



DEVRO

EXTERNAL POLICY ON BUSINESS CONDUCT

EFFECTIVE DATE: **9 DECEMBER 2020**

1. POLICY STATEMENT

It is our policy to conduct all of our business in an honest and ethical manner. We take a zero-tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate. We undertake to implement and enforce effective systems to maintain this approach to the conduct of our business and we expect third parties acting on our behalf to adopt as a minimum, these standards.

2. WHO MUST COMPLY WITH THIS POLICY?

This policy applies to all persons working for any member of the Devro group of companies (each a “**Group Company**” and collectively “**Group**” or “**we**”), including agents, contractors, external consultants, third-party representatives (including distributors) and business partners, sponsors, or any other person associated with a Group Company, wherever located (“**you**”).

3. BRIBERY & CORRUPTION

3.1 What are bribery and corruption?

- (i) **Bribery** is offering, promising, giving or accepting any financial or other advantage, to induce the recipient or any other person to act improperly in the performance of their functions, or to reward them for acting improperly, or where the recipient would act improperly by accepting the advantage.
- (ii) An **advantage** includes money, gifts, loans, fees, hospitality, services, discounts, the award of a contract or anything else of value.
- (iii) A person acts **improperly** where they act illegally, unethically, or contrary to an expectation of good faith or impartiality, or where they abuse a position of trust. The improper acts may be in relation to any business or professional activities, public functions, acts in the course of employment, or other activities by or on behalf of any organisation of any kind.

(iv) Corruption is the abuse of entrusted power or position for private gain.

3.2 It is a criminal offence to offer, promise, give, request, or accept a bribe. Individuals found guilty can be punished by up to ten years' imprisonment and/or a fine.

3.3 **What you must not do**

- (i) It is not acceptable for you (or someone on your behalf) 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;
 - give or accept a gift or hospitality during any commercial negotiations or tender process, if this could be perceived as intended or likely to influence the outcome;
 - accept a payment, gift or hospitality from a third party that you know or suspect is offered with the expectation that it we will provide a business advantage for them or anyone else in return;
 - accept hospitality from a third party that is unduly lavish or extravagant under the circumstances.
 - offer or accept a gift to or from politicians or political parties;
 - threaten or retaliate against another individual who has refused to commit a bribery offence or who has raised concerns under this policy; or
 - engage in any other activity that might lead to a breach of this policy.
- (ii) No payments of any kind (whether commissions, promotional expenses, personal expenses, free goods or whatever) shall be made to an unaffiliated distributor or sales agent (or employee or agent thereof) in any country other than that in which the sales were made or in which the distributor or sales agent has a substantial place of business.

3.4 **Facilitation payments and kickbacks**

- (i) We do not make, and will not accept, facilitation payments or 'kickbacks' of any kind.

Facilitation payments, also known as 'back-handers' or 'grease payments', are typically small, unofficial payments made to secure or expedite a routine or necessary action (for example by a government official).

Kickbacks are typically payments made in return for a business favour or advantage.

- (ii) You must avoid any activity that might lead to a facilitation payment or kickback

being made or accepted by us or on our behalf, or that might suggest that such a payment will be made or accepted. If you are asked to make a payment on our behalf, you should always be mindful of what the payment is for and whether the amount requested is proportionate to the goods or services provided. You should always ask for a receipt, which details the reason for the payment. If you have any suspicions, concerns or queries regarding a payment, you should raise these with the Group Company Secretary.

3.5 **Gifts, hospitality and expenses**

- (i) It is our policy to exercise discretion to allow for reasonable and appropriate hospitality or entertainment to be given to or be received from third parties, for the purposes of:
- establishing or maintaining good business relationships;
 - improving or maintaining our image or reputation; or
 - marketing or presenting our products and/or services effectively.
- (ii) The giving and accepting of gifts is allowed if the following requirements are met:
- it is not made with the intention of influencing a third party to obtain or retain business or a business advantage, or to reward the provision or retention of business or a business advantage, or in explicit or implicit exchange for favours or benefits;
 - it is given in our name, not in your name;
 - it does not include cash or a cash equivalent (such as gift certificates or vouchers);
 - it is appropriate in the circumstances, taking account of the reason for the gift, its timing and value;
 - it is given openly, not secretly;
 - in the case of a gift to a government official, it is of low value (less than £20) and includes the company's name/logo;
 - it complies with any applicable local law; and
 - the recipient is not a politician or a political party.
- (iii) In general, it is acceptable to receive small gifts, such as pens, calendars, diaries etc. of modest value, particularly if they bear the company's name or insignia and can thus be regarded as being in the nature of advertising matter.
- (iv) We appreciate that practice 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, hospitality or payment is reasonable and justifiable. The intention behind it should always be considered.

