

DOWLAIS

Dowlais Group plc

Anti-Bribery & Corruption Policy

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DOWLAIS GROUP PLC

ANTI-BRIBERY & CORRUPTION POLICY

1. PURPOSE & SCOPE

- 1.1 This policy sets out Dowlais Group plc's policy on bribery and corruption and on complying with Anti-Bribery & Corruption Laws.
- 1.2 This policy applies to all Business Units and to all Employees. It applies to all Representatives of the Group in respect of their activities related to the Group.
- 1.3 Individual Business Units may adopt their own anti-bribery & corruption policies and procedures reflecting their own operations and management structures, provided that they comply with the minimum standards of this policy.

2. APPROVAL & RESPONSIBILITY

- 2.1 This policy has been approved by the board of directors of Dowlais Group plc, who have ultimate responsibility for this policy and for ensuring it is adequately communicated to each Business Unit and the Group as a whole.
- 2.2 The CEO of each Business Unit is responsible for ensuring awareness of and compliance with this policy within their Business Unit and for establishing a "culture" of compliance. This includes ensuring effective dissemination of this policy throughout the Business Unit, providing relevant guidance and training, and appropriate safeguards, monitoring, and resources.
- 2.3 All Employees and Representatives are responsible for observing and complying with all applicable provisions of this policy and for avoiding any activity that might lead to, result in or suggest a breach of this policy.

3. WHAT IS BRIBERY & CORRUPTION?

- 3.1 Acts of bribery or corruption are designed to influence an individual in the performance of their duty and incline them to act dishonestly, improperly or in a way which they would not have done had they not been paid or promised the bribe. A person being bribed, or offered a bribe, will generally be someone who is able to obtain, retain, direct and influence the decision-making powers of a government, supplier, customer, or intermediary, in order to procure some form of benefit.
- 3.2 For the purposes of this policy "**Anti-Bribery & Corruption Laws**" means all laws and regulations in any country or territory which prohibit the giving or receiving of bribes, engaging in corrupt activities, or which impose obligations on the Group in respect of bribery or corruption. One of the most important Anti-Bribery & Corruption Laws which applies to the Group is the UK Bribery Act 2010, which not only makes bribery and corruption illegal but also holds UK companies liable for failing to implement adequate procedures to prevent acts of bribery committed by employees or other associated persons. In addition, the US Foreign Corrupt Practices Act (FCPA) applies to the Group's operations in the United States, but also to our business outside the United States where there is any US nexus. These and other Anti-Bribery & Corruption Laws are frequently wide-ranging in their scope and extra-territorial in their effect.

4. POLICY STATEMENT

- 4.1 The Group has a zero-tolerance approach to bribery and corruption. It is not acceptable in any form.

- 4.2 It is Group policy to comply with all Anti-Bribery & Corruption Laws in the countries in which the Group operates or which otherwise apply to the Group and to adopt procedures which robustly and visibly ensure compliance.
- 4.3 All Employees are responsible for acquiring a sufficient understanding of Anti-Bribery & Corruption Laws to ensure that they can carry out their responsibilities without breaching those laws (whether deliberately or inadvertently) and can recognise situations which may lead to concerns under those laws and act appropriately.
- 4.4 All Business Units are responsible for ensuring that their Representatives comply with this policy in respect of their activities related to the Group. References in this policy to matters required by Representatives, are references to those Representatives in respect of their activities related to the Group.

