



Bellway p.l.c.

Anti-Bribery and Corruption Policy

January 2022

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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 **Appendix F**.

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 and Expected Procedures and Controls
- Appendices – Supporting Documents and Forms

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 divisional 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, Group 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.

The Group General Counsel & Company Secretary will review, in conjunction with the Head of Risk & Audit 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 along with 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 the Group General Counsel & Company Secretary. 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 Managing Directors or to the Group General Counsel & Company Secretary.

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 Group Office, certify that key policies have been complied with. As part of this certification, divisions and Group 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 and Expected Procedures and Controls

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 **Appendix F**.

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, along with expected procedures and controls, including required approvals.

4.1 Land Acquisition and the Use of Land Agents

4.1.1 Policy Statement

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.

Marketing/resale fees payable to a vendor's agent are permitted in limited circumstances and only where the arrangement is approved. The agent should only be appointed if each of the following circumstances apply:

- the resale fees are no higher than the standard market rate and are payable on standard market terms
- the agent provides a genuine and substantial resale service
- the appointment is part of our efforts to build a relationship with the agent in the broader context of the sale
- the agreement appointing the agent for resales is in writing via a formal service agreement and contains all required Anti-Bribery and Corruption Policy wording
- the agreement does not contain a break clause allowing either party to terminate the resale arrangements for a fee

Fees must not be unreasonable or excessive. As a guide, any fee for the introduction of a site which is > 2% of the land purchase price, is considered to be excessive.

In any event, no fee should be payable in excess of £250,000 without the express prior written approval of the Group General Counsel and Company Secretary.

4.1.2 Expected Procedures and Controls

Expected processes and controls with regards to land acquisition and the use of land agents are set out below:

- Due diligence must be carried out before appointing or re-appointing agents/intermediaries using the form: “Proposed Appointment of Agent – Due Diligence (Land) (**Appendix A**)”. Relevant and required actions must be taken according to the risk rating which results from the completion of the form
- If following due diligence the agent/intermediary can be appointed, the pro forma wording at **Appendix B**, must be used to agree the fee and services in writing with the agent. **Only Managing Directors or Regional Chairmen have the authority to approve agents’ fees, except in the case of marketing or resale fees which only Regional Chairmen can approve.** The letter MUST include the standard wording on the Bribery Act. A copy of the agreement signed by the agent must be returned to Bellway, and be included in the land pack and also sent with the Request to Pay Agent’s Fees form (**Appendix C**)
- If a payment is to be made to an agent who is also acting for the vendor and such a payment is not for a resale service, this should be documented as an introductory fee. Any fee payable to a vendor’s agent must be approved by the vendor, such approval to be in writing and addressed to Bellway Homes Limited
- A specific section on Anti-Bribery and Corruption Policy Compliance, including all supporting documentation, must be included in all land packs. If no agent is being used, this should be stated in the relevant section of the land pack
- A receipted VAT invoice, addressed to Bellway Homes Ltd, must be obtained from the agent for any payment to be made
- The payment of all agents’ fees must be made via Head Office using the Request to Pay Agent’s Fees form (**Appendix C**) which must be signed by the divisional Managing Director, the divisional Finance Director and the Regional Chairman. Approved requests for payment should then sent to the Group General Counsel & Company Secretary with all supporting documents
- Payment cannot be authorised unless the correct form has been correctly completed and signed and all required documents are attached

4.2 Procurement

4.2.1 Policy Statement

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.

4.2.2 Expected Procedures and Controls

The requirements of all Group Technical and Commercial Policies and Procedures must be complied with for all aspects of procurement. Of particular relevance to this Policy:

- All orders and contracts must be the subject of a tender process
- Due diligence must be carried out before the appointment or re-appointment of significant suppliers, contractors, sub-contractors and other partners who carry out

business on the Bellway's behalf. The Procurement Due Diligence Checklist (**Appendix D**) should be used and kept on the tender file. The degree of due diligence can vary depending on the perceived risk

- Tender analyses and decisions must be approved:
 - always by the QS or Buyer
 - always by the Technical/Commercial Manager
 - always by the Technical/Commercial Director
 - always by the Finance Director
 - by the Managing Director if >£100,000
 - by the Regional Chairman if >£500,000
- Orders must be approved by the QS or Buyer and the relevant Head of Department or Technical Director
- Variations to order must be approved by the QS or Buyer and the relevant Head of Department or Technical Director
- Site managers and site based staff must not authorise variations to order

4.3 Sales

4.3.1 Policy Statement

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.