3.6 **Donations**

- (i) We do not make contributions to political parties.
- (ii) We only make charitable donations that are legal and ethical under local laws and practices.

3.7 **Record Keeping**

- (i) All accounts, invoices, and other records should be prepared with strict accuracy and completeness. Accounts must not be kept "off-book" to facilitate or conceal improper payments.
- (ii) No undisclosed or unrecorded fund or asset shall be established for any purpose.
- (iii) No false or artificial entry shall be made in the books and records for any reason.
- (iv) No payment shall be approved or made with the knowledge or understanding that any part of such payment shall be used for any purpose other than that described by documents supporting the payment.

3.8 **EthicsPoint**

- (i) If you are offered a bribe, or are asked to make one, or if you believe or suspect that any bribery, corruption or other breach of this policy has occurred or may occur, you must report it as soon as possible. If you are unsure about whether a particular act constitutes bribery or corruption, raise it with the Group Company Secretary or with confidential externally-hosted whistleblowing hotline, EthicsPoint. The contact details for the Group Company Secretary and EthicsPoint are set out in the Schedule to this policy.
- (ii) Individuals who refuse to accept or offer a bribe, or who raise concerns or report another's wrongdoing, are sometimes worried about possible repercussions. We aim to encourage openness and will support anyone who raises genuine concerns in good faith under this policy, even if they turn out to be mistaken.
- (iii) We are committed to ensuring no one 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 threats or other unfavourable treatment connected with raising a concern. If you believe that you have suffered any such treatment, you should inform the Group Company Secretary immediately.

4. **TAXATION**

- 4.1 Group companies will honour their responsibility to pay all taxes which are fairly levied. While

reasonable tax planning is acceptable, and tax demands may be challenged in good faith, we will not engage in unlawful or aggressive efforts to avoid our tax obligations.

4.2 We will not help others evade their tax responsibilities.

5. CONFLICTS OF INTEREST

5.1 You have a duty to avoid business, financial or other direct or indirect interests or relationships which conflict with the interests of the Group or which divide your loyalty to the Group. Any activity which even appears to present such a conflict must be avoided or terminated unless it is determined that the activity is not harmful to the Group or otherwise improper.

5.2 A conflict or the appearance of a conflict of interest may arise in many ways. For example, depending on the circumstances, the following may constitute a conflict of interest:

- (i) Ownership of or an interest in a competitor either directly or indirectly such as through family members.
- (ii) Profiting, or assisting others to profit from, confidential information or business opportunities that are available because of the engagement with the Group.
- (iii) Having a close or longstanding relationship/friendship with a Group Company worker (prior to establishing a business relationship with a Group Company).
- (iv) Buying or selling securities of any other company using non-public information obtained because of your engagement with the Group, or providing such information so obtained to others.

5.3 To summarise, you are obligated to disclose in writing either to your usual Group Company contact or to the Group Company Secretary, your own conflict or an appearance of a conflict of interest. The end result of the process of disclosure, discussion and consultation may well be approval of certain relationships or transactions on the ground that, despite appearances, they are not harmful to the Group. But all conflicts of interest are prohibited, even if they do not harm the Group, unless they have gone through this process.

6. COMPLIANCE WITH LAWS AND REGULATIONS

6.1 The Group's business is subject to extensive governmental regulation throughout the world. Consistent with the Group's business philosophy, it is the policy of the Group to comply with the laws of each country in which our companies do business, including (but not limited to) relevant anti-trust and competition laws, environmental laws and regulations, relevant safety laws and regulations and employment laws.

6.2 **Sanctions.** It is the policy of the Group to comply with all trade, economic and financial sanctions laws, regulations, embargoes or restrictive measures to which the Group is subject and all those administered, enacted or enforced by the Security Council of the United Nations; the United States of America; the European Union; the United Kingdom; and their respective governments, official institutions and agencies.

7. **BREACHES OF THIS POLICY**

We will exercise our rights in the event of a breach of this policy which may include termination our relationship with you.

**Schedule
Contact Details**

1. Group Company Secretary

Andrew Money
andrew.money@devro.com
Tel: +44 (0)7824 140621

2. EthicsPoint (Externally-Hosted Whistleblowing Service) Contact Details

Website:

devro.ethicspoint.com

Phone Numbers:

Australia – 1800 575 094

China – 400 120 4710

Czech Republic – 800 144 479

Germany – 0800 1810259

Hong Kong – 800 930 962

Japan – 0900-111-2166

Netherlands – 0800 0232824

New Zealand – 0800 753 247

Russia – 8 800 100 96 56

United Kingdom – 0800 069 8050

United States – 833-316-0539