

Anti-Bribery Policy

May 2024
Version 3.0

1. Definitions

The aim of the Grainger plc Anti-Bribery Policy ("Anti-Bribery Policy") is to set out our business practice and approach for countering bribery in accordance with the Bribery Act 2010.

2. Definitions

2.1. 'Bribery' means the giving or receiving of a financial or other advantage in connection with the "improper performance" of a position of trust, or a function that is expected to be performed impartially or in good faith.

Bribery does not have to involve cash, or an actual payment exchanging hands and can take many forms such as a gift, lavish treatment during a business trip or tickets to an event.

The types of bribery that take place in the commercial sector are numerous.

Some simple examples follow:

- bribery in order to secure or keep a contract;
- bribery to secure an order;
- bribery to gain any advantage over a competitor;
- bribery of a local, national or foreign official to secure a contract;
- bribery to turn a blind eye to a health and safety issue or poor performance or substitution of materials or false labour charges;
- bribery to falsify an inspection report or obtain a certificate.

2.2. 'Corruption' is often linked or associated with the term bribery. Corruption is also defined as the abuse of entrusted power for private gain.

2.3. 'Employees' means all permanent, temporary, full time and part-time staff, and where contractually defined, contract staff.

3. Our approach

3.1 We are fundamentally opposed to the payment or receipt of bribes. We take a zero-tolerance approach to bribery 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 procedures to counter bribery.

3.2 Employees are required not to put themselves in any position which might lead to, or suggest, a conflict of interest (see separate Conflicts of Interest policy). Employees are also required not to engage in any form of unethical or unlawful behaviour.

3.3. Certain conduct is automatically prohibited. Prohibited conduct includes facilitation payments; kickbacks; political donations and payments to Public Officials.

3.4. Employees must be careful when giving/accepting gifts or hospitality to ensure it cannot be perceived or seen as a bribe. Offering or accepting gifts or hospitality is not acceptable, as it could be construed as a bribe, where it would or could be perceived as:

- impairing judgement;

- improperly influencing a decision; or
 - creating a sense of obligation on the receiver.
- 3.5. Any offer of a bribe must be refused and reported internally immediately. Where appropriate, any bribe will also be reported to the police and/or regulatory authorities.

The following guidance on gifts and hospitality has been produced to assist judgements.

4. Gifts and Hospitality

4.1. Receiving or declining gifts or hospitality

4.1.1. The Principle

In principle, Grainger does not permit employees to receive gifts from third parties. Money may never be accepted. Gifts should be returned to the third party with an explanation to the effect that it is not Grainger policy to accept gifts. When it is considered that declining a gift may cause offence you can accept, however consideration must be given to its ethical, moral and social acceptability to avoid bringing the company into disrepute. The donor should be advised that gifts will be raffled, and the resulting value donated to a recognised charity. The table below should be used to ensure the correct procedures are followed.

4.1.2. General Rules

- A sensible approach to hospitality must be taken e.g. hospitality is reasonable and proportionate and seeks to improve Grainger's image, better present services or establishes relations.
- When offered a gift or hospitality consider if Grainger would be willing to reciprocate. If the answer is no, then this suggests the offer should be refused;
- No hospitality should be accepted or provided in any circumstances during a tender/contract process in which Grainger is involved;
- The receipt of gifts or hospitality from a third party that is contingent upon the third-party receiving business from Grainger is not permissible;
- Gifts/hospitality must be accepted openly, not secretly;
- There should be a compelling business reason to accept a gift/hospitality;
- Repeated acceptance of meals, tickets and invitations to sporting or social events, particularly from the same source (individual or company) is not permitted e.g. any more than two per annum from the same source is difficult to justify.

4.1.3. Gifts and Hospitality Guide

Type	Benefit received	Procedure
Gifts	Cash gifts including vouchers of any kind	Not permitted under any circumstances.
	Modest gift below value £25 (pens diaries, calendars, inexpensive chocolates)	Individuals may accept. No record or approval required.
	Gifts in excess of £25 (champagne, spirits, hampers, perfume/aftershave)	<p>In exceptional circumstances where a gift has to be accepted, this must be authorised by an Executive Director and surrendered to the office Charity Representative who will arrange to raffle and raise funds for company charity. The donor should be informed.</p> <p>For all gifts accepted the following steps apply:</p> <ul style="list-style-type: none"> • Must be authorised by an Executive Director • Registered on the Gifts & Hospitality register maintained by contacting the Group General Counsel and Company Secretary. • Surrender item to the office charity representative for raffle • Where the value is in excess of £250 – obtain written approval from CEO.