4.3.2 Expected Procedures and Controls for Sales

There are no specific processes and controls with regards to sales in relation to this Policy. Sales staff are required to comply with all aspects of this Policy and also to comply with Sales policies and procedures.

4.4 Public Sector, Government and Local Authority Officials

4.4.1 Policy Statement

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.

In addition, extreme care should be taken by those charged with reaching "compromises" with objectors related to any planning objections to our developments.

4.4.2 Expected Procedures and Controls

Any planning gain or compromise reached with objectors must be approved by the Divisional Land Director and the Managing Director and held on file at the divisions.

4.5 Joint Ventures, Collaborations and Subsidiaries

4.5.1 Policy Statement

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.

4.5.2 Expected Procedures and Controls

For all JVs and collaborations:

- As part of the initial due diligence process, the anti-bribery policy of the JV company or and collaboration members must be obtained and retained by Bellway
- The JV company or collaboration members must be notified, in writing, of our zero tolerance approach to bribery
- The JV company or collaboration members must adopt Bellway's Anti-Bribery and Corruption Policy, or an equivalent

4.6 Charitable Donations and Sponsorships

4.6.1 Policy Statement

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.

4.6.2 Expected Procedures and Controls

All charitable donations must be made in accordance with the Charity Plan and must be approved by the relevant Finance Director prior to payment being made.

All sponsorships must be approved by the Group General Counsel & Company Secretary , prior to the commitment of sponsorship being made.

4.7 Political Contributions, Donations, Advice and Lobbying

4.7.1 Policy Statement

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.

4.7.2 Expected Procedures and Controls

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. No specific processes or controls have been set out relating to political contributions, donations, advice and lobbying.

4.8 Gifts and Corporate Hospitality

4.8.1 Policy Statement

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.

Specifically, the following **must never be offered or accepted**:

- Cash/vouchers/extravagant gifts
- Repeat or regular gifts or hospitality by one employee to/from the same source. The maximum number of instances of gifts or hospitality interactions by an employee with the same source over a 12 month period should be three. Routine working business lunches/dinners are excluded
- Gifts of a bulk nature i.e. to multiple people in one organisation
- Gifts to or from any NHBC employee
- Hospitality exceeding £750 (corporate hospitality at recognised sporting/exhibition events are not subject to this cap provided the hospitality is reasonable and proportionate).
- Hospitality events which are to take place overseas

Gifts include food, drink or other corporate hospitality if the host is not present.

4.8.2 Expected Procedures and Controls – Divisions

For divisions, the following processes and controls must be in place:

- **ALL GIFTS RECEIVED MUST NOT BE KEPT BY THE INDIVIDUAL** and must be used for the benefit of Bellway employees as a whole. Gifts received should be put into a staff raffle or donated as charity raffle prizes
- All hospitality ***received*** which are > £20 must be approved by the relevant Head of Department. Hospitality which is < £20 is regarded as de minimis and need not be declared or approved provided the hospitality is given and received in compliance with the Policy statement at 4.8.1 above
- Gifts and hospitality ***received*** by the Managing Director must be approved by the Regional Chairman
- The Approval and Reporting of Gifts, Corporate Hospitality/Entertainment Form (**Appendix E**) must be used to obtain approval and must be filed at the division
- All gifts received regardless of value, and all hospitality ***received*** which is > £20, must be recorded on the **Gift and Hospitality Register – Received**, which must detail:
 - Recipient
 - Date

