorisation Procedure**

- Complete an Authorisation Form (attached to this Policy) if the value of the hospitality or entertainment is £200 or more (per Delamode person).
- Obtain approval in advance from a member of the EMT, an MD, GM or Functional Head (dependent on your reporting line), confirming compliance with the conditions of this Policy and that no restrictions apply.
- Submit the completed and signed Authorisation Form to the Company Secretary as soon as possible.



- Where a group of employees receive or offer hospitality or entertainment, the most senior employee must complete the Authorisation Form on behalf of all the employees and list each employee involved.
- The Company Secretary is required to register all notified offers or events in the Group's Gifts and Entertainment Register.
- Where hospitality or entertainment has been authorised and additional costs are incurred, e.g., overnight accommodation, mileage to and from the event and flight / train tickets, the employee should account for these in accordance with the Delamode Travel and Expenses Policy.

### Procedures for Gifts

Gifts are different to hospitality and entertainment, and typically include physical items such as (but not limited to) pens, diaries, torches, mugs, bottles of alcohol, chocolate, hampers etc.

Tickets to sporting events or other social events or exhibitions offered or provided without connection to Delamode business are considered a gift under this Policy. An example would be the offer of tickets to a rugby match where the other party is not attending or hosting you.

### Gifts from Delamode

Gifts from Delamode to external parties of modest value, which are of a promotional nature (such as Delamode branded office stationery), may be provided without authorisation.

Gifts for an employee raffle can be provided with authorisation from the Managing Director with a maximum value per gift of £20 and a maximum value of £100 per site per annum.

No other gifts can be provided.

### Gifts to Delamode or its employees or representatives

Nothing more than items of modest value may be accepted. For the purposes of this Policy, this means a maximum per head of no more than £50.

Any other gift, whatever its value, should not be accepted. This extends to hospitality and entertainment (such as concerts and sporting event tickets/invitations) where there is no business activity or benefit to Delamode.

Gifts that cannot be accepted should be returned to the sender and the sender advised that the Company does not accept gifts. However, if it is felt that returning the gift could cause offence, it should be donated for charitable purposes in line with our Charitable Donations statement above, for example, to a staff raffle, the proceeds of which are then donated to a local community initiative.

There is an increased risk that the provision of gifts and hospitality to a Public Official could be construed as a bribe and, as such, all gifts and hospitality are prohibited unless you have obtained the prior written consent of the Company Secretary. Consent will only be provided where the hospitality or gifts are of a modest nature and not in excess of generally accepted business practices of the industry and the country, and it is a single gift during the course of a 12-month period.



### Gifts between colleagues

Modest gifts given and received between colleagues do not fall under the scope of this Anti-Bribery & Corruption Policy. However, should you be offered a gift you feel uncomfortable about accepting, please discuss with either the person offering it to you, or raise with your line manager.

### Procedures during Tender and Contract negotiations

Under no circumstances should any gifts, hospitality or entertainment be offered, discussed, given, or received within six months preceding:

- a tender process or Delamode deciding to enter into negotiations to enter into a contract.
- a contract renewal or Delamode deciding to enter negotiations to renew a contract; or
- a contract amendment of any kind or Delamode deciding to enter negotiations for a contract amendment.

For the avoidance of doubt note that any members of the Procurement Function are prohibited from offering or receiving any gifts, hospitality or entertainment at any time.

The only exception is when a board member authorises a modest working lunch or dinner which is in the ordinary course of business (as part of ongoing relationship management activities) and does not stand out as exceptional or unusual to the relationship.

### Procedures for Third Party Representatives

It is **your responsibility** to ensure that third parties engaged on behalf of Delamode are legitimate service providers. Before engaging any such party, you are required to undertake appropriate due diligence checks. All paperwork and records documenting the due diligence checks and risk assessment should be retained for a minimum of 5 years.

A written record of engagement containing anti-bribery and corruption clauses should be signed by the Third-Party Representative before they commence services on behalf of Delamode, where appropriate and possible.

When dealing with Third Party Representatives, some Red Flags to watch out for as indicators of potential violations of anti-bribery or anti-corruption laws include:

- A Foreign Public Official recommends that Delamode hire a specific third party.
- The proposed compensation of a third party retained by Delamode is unreasonably high compared to the market rate without a reasonable explanation.
- A third party retained by Delamode requests that payments be made offshore; to an unknown third party; be split among multiple accounts; be made to an account in a country other than where the third party or agent is located, or business is to be performed; or any other unusual financial arrangements.



- A third party relies heavily on political or government contacts instead of technical skills or time invested.
- Upon checking references, you find that the third party has an unsavoury reputation or is not well known in the industry; or
- A third party that Delamode seeks to retain will not agree to terms requiring compliance with anti-bribery laws.

If you are in any doubt whatsoever about the legitimacy of a proposed third party, you should discuss your concerns with the Company Secretary prior to entering into any arrangements with the third party.

## 7. Breach of Policy

### Reporting an actual or suspected breach

We are all responsible for the prevention, detection and reporting of bribery, corruption, tax evasion and its facilitation. You should avoid any activity that might lead to, or suggest, a breach of this Policy. You must immediately notify your line manager, Internal Audit or HR if you believe or suspect that a conflict with this Policy has occurred or may occur in the future.

