


## QM 7.8.2 BUSINESS ETHICS, BRIBERY & CORRUPTION POLICY



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<b>What is this policy for?</b> We are committed to the highest standards of ethical conduct and integrity in its business activities in the UK. This policy outlines our position on preventing and prohibiting bribery, in accordance with the Bribery Act 2010. We will not tolerate any form of bribery by, or of, its employees, agents or consultants or any person or body acting on its behalf. Senior management is committed to implementing effective measures to prevent, monitor and eliminate bribery.  <b>Who is this policy for?</b> This policy applies to all our employees, temporary workers, consultants, contractors, members of the local community, agents and subsidiaries acting for, or on behalf of us ("associated persons") within the UK and overseas. This policy does not form part of your contract of employment.	

### Scope

You are responsible for maintaining the highest standards of business conduct. Any breach of this policy is likely to constitute a serious disciplinary, contractual and criminal matter for the individual concerned and may cause serious damage to the reputation and standing of the Company.

We may also face criminal liability for unlawful actions taken by its employees or associated persons under the Bribery Act 2010. All employees and associated persons are required to familiarise themselves and comply with this policy, including any future updates that may be issued from time to time by us.

The Bribery Act 2010 has been in force since 1 July 2011. This policy covers:

- the main areas of liability under the Bribery Act 2010;
- the responsibilities of employees and associated persons acting for, or on behalf of, the Company; and
- the consequences of any breaches of this policy.

### Bribery Act 2010

We are committed to complying with the Bribery Act 2010 in its business activities in the UK and overseas.

Under the Bribery Act 2010, a bribe is a financial or other type of advantage that is offered or requested with the:

- intention of inducing or rewarding improper performance of a function or activity or
- knowledge or belief that accepting such a reward would constitute the improper performance of such a function or activity.

# QM 7.8.2 BUSINESS ETHICS, BRIBERY & CORRUPTION POLICY



A relevant function or activity includes public, state or business activities or any activity performed in the course of a person's employment, or on behalf of another organisation or individual, where the person performing that activity is expected to perform it in good faith, impartially, or in accordance with a position of trust.

A criminal offence will be committed under the Bribery Act 2010 if:

- you offer, promise, give, request, receive or agree to receive bribes; or
- you offer, promise or give a bribe to a foreign public official with the intention of influencing that official in the performance of their duties (where local law does not permit or require such influence); and
- we do not have the defence that it has adequate procedures in place to prevent bribery by you.

## **Procedure**

### **What is prohibited?**

We prohibit you from offering, promising, giving, soliciting or accepting any bribe. The bribe might be cash, a gift or other inducement to, or from, any person or organisation, whether a public or government official, official of a state-controlled industry, political party or a private person or organisation, regardless of whether you are situated in the UK or overseas. The bribe might be made to ensure that a person or organisation improperly performs duties or functions (for example, by not acting impartially or in good faith or in accordance with their position of trust) to gain any commercial, contractual or regulatory advantage for the Company in either obtaining or maintaining Company business, or to gain any personal advantage, financial or otherwise, for the individual or anyone connected with the individual.

This prohibition also applies to indirect contributions, payments or gifts made in any manner as an inducement or reward for improper performance, for example through consultants, contractors or sub-contractors, agents or sub-agents, sponsors or sub-sponsors, joint-venture partners, advisors, customers, suppliers or other third parties.

### **Records**

You are required to take particular care to ensure that all organisation records are accurately maintained in relation to any contracts or business activities, including financial invoices and all payment transactions with clients, suppliers and public officials. Due diligence should be undertaken by you prior to entering into any contract, arrangement or relationship with a potential supplier of services, agent, consultant or representative.

You are required to keep accurate, detailed and up-to-date records of all corporate hospitality, entertainment or gifts accepted or offered.

# QM 7.8.2 BUSINESS ETHICS, BRIBERY & CORRUPTION POLICY



## **Facilitation payments**

### **Principle**

We prohibit you from making or accepting any facilitation payments. These are payments made to government officials for carrying out or speeding up routine procedures. They are more common overseas. Facilitation payments are distinct from an official, publicly available fast-track process. Facilitation payments, or offers of such payments, will constitute a criminal offence by both the individual concerned and the Company under the Bribery Act 2010, even where such payments are made or requested overseas. You are required to act with greater vigilance when dealing with government procedures overseas.

### **Procedure**

Where a public official has requested a payment, you should ask for further details of the purpose and nature of the payment in writing. If the public official refuses to give these, this should be reported immediately to the Managing Director.