- Description of Gift/Event
 - Third Party Company and Third Party Contact
 - Value
 - Where the gift has been donated to
 - Approver and Date of Approval
- The **Gift and Hospitality Register – Received** must be maintained at the division, included in every divisional board pack, reviewed on a quarterly basis by the Regional Chairman and be available for audit as and when required
 - A **Listing of Declined Gifts and Hospitality** must also be maintained at the division, noting the employee who declined it, date, description of the gift/event and the third party company and contact. This List should also be included in every divisional board pack, reviewed on a quarterly basis by the Regional Chairman and be available for audit as and when required
 - All gifts and hospitality **given** must be approved by the Managing Director
 - If the Managing Director is giving the gift or attending the hospitality being given, approval must be obtained from the Regional Chairman
 - The Approval and Reporting of Gifts, Corporate Hospitality/Entertainment Form (**Appendix E**) must be used to obtain approval and must be filed at the division
 - All gifts and hospitality **given** must be recorded on the **Gift and Hospitality Register – Given**, which must detail:
 - Host/Gift Given By
 - Date
 - Description of Gift/Event
 - Third Party Recipient(s) and Third Party Company(ies)
 - Value
 - Approver and Date of Approval
 - The **Gift and Hospitality Register – Given** must be maintained at the division, included in every divisional board pack, reviewed on a quarterly basis by the Regional Chairman and be available for audit as and when required

4.8.3 Expected Procedures and Controls – Group Office, Including Regional Chairmen

For the purposes of gifts and hospitality, Regional Chairman must comply with these Group Office expected procedure and controls. For Group Office, including Regional Chairmen, the following processes and controls must be in place:

- **ALL GIFTS RECEIVED MUST NOT BE KEPT BY THE INDIVIDUAL** and must be used for the benefit of Bellway employees as a whole. Gifts received should be put into a staff raffle or donated as charity raffle prizes
- All hospitality **received** which are > £20 must be approved by the relevant Head of Department or the employee's line manager for senior employees. Hospitality which is < £20 is regarded as de minimis and need not be declared/approved provided the hospitality is given and received in compliance with the Policy statement at 4.8.1 above
- Gifts and hospitality **received** by Regional Chairmen must be approved by the Group General Counsel & Company Secretary
- Gifts and hospitality **received** by the Group CEO must be approved by the Group General Counsel & Company Secretary
- The Approval and Reporting of Gifts, Corporate Hospitality/Entertainment Form (**Appendix E**) must be used to obtain approval

- All gifts received regardless of value, and hospitality **received** which is > £20, must be recorded on the **Gift and Hospitality Register – Received**, which must detail:
 - Recipient
 - Date
 - Description of Gift/Event
 - Third Party Company and Third Party Contact
 - Value
 - Where the gift has been donated to
 - Approver and Date of Approval
- The **Gift and Hospitality Register – Received** must be maintained at Group Office, reviewed on an ongoing basis by Group General Counsel & Company Secretary and be available for audit as and when required
- A **Listing of Declined Gifts and Hospitality** must also be maintained at Group Office, noting the employee who declined it, date, description of the gift/event and the third party company and contact. This List must be reviewed on an ongoing basis by Simon Scougall and be available for audit as and when required
- All gifts and hospitality **given** must be approved by the relevant Head of Department
- If the Regional Chairmen are **giving** the gift or attending the hospitality being given, approval must be obtained from the Group General Counsel & Company Secretary
- If the Group CEO is **giving** the gift or attending the hospitality being given, this must be approved by the Group General Counsel and Company Secretary
- The Approval and Reporting of Gifts, Corporate Hospitality/Entertainment Form (**Appendix E**) must be used to obtain approval
- All gifts and hospitality **given** must be recorded on the **Gift and Hospitality Register – Given**, which must detail:
 - Host/Gift Given By
 - Date
 - Description of Gift/Event
 - Third Party Recipient(s) and Third Party Company(ies)
 - Value
 - Approver and Date of Approval
- The **Gift and Hospitality Register – Given** should be maintained at Group Office, reviewed on an ongoing basis by the Group General Counsel & Company Secretary and be available for audit as and when required

4.9 Expenses Paid by or to Third Parties

4.9.1 Policy Statement

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.

