

Antibribery & corruption policy



Foreword

This policy sets out the general rules and principles to which we adhere. It will be communicated to all businesses and employees overseen by the OS Phoenix Topco Ltd board, as well as relevant business partners and other necessary individuals and entities. Those who work in areas within our business identified as being particularly high risk will receive additional training and support in identifying and preventing corrupt activities.

This policy explains the procedures through which Reconomy can maintain its high ethical standards and protect its reputation against any allegations of bribery and corruption. Its successful implementation requires pro-active adoption at the following levels:

You – as an employee of Reconomy, you are required to read and understand all aspects of this policy, and abide by it.

Local Management – Each business units overall compliance with the requirements of this policy is the responsibility of the Managing Director and Chief Financial Officer and subject to approval by them will ensure the various business units adherence to sections 6, 7 and 8 of this policy.

Business Unit Managers – are responsible for the compliance of business units within their control.

OS Phoenix Topco Ltd – “The Board” will assist each business unit with continuous refreshing and reinforcing of this policy via application guidance and monitoring.

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1. Introduction

It is Reconomy's policy to conduct business in an honest way, and without the use of corrupt practices or acts of bribery to obtain an unfair advantage.

Reconomy is committed to ensuring adherence to the highest legal and ethical standards. This must be reflected in every aspect of the way in which we operate. We must bring integrity to all our dealings. Bribery and corruption harms the societies in which these acts are committed and prevents economic growth and development.

This is not just a cultural commitment on the part of the company it is a moral issue and a legal requirement. Bribery is a criminal offence in the UK and is governed by The Bribery Act 2010, and corrupt acts expose the Company and its employees to the risk of prosecution, fines and imprisonment, as well as endangering the Company's reputation.

This policy has been adopted by the Board and is to be communicated to everyone involved in our business to ensure their commitment to it. The Board attaches the utmost importance to this policy and will apply a "zero tolerance" approach to acts of bribery and corruption by any of our employees or by business partners working on our behalf. Any breach of this policy will be regarded as a serious matter by the Company and is likely to result in disciplinary action or immediate termination of contracts in respect of our suppliers if after investigation they are found to be at fault.

2. What is Bribery and Corruption?

Bribery and corruption has a range of definitions in law, but the fundamental principles apply universally.

Bribery is the offer, promise, giving, demanding or acceptance of an advantage as an inducement for an action which is illegal, unethical or a breach of trust.

Corruption is the misuse of public office or power for private gain; or misuse of private power in relation to business outside the realm of government.

Acts of bribery or corruption are designed to influence the individual in the performance of their duty and incline them to act dishonestly. For the purposes of this policy, whether the payee or recipient of the act of bribery or corruption works in the public or private sector is irrelevant.

The person being bribed is generally someone who will be able to obtain, retain or direct business. This may involve sales initiatives, such as tendering and contracting; or, it may simply involve the handling of administrative tasks such as licenses, customs, taxes or import/export matters. It does not matter whether the act of bribery is committed before or after the tendering of a contract or the completion of administrative tasks.

3. What is a Bribe?

Bribes can take on many different shapes and forms, but typically they involve corrupt intent. There will usually be a 'quid pro quo' – both parties will benefit. A bribe could be the:

- Direct or indirect promise, offering, or authorisation, of anything of value
- Offer or receipt of any kickback, loan, fee, reward or other advantage
- Giving of aid, donations or voting designed to exert improper influence

4. Who Can Engage in Bribery or Corruption?

In the eyes of the law, bribery and corrupt behaviour can be committed by any one of a number of individuals and although (not exhaustive) examples are given below:

- An employee, officer or director
- Any person acting on behalf of the Company (e.g our business partners- subcontractors or suppliers)
- Individuals and organisations where they authorise someone else to carry out these acts
- A public official
- A political candidate or party official
- A representative of a government-owned/majority-controlled organisation

5. What Does the Law Say About Bribery and Corruption?

Bribery is a criminal offence and penalties can be severe. In the UK the Bribery Act 2010 not only makes bribery and corruption illegal, but also **holds UK companies liable for failing to implement adequate procedures to prevent such acts by those working for the company or on its behalf, no matter where in the world the act takes place.**

In addition, current US legislation (Foreign Corrupt Practices Act or FCPA) offers similar prohibitions and potential penalties and is enforced with vigour by the US authorities. Although the Company's business activity is conducted in the domestic UK market and does not involve foreign markets it is in your interest, as well as those of the Company, that you act with propriety at all times. Corrupt acts committed, including those by business partners working on our behalf, may well result in an investigation, which could lead to prosecution.

