

Introduction to Ethical Behaviour

Specialised Engineering Products Limited (SEP) expects its staff (including temporary, agency, interim, contractor or consultant staff) to be scrupulously impartial, ethical and honest in all affairs relating to the Company and their role within it; ethics is about doing the right thing at the right time, SEP requires its staff to act in a way that all of the business's stakeholders would consider to be both fair and honest. When making ethical decisions staff should consider:

- who does my decision affect or harm?
- will my decision be considered fair by those affected?
- will my actions compromise the integrity of myself or the business?

SEP Staff should also make themselves familiar with the Company handbook which works in conjunction with this document.

Confidentiality

Confidentiality must be maintained at all times, this includes company, customer and supplier confidentially. No information may be released to unauthorised persons or organisations. If there is any doubt as to the validity of an organisation or individuals to receive information, consult with the Senior Management Team (SMT).

Bribery and Other Corrupt Behaviour

SEP has a strict anti-bribery and corruption policy in line with the Bribery Act (2010). A bribe is defined as: giving someone a financial or other advantage to encourage that person to perform their functions or activities improperly or to reward that person for having already done so.

If an employee bribes (or attempts to bribe) another person, intending either to obtain or retain business for the company, or to obtain or retain an advantage in the conduct of the company's business this will be considered gross misconduct. Similarly accepting or allowing another person to accept a bribe will be considered gross misconduct. In these circumstances the employee will be subject to formal investigation under the Company's disciplinary procedures, and disciplinary action up to and including dismissal may be applied.

Gifts and Hospitality

SEP acknowledges that on occasion suppliers and potential suppliers of goods and services to the company may offer hospitality or send gifts to staff; SEP allow its staff to accept trivial gifts with a nominal value of approximately less than £20 for items such as corporate memory drives, stationary or other miscellaneous small gifts.

All other gifts / offers of hospitality should be highlighted to the SMT who will review if they consider that accepting the offer would compromise any given individual or the company; additionally, no individual members of staff should regularly benefit from any gratuity from third parties, as this may lead to preferential / favourable / unethical treatment of the third party.

Transaction of Private Business

Employees having official dealings with contractors and other suppliers of goods or services must avoid transacting any kind of private business with them by any means other than the Company's normal commercial channels. No personal favours or transactions should be sought or accepted.

Visits to Conferences, Demonstrations etc.

SEP intends that when it is necessary for employees to visit conferences, demonstrations and similar occasions, it should bear the travelling and subsistence expenses itself unless otherwise approved by the SMT.

Attendance at Luncheons, Receptions etc.

Where it is evident that the work of SEP will be facilitated, invitations to attend receptions, luncheons etc. may be accepted under the following conditions:

- no employee may accept an invitation without first obtaining the approval of the SMT;
- in exceptional circumstances, where it is not possible to seek prior approval, the facts should be reported immediately afterwards;
- if addressed personally, such an invitation may not be transferred to another employee, except with the consent and approval of the SMT as above and with the concurrence of the party issuing the invitation;
- invitations involving attendance outside normal working hours may be accepted only on the authority of the SMT;
- as a rule, if an employee has any doubts about accepting any hospitality, they should decline the offer.

NB the important difference between, for example, attendance in an official capacity at a function organised by the Company and the acceptance of hospitality from a private individual or firm should be recognised.

Outside Interests and Employment

Outside interests include directorships, ownership, part ownership or material shareholdings in companies, business or consultancies likely to seek to do business with SEP. These should be declared to the individual's line manager as should the interests of a spouse / partner or close relative.

Interactions with customers and suppliers

All interactions with customers and suppliers should follow the ethical stance of the organisation. Any deliberate non-adherence with the ethical stance may result in disciplinary action.

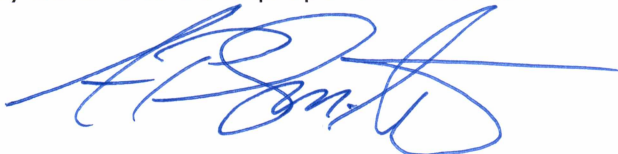
Communication

All communications from the organisation must adhere to the ethical stance as set out in this document.

Whistleblowing

SEP will support employees who become aware of and are willing to report breaches of this policy or who genuinely believe that a breach is occurring, has occurred or is likely to occur within the business. SEP will treat all reports confidentially and will not tolerate retaliation in any form against someone raising something that they genuinely believe to be improper or unethical.

A P Smith



Managing Director

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