If the public official provides written details, the Managing Director will consider the nature of the payment. Local legal advice may be sought by us. If it is concluded that the payment is a legitimate fee, for example part of a genuine fast-track process, or is permitted locally, we will authorise the employee to make the payment.

Where the Managing Director considers that the request is for a facilitation payment, you will be instructed to refuse to make the payment and notify the public official that the employee or associated person is required to report the matter to us and the UK embassy. We will seek the assistance of the relevant employee in its investigation and may determine that the matter should be referred to the prosecution authorities.

If you have any other concerns about the nature of a request for payment, you should report it to the Managing Director using the reporting procedure set out in this policy and in accordance with our Whistleblowing Policy.

## **Corporate entertainment, gifts, hospitality and promotional expenditure**

### **Principle**

We permit corporate entertainment, gifts, hospitality and promotional expenditure that is undertaken:

- for the purpose of establishing or maintaining good business relationships
- to improve the image and reputation of us or
- to present our products effectively

provided that it is arranged in good faith, and not offered, promised or accepted to secure an advantage for us or any of its employees or associated persons or to influence the impartiality of the recipient. We will authorise only reasonable, appropriate and proportionate entertainment and promotional expenditure.

### **Procedure**

You should submit requests for proposed hospitality and promotional expenditure well in advance of proposed dates to your line manager.

# QM 7.8.2 BUSINESS ETHICS, BRIBERY & CORRUPTION POLICY



You are required to set out in writing:

- the objective of the proposed client entertainment or expenditure
- the identity of those who will be attending
- the organisation that they represent and
- details and rationale of the proposed activity.

We will approve business entertainment proposals only if they demonstrate a clear business objective and are appropriate for the nature of the business relationship. We will not approve business entertainment where it considers that a conflict of interest may arise or where it could be perceived that undue influence or a particular business benefit was being sought (for example, prior to a tendering exercise).

Any gifts, rewards or entertainment received or offered from clients, public officials, suppliers or other business contacts should be reported immediately to your line manager. In certain circumstances, it may not be appropriate to retain such gifts or be provided with the entertainment and you and associated persons may be asked to return the gifts to the sender or refuse the entertainment, for example, where there could be a real or perceived conflict of interest. As a rule, small tokens of appreciation, such as flowers or a bottle of wine, may be retained by you. It may also be that gifts are pooled and then distributed fairly between staff.

## **What practices are permitted?**

This policy does not prohibit:

- normal and appropriate hospitality and entertainment with clients
- the use of any recognised fast-track process that is publicly available on payment of a fee.

Any such practices must be proportionate, reasonable and made in good faith. Clear records must be kept.

## **AI and Algorithmic Ethics**

The use of Artificial Intelligence (AI), machine learning models, or algorithmic systems in business operations must adhere to principles of transparency, fairness, and accountability. Employees and contractors must not:

- Deploy or manipulate AI systems to produce biased, unethical, or corrupt outcomes.
- Use AI tools to obscure decision-making in procurement, pricing, hiring, or compliance.
- Override ethical or legal standards using AI-generated recommendations.
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All AI systems used in sensitive or compliance-related contexts must be auditable and explainable.

## **Reporting suspected bribery**

### **Principle**

We depend on you to ensure that the highest standards of ethical conduct are maintained in all its business dealings. You are requested to assist the Company and to remain vigilant in preventing, detecting and reporting bribery.

## QM 7.8.2 BUSINESS ETHICS, BRIBERY & CORRUPTION POLICY



You are encouraged to report any concerns that they may have to the Managing Director as soon as possible. Issues that should be reported include:

- any suspected or actual attempts at bribery
- concerns that other employees or associated persons may be being bribed or
- concerns that other employees or associated persons may be bribing third parties, such as clients or government officials.

### **Procedure**

If you have any concerns about fraud, bribery or corruption please contact your line manager. Any such reports will be thoroughly and promptly investigated in the strictest confidence. You will be required to assist in any investigation into possible or suspected bribery.

Those who report instances of bribery in good faith will be supported by us. We will ensure that you are not subjected to detrimental treatment as a consequence of your report. Any instances of detrimental treatment by a fellow employee because you have made a report will be treated as a disciplinary offence. An instruction to cover up wrongdoing is itself a disciplinary offence. If told not to raise or pursue any concern, even by a person in authority such as a manager, you should not agree to remain silent and should report the matter to the Managing Director.

