

GROUP POLICY

# Anti-Bribery & Corruption



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## 1 Purpose

The purpose of this policy is to establish clear responsibilities, guidelines, procedures and controls to prevent, detect and respond to bribery and corruption issues. This policy supplements the Diploma PLC ("Diploma") Group [Code of Conduct](#).

## 2 Scope

This policy applies to the entire Diploma group ("Group"), encompassing all directors, officers, and employees of Diploma and its subsidiaries, regardless of the country in which business is conducted or situated. Additionally this policy applies to third parties which includes:

- all our business partners, including agents, intermediaries and suppliers,
- other third parties including contractors, consultants, and business partners acting for or on behalf of the Group, and
- any individual or organisation with which an employee of the Group comes into contact during the course of their work.

## 3 Policy Statement

The Group is expected to uphold the highest standards of honesty, ethics, fairness, and integrity in all business dealings and relationships, regardless of location or jurisdiction. To support this commitment, Diploma will establish and enforce robust control systems to promptly identify and address any instances of bribery. The Board adopts a zero-tolerance stance towards bribery and corruption.

Diploma is committed to complying with all relevant laws pertaining to anti-bribery and corruption across the Group. Furthermore, Diploma ensures adherence to UK laws, including the Bribery Act 2010, both domestically and internationally.

It's important to note that the Bribery Act 2010 has extraterritorial reach, surpassing the scope of the US Foreign Corrupt Practices Act. Notably, it deems all Facilitation Payments illegal, as detailed further in this policy.

## 4 Bribery and Corruption

Bribery occurs when someone directly or indirectly offers, promises, gives to or accepts or requests a financial or other advantage from anyone intending that person receiving the benefit improperly performs their duties or obligations. An advantage can include anything of value such as money, gifts, hospitality, favours, improper signing bonus or rebates, donations, sponsorships or community investments. It could also include non-monetary benefits or an opportunity, such as the promise of employment for a family member or close friend.

Corruption is an abuse of entrusted power (e.g., by a government official) for private gain, typically involving bribery. All forms of bribery are business integrity risks. Diploma employees are required to recognise and to escalate them appropriately.

### Our Principle

Diploma has zero-tolerance to bribery or corruption and employees must not engage in or implicitly authorise bribery or corruption under any circumstance.

## 5 What is not Acceptable

It is not acceptable for an employee (or someone on behalf of an employee) to:

- 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; or
  - to a government official, agent, or representative to "facilitate" or expedite a routine procedure.
- accept payment from a third party that the employee knows, or suspects is offered with the expectation that it will obtain a business advantage for them;
- accept a gift or hospitality from a third party if the employee knows or suspect that it is offered or provided with an expectation that a business advantage will be provided by the Group in return;
- threaten or retaliate against another employee who has refused to commit a bribery offence or who has raised concerns under this policy; or
- engage in any activity that might lead to a breach of this policy.

### 5.1 Gifts & Hospitality

#### Definition

- A gift is anything of value, including an item, cash or cash equivalent, goods or services, offered or given to, or accepted or received from, a person or company outside of Diploma.
- Hospitality refers to any form of travel, food, beverage, accommodation, entertainment, marketing, cultural or sporting event (participating or watching), offered or given to, or accepted or received from, a person or company outside of Diploma.
- Gifts and hospitality (G&H) are commonly used as a gesture of goodwill and respect, and to strengthening working relationships among business partners.

#### Expectation

- In no circumstances should gifts be offered to, or accepted from, government officials or representatives, politicians or political parties.
- This policy does not prohibit normal and appropriate hospitality (given and received) to or from third parties. Bona fide hospitality and promotional activities which seek to improve the image of a Diploma Group business, or establish cordial relations are not prohibited, provided these are reasonable and proportionate. In determining whether a gift is appropriate, consideration should be given to the recipient, the value of the gift and the reason for it. In order to be considered as reasonable and proportionate, they must:
  - have a clear business purpose;
  - be appropriate to the seniority of the provider or recipient;
  - not be intended to influence decisions (Red Flag - during negotiations);
  - be consistent with and comply with local laws and customs;
  - is given in the Company's name not the employee's name;
  - it does not include cash or cash equivalent (gift certificates or vouchers);
  - have no risk of being misconstrued;
  - typically be linked to a business meeting or offered on a non-exclusive basis (for example networking event for all customers);

- be provided infrequently; and
- be made openly and transparently, properly authorised and recorded (secret and undocumented gifts and hospitality are not permitted).
- The Board 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 is reasonable and justifiable. The intention behind the gift should always be considered. Consider the circumstances surrounding the offer or acceptance.
  - Is it high value or lavish?
  - Is it offered at a time when business decisions are being made which may improperly affect the decision of the giver/recipient of the Gift or the host of the Hospitality event?
  - Has the GH&E been offered multiple times to the same person?
  - If the answer is “yes” to any of these questions, then the gift is unlikely to be proportional. In these situations, or any other time you may have a question please seek advice from your line manager or [Group General Counsel](#).
- Any gifts or hospitality that are offered to you, but not accepted, or those that are rejected, are not required to be entered into the Diploma Gifts & Hospitality Register (or local equivalent).

