Vital Healthcare

Anti-Bribery & Corruption Policy

Vital Healthcare Group

Finding Your Way Around

Introduction

Vital Healthcare Group is committed to doing business with suppliers, customers and other parties in a way that is fair, transparent and benefits everyone involved. We are opposed to any practice that improperly or illegally disrupts proper business conduct.

Bribery and corruption are damaging to the conduct of business because they cause people to make decisions in their own personal interest and not in the interest of the organisation where they work. These practices undermine trust and waste valuable resources, and are bad for organisations and countries where they arise. Bribery and corruption are also illegal in every country in which we operate.

Vital Healthcare Group prohibits all forms of bribery and corruption in every area of our activities. We will meet the requirements of applicable laws, including the UK Bribery Act 2010, and good practice on the prevention of bribery and other corrupt practices.

This Anti-Bribery and Corruption Policy adds detail to the general position we have set out on these issues in our Code of Conduct and our ways of managing those risks. It applies to every director and employee in the Vital Healthcare Group, and sets out the standards we apply to our third parties.

Please take the time to read this Policy carefully and apply it in your work. If you have questions about how to apply this Policy in practice, please ask. And of course, if you believe that this Policy is not being followed, you should Stop and Ask or Raise a Concern. You will always be supported for doing so.

Compliance principles

Our Code of Conduct is based on the simple principle that, across the Vital Healthcare Group, in everything that we do, we must Do the Right Thing.

This means that we comply with all the legal and regulatory standards that apply to our activities. But it also means more: we will always aim to follow best practice and to act fairly in whatever we are doing.

We each have the obligation to:

Do the Right Thing

- We must Do the Right Thing every day.
- We follow the laws and internal policies and procedures that apply to our jobs.
- We ensure that out actions are consistence with best practice and our own values.
- We take responsibility for our decisions.

Know Our Stuff

- We know this Policy.
- We know other laws and internal policies and procedures that apply to our jobs.

Stop & Ask

If we are not sure how to Do the Right Thing, we Stop and Ask. We can always ask for advice from our line manager, management or HR in our business, or the legal team.

Raise a Concern

We must Raise a Concern if we think that something wrong or illegal is happening in our business.

When does this Policy apply?

This Policy applies to directors and employees of Vital Healthcare Group, including all part-time, fixed-term and agency employees.

Representatives such as sales agents, advisors or other intermediaries representing any business in the Vital Healthcare Group should be required to follow the standards set out in this Policy, or be subject to equivalent standards that apply to that third party. If the representatives have equivalent standards that we are relying on, this should be documented.

This Policy has been drawn up in alignment with, and supports, the aims and intentions of the United Nations Convention Against Corruption (UNCAC).

What is expected of us?

We must all:

- Read and comply with the letter and the spirit of this Policy.
- Stop and Ask if we are unsure about how to apply this Policy to something that arises in our work.
- Raise a Concern if we believe that this Policy is not being followed.

What happens if I do not follow this Policy?

Directors and employees who do not follow this Policy are subject to disciplinary action, up to and including dismissal. Examples of behaviour that may result in disciplinary action include:

- Breaching this Policy, whether deliberately or because of a failure to take care.
- Asking or encouraging others to breach this Policy.
- Failing to report a clear breach of this Policy.
- Retaliation against a person because they have complied with this Policy or Raised a Concern about compliance with it.

In addition, a breach of this Policy may be a criminal offence, leading to fines or even imprisonment for individuals involved.

What this Policy covers

This Policy sets out what is required in the following areas:

1. General Requirements on Bribery & Corruption
2. Facilitation Payments
3. Gifts & Hospitality
4. Sponsorship, Charitable Donations & Political Contributions and Lobbying
5. Using Representatives
6. Doing Business in High-Risk Countries

1. General Requirements on Bribery & Corruption

Why is this important?

- Bribery and corruption distort decision-making processes, leading to unfair advantages to those willing to pay bribes. It erodes trust and creates an uneven playing field.
- It diverts resources away from the most efficient use of goods and services, increases the cost of doing business and harms society at large.
- Bribery and corruption are illegal in all countries in which we do business.

What's required?

We must never:

- Offer, give, or accept a bribe.
- Make a payment or offer a personal advantage to someone if we know or believe that this will involve that person, or any other person, misusing their position or performing their functions improperly.
- Misuse our position or perform our functions improperly in connection with any payments or other personal advange offered or provided to us or any other person.

Examples:

Q: We are trying to buy a site and get planning approval so we can expand our existing facilities. It's a big investment and we are eager to proceed. We have had discussions with the planning authority already. The official we spoke to suggested that we use his brother, who runs a local property advice firm, to help us find a suitable site. Should we have any concerns about using this firm?

A: Yes. Clearly, there is a risk that this will be seen as inappropriate. You should raise this issue internally before making a decision.

What is meant by bribery & corruption?

