

Anti corruption



Group anti-bribery and corruption policy

Policy purpose and values

Breaching anti-bribery and corruption laws can have serious consequences, including reputational damage and potential criminal liability, which could impact many of our stakeholders, including our employees, customers, suppliers and shareholders..

Scope

This policy explains the risks relating to bribery and corruption and informs employees and other stakeholders what they should and should not do in order to ensure we all continue to act with integrity.

Policy statement

Renishaw has a zero-tolerance approach to bribery and corruption.

Responsible party

Group Legal: drafting and maintaining this policy

Regional Heads of Legal/General Counsel: promoting this policy locally

Directors/Managers: ensuring that direct reports, and other personnel to whom this policy applies, comply with this policy

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Policy number	Issue number	Effective date	Author	ExCo Sponsor
CC050	01	01/12/21	Nikki Powell	Jacqueline Conway
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1. What is meant by bribery and corruption?

1.1 Key risks addressed by this policy

This policy seeks to address the risk that a person acting for or on behalf of Renishaw offers or receives a gift contrary to anti-bribery and corruption legislation in force in the relevant part of the world.

All businesses, and their customers and suppliers, need to be aware of the rules to avoid breaching anti-bribery and corruption law and to avoid becoming a victim of others' breaches. There are severe consequences for getting it wrong, including imprisonment and unlimited fines for individuals, and unlimited fines for companies, along with the serious reputational consequences of being found guilty of such an offence. Companies may also face criminal prosecution for failing to prevent bribery.

1.2 Meaning of bribery and corruption

Bribery is offering, promising, giving *or accepting* any financial, or other, advantage, to induce the recipient (or any other person) to act improperly in the performance of their functions, to reward them for acting improperly, or to otherwise cause the recipient to act improperly through accepting the advantage.

A bribe can be anything of value, not just money. Both giving and receiving bribes (and offering or agreeing to receive bribes) can in some circumstances be criminal.

Facilitation or 'grease' payments are also a form of bribery and are therefore forbidden. These are payments made with the purpose of expediting or facilitating the performance by a public official of routine bureaucratic transactions. Be extra careful, as these payments can be dressed up as administration fees, commission payments or local taxes.

Corruption is the abuse of entrusted power or position for private gain.

1.3 Some examples

Offering a bribe:

You offer a potential customer tickets to a major sporting event, but only if they agree to do business with Renishaw.

This would be an **offence**, as you are making the offer to gain a commercial and contractual advantage. Renishaw may also be found to have committed an offence because the offer has been made to obtain business for it. It may also be an offence for the potential customer to accept your offer.

Receiving a bribe:

A supplier gives your nephew a job, but makes it clear that in return they expect you to use your influence in Renishaw to ensure it continues to buy from them.

It is an **offence** for a supplier to make such an offer. It would be an offence for you to accept the offer, as you would be doing so to gain a personal advantage.

Bribing a foreign official:

You arrange for Renishaw to pay an additional "facilitation" payment to a foreign official to speed up an administrative process, such as clearing Renishaw's goods through customs.

The offence of bribing a foreign official is committed as soon as the offer is made. This is because it is made to gain a business advantage for Renishaw. Renishaw may also be found to have committed an offence (if it did not make the offer but accepts it).

2. What do we mean by a ‘zero-tolerance approach’?

Renishaw takes a zero-tolerance approach to bribery and corruption. This applies without any exception for cultural differences. As well as being illegal, bribery is unethical and does serious damage to the societies in which it occurs.

The only exception to the above is if life or liberty are at immediate risk (for example, being held at gunpoint) and a fee is paid to reduce or eliminate that risk, and provided that the incident is reported as soon as possible to the Group General Counsel.



Renishaw is committed to acting professionally, fairly and with integrity in all its business dealings and relationships wherever we operate, and implementing and enforcing effective systems to counter bribery and corruption. Renishaw’s policy is to conduct all its business in an honest and ethical manner.

Renishaw is fully committed to being compliant with local anti-bribery and corruption laws at all times and does not condone any activity that might amount to a breach of those laws. It always seeks to do business honestly and transparently and in accordance with the best practice set out in this policy.

Renishaw’s zero-tolerance approach to bribery and corruption must be communicated to all suppliers, contractors and business partners at the outset of business relationships with them and as appropriate thereafter.

