

## **Message from the Chief Executive Officer**

Ipeco seeks to establish long-term partnerships with its customers, suppliers, and staff. The Company has a progressive approach towards new product development, innovation and change implementation. Decision making has a long-term emphasis with the welfare of all stakeholders at the forefront.

Ipeco is recognised as a leader within its fields of expertise, and it has an excellent reputation, of which it is justly proud. Accordingly, each Employee, as a representative of Ipeco, is expected to behave in a responsible, ethical, and professional manner and is accountable for maintaining the reputation of the Company. To provide some guidance as to what is deemed acceptable professional behaviour, this Policy outlines to all Employees the Company's ethical business standards in relation to bribery and compliance with the UK Bribery Act 2010.

**Steve Johnson**

**Chief Executive Officer**

## **Message from the Finance Director**

Ipeco is committed to conducting its business to the highest possible standards of openness, honesty, and accountability, without the use of corrupt practices or acts of bribery to obtain an unfair advantage. Ipeco attaches the utmost importance to this Policy and applies a "zero tolerance" approach to acts of bribery and corruption by any of its Employees or representatives. Any breach of this Policy will be regarded as a serious matter and could result in disciplinary action and possible criminal prosecution.

As Finance Director for Ipeco, I have overall responsibility for our compliance practices in respect of bribery and corruption matters.

**Sarah Nash**

**Finance Director**

## **1. Introduction**

This Bribery and Ethics Policy (herein referred to as the "Policy") serves as a guideline to all Employees, both permanent and temporary, including contracted and agency staff, as well as consultants and other representatives of the Company when they are conducting the business of the Company or are otherwise representing the Company

(herein referred to as “Employees”) in relation to compliance with the UK Bribery Act 2010 (herein referred to as “the Act”). It includes Company and Employee responsibilities, defines what may constitute a bribe, details what to do if someone has a concern about ethical behaviours/conduct, as well as giving an outline of the Act.

All references in this Policy to “Ipeco” refer to Ipeco Holdings Limited as well as to all other companies and branches of companies in the Castledon Ltd group of companies.

## **2. Company commitment**

Ipeco’s management will abide by the same ethical standards expected of all Employees, in addition to being available to discuss any concerns regarding the ethical conduct of others that Employees wish to raise.

## **3. Overall responsibilities under this Policy**

**This Policy is applicable to all Employees.**

Business partners who represent Ipeco must ensure they have an anti-bribery Policy in place which is no less strict than this Policy and must not cause Ipeco or any Employee to breach this Policy.

## **4. Responsibilities of Managers, Supervisors and Team Leaders**

It is the responsibility of all Directors, Vice-Presidents, Managers, Supervisors and Team Leaders (herein referred to as “Manager(s)”) to:

- familiarise the Employees for whom they are responsible with this Policy.
- provide guidance as needed regarding how to comply with this Policy.
- monitor compliance by the Employees for whom they are responsible with this Policy and ensure that these Employees can speak up about ethical issues without fear of retribution.

All Managers are expected to take ethical issues seriously and act accordingly to ensure that the standards set out in this Policy are maintained across Ipeco. This Policy has been established by the Ipeco Board of Directors (“the Board”), which is responsible for the implementation and monitoring of this Policy.

## **5. Employee responsibilities**

All Employees must ensure that they read, understand, and always comply with this Policy. Any clarification should be sought from their respective Manager, or the person to whom they report. Each Employee will be required to confirm that they have read this Policy and agree to comply with its content. All Employees are responsible for complying with Ipeco's policies and procedures in the day-to-day conduct of business. The prevention, detection and reporting of bribery, corruption and/or ethical misconduct are both an individual and a collective responsibility and all Employees are required to avoid any activity that might lead to, or suggest, a breach of this Policy.

If an Employee believes or suspects that a breach of this Policy has occurred or is uncertain whether a breach of this Policy may have occurred, they should notify their Manager, or a Director **immediately**. If this is not possible and/or their direct chain of management is not available, they should notify one of the other available Managers.

## **6. What is bribery?**

The Act defines bribery as the offering, promising, giving, accepting, or soliciting of an advantage with the purpose of influencing a decision or outcome to gain any commercial, contractual, regulatory, or personal advantage.