Type	Benefit received	Procedure
Hospitality	Hospitality offered as part of a working lunch or during normal business meetings under value £100	No prior need for authorisation or need to Record on hospitality register.
	Attendance at corporate events/business functions associated to your role	Attendance permitted providing it will be beneficial to your professional development and approved by your Line Manager. Any fees offered for speaking at a public event must be made payable to Grainger and will be donated to charity.
	Hospitality accepted or declined above £100 (lunches, dinners, sports or social events)	Must be discussed with an Executive Director, approved by the Chief Executive. The approval/decline will be recorded by the company accordingly. If the accepted or declined (as applicable) hospitality extends to include other family members, this is to also be recorded.
	High value hospitality accepted or declined, and in particular any involving foreign travel (in excess of £150 per person or Euro equivalent)	High Value hospitality in excess of £150 that has been accepted will be limited to 3 occasions per employee per year. Again, this must be discussed with an Executive Director and approved by the Chief Executive. The approval/decline will be recorded by the company accordingly. If the accepted or declined (as applicable) hospitality extends to include other family members, this is to also be recorded.

4.2. Giving Gifts or Hospitality

4.2.1. General Rules

- A sensible approach to hospitality must be taken e.g. hospitality is reasonable and proportionate and seeks to improve Grainger's image, better present services or establishes relations. It would be seen as unlikely that spouses or relatives are included;
- Small value gifts (under £25) sent to business contacts in recognition of birthdays, marriages or loss are acceptable and do not need to be recorded;
- Hospitality offered in substitution for fees or other work done is not permitted;
- All gifts & hospitality spend must be agreed and authorised by your Line Manager in advance of making the offer and registered in the appropriate gifts & hospitality log;
- Proposals for Grainger to provide high value hospitality (in excess of £150 per head or Euro equivalent) should be discussed and approved by the Chief Executive.

5. Scope

- 5.1. The Anti-Bribery Policy applies to all business practices and conduct both within the UK and overseas, including dealings with government and public bodies, their advisors, representatives and officials, politicians and political parties.
- 5.2. The Anti-Bribery Policy applies to all employees, third parties and associated persons acting on our behalf.
- 5.3. The policy extends to all our majority owned business dealings and transactions in all countries in which we or our associates operate. Where we have a minority interest, we will, as far as possible, require the application of this policy amongst our business partners including third parties, suppliers and joint venture partners. We will inform all of our business partners of our zero-tolerance approach in relation to bribery.

6. Communication of policy

- 6.1. All employees, third parties and associated persons acting on our behalf must ensure that they read, understand and comply with the Anti-Bribery Policy.
- 6.2. The Anti-Bribery Policy, together with any other policies which supports the Anti-Bribery Policy, will be communicated to third parties and incorporated into contractual dealings.

7. Personal commitments

- 7.1. Employees, third party employees and associated persons are required to avoid any activity that might lead to, or suggest, a breach of the Anti-Bribery Policy.
- 7.2. Employees, third parties and associates are encouraged to raise concerns about any issue or suspicion of malpractice within the scope of the Anti-Bribery Policy at the earliest possible stage. For example, if a customer, distributor or potential supplier offers something to gain an advantage with us, or indicates that a gift or payment is required to secure their business.
- 7.3. Employees who are unsure whether a particular act might constitute bribery, or have any other queries, should raise a query immediately with a line manager, the relevant

departmental head or a member of the Legal, Risk & Governance department. Third party employees and associated persons should raise their queries with an appropriate person either within their organisation or alternatively refer to Grainger's Legal Risk & Governance department.

- 7.4. Any concerns relating to the business practices of any employee, third party or associate (for example if you believe or suspect that a conflict with the Anti-Bribery Policy has occurred or may occur in the future) can also be reported by following the procedure set out in our Whistle Blowing Policy. A copy of our Whistle Blowing Policy can be found in the Employee Handbook. All employees receive the protections outlined at section 8 below.
- 7.5. Breaches of this policy are covered in 'Sanctions' in section 12 of this policy.