### Red flags/ warning signs

- G&H arising as a special favour to, or request from, a government official or business contact on behalf of or exclusively for their partner/spouse or close family member.
- G&H offered, given to, accepted, or received from any third parties involved in, or in anticipation of a competitive bid, tender process, or contract renewal in your business area.
- An actual or perceived conflict of interest between parties (i.e. employee provides or receives from partner/spouse, friend, associate, family member G&H which might appear to compromise their personal judgement or integrity)
- G&H is exchanged in the context of obtaining a commercial advantage and is in fact considered as a reward (or inducement).
- G&H offered or accepted is outside the authority limits or in breach of the third party’s policy.
- Expensive and highly sought-after tickets for a major sporting event or a cultural event attended by an employee and their partner provided by a third party where no justifiable business purpose is provided.
- Travel and accommodation provided at a lavish, popular or exclusive resort to/by a third party for a business meeting.
- Numerous G&H offered, given, accepted, or received to/from a third party over the year.

### What you need to do

- Ensure the G&H is legitimate, has a business purpose and is transparent, reasonable and proportionate in value, nature and scale.
- As a requester, keep a copy of expenses incurred, approvals obtained and other relevant records. As an approver, pay attention when approving repeated benefits to or from the same person/Company.
- If unsure whether G&H is appropriate, refer to the Group [Gifts, Hospitality & Entertainment Policy](#) or seek advice from your line manager or [Group General Counsel](#).
- Ensure expenses meet thresholds in Group [Gifts, Hospitality & Entertainment Policy](#), are pre-approved (where required), recorded and disclosed in the Group GH&E Register (or local equivalent) in accordance with the applicable country or Group thresholds (whichever is more stringent).

## 5.2 Facilitation Payments

### Definition

- Payments of money or goods typically made to government officials to expedite an existing duty, such as a routine approval or administrative process.
- Payment of any portion of a contract made to employees of another contracting party or the utilisation of other techniques, such as subcontracts, purchase orders or consulting agreements, to channel payment to public officials, political parties, party officials, or political candidates, to employees of another contracting party, or their relatives or business associates.

### Expectation

- Never make or accept facilitation payments or “kickbacks” of any kind unless your personal safety is threatened.

### Red flags/ warning signs

- Third party insists or requests the following;
  - a commission or fee payment before committing to sign up to a contract or carrying out a government function or process;
  - 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;
  - an unexpected additional fee or commission to "facilitate" a service;
  - a payment is made to "overlook" potential legal violations; or
  - use of side letters or refuses to put terms agreed in writing.
- An employee notices an invoice for a commission or fee payment appears large given the service stated to have been provided.

### What you need to do

- Diploma has zero-tolerance to bribery or corruption and employees must not engage in or implicitly authorise bribery or corruption under any circumstance.
- Reject any requests for facilitation payments in writing.
- Be mindful of what the payment is for and whether the amount requested is proportionate to the goods or services provided.
- Ask for a receipt which sets out clearly the reason for the payment.
- Any suspicions, concerns, or queries regarding a payment please seek advice from your line manager or [Group General Counsel](#).

## 5.3 Donations

### Definition

- A donation is a gift of money or the equivalent of money (for example products, materials, services or employees' time) without receiving anything in return, including gifts given in response to a significant unforeseen event or natural disaster, potentially a material business crisis or resilience issue or charity.
- A charity is a voluntary, not-for-profit organisation established and registered for charitable, social and philanthropic purposes for the benefit of society e.g., the prevention or relief of poverty, the advancement of education, health, citizenship or community development, arts, culture, heritage, science or sport.
- A political donation has the meaning given to it in the UK Companies Act 2006. Diploma does not make political donations.

### Expectation

- Giving back is important to Diploma. In line with our decentralised model, charitable initiatives are driven by the businesses and matched through Diploma's fund matching scheme.
- Donations that you wish to make must be legitimate, have a business purpose, be transparent, reasonable and proportionate in value, nature and scale.
- Preference should be given to those charities or charitable organisations with activities or projects in communities in which we operate.
- Payments must be appropriate and authorised in accordance with applicable local delegation of authority prior to entering into any arrangement or transferring the funds.

