

PEPCO GROUP N.V

Prevention of Bribery and Corruption Policy

Introduction by the Chief Executive Officer

Pepco Group Limited and companies in the Pepco group (collectively “the Pepco Group” or the “Group”) are committed to conducting our business in an ethical and professional manner. The suggestion of corruption may damage the reputation of the Pepco Group, affect our ability to do business and may also bring the personal integrity of individuals into question. Aside from the fact that breach of the policy is a serious criminal offence for both the Group and individuals, bribery and corruption is bad for the economy.

The Pepco Group is committed to complying with all applicable laws against bribery and corrupt practices in the jurisdictions in which we operate. This includes the anti-bribery laws of the UK (where our Group is headquartered) and in all countries in which we operate.

Our objective is to ensure that our Group’s managers, employees and any individuals and companies acting on behalf of, or performing services for the Pepco Group understand and commit to abiding at all times by the highest ethical standards in the jurisdictions in which we operate. We expect that our suppliers and third parties that we work with abide by the same ethical standards.

We consider a breach of this Policy to be a very serious matter. A breach may result in disciplinary action up to and including dismissal of an individual in appropriate circumstances.

Should you have any questions about this Policy or our approach to anti-bribery and corruptions or other ethical issues, I encourage you to discuss them with your manager, or a member of the HR team or legal team as you feel is appropriate. You can also contact the Speak Up hotline to report any concerns.

Andy Bond

Author of Document	Group Legal
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11/2021	v1.0	Pepco Group Limited Policy	
07/12/2022	v2.0	Updated to reflect adoption by N.V Board as Group Policy 24/05/2021. Formatting and addition of Whistle-blower hotline provided by SafeCall	MH

1. Policy Aims

This Policy:

- sets out the standards we expect our colleagues and business partners to adhere to regarding the prevention of bribery and corruption;
- provides guidance to our colleagues and business partners in relation to giving and receiving gifts and hospitality; and
- states the consequences of any breach of the policy and what to do if you know or suspect there is a breach of the Policy.

2. Who Does the Policy Apply To?

This Policy applies to:

- all directors and officers of entities within the Pepco Group;
- employees of entities within the Pepco Group;
- associates, contractors, consultants and agents (collectively “our business partners”) of the Pepco Group; and
- any person or company acting on behalf of an entity within the Pepco Group.

The Pepco Group can be prosecuted for the actions of its business partners and it is not possible to avoid liability by permitting a business partner to pay or receive a bribe on behalf of the Group.

3. What is Bribery and Corruption?

As a Group with its head office located in the United Kingdom with global operations, the Pepco Group and any UK residents or citizens who work for the Group are subject to UK anti-bribery and corruption laws. The key UK anti-bribery and corruption law is the Bribery Act 2010 (the “Bribery Act”), which complies with the OECD Anti-Corruption Convention. Entities within the Pepco Group and individuals who work in other countries in which we operate our business will also be subject to local laws anti-bribery and corruption laws.

A bribe means authorising, offering, promising, giving, accepting, or asking for an advantage or inducement (which can be financial or non-financial) with the intention to improperly influence a person’s views or actions.

A bribe can include money, or any offer, promise or gift of something of value or advantage. It need not necessarily be of large value. It might include meals, entertainment, travel, incentive programmes, loans or discounts. For example, you insist that a supplier provides you with tickets to a sporting event and in return you will list their products. It might also include intangible benefits such as the provision of information or advice or assistance in arranging a business transaction. Facilitation payments are also bribes, as explained in section 8 below, and are prohibited under this Policy.

Corruption is the abuse of an entrusted power or position for private gain. E.g. you know that your store is not in compliance with fire standards and you offer the fire safety inspector some money or free product in return for her turning a blind eye to the breaches.

Bribery and corruption can be of individuals, companies, or public officials and all are prohibited under this Policy. Any government minister, civil servant or employee of government-owned or government-controlled entity will be a public official. The Group's policy is that any associates, family members and close acquaintances of public officials should be treated as if they were themselves a public official for the purposes of this Policy.