3. What are the key risks?

We have identified that the following are particular risks to the Renishaw business:

- **Where we do business – high-risk jurisdictions**
- **How we do business – use of intermediaries, petty cash, sponsorship agreements**
- **Who we do business with – Government-owned entities**

WHERE we do business	
<i>Transparency International's Corruption Perception Index</i>	
Renishaw is a global business and operates in certain territories where there is a high perception and/or prevalence of bribery and corruption.	
Transparency International scores and ranks countries according to their perceived level of corruption in its Corruption Perceptions Index (CPI). Countries in which Renishaw does business and which score well down the CPI list include India, China, Russia and Brazil. A full list is at 2020 - CPI - Transparency.org .	
Where Renishaw conducts business in low-ranking countries, it must be particularly aware of the risk of bribery and corruption occurring and ensure rigorous due diligence is undertaken. Many bribery laws also have widespread jurisdictional reach which extend to wherever a company does business (well beyond the country in which it was incorporated or registered).	
All Renishaw personnel doing business in such jurisdictions must be alert to these risks.	

HOW we do business	
<i>Use of intermediaries</i>	
When selling through a third-party intermediary (distributor, reseller, agent etc.) there is a risk that, in order to secure business on Renishaw's behalf, that third party pays a bribe.	
Offering incentives, such as commission, increases that risk.	
These risks are increased in countries with a poor CPI rating.	
<ul style="list-style-type: none"> Renishaw could be held liable for unlawful acts committed by its third-party intermediaries. It cannot avoid liability by simply appointing an intermediary. Renishaw must undertake a level of due diligence that is proportionate to the risk posed by the appointment of that intermediary. 	
<i>Use of petty cash</i>	
The use of petty cash circumvents the usual expenditure reporting procedures within Renishaw, and so the risk for misappropriation of the petty cash funds is increased. Where possible, try and eliminate or limit the use of petty cash.	\$
<i>Sponsorship agreements</i>	
Improper or excessive sponsorships can present a risk of bribery or corruption. It is important that any sponsorship agreement clearly sets out the key terms of the arrangement including what is being given and received of value by either party. The arrangement should not influence or appear to influence the independence of the giver or receiver of the sponsorship.	↔
<i>WHO we do business with – state-owned entities</i>	
Sales to state-owned and hybrid entities, such as universities, are a higher risk because of the potential exposure to government officials.	
This is an increased risk in countries with a poor CPI rating.	

4. What are the key controls to manage the risks?

Renishaw has various key controls in place to help ensure it, and its personnel, remain compliant with anti-bribery and corruption laws at all times. Collectively, these all help to ensure that Renishaw has the 'adequate procedures' (or a strong compliance programme) in place designed to prevent bribery and corruption. These key controls are set out below.

4.1 Risk assessments

Periodic risk assessments help to identify the key risks for the Company. These risks will vary market-to-market and may also vary over time as the business develops and changes who it does business with, how it does business or where it does business. Risk assessments are conducted periodically by the Group and local champions and are stored centrally. These help to shape and inform the other key controls used to manage the risks relating to bribery and corruption.

4.2 Third-party due diligence and “know your customer (KYC)”

Before any third-party intermediary is engaged in any capacity by a Renishaw Group company, the due diligence questionnaire annexed to this policy must be completed by the person proposing the relationship. Further information about the process is contained within the questionnaire itself. We also screen third-party intermediaries using e2open.

The KYC process is under review as at the date of this policy.

4.3 Anti-bribery and corruption clauses in contracts

Renishaw requires third parties to sign up and adhere to anti-bribery and corruption clauses in all relevant group companies' standard terms and conditions, standard form and negotiated agreements (including relationship agreements such as agency, distribution and consultancy agreements).

4.4 Gifts and hospitality approval process

Renishaw's policy is that the giving or receipt of gifts, benefits or hospitality must be reasonable and proportionate. Be cautious when giving or accepting gifts or hospitality to encourage or reward a decision, even in countries where there is a certain custom or practice to do so.

The giving or accepting of reasonable and appropriate hospitality for legitimate purposes such as building relationships, maintaining Renishaw's reputation, or marketing its products, is not prohibited.

Thresholds for giving and receiving gifts and hospitality

Thresholds apply to the giving and receiving of gifts and hospitality. These apply to all third parties, including government officials. A 'government official' is a very broad term and can include university staff, civil servants (for example, in defence departments) and individuals working for public bodies that provide research funding.

If you wish to give or receive a gift or any hospitality (such as a lunch or dinner), you will need approval **where possible**, before accepting or giving, where the value of the gift or hospitality exceeds the thresholds set out below. Retrospective approval is acceptable where there is insufficient time to seek prior approval (for example, there was a last-minute decision to conclude a customer meeting at a restaurant). Approval is not required where the value is below the threshold.

Gifts and hospitality – threshold levels and approval process

Below 200*

No approval required for any gift or hospitality, given or received, below the value of £200/\$200/€200.

