



## **Anti-bribery and Corruption policy DFS Furniture PLC**



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Version Control

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Related Documents

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## Anti-bribery and Corruption policy

### 1. Policy Statement

**1.1** Our policy is 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 and implementing and enforcing effective systems to counter bribery and corruption. We expect all our employees, suppliers and partners to comply with this policy and with our Employee and our Supplier Codes of Conduct.

**1.2** We will uphold all laws relevant to countering bribery and corruption in all the jurisdictions in which we operate. However, we remain bound by UK laws, including the Bribery Act 2010, in respect of our conduct both at home and abroad.

### 2. Purpose

**2.1** The purpose of this policy is to:

**(a)** set out our responsibilities, and of those working for and on our behalf, in observing and upholding our position on bribery and corruption; and

**(b)** provide information and guidance to those working for and on our behalf on how to recognise and deal with bribery and corruption issues.

**2.2** 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. As an employer if we fail to prevent bribery, we can face an unlimited fine, and damage to our reputation. We therefore take our legal responsibilities very seriously.

**2.3** In this policy, **third party** means any individual or organisation you come into contact with during the course of your work for us, and includes actual and potential clients, customers, suppliers, distributors, business contacts, agents, advisers, and government and public bodies, including their advisors, representatives and officials, politicians and political parties.

### 3. Who must comply with this policy?

This policy applies to all persons working for any Group Company or on our behalf in any capacity, including employees at all levels, directors, officers, agency workers, seconded workers, volunteers, interns, agents, contractors, external consultants, third-party representatives and business partners, sponsors, or any other person associated with us, wherever located. We make it a contractual obligation that all third parties will comply with the Act, should they fail to comply and we become aware of their failure we will terminate our contractual arrangement with that third party immediately upon notice.

### 4. What are bribery and corruption?

**4.1** 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.

**4.2** An **advantage** includes money, gifts, loans, fees, hospitality, services, discounts, the award of a contract



or anything else of value.

**4.3** 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.

**4.4** Corruption is the abuse of entrusted power or position for private gain.

**Examples:**

**Receiving a bribe:** A supplier gives your nephew a job, but makes it clear that in return they expect you to use your influence in our organisation to ensure we continue to do business with them. It is an offence for a supplier to make such an offer. It would be an offence for you to accept the offer as you would be doing so to gain a personal advantage.

**Bribing a foreign official:** You arrange for the business to pay an additional “facilitation” payment to a foreign official to speed up an administrative process, such as clearing our goods through customs. The offence of bribing a foreign public official is committed as soon as the offer is made. This is because it is made to gain a business advantage for us. We may also be found to have committed an offence.

## **5. What you must not do**

It is not acceptable for you (or someone on your behalf) to:

- (a)** 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;
- (b)** 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;
- (c)** accept a payment, gift or hospitality from a third party that you know or suspect is offered with the expectation that it will provide a business advantage for them or anyone else in return;
- (d)** accept hospitality from a third party that is unduly lavish or extravagant under the circumstances.
- (e)** offer or accept a gift to or from government officials or representatives, or politicians or political parties;
- (f)** threaten or retaliate against another individual who has refused to commit a bribery offence or who has raised concerns under this policy; or
- (g)** engage in any other activity that might lead to a breach of this policy.

## **6. Facilitation payments and kickbacks**

**6.1** We do not make, and will not accept, facilitation payments or “kickbacks” of any kind.



**6.2** 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). They are not common in the UK, but are common in some other jurisdictions in which we operate.

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

**6.4** 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 your line manager.

## **7. Gifts and Hospitality**

**7.1** This policy allows reasonable and appropriate hospitality, entertainment or gifts given to or 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.
- 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. For example, in the UK it is customary for small gifts to be given at Christmas; and
- in the case of gift, it is given openly, not secretly.

**7.2** The Company’s Anti-bribery and Corruption policy does not prohibit normal and appropriate gifts and hospitality (given and received) to or from Third Parties unless otherwise specifically stated. However, we have specific internal policies and procedures which provide guidance to colleague as to what is to be regarded as normal and appropriate gifts and hospitality in terms of financial limits, subject to the principles set out below (the **Overriding Principles**), namely that any gift or hospitality:

- must not be made with the intention of improperly influencing a Third Party or Colleague 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;
- must comply with local law in all relevant countries;
- must be given in the name of the organisation, not in an individual’s name;
- must not include cash or a cash equivalent;
- must be appropriate in the circumstances;



- must be of an appropriate type and value and given at an appropriate time taking into account the reason for the gift;
- must be given openly, not secretly; and
- in the case of gifts, they must not be offered to, or accepted from, government officials or representatives, politicians or political parties. The Group appreciates that the practice of giving business gifts 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 or hospitality is reasonable and justifiable both in the UK and any other relevant country. The intention behind the gift should always be considered.

### **7.3 Gifts**

Promotional gifts of low value such as branded stationery to or from existing suppliers and business partners or flowers or chocolates sent as a thank you from customers will usually be acceptable.

Any Gifts costing over £25.00 received by an individual must be notified to the individual's line manager for approval and the Compliance function, so it can be recorded in the Gift and Hospitality register. Multiple gifts which total over £200 within a year should not be accepted.

Higher value gifts i.e. gifts over £200.00 in value should not usually be accepted unless there is no way of politely refusing. Where it would be inappropriate to refuse a gift then it may be accepted with the approval of a member of the Group Leadership team. The Compliance function should be notified so it can be recorded on the Gift Register.