5. SPECIFIC OBLIGATIONS UNDER ANTI-BRIBERY & CORRUPTION LAWS

- 5.1 The following conduct breaches Anti-Bribery & Corruption Laws and is prohibited by this policy:
- (a) **Giving a Bribe (Active Bribery).** Directly or indirectly offering, promising, authorising, or giving a financial or other advantage or anything of value to another person with the intention of inducing that person (or a third party) to give improper assistance or advantage, or to influence acts or decisions, or to induce acts or omissions that are contrary to a person's duties (or as a reward for so doing) in order to direct, obtain, or retain business or an advantage in the conduct of business.
 - (b) **Accepting a Bribe (Passive Bribery).** Directly or indirectly requesting, agreeing to receive, or accepting a bribe in exchange for that person (or a third party) providing improper assistance or advantage (or as a reward for so doing) in order to obtain or retain business or an advantage in the conduct of business.
 - (c) **Bribing a Public Official.** Directly or indirectly offering, promising, authorising, or giving a financial or other advantage or anything of value to a Public Official (or third party) with the intention that the Public Official is influenced in the performance of his or her public functions or is induced to violate his or her official duties, or that the bribery will secure an improper advantage. This offence is very broad, as there is no requirement for the Public Official to act improperly or dishonestly, merely that they are influenced or intended to be influenced by the offer or payment of a bribe (including facilitation payments).
- 5.2 The Group can also be liable for failing to prevent bribery by persons performing services for or on behalf of any part of the Group, which includes suppliers, agents and other third parties. It is a defence to this offence to have adequate procedures in place to prevent such bribery occurring, and this policy and the procedures required by it are intended to be such adequate procedures.

6. CONSEQUENCES OF NON-COMPLIANCE

- 6.1 Bribery is an offence in many countries and penalties can be severe. Offering or receiving a bribe could have serious consequences for the Group and our Employees, including:
- (a) the risk of fines, imprisonment or other personal consequences for the Group and our Employees;
 - (b) claims against the Group by third parties who may have suffered damage;
 - (c) damage to the Group's reputation;
 - (d) termination of certain business contracts by the Group's counterparties, or the loss of licenses or rights granted by governments or regulators;

- (e) becoming the subject of prolonged regulatory investigations with resulting significant expenditure of time and resources (often at a senior management level) and disruption to commercial strategy; and
- (f) exclusion from tendering opportunities, particularly where linked to the public sector.

6.2 Non-compliance with this policy or with Anti-Bribery & Corruption Laws is a serious matter. Employees who engage in conduct in breach of this policy may be subject to disciplinary action, which may include termination of their employment. Representatives who engage in conduct in breach of this policy may be subject to legal action and termination of their relationship with the Group. The Group reserves the right to fully cooperate with the police or other enforcement authorities as may be necessary for the proper investigation into breaches of this policy.

7. DULY AUTHORISED EXECUTIVES

Each site or location within the Group is required to have appointed a Duly Authorised Executive (“DAE”). The role of the DAE under this policy is to advise and assist Employees with any questions which may arise relating to this policy for their site or location.

8. REPORTING SUSPECTED BRIBERY & CORRUPTION

8.1 If any Employee or Representative receives a request for a financial or other advantage which they believe is a bribe (including small facilitation payments), they must politely decline to make the payment, explaining that they are prohibited by this policy. They must then report the offer in accordance with paragraph 8.4 below.

8.2 If any Employee or Representative is offered anything of value that they believe is a bribe, they must decline to accept that offer. They must then report the offer in accordance with paragraph 8.4 below.

8.3 Nothing in this policy obliges any Employee or Representative to do anything which puts them or those they are with in physical danger. However, except where such danger is immediate, anything of value that is being considered to be offered in order to secure physical safety must be authorised in advance by the General Counsel of the Group or the applicable Business Unit, and even in an emergency the giving of anything of value must be reported immediately after the fact to the General Counsel of the Group or the applicable Business Unit.

8.4 If Employee or Representative is unsure whether a particular act might constitute a breach of this policy they should seek advice from their DAE or Legal Function, who can provide guidance. No action as to which there is any doubt about whether it is lawful should be taken without prior approval from the applicable DAE or Legal Function.

8.5 Regardless of whether or not it has been accepted or declined, if any Employee or Representative becomes aware of any offer of a bribe, request for a bribe, or any actual or potential breach of this policy, they must immediately report the issue by providing full details to:

- (a) to their DAE;
- (b) to any member of their Business Unit’s Legal Function; or
- (c) via the Group’s Employee Disclosure Hotline.