### Red flags/ warning signs

- Charities connected to a government official who can use their influence to give special preference to the donor.
- The payment or arrangement is connected with a current or potential vendor or customer of the Group.
- The donation only benefits those with whom we are dealing with such as a Group customer who is also the owner or shareholder of the company receiving the donation or where the donation benefits an exclusive/privileged group such as a private hospital or privately funded school.
- The charity trustees and board members are politicians, officials, and other highly placed and influential people.
- Request is involved from someone involved in a religious organisation.
- Payments are made to individuals rather than to one of the community's institutions.

### What you need to do

- Ensure donations are legitimate, have a business purpose and is transparent, reasonable and proportionate in value, nature and scale.
- Conduct third party due diligence on applicable recipients (individuals and/or entities) prior to engagement/payment.
- Any donation in the name of Diploma PLC requires Group approval and all donations should be reported on a monthly basis to Group via normal monthly reporting procedures.
- If unsure about the appropriateness of a donation, please seek advice from your line manager or [Group General Counsel](#).

## 5.4 Travel & Expense

### Definition

- Travel and non-travel related expenses that may be paid via corporate credit cards or otherwise incurred by an employee and claimed through an expense management system.
- Such expenses can include travel, entertainment and other expenses that are permissible and incurred while engaged in or conducting business on behalf of Diploma.

### Expectation

- Travel and expenses must be incurred while conducting business on behalf of Diploma and must be proportionate to the circumstances in line with local policy.
- The most senior person present should pay for and seek reimbursement of expenses incurred in relation to G&H involving internal and/or external third parties. In this situation, unless exceptional circumstances exist, paying an invoice or bill must not be delegated.

### Red flags/ warning signs

- Expense payments made in large round sums.
- Expense claims which have no or insufficient supporting documentation and lack explanation or purpose.
- Expenses appear excessive for the activities.
- Lack of verification about attendees to meals.
- The most senior manager present did not pay the final bill for a meal or other hospitality.
- Handwritten expenses submitted as a substitute to electronic receipts or invoices.

### What you need to do

- Ensure such expenses are not lavish, have a legitimate business purpose and are supported by adequate documentation.
- If you are the most senior person present, you must pay the final bill for a meal or other hospitality.
- All employees must ensure that their expense claims are submitted in accordance with their businesses expenses policy and specifically record the reason for the expenditure.
- Maintain adequate segregation of duties and delegation of financial authority in approval processes. As an approver, review expenses for appropriateness and correctness.
- Ensure expenses meet thresholds in the Group [Gifts, Hospitality & Entertainment Policy](#) are pre-approved (where required), recorded and disclosed in the Group GH&E Register (or local equivalent) in accordance with the applicable country or Group thresholds (whichever is more stringent).



## 5.5 Associated Entities

### Definition

- Any subsidiaries, agents, business partners, contractors or suppliers (individuals or organisations) of the Group (collectively known as Associated Entities).

### Expectation

- Associated Entities are prohibited from making or receiving any bribes on the Group's behalf.
- It is a violation of this policy to make any corrupt payments through Associated Entities or to make any payment to a third party where there is any reason to believe that all or a portion of the payment will go towards a bribe.

### Red flags/ warning signs

- Lack of proper documentation; indicating a lack of transparency raising concerns about potential unethical behaviour or regulatory violations.
- Inappropriate compensation; especially if it is disproportionate to the services rendered.
- Unexplained transactions; any payments made without clear justification or documentation of legitimate services rendered.
- Conflicts of interest; such as being owned or controlled by government officials or individuals with close ties to decision-makers.

### What you need to do

- The relationship with the Associated Entities must be fully documented and any payments involving a third party
- Compensation paid to Associated Entities must be appropriate and justifiable and for the purpose of legitimate services rendered.
- Associated Entities are required to keep proper books and records available for inspection by Diploma, its auditors and/or investigating authorities.

## 6 Responsibilities

### 6.1 Employees

- All employees must ensure that they read, understand, and comply with this policy and are required to avoid any activity that might lead to, or suggest, a breach of this policy.
- The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all employees working for the Group or under the Group's control.
- It is important that all employees immediately report to their Managing Director and the [Group General Counsel](#) any instances where they are offered a bribe by a third party, are asked to make one, suspect that this may happen in the future, or believe that they are a victim of another form of unlawful activity.
- Any suspicions, concerns, or queries regarding a payments, gifts or hospitality please seek advice from your line manager or [Group General Counsel](#).