### **7.4 Hospitality**

All hospitality accepted by an individual must be notified to the individual's line manager for approval and the Compliance function so it can be recorded in the Gift and Hospitality register. Although there is no limit on the value or level of hospitality accepted, consideration will be given to individual circumstances to ensure it is accepted in line with the principles of this statement.

Reimbursing a third party's expenses, or accepting an offer to reimburse our expenses (for example, the costs of attending a business meeting) would not usually amount to bribery. However, a payment in excess of genuine and reasonable business expenses (such as the cost of an extended hotel stay) is not acceptable.

Any queries regarding whether the acceptance of Gifts or Hospitality is appropriate, should be referred to the Compliance function.

## **8. Donations**

**8.1** We do not make contributions to political parties.

**8.2** We only make charitable donations that are legal and ethical under local laws and practices. No donation must be offered or made without the prior approval of the Chief People Officer.

## **9. Record-keeping**

**9.1** We must keep financial records and have appropriate internal controls in place which will evidence the business reason for making payments to third parties.



**9.2** You must submit all expenses claims relating to hospitality, gifts or payments to third parties in accordance with our expenses policy and record the reason for expenditure.

**9.3** All accounts, invoices, and other records relating to dealings with third parties including suppliers and customers should be prepared with strict accuracy and completeness. Accounts must not be kept “off-book” to facilitate or conceal improper payments.

## **10. Your responsibilities**

**10.1** You must ensure that you read, understand and comply with this policy.

**10.2** The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all those working for us or under our control. You are required to avoid any activity that might lead to, or suggest, a breach of this policy.

**10.3** You must notify your manager, or contact the Whistleblowing helpline as soon as possible if you believe or suspect that a conflict with this policy has occurred, or may occur in the future. For example, if a client or potential client offers you something to gain a business advantage with us, or indicates to you that a gift or payment is required to secure their business. Further “red flags” that may indicate bribery or corruption are set out in clause 16.

## **11. How to raise a concern**

**11.1** You are encouraged to raise concerns about any issue or suspicion of bribery or corruption at the earliest possible stage.

**11.2** 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 notify your line manager alternatively you may report your concerns as soon as possible by contacting the Whistleblowing hotline.

**11.3** If you are unsure about whether a particular act constitutes bribery or corruption, raise it with your manager, the Group General Counsel or the Group Head of Audit and Risk.

## **12. Protection**

**12.1** 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.

**12.2** 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 dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern. If you believe that you have suffered any such treatment, you should contact the People team immediately.

## **13. Training and communication**

Our zero-tolerance approach to bribery and corruption is be communicated to all suppliers, contractors and



business partners at the outset of our business relationship with them and as appropriate thereafter. On line training on anti-bribery and corruption will be accessible to all employees. Senior employees who are required to undertake the training will be notified individually.

#### **14. Potential risk scenarios: “red flags”**

The following is a list of possible red flags that may arise during the course of you working for us and which may raise concerns under various anti-bribery and anti-corruption laws. The list is not intended to be exhaustive and is for illustrative purposes only. If you encounter any of these red flags while working for us, you must report them promptly to your line manager or by contacting the Whistleblowing hotline, if you are uncertain about whether something is a potential risk, you should always check if:

- (a)** you become aware that a third party engages in, or has been accused of engaging in, improper business practices;
- (b)** you learn 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 foreign government officials;
- (c)** a third party insists on receiving a commission or fee payment before committing to sign up to a contract with us, or carrying out a government function or process for us;
- (d)** 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;
- (e)** a third-party request that payment is made to a country or geographic location different from where the third party resides or conducts business;
- (f)** a third party requests an unexpected additional fee or commission to “facilitate” a service;
- (g)** a third party demands lavish entertainment or gifts before commencing or continuing contractual negotiations or provision of services;
- (h)** a third-party request that a payment is made to “overlook” potential legal violations;
- (i)** a third-party request that you provide employment or some other advantage to a friend or relative;
- (j)** you receive an invoice from a third party that appears to be non-standard or customised;
- (k)** a third party insists on the use of side letters or refuses to put terms agreed in writing;
- (l)** you notice that we have been invoiced for a commission or fee payment that appears large given the service stated to have been provided;
- (m)** 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 us;
- (n)** you are offered an unusually generous gift or offered lavish hospitality by a third party.

#### **15. Audit**





In order to ensure that we have 'adequate procedures' in place to prevent bribery we will carry out biennial Anti bribery and corruption audits which will include relationships with our key third party suppliers. The Internal Audit function with support, where necessary from the Group General Counsel, will review supplier contracts and the decision-making processes for procuring Goods for Resale and Goods not for Resale from individual suppliers, including where applicable any tender processes. Compliance with the Group Delegations of Authority will also be reviewed.

## **16. Breaches of this policy**

**16.1** Any employee who breaches this policy may face disciplinary action, which could result in dismissal for misconduct or gross misconduct.

**16.2** We may terminate our relationship with other individuals and organisations working on our behalf if they breach this policy.

## **17. Who is responsible for the policy?**

**17.1** The Company Secretary has primary and day-to-day responsibility for implementing this policy, monitoring its use and effectiveness, dealing with any queries about it.

**17.2** Management at all levels are responsible for ensuring those reporting to them understand and comply with this policy and are given adequate and regular training on it.

**17.3** This policy has been approved by the board of directors of DFS Furniture PLC. This policy does not form part of any employee's contract of employment and we may amend it at any time. This policy will be reviewed at least annually.

**Adopted by the Board of DFS Furniture PLC on the 12 November 2021**