8. Record-keeping

- 8.1. We must keep financial records and have appropriate internal controls in place which will evidence the business reason and justification for any form of advantage received from or made to any third party.
- 8.2. All accounts, invoices, memoranda and other documents and records relating to dealings with third parties, such as clients, suppliers and business contacts, should be prepared and maintained with strict accuracy and completeness. No accounts must be kept "off-book" to facilitate or conceal improper payments or any form of advantage.

9. Responsibilities

- 9.1 The Board of directors has overall responsibility for general oversight including;
 - 9.1.1. ensuring the Anti-Bribery Policy and procedures are adequate and otherwise comply with our legal and ethical obligations;
 - 9.1.2. that all those under our control comply with it;
 - 9.1.3. ensuring that the effectiveness of the Anti-Bribery Policy is monitored by the Audit Committee; and
 - 9.1.4. periodically reviewing the Anti-Bribery Policy.

The Board receives regular reports on bribery compliance through the Audit Committee.

- 9.2. Day to day responsibility for implementing this policy is that of every member of staff with support and guidance from their manager. Line managers are responsible for receiving suspicious activity reports from employees and third parties, promptly passing any such reports to the relevant departmental head and the Legal, Risk & Governance Department, and co-operating with any internal or external investigation.
- 9.3. Management at all levels are responsible for ensuring those reporting to them are made aware of and understand this policy and are given adequate and regular training on it.
- 9.4. Employees are responsible for the prevention, detection and reporting of bribery and other forms of corruption and for honouring the personal commitments at section 6 of the Anti-Bribery Policy.

- 9.5. The Grainger Legal, Risk & Governance Department owns and takes responsibility for the policy, its implementation and oversight. It shall be responsible for reporting developments in bribery law and bribery compliance to the Board of Directors. The Group Legal function shall be responsible for monitoring the implementation of the policy and monitoring the compliance of third parties and associates acting on our behalf.

10. Protections

- 10.1. Those who refuse to accept or offer a bribe, or those 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.
- 10.2. 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 inform Grainger's HR Director immediately.
- 10.3. If the matter is not remedied, and you are an employee, you should raise it formally using our Grievance Procedure, which can be found in the Employee Handbook.

11. Implementation

- 11.1. It is everyone's responsibility to counter bribery in our business practices by adhering to the Anti-Bribery Policy i.e. prevention, detection and reporting of bribery and other forms of corruption.
- 11.2. In conjunction with the Human Resources and Legal, Risk & Governance Departments, the departmental heads are responsible for ensuring that all members of staff within their division or department receive relevant training. All new employees will be briefed as a part of the induction/welcome orientation.
- 11.3. Third parties and associated persons should ensure that staff are adequately trained to understand the implications of this policy.
- 11.4. It is the responsibility of every manager to communicate this policy and ensure that all employees and third parties within their area of responsibility understand and comply with the objectives.

12. Sanctions

- 12.1.** Any violation of the Anti-Bribery Policy or anti-bribery procedures is a cause for disciplinary action, and could lead to dismissal for gross misconduct.
- 12.2. No employee will be penalised, or be subject to other adverse consequences for refusing to pay bribes even if it may result in losing business.
- 12.2.** We also reserve the right to terminate our contractual relationship with third parties if they breach this policy.. We will in any event report any suspicion of unlawful activity to the regulatory authorities.

13. Tax Treatment

- 13.1. The acceptance and giving of invitations or gifts may have tax consequences for employees, recipients and/or the employers. The use and concession of discounts and other price advantages based on contracts or master agreements that the company has entered into may likewise trigger tax consequences.
- 13.2. Employees, third parties and associates must ensure compliance with the prevailing tax regulations on the treatment of accepted and given invitations or gifts and non-monetary benefits. Tax advice shall be obtained to the extent necessary.

14. Other matters

- 14.1. Any act of bribery may also amount to an offence under the Fraud Act 2006. For example, falsifying documents or making false statements could amount to fraud by false representation where there is dishonest intent to make a gain on the part of an individual or another, or to cause loss to another or to expose another to a risk of loss. We may have to report any such act to the police or other regulatory authority.

Document Owner and Approval

The Risk Manager is the owner of this document and is responsible for ensuring that this procedure is reviewed in line with the review requirements of Data Protection.

A current version of this document is available to all members of staff on the corporate intranet.