A bribe may include any payment, benefit, advantage, or gift offered, accepted, received, or requested. A bribe may not necessarily be of a large monetary value and could be simply a lunch or an invitation to a sporting event. It may also include intangible benefits such as the provision of information, advice, or assistance in arranging a business transaction or a paid or unpaid internship for a friend or relative.

**If it is offered, requested, or accepted with the purpose to influence a decision or outcome in relation to Ipeco's business dealings, this could be regarded as a bribe.**

**Offering, requesting and/or agreeing to accept a bribe is still a bribe, and it doesn't matter if the bribe is ultimately paid or not.**

## **7. Gifts and hospitality**

This Policy does not prohibit normal, appropriate, and proportionate gifts and hospitality, both given and received, to or from third parties. However, any gifts or hospitality given or received must be in accordance with the provisions of this Policy. All actions by Employees **MUST** be able to withstand scrutiny, and not cause any

embarrassment to Ipeco or the Employee (as the case may be) or any third party, including Ipeco's customers and suppliers.

To ensure openness and transparency, and subject to Section 8 below, **all gifts and hospitality must be recorded in Ipeco's gift register ( "the Register") within 30 days of its occurrence.**

The Register must, in relation to **hospitality**:

- detail the attendees (of both Ipeco and the other entity or person concerned),
- the date, location and country of the hospitality or entertainment held, and
- the cost or approximate value of the hospitality given or received.

The Register must, in relation to **gifts**, detail:

- the gift,
- to whom the gift was given or from whom the gift was received (as the case may be),
- the approximate value of the gift and
- the date, location and country of where the gift was offered or received.

**This Register is accessed via the 'Forms' section of the HR Website and is reviewed monthly by the Finance Director.**

## **8. Gifts**

Employees may accept token gifts such as pens, stationery, branded clothing, and other corporate items produced for the purpose of being gifted **if the value is unlikely to exceed £50**. These items do not need to be recorded in the Register.

More expensive gifts, for example, a case of wine, a weekend trip, free flights, and similar offers should not be accepted by individual Employees and must be discussed with the Finance Director before being accepted. The Finance Director will decide whether such a gift could be construed as an inducement or bribe and will confirm if such a gift is acceptable. Where there is no risk of the gift or benefit being construed as an inducement such gifts may be approved by the Finance Director for acceptance by the individual person, or on behalf of Ipeco, so that they may be raffled with the proceeds donated to charity. Where a risk of potential inducement is identified, such gifts will be declined.

**For clarity, all Employees must refuse personal gifts such as Christmas, wedding, or birthday gifts, including vouchers or cash equivalents, received from actual or**

**potential business partners, suppliers, agents, consultants, advisors, and other persons with which Ipeco does business or may do business in the future (“Partners”).**

In some parts of the world, it is customary for individuals to exchange gifts in various business-related contexts. If you are engaged in business in such locations a gift can be accepted and a reciprocal gift of a reasonable value may be given, if approved by the Finance Director. However, the accepted gift (if its value exceeds £50) must be recorded in the Register and should be flagged “international”. It will then be entered into a raffle with the proceeds donated to charity.

Any gifts that Employees offer to a Partner (actual or potential) must also be acceptable in accordance with this Policy of the relevant Partner’s Company/organisation. Employees should not put themselves in a position where they could be open to accusations of inducement. Therefore, if an Employee is in any doubt about the acceptability of a gift or benefit being offered then no gift or benefit should be provided until such time as the matter has been discussed with, and the required approval obtained from, the Finance Director.

Employees are permitted to give or receive gifts on behalf Ipeco provided that:

- it is not made with the intention of influencing the individual (in the case of receiving a gift) or a third party (in the case of giving a gift) to perform their duties in an improper manner such as (but not limited to) obtaining or retaining a business advantage, rewarding the provision of a business advantage or the exchange of favours and/or benefits
- it complies with local law (please note that this is different to local custom), especially in circumstances where Ipeco conducts business outside the UK
- it is given or received in good faith and is occasional and, considering all the circumstances, it is proportionate, appropriate, and reasonable, complies with any applicable laws, and is given or received at an appropriate time
- it is given or received openly and is not secretive in nature, and
- in relation to Public Officials (see Section 12 of this Policy), it is not given or received without the prior approval of the Finance Director.