8.6 All such reports are subject to our **Whistleblowing Policy** (LEG-COMPL-003).

8.7 Reporting the information quickly helps to ensure that the Employee concerned is excluded from possible future suspicion. It will also allow the Group to investigate such claims without delay.

- 8.8 Employees and Representatives who refuse to get involved in bribery and/or corruption, or who raise concerns and report wrongdoing, may be concerned about possible repercussions. The Group encourages openness and will support anyone who raises genuine concerns in good faith, even if they turn out to be mistaken. The Group is committed to ensuring that no Employee or Representative suffers any detrimental treatment as a result of refusing to take part in bribery or corruption and/or who raises concerns.
- 8.9 It may not always be possible to easily identify what may or may not constitute a breach of this policy. Market practices vary from country to country. In order to provide assistance, the following are some examples of situations which should be reported under this policy. This list is provided as general guidance only and is not exhaustive:
- (a) becoming aware that a third party engages in (or has been accused of engaging in) improper business practices;
 - (b) learning that a third party has a reputation for paying bribes, or requiring that bribes are paid to them, or has a reputation for having a “special relationship” with Public Officials;
 - (c) learning that a Public Official or immediate relative of a Public Official has a beneficial ownership or other interest in a third party with whom the Group does business;
 - (d) a third party insists on receiving a commission or fee payment before committing to sign up to a contract with the Group, or carrying out a government function or process for us, or requests a substantial “success fee”;
 - (e) a third party requests payment in cash and/or refuses to sign a formal commission or fee agreement, or to provide an invoice or receipt for a payment made;
 - (f) a third party requests that payment is made to a country or geographic location different from where the third party resides or conducts business and/or has requested separate payments to different bank accounts;
 - (g) a third party requests an unexpected additional fee or commission to “facilitate” a service, e.g. to move goods through customs quickly;
 - (h) a third party does not appear to have any relevant expertise or experience to perform the services required;
 - (i) a third party demands lavish entertainment or gifts before commencing or continuing contractual negotiations or provision of services;
 - (j) a third party requests that a payment is made to “overlook” potential legal violations;
 - (k) a third party has provided any false documents and/or requested anonymity in respect of a transaction;
 - (l) a third party requests that you provide employment or some other advantage to a friend or relative (such as the payment of school fees);
 - (m) receiving an invoice from a third party that appears to be non-standard or customised, or requires payment to an individual or entity not named in the contract;
 - (n) a third party insists on the use of side letters or refuses to put terms agreed in writing;
 - (o) a third party refuses to agree to any anti-corruption contract terms or any anti-bribery and corruption requirements that are requested;
 - (p) being invoiced for a commission or fee payment that appears large given the service stated to have been provided, or large in comparison to the market rates;

- (q) a third party requests or requires the use of an agent, intermediary, consultant, distributor or supplier that is not typically used by or known to the Group; or
- (r) being offered an unusually generous gift or offered lavish hospitality by a third party.

9. FACILITATION PAYMENTS

- 9.1 Facilitation payments are relatively small, unofficial payments made to secure or expedite a routine government action by a Public Official (such as speeding up imports or exports through customs).
- 9.2 Facilitation payments are a form of bribery and are illegal in most countries. Facilitation payments are therefore prohibited by this policy. All Employees and Representatives must therefore avoid any activity that might lead to, or suggest that a facilitation payment will be made, or accepted.

10. RISK ASSESSMENTS

- 10.1 Each Business Unit must carry out a bribery and corruption risk assessment in respect of its operations at least annually (which should normally be carried out at the beginning of each calendar year). This process is necessary to ensure that the Group is aware of high risk scenarios, in order to ensure that it can take steps to reduce such risks and to maintain effective monitoring and internal controls.
- 10.2 Each Business Unit must carry out a bribery and corruption risk assessment prior to entering a new business jurisdiction, making any business acquisition or entering into a joint venture. Appropriate anti-corruption due diligence should be undertaken based on the risks associated with the transaction. Anti-corruption clauses should be inserted into all relevant contracts.
- 10.3 Each Business Unit must carry out a bribery and corruption risk assessment before entering into a new business relationship with government entities. Anti-corruption clauses should be inserted into all contracts with government entities.