4. What is Prohibited

Directors, officers, employees and business partners of the Pepco Group must never, whether directly or indirectly, authorise, offer promise, give, solicit or receive a financial or other advantage of any kind as an inducement or reward for acting improperly in any way connected with the business of the Pepco Group.

5. Gifts and Hospitality

We recognise that gifts and hospitality can assist in establishing goodwill and enhancing relationships with business partners, improving the image of our Group and/or reputation or presenting the Groups products more effectively.

With certain restrictions, the exchange of gifts and hospitality is a lawful business practice. Nevertheless, directors, officers, employees and business partners of the Pepco Group should not ask for or encourage hospitality or gifts. This is particularly important if you are in a tendering situation or supplier review, you should avoid gifts and hospitality.

In addition, gifts must be given in the company name, openly (i.e. delivered to work, not home). All gifts should be logged in the gift register [and accepted on behalf of the company donated to charity or raffled for charity] and gifts or hospitality over the agreed limits explained in section 7 must be approved via the local gifts and hospitality approval process.

Whenever a director, officer, employee or business partner of the Pepco Group is considering offering, accepting or providing gifts or hospitality, they must ensure that these:

- are in good faith, occasional, appropriate and reasonable;
- are for reasons related to the Group's business and the specific individuals involved;
- constitute a normal business courtesy (such as paying for a meal or shared taxi);
- comply with any applicable laws, including those which may apply to any relevant public officials;
- could not reasonably be regarded in any way as a bribe;
- are not lavish or extravagant in the context provided (the threshold here when dealing with public officials may be considerably lower than in the commercial context);
- are not given or received with the intent or prospect of improperly influencing the recipient's decision making or other context;
- are not part of a "quid-pro-quo" or reciprocal exchange agreement;
- are capable of being approved and personally reclaimed in accordance with the appropriate business expense policies and procedures;
- are not in cash, vouchers, bank transfer, pre-paid card, restaurant vouchers or other form which can be directly exchanged for cash; and
- are approved in advance if required by this Policy.

Low value items such as pens, mugs, diaries, caps etc that carry the giving company logo can be retained by colleagues.

You must never give a gift to a government or public official without approval from your legal team. This includes paying for travel or accommodation. You must never make a monetary payment to a government or public official.

Samples are owned by the Group and unless purchased via a properly organised sample sale, will not become the personal property of any colleague. Follow your local sample process.

Guidance should always be sought from your legal team in cases of doubt as to the appropriateness of the offer of a gift or hospitality.

6. Approval Limits

Any director, officer, employee or business partner who intends to offer or provide gifts or hospitality to a public official must receive prior written approval from [your legal team].

No gifts or hospitality of a value of more than [€75] should be offered or provided to a third party or accepted from a third party unless they have been suitably approved in advance by [OpCo director or your legal team], who shall maintain a record of all such requests and approvals, such record to be regularly reviewed and updated.

7. Record Keeping

You must declare and keep a written record of all hospitality or gifts given or received. You must also submit all expenses claims relating to hospitality, gifts or payments to third parties in accordance with local procedures and expenses policy including recording the reason for expenditure.

Expenses whether incurred directly by you or on the Group's behalf by a third party must be in accordance with local expenses policy limits. You must always maintain proper receipts for business expenses and reclaim them through the standard expense process.

If suppliers are making payments on our behalf or incurring expenditure (such as paying consultants) you must ensure that these payments are legitimate and properly documented and are for evidenced business reasons.

You must ensure that invoices are appropriately supported by relevant documents and accurately reflect what payments have been made in respect of. You must not keep any "off book accounts" or records of payments all monies paid and received must be recorded via the accounts team.

If in any doubt seek clarify from your line manager or from your legal team.

8. Facilitation Payments and Kick backs

We do not make or accept facilitation payments of any kind.

Facilitation payments are typically small, unofficial payments (usually, but not necessarily, made to a public official) to encourage the recipient or a third party to carry out their existing obligations or role or to expedite a routine task. Facilitation payments often arise in the context of licensing, planning applications, customs clearance, immigration permits and visas, tax assessments and other permits and licences.

