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Bellway p.l.c.

**Anti-Bribery and Corruption
Policy**

March 2019

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1 Overview

1.1 Policy Introduction

It is Bellway's policy to conduct all of its business in an honest and ethical manner. We do not tolerate bribery and corruption (whether directly or indirectly through other third parties that we work with) and we are committed to acting professionally, fairly and with integrity in all our business dealings and relationships. We are committed to implementing and enforcing effective systems and processes to counter bribery and corruption.

As a UK listed company, Bellway p.l.c. is bound by the laws of the UK, including the Bribery Act 2010. This Policy, which has been approved by the Board of Bellway p.l.c., applies to all divisions, companies and entities within Bellway as well as any subsidiaries, joint ventures and consortium arrangements. In addition, this Policy must be understood and followed by anyone who acts for Bellway, either as an employee or as a third party. The Board's Statement of Policy is at the end of this document.

Bribery is punishable for individuals by up to 10 years' imprisonment and if we are found to have taken part in bribery the Company could face an unlimited fine, see restrictions placed on our business and face severe damage to our reputation. We therefore take our legal responsibilities very seriously.

Should you have any questions about the content of this Policy, please contact Simon Scougall, the Anti-Bribery and Corruption Compliance Officer and Group General Counsel and Company Secretary on 0191 217 0717 or simon.scougall@bellway.co.uk

1.2 Policy Content

This policy document contains the following sections:

- Definitions and Explanations
- Key Principles
- Policy Statements

2 Definitions and Explanations

2.1 What is Bribery and Corruption?

The terms “bribery” and “corruption” are often used interchangeably. Corruption refers to a wide range of corrupt activities, such as dishonesty, fraud, extortion and abuse of public office, all of which Bellway does not tolerate. Bribery is a common form of corruption. This Policy deals with bribery specifically, but its principles extend to corrupt behaviour that may not strictly be classed as bribery, but which, nevertheless, is not tolerated at Bellway.

A bribe is defined as a “financial or other advantage” made with the intention to:

- obtain or retain business or an advantage in the conduct of business

and/or

- induce or award improper conduct (such as breach of an expectation that the recipient will act in good faith or impartially)

There is no strict definition of “financial or other advantage”.

The link between the advantage sought and the improper conduct may take one or more of three forms:

- a person being bribed may intend the improper conduct to follow as a consequence of the request, agreement to receive or the acceptance of the advantage
- receiving, agreeing to receive or accepting the advantage may itself amount to improper performance
- the advantage may be the reward for the improper performance

2.2 The Bribery Act 2010

Under the Bribery Act 2010, it is an offence to:

- offer, promise or give a bribe
- request, agree to receive or accept a bribe
- bribe a public official (this covers any person performing a public function)
- (for companies) fail to prevent bribery by an “associated” person, i.e. anyone that performs services for or on behalf of a commercial organisation, such as employees or agents and, in some cases, subsidiaries and other parties they work with

A bribe does not have to involve the exchange of cash and bribery does not just affect bribes to or from public officials, but also includes bribes between private persons or businesses.

Bribery may involve facilitation payments or “kickbacks”. Bellway does not make and will not accept these types of payments. Facilitation payments (also known as “speed” or “grease” payments) are typically small, unofficial payments made to secure or expedite a routine action. These are often, but not always, associated with public officials and particularly foreign public officials.

2.3 Penalties

Bribery is considered to be a criminal offence as well as a corporate offence.

Any individual found guilty of a bribery offence may face imprisonment for a maximum of 10 years and/or an unlimited fine.

The corporate offence is a strict liability offence and which also carries an unlimited fine. This means that the intention of improper performance does not need to be proven. If convicted, Bellway would face the possibility of being excluded from tender processes for any public sector contracts as a result of having a bribery conviction.

2.4 Responsibilities

All Managing Directors are responsible for implementing and complying with this Anti-Bribery and Corruption Policy and for taking any other steps which are appropriate to prevent bribery and corruption within their businesses. In addition, Head Office departmental heads must also ensure full compliance with all relevant aspects of the Policy. Every employee also has a responsibility to ensure they understand and comply with the contents of this Policy.

Simon Scougall will review, in conjunction with the Head of Risk where required, and monitor the scope of and compliance with the Policy on an ongoing basis. Changes will be made as required to the Policy, which will be communicated to all employees and business partners. The Anti-Bribery and Corruption Compliance Officer will monitor the Policy on an ongoing basis and he and the Audit Committee of the Board of Bellway p.l.c. will review Policy compliance annually.