For countries where Sterling, the US dollar or the Euro is not the local currency, please see Annex 2 which sets out the relevant currency of association.

200* and above (but below 500)

Where possible, the gifts and hospitality register (G&H register) must be used to seek approval from your country/cluster manager before you accept or offer the gift or hospitality. Once you have completed the G&H register, the system will send a notification to your country or cluster manager (UK – Rob Macdonald) for approval.

500* and above

The G&H register requires a two-tier approval to be obtained, where possible, before you accept or offer the gift or hospitality. Once you have completed the G&H register, the system will send a request for approval to:

1. your country or cluster manager (UK – Rob Macdonald) and
2. regional or national president (US, APAC and EMEA) or the Group Finance Director (UK) for approval.

*means in Pounds Sterling, US Dollars or Euros.

Discretion to allow lower threshold limits

Regional Presidents have the discretion to set lower threshold limits than those set out above for gifts and/or hospitality (given and/or received) for any market within their region. However, they are not permitted to set higher threshold limits.

In cases where a Regional President elects a lower threshold limit, they must:

- clearly communicate the lower limit to all staff who must adhere to that lower limit; and
- inform the Group Anti-bribery Champion so the register can be amended to allow for this lower limit.

Healthcare professionals

Gifts or hospitality must not be given to healthcare professionals.

Healthcare professional means any individual (with a clinical or non-clinical role; whether a government official, or employee or representative of a government agency or other public or private sector organisation; including but not limited to, physicians, nurses, technicians, laboratory scientists, researchers, research co-ordinators or procurement professionals) who in the course of their professional activities may directly or indirectly purchase, lease, recommend, administer, use, supply, procure or determine the purchase or lease of, or who may prescribe medical technologies or related services.

During a tender process

No gifts or hospitality must be accepted from, or given to, a party involved in a tender process with Renishaw for the duration of that process.

No cash

Gifts must not include cash or cash equivalent (such as vouchers) or be given in secret. Gifts must be given in Renishaw’s name, not your name.

Gifts and hospitality register

Any gift or hospitality, whether given by or received from someone outside Renishaw, in an amount above any of the thresholds in the thresholds table above must be recorded in the gifts and hospitality register (by completion of the G&H form) where possible before the gift or hospitality is given or accepted.

A link to the G&H form is here [G&H Register - Home \(sharepoint.com\)](https://renishawplc.sharepoint.com/sites/GL/SitePages/GandHRegister.aspx)

How this applies in practice

A supplier buys you an inexpensive bottle of wine	Its value is below the approval threshold, so no need to seek approval or record in the register
A supplier buys you a magnum of vintage champagne in Toronto	Its approximate value in Canadian dollars is over the approval threshold, so this requires approval in USD (according to Annex 2) and recording in the register
You take a customer out for a lunch of sandwiches and coffee	Its value is below the approval threshold, so no need to seek approval or record in the register
You take a customer out for a three-course lunch at a five-star restaurant in Hong Kong	Its approximate value in HK dollars is over the approval threshold, so this requires approval in GBP (according to Annex 2) and recording in the register

4.4 Training and communication

The Group Champion is responsible for providing e-learning on anti-bribery and corruption and organising ad hoc in-person training from external specialist legal counsel. The Group and Local Champions communicate with colleagues about the risks in this area and about the existence and use of the gifts and hospitality register.

4.5 Reporting a breach of anti-bribery and corruption law – how to ‘Speak Up’

If anyone working for Renishaw becomes aware of a breach of anti-bribery and corruption law involving a Renishaw Group company, or believes (in good faith) that a breach is about to be, or has been, committed, they must report this immediately either to the Group General Counsel, or via the Renishaw whistleblowing hotline **Speak Up**.

Please find details about Renishaw’s Speak Up programme and how to report via the following link. Note that Renishaw operates a strict non-retaliation policy when a genuine concern has been reported in good faith: <https://renishawplc.sharepoint.com/sites/GL/SitePages/SpeakUp.aspx>

4.6 Seeking legal advice

Please speak to Group Legal if you are unsure if a practice or activity may be in breach of anti-bribery and corruption laws. The team comprises lawyers centrally located in New Mills at the Head Office in the UK; as well as regional lawyers (Regional Heads of Legal / General Counsel) who look after the local markets. Current Legal team contact details can be found here: <https://renishawplc.sharepoint.com/sites/GL/SitePages/Meet-the-Team.aspx>

Group Legal

Renishaw Group Legal has access to external specialist anti-bribery and corruption law advisors whose advice can be sought where required. Please speak to Group Legal if you need access to our specialist advisors. Renishaw’s specialist external legal advisors also provide regular training sessions on compliance.