4.9.2 Expected Procedures and Controls

All such expenditure must be low value and proportionate and must not occur prior to significant business decisions being taken. All such items of expenditure must be documented and approved by the Managing Director or the Group General Counsel & Company Secretary if relating to a Group Office employee or a Regional Chairman.

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

4.10.1 Policy Statement

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.

4.10.2 Expected Procedures and Controls

Expected procedures and controls with regards to obtaining required approvals are set out in Bellway's Employee Benefits document.

4.11 Conflicts of Interest

4.11.1 Policy Statement

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.

4.11.2 Expected Procedures and Controls

Any potential or actual conflicts of interest must be declared as soon as they are known as set out in employment contracts and the Managing Director, Regional Chairman or Group General Counsel & Company Secretary must keep a register of all declared conflicts as appropriate.

4.12 Contracts

4.12.1 Policy Statement

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

4.12.2 Expected Procedures and Controls

It is our policy to ensure that all contractual documentation contains standard anti-bribery and corruption wording, which sets out our zero tolerance approach to bribery and corruption. Standard wording is stored on the Intranet under Legal/Construction Precedents/Section A/A12 Clause 38, which must be used.

4.13 Reward

4.13.1 Policy Statement

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.

4.13.2 Expected Procedures and Controls

All reward structures for employees must be reviewed to ensure they do not encourage and are not susceptible to bribery and corruption. All expense claims must be approved by the appropriate Head of Department.

4.14 Employees

4.14.1 Policy Statement

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.

4.14.2 Expected Procedures and Controls

When recruiting employees, background and previous employer reference checks must always be performed.

All employees must be made aware of and be required to comply with Bellway's policy on and approach to bribery and corruption and the Anti-Bribery and Corruption Policy must be available and accessible to all employees at all times.

Appendix A - Proposed Appointment of Agent – Due Diligence (Land)



ANTI-BRIBERY AND CORRUPTION POLICY PROPOSED APPOINTMENT OF AGENT – DUE DILIGENCE (LAND)

NOTE: The questions listed in Section A should be considered prior to the appointment or re-appointment of an agent.

The questions listed in Section B should be considered before the re-appointment of an agent or before fees are paid for the first time.

Question / Information Request	Answer	Risk Indicator (if “Yes”)
SECTION A – GENERAL		
1.	Have the following been obtained / carried out?	N/A
	a) Internet searches	Yes / No
	b) Press searches	Yes / No
	c) References (verbal/written)	Yes / No
	d) Other indirect enquiries	Yes / No
2.	Did the Agent approach Bellway and offer to perform the services (as opposed to Bellway approaching the Agent)?	
	Was the Agent recommended to us by some other party?	
3.	Does the Agent operate without its own anti-bribery and anti-corruption policy?	
	Did the Agent resist sharing its policy with Bellway?	
4.	Have any Bellway employees declared a conflict of interest in respect of the Agent’s appointment? If yes, please give details.	
	Yes / No	
	_____ _____ _____	
5.	What services will the Agent perform? Are they substantive, or limited to providing market intelligence?	<i>If services are limited to providing market intelligence</i>
	_____ _____ _____	
6.	Does the Agent assist with obtaining licences, permits, or other regulatory clearances?	
	Yes / No	
7.	Where the Agent is a company, is that company a “shell company” (i.e. a company with no real assets or operations of its own) or does it have some other complex corporate structure (e.g. a trust without information about the beneficiary)?	
	Yes / No	
8.	Where the Agent is a company, is the identity of the ultimate owner/controller unclear?	
	Did the Agent resist providing details of its ownership structure?	
	Yes / No	
	Yes / No	
9.	Will the Agent be entitled to receive large or unusual payments which are not in line with market rates, either on completion or upfront?	
	Did the Agent object to having its appointment documents in writing?	
	Yes / No	
	Yes / Nop	
	<i>Note: Generally, Head Office should be consulted at an early stage on any fee discussion. Fees in excess of 2% are likely to be regarded as excessive.</i>	