11. SUPPLIERS, CUSTOMERS & OTHER BUSINESS PARTNERS

- 11.1 Third parties with whom the Group deals, can also result in us breaching Anti-Bribery & Corruption Laws if they engage in bribery or corruption in connection with their dealings with the Group. Each Business Unit is responsible for adopting policies and procedures to ensure this risk is managed.
- 11.2 When identifying new business partners, a risk-based due diligence process should be used that includes an evaluation of their background, experience and reputation and identification of their ultimate beneficial owners. Consideration should also be given to understanding the services to be provided by the business partner, whether the proposed compensation is commensurate to those services, methods of compensation/payment and the rationale behind the decision to engage them.
- 11.3 The relationship with all customers, suppliers and other business partners should be recorded in writing, within a suitable contractual agreement. In the case of agreements with suppliers, agents or distributors, this contractual agreement must impose appropriate anti-bribery & corruption obligations on the third party.
- 11.4 No payments may be made to business partners other than in accordance with the contract, and no payments may be made in cash. Properly documented and appropriately detailed financial records should be maintained for all transactions.

12. JOINT VENTURES

Joint ventures can potentially represent a higher bribery and corruption risk. Dependent on the level of control that a Business Unit is able to exercise over any particular joint venture, it must ensure that a policy equivalent to this policy is adopted, or (if not) that a policy commensurate with the risks of bribery and corruption in that joint venture is adopted.

13. GIFTS & HOSPITALITY

13.1 This policy does not prohibit Employees from accepting or offering reasonable and appropriate gifts and hospitality in the normal course of business, provided they are not made with the intention of influencing the recipient in order to obtain or retain business or a business advantage and would not be perceived as such by the recipient.

13.2 The following requirements must be met in order for the Group or any Employee to give or receive any gift or hospitality:

- (a) Gifts or hospitality must not be given or provided with the intention of influencing the recipient in order to obtain or retain business or a business advantage, or in circumstances where it could be regarded as likely to influence the outcome of any business transaction or impact upon an employee's business judgement.
- (b) Gifts or hospitality must comply with applicable local laws (for both the person giving and receiving the gift/hospitality).
- (c) Gifts offered or received must not include personal services, or cash or cash equivalents (such as a cheque or vouchers).
- (d) Business-related gifts, entertainment or hospitality (such as lunch, dinner, sporting events) may be given or accepted as long as they are appropriate in the circumstances, are infrequent, reasonable, proportionate and of modest value.
- (e) Taking into account the reason for the gift or hospitality, it must be have been given or accepted at an appropriate time. In particular the timing gifts or hospitality should be avoided immediately prior to, during or after relevant contract negotiations or tenders.
- (f) No gifts or hospitality should be made to or accepted from Public Officials.
- (g) In the case of hospitality, at least one representative of the host (the Business Unit or the third party, as applicable) must be present at the hospitality event.
- (h) Any gifts and hospitality must be given and received openly, not secretly.
- (i) Reimbursement for travel, accommodation or personal expenses for third parties (including customers) should be reasonable, proportionate and directly related to reason for the travel or accommodation. All payments should be made direct to the vendors (i.e. the airline, travel agent and/or hotel) and cash or daily allowances may not be provided.
- (j) As a general rule and where possible and reasonable, any gifts received by Employees should be shared amongst relevant work colleagues, rather than being retained by one individual.

13.3 In addition, each Business Unit must accurately record details of all material gifts and hospitality given or received by Employees in relation to its business, via a centrally maintained register. Each Business Unit is responsible for determining appropriate approval requirements for gifts and hospitality to ensure that adequate oversight is maintained and that gifts or hospitality which are more material in nature or value is subject to a higher level of approval.