- A bribe is any financial or other advantage which is offered, promised or given by one person to another, where the intention is to induce or reward improper performance of a public function or business activity, or is done in the knowledge or belief that acceptance of the advantage itself constitutes the improper performance of a public function or business activity.
- A bribe does not need to be a monetary sum. A bribe can be any type of gift, consideration or advantage offered or requested, for example, an award of a contract, a discount in a commercial transaction or an offer of employment.
- A contract or transaction does not need to have been won or completed for corruption to have arisen. Similarly, a recipient does not need to benefit personally from a bribe – it may be the intended beneficiary is a third party or a company. Finally, bribery can occur in the private as well as the public sector.
- Corruption is any abuse of a position of trust in order to gain an undue advantage. Bribery is a means of causing corruption. It involves the misuse of power, which can manifest in various forms such as facilitation payments, fraud, extortion, collusion, money laundering, and other unethical practices. This can include an offer or receipt of any gift, loan, fee, reward or other advantage to or from any person as an inducement to do something that is dishonest, illegal, or in contravention of ethical standards.

2. Facilitation Payments

Why is this important?

- Facilitation payments are bribes and are not allowed at any time.
- Smaller facilitation payments can sometimes be positioned as legitimate expenses by third parties, even though they are actually improper. Careful attention needs to be given to payments of this kind.

What's required?

If you are asked for a payment and are concerned that it is a facilitation payment, you should:

- Ask for a receipt for the payment.
- If no receipt will be provided, politely decline to make the payment, and explain that it is not allowed under your company's internal policies.
- If possible, speak to the official's supervisor, so you can explain your position.
- Keep a note of the request and other circumstances and report them as soon as possible to the CEO/Managing Director of the business where you work.

Examples:

Q: I'm sourcing some new products. The supplier happens to be in a high-risk country. They have suggested that the export licence can be fast-tracked if they pay a small fee to the officials in question. We need these new products quite urgently. Is it okay to approve the payment?

A: No. You will need to check that the payment is being made to the authority which is providing the export licence and not to officials themselves. You will also need to check that the fast-track mechanism is legal. Do not allow the payment to be made unless it is clear that it is not a facilitiation payment.

What are facilitation payments?

- Facilitation payments are small payments typically paid to speed up an administrative process or secure a routine government action by an official. They are most frequently encountered in high-risk countries. Facilitation payments should be contrasted with official, lawful payments (which will be made to an organisation rather than an individual official) to expedite certain functions (e.g. where there is a fast track service to get a passport).

3. Gifts & Hospitality

Why is this important?

- Gifts and hospitality can be an attempt to unduly influence businesses' decisions or to gain an unfair advantage. Even when legitimate, tokens of appreciation or goodwill could be perceived as a bribe, particularly with the benefit of hindsight.
- The best way to mitigate these risks is to ensure that no gifts and hospitality are excessive, there are clear guidelines, and there is clarity and transparency in respect of all gifts and hospitality given or received.
- The healthcare industry in your country will likely be subject to guidelines or regulations setting out what is permissible in this regard and at all times we should seek to comply with these regulations.

What's required?

- We only offer or accept gifts and hospitality if they are infrequent, reasonable and not excessive, and where there is no risk that they will improperly influence or be seen to improperly influence a decision. There must be no express or implied link between any gift or hospitality and the terms on which we do business.
- We only provide or accept hospitality if its purpose is to develop legitimate business relationships. It must be proportionate having regard to the recipient and the organisation concerned.
- Gifts must be modest in value, such as a token of appreciation to mark a national holiday, or at another special time such as the completion of a project with a customer or supplier.
- Each business must maintain clear policies and procedures on what levels of gifts and hospitality are allowed and how they should be approved and recorded.
- Each business must maintain a register of gifts and hospitality provided and received by its employees. In addition, the directors of each business in the Group must ensure that all spending on gifts and hospitality is recorded in detail and accounted for appropriately. Each employee must comply with those policies and procedures, in addition to this Policy.
- Each employee must comply with all policies and procedures in this regards that apply to their business.
- No gift should be given if it could be misconstrued as a reward, an inducement or other corrupt act.
- Cash or cash equivalents must never be given or accepted.
- We must not offer or give a gift or hospitality if we are aware, or should be aware, that it is in breach of the rules of the organisation where the recipient works, or applicable laws on what they can accept.

Examples:

Q: I've been invited out to dinner by a new firm of advisors we've just appointed. Is there any problem in accepting?

A: As long as the meal is proportionate in value to the business you are doing, there should be no problem. Reasonable levels of hospitality that help build business relationships are not prohibited. You may need to record the meal in accordance with your gifts and hospitality policies.

4. Sponsorship, Charitable Donations & Political Contributions and Lobbying

Why is this important?

- Sponsorship, charitable donations and political contributions, and lobbying can be a cover for bribery and corruption, where decisions are influenced by the nature of those contributions made.
- Even legitimate contributions can create a perception of conflicts of interest, especially if there is no transparency or it is closely tied to business dealings.

What's required?