Question / Information Request	Answer	Risk Indicator (if "Yes")	
10	Does the Agent have a criminal record or has it otherwise been the subject of adverse judicial or regulatory findings?	Yes / No	
11	Did the searches carried out in Question 1 above raise any concerns, for example, reputational concerns in relation to alleged incidents of bribery, corruption, fraud, or similar? If yes, please give details.	Yes / No _____ _____ _____	
12	Is the Agent able to influence public officials, or does the Agent claim that he can help secure a site because he "knows the right people"?	Yes / No	
13	Does the Agent offer or receive frequent and/or expensive hospitality or gifts, either related to Bellway or more generally?	Yes / No	
SECTION B – RE-APPOINTMENT / BEFORE PAYMENT OF FEES			
14	How long has Bellway had a relationship with the Agent? When was the relationship last reviewed, and when was due diligence on the Agent last refreshed?	_____ _____	N/A
15	Did the Agent resist the inclusion of anti-bribery and anti-corruption clauses in its contractual relationship with Bellway, or did it attempt to negotiate such clauses so as to limit their scope or application?	Yes / No	
16	Has the Agent been successful in securing a difficult sale without an apparent explanation?	Yes / No	
17	Has the Agent ever requested payment ahead of schedule? Has the Agent ever exerted pressure for payment to be made urgently?	Yes / No Yes / No	
18	Are invoices issued in respect of the services? Has the Agent ever requested payment without an invoice?	Yes / No Yes / No	
19	Has the Agent requested payment to be made to a separate entity? Has the Agent requested that payment be split between two or more accounts? Has the Agent requested payment to an anonymous (numbered) bank account?	Yes / No Yes / No Yes / No	
20	Has the Agent ever requested an increase or decrease in fees/commissions in order to "cut red tape"?	Yes / No	
21	Has the Agent ever requested to be paid in cash?	Yes / No	

Risk Rating Assessment – Actions

No risks / Greens only

- Any appointment to be signed off by Regional Chairman in accordance with standard policy.
- Due diligence records to be kept and payments processed in accordance with standard policy.

Some Oranges

- Any appointment to be signed off by Regional Chairman in accordance with standard policy but frequently monitored for changes in behaviour (e.g. for “Red Risk” factors).
- Due diligence records to be kept and payments processed in accordance with standard policy.

Any Reds

- Appointment to be discussed between Regional Chairman and Group General Counsel and Company Secretary before any decision is made.
- Consider obtaining professional 3rd party background check and external legal advice.
- Unless Bellway is satisfied it is extremely unlikely that the Agent will be involved in bribery, it must not appoint the Agent.

Appendix B – Standard wording to be sent to agent to agree fee

ANTI-BRIBERY AND CORRUPTION POLICY WORDING WHICH MUST BE INCLUDED IN THE WRITTEN AGREEMENT WITH THE AGENT (who are used to acquire land or are instructed on resales)

1. Confirmation of the agreed fee.
2. Clearly set out when the fee is payable (i.e. within 10 working days of the acquisition of the Property by us or on an agreed resales profile).
3. Clearly set out that the fee is not payable in the following circumstances, i.e.:
 - 3.1 where there has been a breach of any of the provisions of the Bribery Act clause below, upon which the agreement will terminate immediately and any fees already paid becoming immediately repayable;
 - 3.2 where we acquire the Property on terms which are materially adverse to those contemplated at the date the fee agreement is completed;
 - 3.3 in the event that we have not purchased the site after a certain period (i.e. 6/12 months) regardless of the circumstances – if you can agree that – otherwise and where negotiations with the Vendor have terminated and we then subsequently purchase the Property from the open market.
4. Confirmation of the services (which are to be specified clearly and in detail) that we will receive in consideration of the agreed fee
5. Confirmation that the agreement is subject to the Bribery Act as follows, **using the precise wording below:**

“The Agent shall and shall procure that persons associated with it (as defined by Section 8 of the Bribery Act 2010, “Agent Associated Persons”) or other persons who are performing services in connection with this agreement shall:

- a comply with all applicable laws, statutes, regulations, and codes relating to anti-bribery and anti-corruption, including but not limited to the Bribery Act 2010 and any Guidance for the time being issued under section 9 of that Act;*
- b comply with Bellway’s statement of principles in relation to anti-bribery and corruption as updated from time to time and made available on Bellway’s corporate website; and*
- c without prejudice to the foregoing:*
 - (i) not engage in any activity, practice or conduct which would constitute an offence under sections 1, 2 or 6 of the Bribery Act 2010 if such activity had been carried out in the UK;*
 - (ii) promptly report to Bellway any request of or demand for any undue financial or other advantage of any kind offered to or received by it in connection with the performance of this Agreement;*
 - (iii) promptly report to Bellway any notice, written communication, investigation or proceedings against the Agent, any member of its group or any of its or their directors, officers, employees, agents or other Agent Associated Persons in connection with any actual or alleged fraud, bribery or other corrupt activity;*
 - (iv) at Bellway’s request permit access to the agent’s records, co-operate fully, at its own cost, with any investigations and related matters pertaining to the engagement and certify to Bellway in writing, signed by the Agent or its duly authorised officer, compliance with this clause by it and all persons associated with it; and*
 - (v) ensure that no part or the whole of the fee payable by Bellway to the Agent under the terms of this Agreement is paid to a 3rd party to facilitate or otherwise further Bellway’s acquisition of the Property.*

To the extent permitted by law, the Agent will indemnify and hold harmless Bellway from and against any and all claims, damages, losses, penalties, costs (including but not limited to legal fees) and expenses arising from or related to, any breach by the Agent or the Agent’s Associated Persons of this clause.”

The letter can only be signed by a Managing Director or Regional Chairman, except in the case of marketing or resale fees which only Regional Chairmen can approve.

A copy of the letter must also be signed by the agent to confirm their agreement to and compliance with Bellway’s Anti-Bribery and Corruption Policy wording.

Appendix C – Request to Pay Agent’s Fees



ANTI-BRIBERY AND CORRUPTION POLICY REQUEST TO PAY AGENT’S FEES

DIVISION: _____

SITE: _____

VIABILITY APPROVAL NUMBER: _____

NAME OF AGENT (AND PAYEE): _____

AMOUNT: _____

DATE PAYMENT REQUIRED: _____

		(please tick box)		
		Yes	No	N/A
1	Are arrangements between the Group and the agent in writing in the format prescribed by the Group and do they comply with the Group Anti-Bribery and Corruption Policy and Procedure requirements? (Please enclose a copy of the agreement and a copy of the completed “Proposed Appointment of Agent – Due Diligence Questionnaire”). For payments in instalments the agreement must be attached to each request to pay.	<input type="checkbox"/>	<input type="checkbox"/>	
2	In the case of a site introduction by the agent, has the fee the agent is to receive been agreed in writing by the MD or Regional Chairman? (Please enclose a copy of the agreement).	<input type="checkbox"/>	<input type="checkbox"/>	
3	In the case of marketing/resales service agreed with the agent, have the fees the agent is to receive been agreed in writing by the Regional Chairman?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	Is the level of the fee the agent is to receive in accordance with the Group approved land viability?	<input type="checkbox"/>	<input type="checkbox"/>	
5	Are the services that the land agent is to perform (or has performed) clear and documented and is the fee payable proportionate*? (Please enclose a copy of the invoice addressed to Bellway Homes Limited)	<input type="checkbox"/>	<input type="checkbox"/>	
6	Where any payments are to be made by the Group to the vendor’s agent (whether as an introductory fee or for resales), is there documentation between the Group and the vendor to confirm the vendor’s agreement to this? (Please enclose a copy of the relevant correspondence)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7	Can you confirm that to the best of your knowledge, the fee, or no part of the fee, is to be paid to a third party to facilitate, or otherwise, further Bellway’s acquisition of the site	<input type="checkbox"/>	<input type="checkbox"/>	

Failure to comply with the Group’s Anti-Bribery and Corruption Policy and in addition, to complete this form satisfactorily, will result in the application being refused and the payment rejected.