14. CHARITABLE & COMMUNITY DONATIONS & SPONSORSHIP

- 14.1 The Group recognises that the making of Donations and Sponsorship, even to charitable and community organisations, can represent a risk of bribery and corruption. Business Units are encouraged to make reasonable and proportionate Donations to charitable or community organisations and to Sponsor charitable or community organisations (or their events), in each case provided that they comply with the following principles:
- (a) All Donations and Sponsorship must be made to a recognised charity or not-for-profit organisation which exists for a legitimate charitable or community purpose. This includes purposes such as education and skills; environmental sustainability, development and remediation; culture, arts and heritage; alleviation of poverty; and social support and cohesion. Such organisations are defined in this policy as a **“Charitable/Community Organisation”**.
 - (b) All Donations and Sponsorship must be reasonable and proportionate in value.
 - (c) All Donations and Sponsorship must comply with all applicable laws.
 - (d) An appropriate and proportionate level of due diligence on the Charitable/Community Organisation must be undertaken, based on publicly information or information provided by the Charitable/Community Organisation. The level of due diligence is not mandated and should be appropriate for the nature of the Charitable/Community Organisation. For example, for large well-known and regulated charities, limited due diligence may be appropriate, but for less well known or unregulated organisations, more due diligence will be required. As a minimum, the fact that the Charitable/Community Organisation is a not-for-profit organisation and who runs it should be identified.
 - (e) Donations and/or Sponsorship must be legitimate and genuine in nature and must never be in exchange for obtaining or giving an inappropriate advantage or benefit, to confer a personal benefit (including on a Public Official or business contact), or in order to seek an improper benefit or to influence a Public Official.
 - (f) All Donations and Sponsorship (regardless of value) should be recorded and should be reported to the General Counsel on request.
- 14.2 Donations to and/or Sponsorship of a Charitable/Community Organisation with a value in excess of £5,000 (or local currency equivalent at the prevailing budget exchange rates) require the prior written approval of the Group or Business Unit General Counsel, regardless of the recipient. This includes a series of Donations to the same organisation which exceed this level in aggregate.
- 14.3 Donations to or Sponsorship of events or causes associated with Public Officials require the prior written approval of the Group or Business Unit General Counsel.

15. POLITICAL DONATIONS, POLICY DEBATE & ADVOCACY

- 15.1 No political donations may be offered to any individuals or organisations on behalf of the Group.
- 15.2 Although the Group prohibits party political donations, Business Units may engage in policy debate and advocacy activities on subjects of legitimate concern to their respective industries and key stakeholders, including their staff and the communities in which they operate. Such engagement processes may include forms of interaction, as regulated by law, with governments, policymakers, multilateral agencies, and professional associations, such as lobbying by normal government processes and channels, monitoring of contracts and contractual opportunities, and relating to government policy or legal/regulatory changes.

16. SALES AGENTS & CONSULTANTS

- 16.1 For the purposes of this policy “**Sales Agents & Consultants**” means any third party (whether an individual or company) who will deal with customers on behalf of the Group in support of the sale or marketing of the Group’s products or services. The key test of whether an individual or company is acting as a Sales Agent or Consultant for the purposes of this policy is that they are acting on the Group’s behalf in relation to the sale or marketing of products or services. Sales Agents & Consultants may include conventional sales or marketing agents who are paid commission for generating sales or introductions or for marketing products or services. It includes agents who are acting as a legal agent (i.e. can enter into contracts on the Group’s behalf) or as an introducer only.
- 16.2 Distributors will not ordinarily be treated as Sales Agents & Consultants, because a conventional distributor buys products directly and then re-sells them on its own behalf, rather than acting on the Group’s behalf to sell or market to third parties. However, some distributors perform a variety of roles and a distributor that does in fact act on the Group’s behalf in the sale or sale or marketing of products or services to third parties should be treated as a Sales Agent or Consultant for the purposes of the policy.
- 16.3 The Group recognises that the use of Sales Agents & Consultants can represent a risk of bribery and corruption, or the perception of bribery and corruption.
- 16.4 Each Business Unit must adopt procedures which ensure that all sales agents and consultants used by them:
- (a) are subject to a bribery & corruption risk assessment before being engaged;
 - (b) are approved by an appropriate method of governance before being engaged (this could include approval by the Legal Function or by a cross-functional committee);
 - (c) are party to a written contact containing suitable anti-corruption clauses; and
 - (d) are subject to a bribery & corruption risk assessment at least once per year.