- Sponsorship and charitable donations by any business must be expressly approved in advance by the CEO of the Vital Healthcare Group business.
- Detailed records must be kept of any sponsorship or charitable donations made.
- Any political contribution by a business must be expressly approved in advance by the relevant CEO. Detailed records must be kept of any political contribution made, including whether the contribution was financial or in-kind, and whether the political contribution was made directly or indirectly.
- Records must be kept of all lobbying associations of which we are a member, and for any lobbying or discussions with public officials that take place, including any costs or expenses that are incurred in respect of lobbying activities.
- Requests for sponsorship made by employees to customers, suppliers or other third parties may be viewed as inappropriate in some circumstances and so need to be made with caution and with the approval of the relevant CEO or by another director authorised by them.

Examples:

Q: I am running a marathon for charity and want to ask our main suppliers for sponsorship. Do I need to get approval before making this request?

A: Yes. You must ask for internal approval from the CEO of your business or from another director authorised by them before making this request.

Q: I was at a dinner recently and was speaking to a member of parliament about how our business can assist further healthcare manufacturing in their locality. Is there anything I need to do?

A: Yes, please ensure that there is an appropriate record of that conversation in accordance with your business's processes.

What constitutes lobbying?

- Lobbying refers to activities carried out with the objective of influencing the formulation or implementation of policy or legislation, or the decision-making processes of governments, governmental institutions, regulators, bodies, offices and agencies or standard setters. Such activities include direct and indirect interactions and communications aimed at shaping decisions which may impact the company's operations and sustainability objectives.

What is a political contribution?

- A political contribution is any donation or other form of support provided to a political party, campaign, or a person who is standing for public office.

5. Using Representatives, Including Distributors

Why is this important?

- We can be held legally responsible if our representatives engage in bribery or corruption even if they are not part of our business.
- For example, if we appoint a distributor, sales agent, customs broker, freight forwarder or other representative we must ensure that they do not offer or give bribes in connection with the services they provide to us.

What's required?

- We must carry out suitable checks on any representatives that we want to use, to see if they have any history of involvement in bribery, corruption or other illegal or improper practices.
- We must have controls in place to ensure that any representatives do not engage in bribery or other forms of corrupt practices on our behalf. For example, if we appoint a distributor, sales agent, customs broker, freight forwarder or other representative we must ensure that they do not offer or give bribes in connection with the services they provide.
- We must implement the specific controls required to match the risk in question. If we are doing business through representatives in high-risk countries, we need to take additional care and take into account the "Doing Business in High-Risk Countries" section of this Policy.
- We must ensure that the representative is completely clear that they must not get involved in bribery or corruption in connection with the work they do for us. We can do this by including suitable clauses in our contract with them, by giving them a copy of this Policy or our supplier code of practice. We may also decide that we need to go further by giving their employees training or doing audits where needed.

Examples:

Q: We're tendering for a big contract with a new customer. A former employee of that potential new customer has approached us and offered to act as an advisor. She appears to have a lot of informal contact with the team who will be assessing and awarding the deal. She's asked for a success fee of €50,000 if we win the contract. Can we agree to this arrangement?

A: There is a clear risk of corruption arising here. We can only proceed if we have very clear controls in place and are satisfied that the advisor will not seek to inappropriately influence the tender process. At a minimum, we must ensure that any contract we enter is very clear about our expectations that no bribery of any form is permissible.

6. Doing Business in High-Risk Countries

Why is this important?

- Some countries suffer from widespread bribery and corruption, within both the public and private sectors.
- We need to be particularly careful when we do business in high-risk countries or deal with parties, directly or indirectly, who are based in one of these countries; particularly representatives.

What's required?

- We may need to take additional steps before doing business with a party in a high-risk jurisdiction, including:
  - » Carrying out a background check to see if direct or indirect parties in the value chain have previously been involved in bribery, corruption or other illegal or improper practices;
  - » Checking what policies and procedures the parties have in place to prevent bribery and corruption within their own organisation;
  - » Including suitable clauses in any contract that is put in place; and
  - » Looking out for danger signs such as payments that have no clear purpose, connections with government or inappropriate hospitality.
- Companies that do business with parties in high-risk countries must maintain more detailed policies and procedures relating to those transactions.
- All representatives in countries with a CPI score less than 50 must be considered a medium or high-risk third party for due diligence purposes.
- We must run daily compliance checks on medium and high-risk third parties using Kroll or a similar due diligence platform.

Examples:

Q: I think we have an opportunity to win a lot of new business in Africa. I've found a company there who can act as our representative. They know how to get things done and also seem to be well-connected politically. They appear to have a very strong track record and already represent a number of UK-listed companies. Can I go ahead and appoint them?

A: There are several reasons to be very careful in this situation. Many African countries are at high-risk of bribery and corruption. The political connections enjoyed by the company may also give rise to concern. The fact that the company deals with other listed businesses does not mean we can take less care. Discuss the matter with a director of the business where you work and take advice from the legal team before proceeding.

What is a high-risk country?

- High-risk countries are countries where bribery and corruption are reasonably common. The Corruption Perceptions Index (CPI) published by Transparency International www.transparency.org is a good indicator of the risk of bribery and corruption in individual countries. A country with a score of 50 or below should usually be considered a medium to high-risk country for the purposes of this Policy. We must also always be aware of politically sensitive countries that could give rise to sanctions risks.

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