The Board of Bellway p.l.c. is responsible for approving the Policy.

3 Key Principles

3.1 Integrity

Employees and business partners must not act in a way that could undermine or give risk to allegations or doubts about their integrity or commitment to a zero tolerance approach to bribery and corruption. Employees and business partners must conduct all business relationships fairly, honestly and “at arms’ length”.

3.2 Transparency

Employees and business partners must exercise extreme care to ensure their business dealings are clear and ethical. This is particularly important in partnerships, especially those with agents, intermediaries and our supply chain.

3.3 Reporting

Employees and business partners must immediately report any suspected business wrongdoing. This can be via our confidential hotline “SpeakUp”, or by reporting it directly to Simon Scougall. We also have a Whistleblowing Procedure in place which provides additional information on “SpeakUp” and options with regards to reporting business wrongdoing.

If preferred, employees may report any suspicions directly to their line manager. If an employee reports a matter to their line manager, the line manager must promptly report the matter to either the divisional MD or to Simon Scougall.

All employees and business partners are assured that they will not suffer any adverse consequences for refusing to take part in bribery or corruption, or for reporting suspected business wrongdoing, including bribery.

3.4 Training

Training will be provided to all employees to facilitate understanding of the Policy. All employees must complete this training. New employees will be provided with access to the training as part of their induction to Bellway.

As is considered necessary, refresher training will be provided either when there are significant changes to the Policy or where compliance with the Policy has been found to be below expectations.

3.5 Actions

We will act firmly in respect of any failure to comply with this Policy. Any failure to comply by employees may result in dismissal and may also result in criminal prosecution and/or civil proceedings.

Any failure to comply by business partners will mean that the contractual agreements may be terminated and we will avoid doing business with that partner in the future.

3.6 Annual and Half Year Declaration

This Policy forms part of the annual and half year certification exercise whereby all divisions, as well as Head Office, certify that key policies have been complied with. As part of this certification, divisions and Head Office must be able to demonstrate compliance through keeping of appropriate records.

3.7 References

Reference should be made to other relevant Bellway policies, procedures and documents as appropriate and as set out within the content of this Policy. The relevant Group policies, procedures and documents in this instance are:

- Whistleblowing Procedure
- Purchasing Procedures
- Land Acquisition Procedures
- Expenses Policy
- Employee Benefits
- Disciplinary Procedure
- Charity Plan
- Corporate Tax Offence

4 Policy Statements

Bellway operates a zero tolerance approach to bribery and corruption. Our zero tolerance approach extends to all our business dealings and transactions and sets out the standards expected of our employees and other individuals who work for and with us. Individuals who work for and with us are referred to as business partners within this Policy document. The Board's Statement of Policy which should be sent to business partners is at the end of this document.

Our approach to bribery and corruption seeks to ensure that all our business activities are genuine and ethical and we expect all employees and other individuals who work for and with us to maintain the highest standards of integrity and conduct in all business dealings.

Specific policy statements for processes considered to be "susceptible" to bribery and corruption are set out in sections 4.1 to 4.14 below. To support these policy statements we have put in place expected procedures and controls which employees must follow.

4.1 Land Acquisition and the Use of Land Agents

There is an increased risk from a bribery and corruption perspective in connection with land acquisition. It is Bellway's policy to always comply with the requirements of the Bribery Act 2010 whilst also avoiding any situation where our commercial position is unfairly compromised.

Due diligence is required to be undertaken on all land agents/intermediaries so as to ensure that the risk associated with any potential transaction is fully understood. Any service provided by an agent must be fully documented and associated fees must be approved in advance. The agent must also confirm their agreement to and compliance with Bellway's Anti-Bribery and Corruption Policy wording.

4.2 Procurement

All procurement activities, including materials, sub-contract work, services, and consulting, must be undertaken in a manner which limits the possibility of bribery and corruption. "Special" arrangements, contracts, deals or payments must not be set up or made to any supplier or subcontractor where the intention is to induce illegal or inappropriate behaviour.

4.3 Sales

All employees and business partners, especially sales personnel must take great care when dealing with customers, estate agents, advertising agencies, investors and providers of show-home furniture. There is a risk of impropriety and so no private payments or favours are to be accepted from any of the above sources.

