



Severn Group

Corporate Gifts & Hospitality Policy

OCTOBER 2022



Accountability



SEVERN
Superior Valve Engineering

Introduction

The aim of the Gifts and Hospitality Policy is to set out rules on the giving and receiving of corporate gifts and hospitality in order to protect our reputation and ensure that we operate both lawfully and ethically.

We will uphold all laws relevant to corporate gifts and hospitality, including countering bribery and corruption, in all the jurisdictions in which we operate. However, we remain bound by UK laws, including the UK Bribery Act 2010, in respect of our conduct both at home and abroad. Under the Bribery Act 2010, it is a criminal offence for all persons working for any Severn Group Company or on our behalf in any capacity to accept any gift or consideration as an inducement or reward for:

- doing or not doing anything; or
- showing favour or disfavour to any person.

Severn Group People are expected to operate to the highest ethical standards. All of our People must be seen to act with complete honesty and integrity, and must not put themselves in a position where they could be accused of acting improperly.

Our People are responsible for their decisions on the acceptance or offering of gifts or hospitality and for ensuring that any gifts or hospitality accepted or offered can stand up to scrutiny and do not bring Severn Group or themselves into disrepute.

We should exercise the utmost care in accepting or offering hospitality or gifts where there could be a real or perceived conflict with their official duties within the Severn Group. Our People must not accept or offer any gifts or hospitality which might, or might reasonably appear to, compromise their personal judgement or integrity or place them under an improper obligation. Our People must never canvass or seek gifts and hospitality.

This Policy should be read in conjunction with the Code of Conduct, Disciplinary Policy, Grievance Procedure, Speak Up Procedure, Travel & Expenses Policy, GDP Policy, Privacy & Retention Policy, Anti Bribery and Corruption. These policies can all be accessed on the Severn Group SharePoint site.

This Policy is non-contractual and the Company reserves the right to update any of the terms in this Policy at any time.

The Approach

Who must comply with this Policy?

The Policy applies to all persons working for a Severn 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. Severn Group 'People' in this Policy means any of the above categories.

Adherence to this Policy is mandatory. Breach of the Policy may result in disciplinary action being taken against the individual under the applicable Disciplinary Policies and Procedures.

Who is responsible for this Policy?

The Chief Financial Officer may review and update this Policy from time to time to ensure that it remains consistent with its objectives and responsibilities.

Any questions or support requests should be addressed to the Group Finance Director & Treasurer. Any issues or concerns regarding this Policy should be addressed to the Chief Financial Officer.



The Approach

Gifts

The giving or acceptance of gifts from interested business parties could result in a conflict of interest that might arguably have compromised the impartiality of members and staff in the decisions that they are required to make on behalf of the business.

Offers of gifts must all be reported to the Finance Director & Treasurer and if of any significant value, should be declined. The details of all gifts should be fully recorded in the Gifts and Hospitality register, which will be held in our Finance Department's central records.

You should never offer or accept:

- cash gifts;
- gifts without authorisation (in accordance with the general principles);
- regular/repeated gifts to/from the same person;
- any sort of gift where the intention is to influence the recipient's judgment;
- any sort of gift where you know that the recipient is not allowed to receive it;
- any sort of gift which might reasonably bring the business into disrepute or be contrary to terms or the spirit of our Equal Opportunities Policy, for example, a pin-up calendar.

The general principles for the acceptance of gifts are:

- The gift must be of a nominal or notional value. Typically, a gift should not be accepted if the cumulative value from any one organisation or individual exceeds £200 / \$250 / ₹4000 in any 12-month rolling period or £50 / \$60 / ₹1000 for any one gift;
- The gift must be given or received for an appropriate reason, such as a small gift for a national holiday;
- The gift must be given or received at an appropriate time which does not affect or conflict with a Severn Group business decision (e.g. not in advance of the issuing of an opinion or determination, or in advance of the award of a contract);
- The gift must be of a "one-off" or irregular nature (i.e. that could not be viewed as a regular source of income for personal taxation purposes);
- Branded stationery is generally acceptable and does not need to be reported.