17. RECRUITMENT & HIRING

- 17.1 The Group recognises that recruitment and hiring decisions can represent a risk of bribery and corruption, or the perception of bribery and corruption.
- 17.2 No person may be offered a paid or unpaid position or promotion at the request or recommendation of a customer or Public Official, other than by way of the Business Unit’s normal hiring processes.
- 17.3 An Employee should not be appointed to a senior or managerial role if the integrity and ethical conduct of that Employee has been the subject of a substantiated allegation or a breach of this policy.
- 17.4 An assessment of the ethical suitability of candidates for all management positions, or roles which represent a higher risk of corruption (such as Finance, Sales/Commercial or Procurement), should be made as part of the recruitment process.

18. TRAINING & AWARENESS

- 18.1 Business Units must provide adequate and regular training to Employees on compliance with Anti-Bribery & Corruption Laws and compliance with relevant policies and ensure that high levels of awareness of the importance of complying with this policy are maintained. The specific training provided may be tailored to the requirements of each Business Unit. Records of completion of such training must be reported to the General Counsel on request.

18.2 Business Units must clearly communicate to Representatives the Group's requirements on compliance with Anti-Bribery & Corruption Laws and ensure that high levels of awareness of the importance of compliance are maintained.

19. RECORDKEEPING

19.1 All Business Units must ensure that:

- (a) accurate financial records are kept and adequate internal controls be in place to evidence business justifications for all payments to third parties;
- (b) accurate records are kept of all risk assessments carried out in relation to anti-bribery and corruption;
- (c) accurate records are kept of all gifts and hospitality given or received;
- (d) all expense claims relating to hospitality, gifts and/or expenses incurred with third parties are submitted in accordance with the expenses policy of that Business Unit and that such claims clearly record the reason for the expense; and
- (e) sufficient records are kept to evidence compliance with this policy.

19.2 Copies of all such records must be provided to the General Counsel on request.

20. DEFINITIONS

20.1 "**Anti-Bribery & Corruption Laws**" has the meaning given in paragraph 3.2.

20.2 "**Business Unit**" means any business unit from time to time of the Group, including the central functions of the Group.

20.3 "**Charitable/Community Organisation**" means a recognised charity or not-for-profit organisation which exists for a legitimate charitable or community purpose. This includes purposes such as education and skills; environmental sustainability, development and remediation; culture, arts and heritage; alleviation of poverty; and social support and cohesion.

20.4 "**Donation**" includes any form of financial donation or contribution, or any other contribution of value, such as the donation of goods or services.

20.5 "**Employee**" means all employees or workers within the Group, which includes full time and part time employees and other workers including contractors, agency workers, interns, apprentices and volunteers.

20.6 "**Group**" means Dowlais Group plc and all subsidiary companies over which it exercises control, including all Business Units.

20.7 "**Public Official**" means any form of public official and includes: (a) officials, whether elected or appointed, who hold a legislative, administrative or judicial position of any kind; (b) any person who performs public functions in national, local or municipal government; (c) any person who exercises a public function for a public agency or enterprise, such as public health agencies; (d) any official or agent of a public international organisation such as the UN or the World Bank; (e) any political candidate, political party, or political party official, or (f) any person acting on behalf of any government, including entities such as state-owned businesses.

20.8 "**Representative**" means any person or organisation who represents, works for or performs a service for or on behalf of the Group, including agents, consultants, business advisers, suppliers, distributors or joint venture partners.

20.9 "**Sales Agents & Consultants**" has the meaning given in paragraph 16.1.

- 20.10 **“Sponsorship”** means sponsoring, endorsing or supporting any cause, event, person or organisation (whether publicly or privately) in any manner outside the ordinary course of business (and **“Sponsor”** shall be construed accordingly).