4.4 Public Sector, Government and Local Authority Officials

Great care must be taken when dealing with public sector, government and local authority officials (e.g. planning activities). There must be no situations where employees or business partners may be seen to be trying to unduly influence those from the public sector, government or local authority to act in a way which is favourable to Bellway by the use of excessive or inappropriate means.

Any form of “planning gain” provided in connection with the award of a planning consent, which benefits a local authority or council must always be within the terms of Section 106 of the Town and Country Planning Act 1990, the Community and Infrastructure Levy (Amendment) Regulations 2011, or other relevant legislation.

4.5 Joint Ventures, Collaborations and Subsidiaries

As Bellway could be implicated in bribery or corruption if a joint venture (JV) or collaboration was involved in such activities, it is our policy that all JVs and collaboration members are made clearly aware of our zero tolerance approach to bribery and corruption. Communication with all JVs and collaboration members should take place to ensure this approach is understood.

All subsidiary undertakings, whether 100% owned or not, must adhere to this Policy.

4.6 Charitable Donations and Sponsorships

It is our policy to make charitable donations and sponsorships when appropriate to do so. There must be no conflict of interest in making the charitable donation or providing the sponsorship and they must not be made when they could be perceived as unduly influencing a business decision or activity.

Charitable donations must be made only for philanthropic purposes and should be of no financial or other benefit. Sponsorships must only be made for business promotional objectives.

4.7 Political Contributions, Donations, Advice and Lobbying

We do not make political contributions or donations and we do not make use of political advisers or political lobbying groups, other than at the local level in the pursuit of planning consents.

Bellway is a member of the Home Builders Federation (HBF) and is apolitical and does not support any political party or organisation in any way.

4.8 Gifts and Corporate Hospitality

Bellway permits both the giving and receiving of good faith, reasonable and proportionate gifts, hospitality and entertaining in the course of doing business.

We do not permit the giving or receiving of any gifts, hospitality or entertaining which is perceived, expected or intended to improperly gain or retain business or a business advantage, or to reward a business advantage already given.

4.9 Expenses Paid by or to Third Parties

Expenses in these contexts are:

- the payment, provision or reimbursement by a third party of travel or other related expenses incurred by a division, employee or business partner
- the receipt, provision or reimbursement by Bellway of travel or other related expenses incurred by a prospective client, customer or business partner

Such situations are permitted by Bellway, so long as they are low value and proportionate and do not occur prior to significant business decisions being taken.

4.10 Private Works and Purchase of Homes by Employees and Connected Persons

As set out in the Employee Benefits document, employees are permitted to use the following for private purposes, providing advance approval has been sought:

- a company supplier of services and/or materials
- a sub-contractor operating under contract or tendering for a contract
- company employees either during or outside work hours
- company materials

In addition, all purchases of new Bellway homes or part exchange homes by employees, relatives of employees, partners, children, friends and other connected persons must be approved prior to the property being reserved.

4.11 Conflicts of Interest

A conflict of interest is any situation where an individual's loyalties may be at odds with their duties to Bellway. A conflict may arise where an individual's relationships (personal or professional), impairs or appears to impair, their ability to:

- Make fair and objective decisions when performing their job; or
- act in Bellway's best interests

All employees are expected at all times to act in our best interest and to exercise sound judgement around any potential conflict of interest situation. Employees must avoid situations where they, or Bellway, could be open to suspicion, of dishonesty or favouritism or lack of transparency. Any potential or actual conflicts of interest must be declared as soon as they are known.

4.12 Contracts

It is our policy to ensure that all contractual documentation for the following contains standard anti-bribery and corruption wording, which sets out our zero tolerance approach to bribery and corruption:

- contractor/sub-contractor agreements
- purchase of material agreements
- bonds
- consultant appointments
- framework agreements
- miscellaneous agreements
- contracts of employment

4.13 Reward

Reward structures for employees must be set so as to ensure they do not encourage and are not susceptible to bribery and corruption and all business expenses must be claimed in accordance with the Group Expenses Policy.

4.14 Employees

Recruitment processes must provide adequate comfort about the suitability of people being recruited. All employees must be made aware of and be required to comply with Bellway's policy on and approach to bribery and corruption. A failure to comply with the Anti-Bribery and Corruption Policy by an employee will be considered a breach of the employment contract, in addition to any criminal justice procedures if criminal offences are committed.