Although guidance has been given in this Policy as to what may be acceptable, Employees should always have regard to whether, in considering all the circumstances, the gift is reasonable, proportionate, and justifiable. On each occasion Employees should consider the intention behind the gift and whether they are being asked to perform their duties in an improper way.

**If an Employee does not accept a gift, then the Employee must still inform his/her Manager who will advise whether the offer of a gift still needs to be logged in the Register.**

## **9. Hospitality**

Employees may occasionally receive invitations from third parties, including Partners, to corporate hospitality or entertainment events. Hospitality or entertainment may only be accepted if:

- employees or personnel from a Partner are in attendance
- the Partner/relevant third party does not pay any accommodation or (more than trivial) travel expenses for the Employees, and
- the entertainment and/or acceptance of it could not be interpreted as a reward, inducement, or encouragement for a favour, to influence the outcome of agreements or negotiations, or to solicit preferential treatment.

Reciprocal hospitality may be offered but needs to be approved by a Manager; for example, when an overseas supplier visits the UK. Any hospitality offered, given, or received shall:

- be in good faith, occasional, appropriate, proportionate, and reasonable, and comply with all applicable laws
- be for reasons related to the business of Ipeco and the specific individuals involved
- where hospitality is given, be capable of being approved and personally reclaimed in accordance with the appropriate business expenses policies and procedures and
- be recorded in the Register if its approximate value is likely to exceed £50.

Any hospitality offered, given, or received shall be within reasonable financial limits and shall never be lavish or extravagant. Where the financial value is likely to exceed £100 per person, it should be authorised in advance by a Director.

## **10. Prohibited conduct**

**The following is absolutely prohibited under this Policy, either by an Employee or by someone acting on an Employee's behalf:**

- making unofficial payments to Public Officials (see Section 12 below for who is regarded as a Public Official) to obtain or facilitate obtaining any permission, permit or stamp – particularly in connection with importing or exporting goods
- giving, promising to give, or offering a payment, gift or hospitality to a Public Official or their agent with a view to expediting a routine procedure
- in the case of Employees, appointing any Partner to act on behalf of or otherwise in relation to Ipeco who it is known or there is good reason to believe has engaged in any corrupt or unlawful conduct including any offences under the Act

- paying any third party for the purposes of being a ‘fixer’ or ‘facilitator’ to open doors and make connections for Ipeco overseas with the intention of acting unethically, improperly, or other than in accordance with standard market practice in the United Kingdom
- accepting a payment, gift, or hospitality from a third party that the Employee knows, or suspects, is offered with the expectation that it will obtain a business advantage for them
- giving, promising to give, or offering payment, gifts or hospitality with the expectation or hope that a business advantage will be received or to reward the provision of a business advantage
- threatening to retaliate against another person who refuses to commit an offence under the Act or who has raised concerns under this Policy and
- engaging in any actions that may lead to a breach of this Policy or of the Act.

Facilitation payments: all the above payments are also referred to as ‘facilitation payments’ (‘facilitating’, ‘speed’, ‘backhanders’ or ‘grease’ payments) and are payments, usually small cash payments made to low-level officials, as a bribe or inducement to secure or expedite the performance of a routine or necessary action.

**Facilitation payments by Employees are strictly prohibited.**

The only facilitation payment exception is if an Employee’s life is in danger or if the facilitation payment is expressly permitted by the law of the country in which it is paid. If a facilitation payment is made under such circumstances, it must be reported as soon as is possible to the Finance Director in order that it can be recorded.

**11. Due Diligence – Suppliers and Business Partners**

This relates to the prohibition against offering, providing, authorising, requesting, or receiving bribes by way of any Partners acting on Ipeco’s behalf or otherwise providing any services to Ipeco. This is because Ipeco can be prosecuted for the actions of these Partners. In addition to what is set out elsewhere in this Policy, Ipeco implements, so far as is practicable, procedures to prevent Partners from engaging in bribery.