Kickbacks are typically payments made in return for a business favour or advantage. You should avoid any activity that may lead to or suggest that a facilitation payment or kickback will be made or accepted by us.

Facilitation payments are prohibited under the Bribery Act and the local anti-bribery and corruption laws in many other countries in which the Pepco Group conducts business. It is prohibited for any director, officer, employee or business partner of the Group to offer, promise or pay any facilitation payment of any kind to any third party, including to public officials. If you are asked to make a payment of this type, then provided you are not at risk of personal harm, then you should not make the payment, ask for details of the payment to be made in writing and refer this to your legal team.

9. Extortion

The Pepco Group recognises that in some cases an individual's welfare or safety, or the welfare or safety of an individual's family could be at risk if they do not respond to a direct or indirect request by a third party for a bribe.

If a director, officer, employee or business partner finds themselves in this situation, they should never put themselves in danger but should promptly report any such request to your line manager and legal team. The Group will not take disciplinary action against any person who makes a payment in such circumstances if they genuinely believe that they or their family members would have been put in danger if they had not done so.

10. Political and Charitable Donations

We do not make contributions to politicians, political parties or politically-affiliated organisations, either directly or indirectly. Any exceptions to this rule must be authorised in advance by the audit and risk committee of Pepco Group Limited, who shall maintain a record of all such requests.

All directors, officers, employees or business partners involved in the making of any such donation must consider and be fully satisfied that it is not being made for the purpose of obtaining business or any other advantage in the conduct of business. All payments must also comply with all applicable laws relating to political donations, including public disclosure requirements.

We do not use charitable donations as a substitute for political donations. We will only make charitable contributions to legitimate charities that align with our corporate strategy. No charitable contribution should be made without prior approval of [the legal team].

The Pepco Group recognises that everyone has a right to participate as individuals in the political process and to make personal political donations from personal funds. No director, officer, employee or business partner can be reimbursed or otherwise compensated by the Group for any personal political donation.

The Group's directors, officers, employees and business partners shall not use company time, property or equipment to carry out or support personal political activities.

11. Lobbying

Although the Pepco Group does not directly participate in politics and political activities, it does recognise the importance of engagement in policy debate on subjects of legitimate concern to its business, officers, employees, business partners, customers and the communities in which we operate.

Any director, officer, employee or business partner of the Group who lobbies on behalf of any entity within the Pepco Group must comply with all requirements of applicable laws and regulations (including but not limited to complying with the laws and regulations relating to registration, disclosure and reporting) and must seek prior approval from [their opco CEO

and their legal team]. Any third party lobbyists to be engaged on behalf an entity within the Group must also be approved in advance by the entity's Audit Committee.

12. Your Responsibility

You should make sure that you read, understand and comply with this Policy at all times and attend relevant training that you are invited to. If you are a line manager, you must ensure that your team is appropriately trained.

You should ask for help if you are in doubt or unsure about whether something is bribery or corruption. It is always better to double check.

13. Raising Concerns

If you suspect that breaches of law or of this Policy may be occurring or are about to occur or if you become aware of any suspicious behaviour, risky or evidently corrupt conduct by any person acts of bribery or potential bribery or any other policy breach or if you have a genuine concern about inappropriate commercial conduct, you are expected to immediately report your suspicions.

There are a variety of reporting options available to you including your line manager or other manager, your legal team or to the speak up hotline provided by [SafeCall](#) using your locally issued telephone number. We would encourage you to raise concerns early.

14. No Retaliation

You will not face any reprisal for raising genuine concerns via this Policy. If you have raised an issue with us and believe you are being targeted as a result, you should get in touch with the helpline and let us know. If we find that you have raised an issue maliciously, you may be subject to disciplinary action.

15. Breach of This Policy

All suspected breaches of this Policy will be investigated. If upheld, it may lead to disciplinary action up to and including dismissal or termination of contract. It may also be a criminal offence and we reserve the right to pass relevant details to the police or relevant enforcement body.

This Policy does not form part of your terms and conditions of employment and can be amended at any time.