Statement of Policy



To Whom It May Concern

STATEMENT OF POLICY
FROM THE BOARD OF BELLWAY p.l.c.
BRIBERY ACT 2010
IMPORTANT DOCUMENT

Bellway operates a zero tolerance policy in respect of any form of bribery or corruption. The penalties for bribery and corruption are severe. They include up to 10 years imprisonment for individuals and an unlimited fine for companies as well as adverse publicity and damage to reputation.

This Statement of Policy is deliberately succinct. Combating bribery is fundamentally about common sense and creating a culture of ethical behaviour, not burdensome procedures.

The Bribery Act is not about curtailing legitimate and proportionate corporate entertainment - which is an important device in establishing and maintaining good relationships - it is about stopping bribery and corruption.

Corruption is about the abuse of entrusted power for private gain. This includes bribery, which is the offering, promising or giving of a bribe (active bribery) or accepting a bribe (passive bribery). There is also the bribery of a Foreign Public Official, which is unlikely to apply to Bellway. There is also the corporate offence where a company fails to prevent bribery being carried out on its behalf.

Bellway's zero tolerance approach to bribery and corruption has been adopted by the Board of Bellway p.l.c. and will apply to all companies/entities within the Bellway Group, including, for the avoidance of doubt, all its subsidiaries, joint venture companies and any consortium arrangements that the Group has. It extends to all the Group's business dealings and transactions and sets out the standards expected of all its employees and those who work for and with the Group.

The Group's approach to bribery and corruption is underlined not only by adherence to all relevant legislation but by ensuring, as far as possible, that its business activities are genuine and ethical. Bellway expects all its employees and those work for and with the Group to maintain the highest standards of integrity and conduct in all their business dealings.

As it is expected that all those who work for and with the Group adhere to the Group's zero tolerance approach to bribery and corruption, all references to Bellway, the Group and its employees in this Statement of Policy apply equally to individuals and companies who are business partners who work with and for the Group (who are referred to as 'business partners').

KEY PRINCIPLES

- 1 Integrity** – Bellway employees and those acting on behalf of the Group (business partners) must not act in any way that could undermine or give rise to allegations or doubts about their integrity or commitment to a zero tolerance approach to bribery and corruption. In particular, employees and business partners must conduct all business relationships fairly and honestly and at arms-length.
- 2 Transparency** – Bellway employees and business partners must exercise extreme care to ensure their business dealings are clear and ethical. This is so important, particularly in relation to business partnerships (especially those with agents, intermediaries and the Group’s supply chain); gifts, corporate hospitality, entertainment and expenses; donations; share dealings; the use of confidential information and conflicts of interest. Bellway employees and business partners must adhere, at all times, to Group purchasing policies and processes.
- 3 Security and Reporting Bribery** – Bellway encourages employees and business partners to immediately report any suspected business wrongdoing. This can be via its confidential reporting hotline, SpeakUp (for employees), or by reporting directly to Bellway’s Anti-Bribery and Corruption Compliance Officer, who is Simon Scougall, the Group General Counsel and Company Secretary (for employees and business partners). All employees and business partners are assured that no employee or business partner will suffer any adverse consequences for refusing to take part in bribery or corruption, or for reporting suspected business wrongdoing, including bribery.
- 4 Monitoring and Review** – The Anti-Bribery and Corruption Compliance Officer will monitor the Policy on an ongoing basis and he and the Audit Committee of the Board of Bellway p.l.c. will review Policy compliance annually. As part of this process, if the need arises for changes to this Policy or wider guidance is required, those changes will be implemented.
- 5 Practical Action** – Bellway will enforce its Policy throughout its employment contracts and in its agreements with its supply chain and business partners. Anti-bribery and corruption provisions will be included in all relevant contracts and agreements with third parties. Bellway will act firmly in respect of any failure to comply with this Policy. Any failure to comply by employees may result in summary dismissal and may also result in criminal prosecution and/or civil proceedings. Any failure to comply by business partners will mean that the contractual agreement may be terminated and the Group will avoid doing business with that partner in the future. The Group will look to its business partners and supply chain to adopt similar policies to Bellway and encourage comparable arrangements with business partners’ own supply chains.

If you have any concerns about the issues covered in this Statement of Policy, you should not hesitate to raise them with Bellway’s Anti-Bribery and Corruption Compliance Officer, Simon Scougall, Group General Counsel and Company Secretary at Bellway p.l.c., Seaton Burn House, Dudley Lane, Seaton Burn, Newcastle upon Tyne, NE13 6BE; Tel: 0191 217 0717.

Jason Honeyman
Group Chief Executive

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