When arranging new contracts for service with a potential Partner, the relevant Manager should ensure that adequate measures are taken to assess the relevant Partner’s anti-bribery policies to ensure that they adequately cover and protect the business relationship which is being entered into. When dealing with a Partner in a High-Risk Country (see list below) all relevant divisions and locations of Ipeco must consult with the Finance Director in relation to appropriate anti-bribery compliance measures before:

- appointing or otherwise engaging with a new Partner

- entering a business partnership with a Partner
- appointing a Partner to work on Ipeco's behalf or
- entering a new contract/or amending the terms of an existing contract with a Partner.

### **High Risk Countries**

A list of the countries in the Transparency International list may be accessed here: [2021 Corruption Perceptions Index - Explore the... - Transparency.org](#)

Any country outside the top 30 is regarded as "high risk" (a "High-Risk Country").

In addition, under the UK's Money Laundering Regulations, enhanced due diligence ("EDD") is mandated for any business relationship with a person established in a high-risk third country. From 1 January 2021, the UK has had its own standalone list.

All businesses in the UK are required to apply EDD measures in any transaction or business relationship with a person established in a high-risk third country.

The 24 high-risk third countries are: Albania, Barbados, Burkina Faso, Cambodia, Cayman Islands, Democratic People's Republic of Korea, Haiti, Iran, Jamaica, Jordan, Mali, Malta, Morocco, Myanmar, Nicaragua, Pakistan, Panama, Philippines, Senegal, South Sudan, Syria, Turkey, Uganda, United Arab Emirates, Yemen.

There is a significant risk of bribery when dealing with Suppliers, Customers, and other Partners in a High-Risk Country if:

- the services involve Partners paying fees, taxes, or payments on behalf of Ipeco in relation to services provided or received in a High-Risk Country; or
- the services involve Partners obtaining official documents, permits, passes, visas, permissions or agreement from public officials or agencies; or there are any reasons to suspect that the risk of corruption or bribery is higher than normal.

In addition to the High-Risk Countries if an individual has any specific reason to suspect a risk of bribery in any country outside of those listed in the High-Risk Country table, caution is advised, and any transaction should be discussed with the Finance Director prior to agreements being made or transactions being entered into. The Finance Director will advise on the level of due diligence required and the form of any anti-bribery clauses required in relation to an agreement or contract. Any due diligence must be completed before:

- the contract with a Partner is signed or renewed
- the Partner does any work or



- the partnership undertakes any activities.

If the negotiating Manager in Ipeco and the Finance Director cannot agree on whether due diligence is required or the required level or content of the due diligence to be undertaken cannot be agreed upon, then the matter must be referred for determination to the Board for final scrutiny.

## **12. Public officials**

Specific rules apply to dealing with Public Officials. A Public Official includes:

- any officer, employee, or representative of, or any person otherwise acting in an official capacity for or on behalf of, a government authority
- any employee of a government-owned or government-controlled entity
- a legislative, administrative, or judicial official, regardless of whether elected or appointed
- an officer of, or individual who holds a position in, a political party
- a candidate for political office
- a person who otherwise exercises a public function for or on behalf of any country
- an employee or representative of any public international organization, such as the United Nations.

In practice, this is likely to include civil servants, inspectors, members of a political party, employees of a state university, employees of state-owned or controlled businesses (such as banks, airlines, or telecom companies), judges, customs and immigration officials, ambassadors and embassy staff, and law enforcement personnel. This is not an exhaustive list.

It is important to note that Public Officials may include, among others, any employees or others acting on behalf of government-owned or government-controlled entities. A bribe in this context can also include influencing a Public Official to do something which is within the scope of their public duties or which they may otherwise have done in any event.

## **13. Donations**

Ipeco does not make contributions to political parties. Ipeco only makes charitable donations that are legal and ethical under local laws and practices. No donation should be made in the Ipeco name, under any circumstances, without the prior written approval of the Chief Executive.

## **14. What happens if those obligated do not comply with this Policy?**

### ***For Employees:***

Any act of bribery, in whatever form, is unacceptable both in accordance with Ipeco business ethics, and with UK law (including, without limitation, the Act). Ipeco will consider taking disciplinary action against anyone who fails to comply with this Policy up to and including dismissal. Failure to comply with this Policy may also leave Employees open to criminal prosecution under the Act. Offences under the Act can result in an unlimited fine and/or imprisonment up to a maximum of 10 years.