If any unauthorised gift is offered to you then you should decline it politely explaining that our Policy does not permit you to accept it, unless to do so would be embarrassing or insulting (for example because the gift is offered in public) in which case you should accept the gift and then refer the situation to your manager. The Company is likely to write to the donor of the gift explaining our Policy and returning the item.

The Approach

If you are travelling overseas on business to an area where gifts are an important part of the business culture then you will be allowed and expected to participate in gift giving and receiving but this still needs to be proportionate and reasonable. You should seek guidance from the Finance Director & Treasurer.

Donations

Donations should not be accepted. It should be requested they are donated to a charity or other cause instead. It would be a conflict of interest to accept a donation when performing a duty or role on behalf of the Severn Group. Any queries on the subject of donations should be raised with the Finance Director & Treasurer.

Hospitality

Our People should not encourage business contacts to provide hospitality to them, or indirectly to other colleagues, friends or relatives.

Offers of hospitality should be reported to the Finance Director & Treasurer. Some examples of hospitality which should be refused are payments for lunch or dinner, and tickets to sporting or leisure events.

In the following circumstances, it may be considered appropriate to accept a working lunch, dinner or attendance at a stakeholder event, where it is:

- not lavish in nature;
- not a frequent occurrence; and
- there is no suspicion of a conflict of interest.

Such hospitality must be fully recorded in the Gifts and Hospitality Register, which will be held on our Finance Department's central records.

The Approach

Providing hospitality

It is permissible to provide hospitality in the form of refreshments or working lunches for meetings with external partners such as suppliers or customers. However, it should be noted that alcohol should never be provided as part of a working lunch.

In the vast majority of situations, it is not considered appropriate to provide refreshments or working lunches at the Severn Group's expense for internal meetings. However, there may be occasions where this is permissible. You must consider the following factors in making your decision for each individual event:

- The scheduled length and formality of the meeting. It may be considered disruptive for meetings such as project boards scheduled to run for 2 or more hours, where no refreshment or working lunch was provided, to be interrupted for attendees to make their own refreshments.
- The number of attendees. Where the cost of lunch/refreshments for a number of attendees would exceed the cost of ordering from catering providers.
- The journey to and from a meeting by attendees. Where there is a long journey involved the provision of such refreshments or working lunches will facilitate a more productive meeting.

Catering for Severn Group Teams

Generally, it is not acceptable for managers to take their team out for lunch or evening activity at Severn Group's expense. Exceptional cases may be considered for infrequent team building events. Applications for funding at such a team-building event should be sought from the budget holder in advance of the event.

Sponsorship and charitable donations

Whilst we encourage employees to support charities, the use of the Severn brand or business channels (e.g. email, Linked In) to encourage or coerce sponsorship is not permitted. Even if you are not personally benefiting, gestures of this nature are often intended to improve business relationships and could create feelings of obligation for both parties or appear to affect your impartiality.

The Approach

Always apply judgement in decision-making:

- a. Is there a legitimate business purpose?
- b. Is it proportionate (i.e. is it reasonable or would it be seen as unduly lavish?),
- c. and is it transparent (i.e. declared in our Corporate Gifts & Hospitality Register)?

This Policy statement is non-contractual and the Company reserves the right to update any of the terms in this Policy at any time.

This Policy statement should be read in conjunction with the Anti-Bribery and Corruption, Code of Conduct, Speak Up Procedure, and Travel & Expenses Policy. All Severn Group policies can all be accessed on the policy hub of the Groups' SharePoint site.





At Severn, our business success flows from expertise – from technical knowledge and experience that position us as a leader in our field. Not everything, however, can be engineered. The Values which underpin that success stem instinctively from the culture we seek to sustain. Everything we do is tested against our Values, and our people are encouraged to apply them every day: they are the stewards of our brand, our reputation, our heritage, our ambitions.



Customer



Integrity



Excellence



Accountability



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