6. What Steps Can We Take to Prevent Bribery and Corruption?

We can take the following steps to assist in the prevention of bribery and corruption:

Risk Assessment

Effective risk assessment lies at the very core of the success or failure of this policy. Risk identification pinpoints the specific areas in which we face bribery and corruption risks and allows us to better evaluate and mitigate these risks and thereby protect ourselves. – Any of which can vary. Local Management must assess the vulnerability of each business unit to these risks on an ongoing basis, subject to review by the Chief Financial Officer and, the Officer designated within the Company to be responsible for compliance.

N.B. risk assessment is intended to be an ongoing process with continuous communication between Local Management and the Company's designated Compliance Officer.

Accurate Books and Record-Keeping

Many serious bribery and corruption offences have been found to involve some degree of inaccurate record-keeping. We must ensure that we maintain accurate books, records and financial reporting within the Company and all its business units and for significant business partners working on our behalf. Our books, records and overall financial reporting must also be transparent. That is, they must accurately reflect each of the underlying transactions. False, misleading or inaccurate records of any kind could potentially damage Reconomy.

Effective Monitoring and Internal Control

Our business units must all maintain an effective system of internal control and monitoring of our transactions. Once bribery and corruption risks have been identified and highlighted via the risk assessment process, procedures can be developed within a comprehensive control and monitoring programmes in order to help mitigate these risks on an ongoing basis.

The Chief Financial Officer must ensure that Local Management engages in effective risk assessment and implements the necessary steps to prevent bribery and corruption. The Chief Financial Officer will consult with the Company's designated Compliance Officer, who will make available guidelines, principles and methodologies for the identification, mitigation and monitoring of these risks.

In this respect guidance has been published by the Ministry of Justice in the UK which is available at www.justice.gov.uk/guidance/bribery.htm

7. Where Do the Bribery and Corruption Risks Typically Arise?

Bribery and corruption risks typically fall within the following categories:

Use of Business Partners

The definition of a business partner is broad, and could include for example, any supplier or sub-contractors or consultants in Reconomy's supply chain who act on behalf of the Company. Whilst the use of business partners can help us reach our goals, we need to be aware that these arrangements can potentially present Reconomy with significant risks.

Risk can be identified where a business partner conducts activities on Reconomy's behalf, so that the result of their actions can be seen as benefiting Reconomy.

Business partners or any other party who act on Reconomy's behalf must be advised of the existence of and operate at all times in accordance with this policy.

Local Management is responsible for the evaluation of each relationship and determining whether or not it falls into this category.

Where risk regarding a business partner arrangement has been identified, Local Management – in conjunction with the guidance issued by the Ministry of Justice – must:

- Evaluate the background, experience, and reputation of the business partner
- Understand the services to be provided, and methods of compensation and payment
- Evaluate the business rationale for engaging the business partner
- Take reasonable steps to monitor the transactions of business partners appropriately
- Ensure there is a written agreement in place which acknowledges the business partners understanding and compliance with this policy

Reconomy is ultimately responsible for ensuring that staff and business partners who act on our behalf are compliant with this policy as well as operating in accord with that required by Law. Ignorance or "turning a blind eye" is not an excuse. As the business partner evaluation process will vary by business unit and type of business partner, Local Management should consult in the first instance with the Company's Chief Financial Officer. Local Management and the Chief Financial Officer should consult with the Company's designated Compliance Officer where necessary.

Gifts, Entertainment and Hospitality

Gifts, entertainment and hospitality include the receipt or offer of gifts, meals or tokens of appreciation and gratitude, or invitations to events, functions, or other social gatherings, in connection with matters related to our business. These activities are acceptable provided they fall within reasonable bounds of value and occurrence.

How to evaluate what is 'acceptable'

First, take a step back and ask yourself the following:

- What is the intent – is it to build a relationship or is it something else?
- How would this look if these details were on the front of a newspaper?
- What if the situation were to be reversed – would there be a double standard?