*** As a guide, in relation to introduction payments, anything in excess of 2% of purchase price could be viewed as excessive. In any event, no fee should be payable in excess of £250,000 without the express prior written approval of the Group General Counsel and Company Secretary.**

Any other comments: _____

Signed: _____
Regional Chairman

Signed: _____
Div. Managing Director

Signed: _____
Div. Finance Director

Date: _____

Date: _____

Date: _____

Appendix D – Procurement Due Diligence Checklist



**ANTI-BRIBERY AND CORRUPTION POLICY
PROCUREMENT DUE DILIGENCE CHECK LIST
(OTHER THAN AGENTS RELATING TO LAND ACQUISITION)**

DIVISION/COMPANY NAME:		
NAME OF PARTY TO BE ENGAGED		
DETAILS OF PROPOSED PROJECT		
VALUE OF PROJECT TO BE CARRIED OUT BY PARTY		
DETAILS OF DUE DILIGENCE CARRIED OUT:		Details of action taken/comments:
Details of third parties anti-bribery and corruption policies and procedures (copy enclosed)		
Does the third party request similar anti-bribery and corruption policies for its sub-contractors/supply chain?		
Direct interrogation		
Indirect enquiry		
General research		
References (verbal/written)		
Press references		
Internet research		
Other		
RISK ASSESSMENT 1 – 5		
<p style="text-align: center;"> Very Low Low Medium High Very High 1 2 3 4 5 Please indicate degree of risk by circling appropriate number </p>		
CONCLUSION/RECOMMENDATION		
DUE DILIGENCE CARRIED OUT BY		RECOMMENDATION
(Divisional Director or Department Head):		APPROVED/NOT APPROVED BY TWO OF RC/MD/FD/TD/CD (delete as appropriate & should not be the same person who carried out the due diligence)
Name (please print): _____		Name (please print): _____
Position: _____		Position: _____
Signature: _____		Signature: _____
Date: _____		Date: _____
		Name (please print): _____
		Position: _____
		Signature: _____
		Date: _____

Appendix E - Approval and Reporting of Gifts, Corporate Hospitality/Entertainment Form



ANTI-BRIBERY AND CORRUPTION POLICY
APPROVAL AND REPORTING OF GIFTS, CORPORATE HOSPITALITY/ENTERTAINMENT

YOU MUST COMPLETE THIS FORM TO:

- 1 Obtain approval before you accept a gift or corporate hospitality/entertainment
- 2 Obtain approval to offer a gift, corporate hospitality/entertainment
- 3 Report any gift, corporate hospitality/entertainment you have declined

Divisional Employees

Approval must be obtained from your Head of Department before submitting this form to your Finance Director for recording in the Divisional register.

Group Employees

Approval must be obtained from your Head of Department before submitting this form to Simon Scougall for final approval and recording in the Head Office register.

Employee's Name	
Job Title	
Division	
Name of Third Party Company	
Name of Third Party Contact	
Date of Event (if applicable)	
Brief Description of Event/Gift	
Estimated Value	
I would like to attend the event and confirm that by attending this event I will not have attended more than 3 events with this supplier in the last 12 months.	
I have been offered a gift and would like to accept it for an on behalf of Bellway. The gift will be donated to Bellway to use as a charity raffle prize. I will not keep the gift for my personal use.	
I would like to host the event/offer gift (offer of gift requires MD approval)	
I have declined the invitation/gift	
Employee's Signature	
Date	
DIVISIONAL EMPLOYEES ONLY	
Department Head's Signature MD's Signature (for hospitality to be offered)	
Date of Approval	
<i>Now pass form to Divisional FD</i>	
Date Entered in Divisional Register	
GROUP EMPLOYEES ONLY	
Department Head's Signature	
Date of Approval	
GCCS & Anti-Bribery & Corruption Compliance Officer's Signature	
Date of Final Approval	
Date Entered in Head Office Register	

Appendix F – 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., Woolsington House, Woolsington, Newcastle upon Tyne, NE13 8BF; Tel: 0191 217 0717.

Jason Honeyman
Group Chief Executive

Simon Scougall
Group General Counsel and Company Secretary
and Anti-Bribery and Corruption Compliance Officer

Updated January 2022