### 6.2 Senior Management

- Managers must ensure that employees are aware of this policy and participate in anti-bribery training.
- All directors, officers, employees, consultants, and contractors of the Group must participate in all training provided by the Group.

## 7 Training and Communication

Training on this policy will form part of the induction process for all new employees. Existing employees will also receive relevant periodic training on how to implement and adhere to this policy.

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

## 8 How to Report Bribery & Corruption

It is important that all employees immediately report to their Managing Director or [Group General Counsel](#) any instances where they are offered a bribe by a third party, are asked to make one, suspect that this may happen in the future, or believe that they are a victim of another form of unlawful activity.

The Managing Director will respond within the business to ensure compliance with this policy and where action is required at Group level, details will be sent to the [Group General Counsel](#) for monitoring and where appropriate, for self-reporting to the appropriate authorities.

Concerns can also be reported by following the procedure set out in the Group's [Whistleblowing Policy](#).

If you are unsure or have any other questions, these should be raised with your Managing Director or [Group General Counsel](#).

## 9 Protection

Employees 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 aims to encourage openness and will support any employee who raises genuine concerns in good faith under this policy, even if they turn out to be mistaken.

Diploma is committed to ensuring that no employee 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 an employee believes that they have suffered any such treatment, they should inform their Managing Director immediately. If the matter is not remedied, the employee should raise the matter formally using the businesses' applicable grievance procedure.

## 10 Compliance & Non-Compliance

The Board of Diploma PLC has ultimate responsibility for ensuring that each of the businesses establish systems and controls to comply with this policy, additionally:

- Local Businesses are responsible for ensuring that appropriate systems and controls are in place to comply with this policy.
- The [Group General Counsel](#) will review this policy on a regular basis and is responsible for monitoring its effectiveness, ensuring its continuing viability, applicability, and legal compliance.
- [Group Internal Audit](#) will also monitor the effectiveness of this policy and review its implementation regularly. Internal control systems and procedures will be subject to regular internal audits.

All breaches should be notified immediately to the [Group General Counsel](#):

- Any employee who breaches this policy will face disciplinary action, which could result in dismissal for gross misconduct. The Board reserves its right to terminate the contractual relationship with any employee if they breach this policy.
- A breach of any of the provisions of this policy and its supporting policies will constitute a disciplinary offence and will be dealt with in accordance with Diploma's Disciplinary Procedure which can be found in our Group [Code of Conduct](#).
- Any breach of this policy that causes damage to the reputation of Diploma, its stakeholders, its employees or any third party or which brings Diploma into disrepute will amount to either misconduct or gross misconduct (depending upon the seriousness of the breach) to which Diploma's Disciplinary Procedure will apply.
- As far as associated persons are concerned, a breach of this policy could lead to the suspension or termination of any relevant contract, sub-contract, or other agreement.

## 11 Contacts

John Morrison, Group General Counsel  
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[Legal@diplomapl.com](mailto:Legal@diplomapl.com)

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## 12 Definitions

### Employees

All individuals working at all levels throughout the Group's businesses and throughout the world, including senior managers, officers, directors, employees (whether permanent, fixed term or temporary), consultants, contractors, trainees, seconded staff, home employees, casual employees and agency staff, volunteers, interns, agents, sponsors, or any other person associated with the business wherever located (collectively referred to as employees in this policy).

### Third Parties

Any individual or organisation with which an employee of the Group comes into contact during the course of their work for the Group, and includes actual and potential clients, customers, suppliers, distributors, business contacts, agents, advisers, and government and public bodies, including their advisors, representatives, and officials.

### Bribes

Bribery occurs when someone directly or indirectly an inducement or rewards offered, promised, or provided in order to gain any commercial, contractual, regulatory, or personal advantage.

Inducement; something which helps to bring about an action or desired result.

Business advantage; means that Diploma is placed in a better position (financially, economically, or reputationally, or in any other way which is beneficial) either than its competitors or than it would otherwise have been had the bribery or corruption not taken place.

Differences between gifts and bribes: a gift is something of value given without the expectation of return.

### Kick-backs

Payment of any portion of a contract made to employees of another contracting party or the utilisation of other techniques, such as subcontracts, purchase orders or consulting agreements, to channel payment to public officials, political parties, party officials, or political candidates, to employees of another contracting party, or their relatives or business associates.

### Extortion

Means to directly or indirectly demand or accept a bribe, facilitation payment or kickback.

## Document Control

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