If you find it difficult to answer one of the above questions, there may be a risk involved, which could potentially damage Reconomy's reputation and business. The action could well be unlawful.

Although no two situations are the same, the following guidance should be considered:

Never acceptable

Circumstances which are never permissible include examples that involve:

- A "quid pro quo" (offered for something in return)
- Gifts in the form of cash/or cash equivalent vouchers
- Entertainment of a sexual or similarly inappropriate nature

As a general rule, Reconomy employees and business partners should not provide gifts to, or receive them from, those meeting our definition of a government official in section 4 (or their close families and business associates). If there is doubt the Company's designated Compliance Officer should be consulted for advice.

Usually acceptable

Possible circumstances that are usually acceptable include:

- Modest/occasional meals with someone with whom we do business
- Occasional attendance at ordinary sports, theatre and other cultural events
- Gifts of nominal value, such as pens, or small promotional items

If you feel uncertain at any time regarding acceptability of gifts, entertainment or hospitality, please consult the Company's designated Compliance Officer. In addition, if an example does not fall under the above categories, please in the first instance seek guidance from the Company's designated Compliance Officer. Generally, such examples would not be permissible without prior approval.

Transparency is key

Each Business unit will be required to maintain and monitor its gifts, entertainment and hospitality register. Any form of gift, entertainment or hospitality given, received or offered – which meets or exceeds the equivalent of [£100] in value – must be appropriately recorded in the register. In the event that an impermissible form of gift, entertainment or hospitality has been accepted, you must appropriately record the transaction within the register and contact the Company's designated Compliance Officer immediately.

Facilitation Payments

Although Reconomy transact business only in the UK domestic market examples of facilitation payments are summarized as follows to provide guidance and awareness for you

In many countries, it is customary business practice to make payments or gifts of small value to junior government officials in order to speed up or facilitate a routine action or process. It may be that we need to obtain licences or permits faster than the normal course.

Despite this, facilitation payments as defined here are against the Reconomy Policy and we take the view that they are illegal within the UK. The UK Bribery Act 2010 makes no distinction between facilitation payments and bribes.

However, in the event that a facilitation payment is being extorted or requested you must immediately contact the Company's Compliance Officer.

If you are unsure whether certain payments which resemble the definition of facilitation payments are permissible, please contact the Company's Compliance Officer.

8. Local Adaptation

In order for this policy to be effective, it is necessary for it to be applied on a mandatory basis throughout the Company.

9. How to Raise a Concern

As individuals who work on behalf of Reconomy, we all have a responsibility to help detect, prevent and report instances not only of bribery, but also of any other suspicious activity or wrongdoing. Reconomy is absolutely committed to ensuring that all of us have a safe, reliable, and confidential way of reporting any suspicious activity. We want each and every one to know how they can “speak up”.

If you have a concern regarding a suspected instance of bribery or corruption, please speak up – your information and assistance can only help. The sooner you act the better for you and for the Company. To help, we have created multiple channels to allow you to do this.

If you are concerned that a corrupt act of some kind is being considered or carried out – either within Reconomy, by any of our business partners or by any of our competitors – you must report the issue/concern to your Line Manager and the Company’s Compliance Officer. If for some reason it is not possible to speak to your Line Manager, please then report it to another Senior Manager, the Company Secretary, or to the Legal Department.

If you are not comfortable with speaking directly to a colleague or anyone mentioned above, Reconomy has introduced an online reporting facility accessed at complianceofficer@reconomy.com for all employees and relevant business partners to use. The online facility has the capacity to handle anonymous complaints and has restricted access, limited to the Company’s Compliance Officer.

In the event that an incident of bribery, corruption, or wrongdoing is reported, we will act as soon as possible to evaluate the situation. Reconomy has clearly defined procedures for investigating fraud, misconduct and non-compliance issues and these will be followed in any investigation of this kind. If you have any questions about these procedures, please contact the Company’s Compliance Officer.

10. Conclusion and Certification

It is the ultimate responsibility of the Board routinely to refresh and reinforce this policy and its underlying principles and guidelines. Local Management, under the overview of the Company’s Chief Financial Officer are responsible for the establishment and ongoing monitoring of compliance with sections 6, 7 and 8 of this policy. All Reconomy business unit employees and relevant business partners are responsible for annual certification as to the receipt and understanding of this policy as part of our annual compliance training and supply chain management procedure.