### ***For Ipeco:***

A breach of this Policy by an Employee or Business Partner could result in Ipeco breaching the Act. An offence under the Act may result in the Company being given an unlimited fine and is likely to result in negative publicity and serious damage to the reputation, goodwill, and business of Ipeco.

### ***For Partners:***

The business relationship with Partners which violate this Policy and/or the Act will be terminated.

## **15. Concerns**

All Employees are encouraged to raise concerns about any issue or suspicion of malpractice at the earliest possible stage. If the Employee is unsure as to whether a particular circumstance constitutes bribery or corruption, or if the Employee has any other queries in relation to this Policy, these should be raised immediately with the relevant Manager. It is the responsibility of Managers to ensure that they are available to listen, provide guidance and/or act upon any concerns raised regarding the ethical conduct of, or situations facing, Employees. However, should an Employee feel unable to speak to his or her immediate superior, the Employee must raise his or her concerns with another person within the management structure, or with Ipeco's Human Resources Department. If the Employee is reporting a legitimate misconduct in good faith, he or she will be fully supported by Ipeco.

## **16. Protection from bribery**

Employees and Associates who refuse to accept or offer a bribe, or those who raise concerns or report another's wrongdoing, are sometimes concerned about

repercussions. Ipeco aims to encourage openness and will support anyone who raises a genuine concern in good faith under this Policy, even if they turn out to be mistaken.

Ipeco is committed to ensuring that no one suffers any detrimental treatment because of refusing to take part in bribery or corruption, or because of reporting in good faith their suspicion that an actual or potential bribe or other corruption offence has taken place or may take place in the future. Detrimental treatment includes dismissal, disciplinary action, threats, harassment, victimisation, or other unfavourable treatment connected with raising a concern. **If any individual believes that they have suffered any such treatment, they should inform Ipeco's Human Resources Department promptly.**

## **17. Who is responsible for the Policy?**

The Board has overall responsibility for ensuring this Policy complies with Ipeco's legal and ethical obligations, and that all those under Ipeco's control or who act for or otherwise on behalf of Ipeco comply with it.

Ipeco's Finance Director has responsibility for keeping this Policy up-to-date and for responding to any queries from Managers (and, where relevant, from Employees) on the application of this Policy. The management of Ipeco has responsibility for the day-to-day implementation of this Policy and for monitoring its suitability, adequacy, and effectiveness.

Any improvements identified will be made as soon as possible. The Policy shall be subject to regular review to ensure that it is effective and up-to-date. All Employees are responsible individually and collectively for this Policy and to ensuring that they use it to make disclosures. If an Employee is of the opinion that the Policy could be improved, then such comments, suggestions and queries should be raised with a Manager.

## **18. Summary of the UK Bribery Act 2010**

The Act creates four different offenses:

- **a general offence** of actively offering, promising, or paying a bribe with the intention of obtaining the improper performance of a relevant function or activity.
- **a general offence** of requesting, agreeing to receive, or accepting a bribe with the intention of obtaining the improper performance of a relevant function or activity.

- **a separate offence** of directly or indirectly bribing of a foreign public official where that official is not permitted or required by the written law of their state to be so influenced (please note that customary practices and tolerances are not deemed to be acceptable); and
- **an offence (under section 7 of the Act)** of failure by a commercial organisation to prevent a bribe being paid or received by those acting on its behalf where they intend to obtain or retain business or a business advantage for the commercial organisation unless there are adequate procedures in place to prevent this.

***Jurisdictional Reach:***

- The Act has extra-territorial reach both for UK companies/persons operating abroad and for overseas companies with a presence in the UK. This means that a UK person, situated outside of the UK, is still subject to UK laws and is still prosecutable by such laws, as well as any applicable laws of the country they are in.
- A UK company can commit an offence under section 7 of the Act for failure to prevent bribery if an employee, subsidiary, agent, service provider or any other associated person with or to that UK company bribes another person anywhere in the world to obtain or retain business or a business advantage.
- A foreign subsidiary or sister company of a UK company may cause the parent company to become liable under section 7 of the Act when the subsidiary or sister company commits an act of bribery in the context of performing services for, or for the ultimate benefit of, the UK parent or sister company.

Should you wish to know more detail about The Bribery Act 2010, you can access it via the following link: <https://www.legislation.gov.uk/ukpga/2010/23/contents>