If you suspect any malpractice by employee(s) or anyone representing Delamode, you must report the matter immediately by following the Procedure to raise a concern under the Whistleblowing Policy.

Any actual, implied or suspected bribe made to Delamode, or any of its employees or representatives, must be reported immediately to your line manager, Internal Audit or via the Whistleblowing procedure.

Individuals who refuse to accept or offer a bribe, or who raise concerns or report another's wrongdoing, are sometimes worried about possible repercussions. Delamode encourages openness and will support anyone who raises genuine concerns in good faith under this Policy, even if they turn out to be mistaken.

We are committed to ensuring no one suffers any detrimental treatment as a result of refusing to take part in bribery or corruption or facilitating tax evasion, or because of reporting in good faith their suspicion that an actual or potential bribery, corruption or facilitation of tax evasion 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 inform the Director of Audit, Risk and Compliance immediately. If the matter is not remedied, and you are an employee, you should raise it formally using the Delamode Grievance Procedure.

### Consequences of breaching this Policy

Bribery is a criminal offence. Any employee that does not adhere to this Policy in any way may be subject to disciplinary action, which includes actions up to and including dismissal for misconduct or gross misconduct, depending on the circumstances and contravention.



The facilitation of tax evasion is also a criminal offence. Where a case is referred to the police or other law enforcement agency, Delamode will co-operate fully with the criminal investigation. Any individual found to be guilty of an offence involving bribery may be subject to a criminal investigation and up to 10 years imprisonment and/or a fine.

We may terminate our relationship with other individuals and organisations working on our behalf if they breach this, Policy.

## 8. Reviews and Updates

This Policy and any associated Policy will be reviewed on a regular basis, at least annually, and will be updated and re-issued as required.

## 9. Associated Policies

- The Code of Conduct
- Whistleblowing Policy
- Grievance Policy, procedure, and associated documents

## 10. Relevant legislation

- Bribery Act 2010 (“Bribery legislation”)
- Criminal Finances Act 2017 (“CFA”).

## 11. Document retention

As detailed in the Delamode Document retention policy.

- Authorisation forms will be retained for 6 years.

Document Control	
Function Owner	Central Finance
Policy Owner	CFO
Policy Approval Route	CEO
Published date	11/07/2023
Version Number	V1
Effective date	11/07/2023
Next review date	10/07/2025

Version History	
Key Changes	Effective Date
Initial launch	11/07/2023



## Appendix 1: Policy responsibilities

### Management/ Directors Must:

- Read, understand, and follow the principles in this Policy and any associated documents.
- Keep up to date with changes to this Policy and any associated documents.
- Seek clarification on any points which are unclear.
- Complete an Authorisation Form in all cases and ensure this is signed accordingly before accepting or offering hospitality, entertainment, or gifts; and
- Report, in confidence, any suspicion of actual, implied or attempted Bribery and Corruption to the Director of Audit, Risk and compliance or via the Whistleblowing process.
- Not breach this Policy and its principles, including not approving prohibited gifts, hospitality and entertainment; and

### Employees Must:

- Read, understand and comply with this this Policy and any associated documents.
- Seek clarification on any points which are unclear.
- Complete an Authorisation Form in all cases and ensure this is signed accordingly before accepting or offering hospitality, entertainment, or gifts; and
- Report, in confidence, any suspicion of actual, implied or attempted Bribery and Corruption to the Director of Audit, Risk and compliance or via the Whistleblowing process.
- Not breach this Policy and its principles, including not approving prohibited gifts, hospitality and entertainment; and

### HR Teams Must:

- Read, understand and comply with this Policy and any associated documents.
- Support line managers in the application of this Policy.
- Monitor the application of this Policy to ensure use and effectiveness.
- Advise the Company Secretary of any potential issues with / updates to this Policy.
- Not breach this Policy and its principles, including not approving prohibited gifts, hospitality and entertainment; and
- Report any breaches or suspicion of breaches of this Policy to the Company Secretary directly, or through the Speaking Up hotline if appropriate.

### Central Finance Must:

- Monitor compliance with this Policy and principles to ensure legal and ethical conduct within Delamode.
- Register the Authorisation Forms submitted in the Group's Entertainment Register; and
- Regularly report to the Delamode plc Audit Committee, at least annually, on compliance and non-compliance with this Policy.



## Appendix 2: Hospitality/Entertainment Authorisation Form

This form should be completed for any Hospitality or Entertainment or Service before any offer to or acceptance from an external party.

All questions are mandatory	Response	Notes
Supplier of hospitality (Delamode or other party)		Company name
Contact at other party		Name & contact number
Reason for hospitality		
Nature of hospitality		e.g., meal; sporting event
Attendees (Delamode and other party)		Include Delamode employee numbers; continue on separate sheet if required
Proposed date of hospitality		
Actual or estimated value - per person		
Nature of current relationship with other party		e.g., supplier; customer
Will there be a tender of services provided to or by the other party within 6 months of date of this request?		
Authorising manager's name		
Authorising manager's job title		

In signing and submitting this Authorisation Form you are confirming that it complies with the Delamode Anti-Bribery & Corruption Policy and that you have made reasonable checks to ensure this could not put you, the requesting employee or Delamode under any suspicion of actual, implied, or attempted Bribery or Corruption.

..... Authorising Manager's Signature

..... Date of request

Please send the completed and signed form to the BUMD and Central Finance