### **Action by the Company**

We will fully investigate any instances of alleged or suspected bribery. Those suspected of bribery may be suspended from their duties while the investigation is being carried out. We will invoke our Disciplinary Procedures if you are suspected of bribery, and proven allegations may result in a finding of gross misconduct and immediate dismissal. We may terminate the contracts of any associated persons, including consultants or other workers who act for, or on behalf of us, who are found to have breached this policy.

We may also report any matter to the relevant authorities, including the Director of Public Prosecutions, Serious Fraud Office, HM Revenue and Customs Prosecutions Office and the Police. We will provide all necessary assistance to the relevant authorities in any subsequent prosecution.

The process that should be followed by managers in the event that a breach of this policy is reported can be found at the end of this document.

### **ETI Base Code**

We are pleased to confirm that Suncream Dairies fully adheres to the Ethical Trading Initiative (ETI) Base Code. The ETI Base Code reflects key international standards and is founded on the conventions of the International Labour Organization (ILO). Our commitment to these principles underscores our dedication to ethical business practices and responsible sourcing.

## QM 7.8.2 BUSINESS ETHICS, BRIBERY & CORRUPTION POLICY



### Process for Line Managers in Dealing with a Report of a Breach of Business Ethics Policy

#### **Acknowledgement and Initial Response**

Upon receiving a report of a potential breach of the business ethics policy, the line manager must acknowledge receipt of the report promptly. This can be done through a written or verbal confirmation to the reporting individual. Ensure the reporting individual that the matter will be treated with the utmost confidentiality to protect their identity and any sensitive information involved.

#### **Preliminary Assessment**

Collect basic details about the reported breach, including the nature of the breach, the individuals involved, the timing, and any supporting evidence. Assess the urgency of the situation. If the breach involves immediate harm or significant risk to individuals or the company, escalate the issue to senior management or the managing director immediately.

#### **Investigation Planning**

If necessary, form a small, neutral team to conduct a thorough investigation. This team may include HR representatives, legal advisors, and other relevant personnel. Outline the scope of the investigation and establish a timeline for completing it. Ensure that the investigation is thorough but also efficient to avoid unnecessary delays.

#### **Conducting the Investigation**

Gather all relevant documentation, emails, and other evidence related to the reported breach. This may include interviewing witnesses, reviewing company records, and any other pertinent actions. Conduct interviews with the individuals directly involved in the breach as well as any witnesses. Ensure that interviews are conducted in a fair and impartial manner. Keep detailed records of all investigative steps, findings, and communications throughout the process.

#### **Analysis and Decision Making**

Analyse the collected evidence to determine whether a breach of the business ethics policy has occurred, referring to this policy. Consult with senior management, legal advisors, or an ethics committee to review the findings and determine appropriate actions.

#### **Reporting and Communication**

Compile a comprehensive report detailing the investigation process, findings, conclusions, and recommended actions. Inform the reporting individual and any other relevant parties of the investigation's outcome, ensuring that the information shared respects our confidentiality agreements.

#### **Taking Action**

1. If a breach is confirmed, implement appropriate disciplinary actions in accordance with company policy and with guidance from the HR Manager. This may include reprimands, retraining, suspension, or termination, depending on the severity of the breach
2. Identify and implement any corrective actions needed to prevent future breaches. This may involve policy revisions, additional training, or changes in procedures.

## QM 7.8.2 BUSINESS ETHICS, BRIBERY & CORRUPTION POLICY



### Follow-Up

Continue to monitor the situation to ensure that the corrective actions are effective and that no further breaches occur.

### Documentation and Record Keeping

Keep all records of the investigation, findings, and actions taken securely.

### Continuous Improvement

Periodically review the ethics reporting and investigation process to identify areas for improvement and ensure it remains effective and fair.

By following this structured process, managers can handle reports of business ethics policy breaches efficiently, fairly, and consistently, maintaining the integrity of the organisation's ethical standards.

Date	Reason for Change
9 <sup>th</sup> October 2023	Regular Policy Review Addition of document location
11 <sup>th</sup> July 2024	Added commitment to local community Expanded to include process for line managers
5 June 2025	Reviewed and added section on AI and Algorithmic Ethics

Managing document location:

Hard Copy or LMS location:	<ul style="list-style-type: none"><li>- LMS</li><li>- Staff Room</li><li>- Supplier Code of Practice</li><li>- Printed Employee Handbook</li></ul>
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