Regional Heads of Legal / General Counsel

There are likely to be differences in local laws and practice. Please therefore seek local advice from your local Renishaw Head of Legal / General Counsel if you are based outside the UK:

Americas: Rob Chernoff (General Counsel – Americas)	APAC: Tony Lim (Head of Legal – APAC)
EMEA: Hatice Akkoc (Head of Legal – EMEA)	

5. Why does this policy matter?

The consequences of breaching anti-bribery and corruption laws are serious. If it is established that Renishaw, or an individual acting on its behalf, has been involved in bribery or corruption, the consequences for the company and the individual could include the following:

Criminal prosecution – imprisonment of the individual(s) concerned either for paying or receiving bribes or for failing to prevent bribery	
Criminal prosecution – substantial fines for Renishaw and individual(s) concerned (unlimited fines in some countries)	
Reputational damage – which could affect the share price and how we are perceived by our customers, employees, suppliers, shareholders etc.	
Lengthy investigations by the police (and other authorities) – entailing huge amounts of management time and expense	
Dawn raids – unannounced investigations by the police or other authorities (<i>for further information about dawn raids, please see here: https://renishawplc.sharepoint.com/sites/GL/SitePages/Competition-law-compliance.aspx</i>)	
Disqualification of directors	
Prohibition from participation in public tenders / restrictions on future conduct	
Contracts being declared unenforceable	
Further litigation – following on from the findings in any criminal case	

Renishaw has appointed a Group Champion and Local Champions to promote and enforce anti-bribery and corruption law compliance across the Renishaw Group. Please see the different key responsibilities of the Group and Local Champions set out in the table below:

Area	Group Champion	Local Champions
Risk assessments	<ul style="list-style-type: none"> Conduct periodic risk assessments of the bribery and corruption risks relating to the Group 	<ul style="list-style-type: none"> Conduct periodic risk assessments of the bribery and corruption risks relating to their region
Policy	<ul style="list-style-type: none"> Drafting the policy Reviewing the policy on an annual basis Ensuring the latest version of the policy is on the Intranet 	<ul style="list-style-type: none"> Promoting the policy locally Issuing local guidance notes on specific topics covered by the policy, which may reflect local laws and practices
SharePoint	Maintaining know-how on SharePoint pages	Adding any local anti-bribery and corruption issues/know-how to local SharePoint pages
Comms	Communicating with Local Champions and colleagues on anti-bribery and corruption issues	Communicating with local business colleagues on anti-bribery and corruption issues
Face-to-face training	Organising ad hoc training when appropriate and helping to prepare training materials	Promoting training – conducting ad hoc training when appropriate
E-learning	Developing e-learning for all staff	Promoting e-learning and ensuring all staff complete the training in a timely manner
Dawn raids	Supporting the provision of annual dawn raid training for receptionists at the Gloucestershire sites and the head security guard at New Mills	Promoting dawn raid procedures and any differences locally – and ensuring all local offices (or their reception areas) are trained and sent a copy of the procedures at least once per year
Legal advice	<ul style="list-style-type: none"> Providing advice on anti-bribery and corruption law issues for Group colleagues via access to external specialist legal counsel Escalating anti-bribery and corruption law issues to the Group General Counsel, as required 	<ul style="list-style-type: none"> Providing local advice on anti-bribery and corruption law issues for subsidiary colleagues via access to external specialist legal counsel Escalating anti-bribery and corruption law issues to the Group General Counsel, as required

6. Who does this policy apply to?

This policy applies to everyone working at Renishaw. All directors, employees, temporary personnel, contractors, consultants, placement students, intermediaries and third parties acting on behalf of any Renishaw Group company (under the Renishaw Group Control Manual) are required to follow this policy. This policy applies to all business dealings and transactions in all countries in which the Renishaw Group is operational.

Renishaw reserves the right to take disciplinary action against any employee who does not comply with this policy.

7. At a glance – dos and don'ts

Please follow the key “dos and don'ts” set out below at all times. These are not intended to provide comprehensive legal advice on anti-bribery and corruption laws. If you have concerns about any activity, then you should seek detailed advice from Group Legal in the first instance.

✔ DOs	✘ DON'Ts
Read this <u>policy</u> and complete any anti-bribery and corruption <u>training</u> assigned to you.	Do not – give, promise or offer, or accept a payment, gift or hospitality with the expectation (or hope) that a business advantage will be received, or to reward a business advantage already given.
Be mindful of the <u>language</u> you use in emails and documents. Avoid language that might appear to imply (even jokingly) an intention to give or accept a bribe.	Do not – give or accept a gift or hospitality during any commercial negotiations or tender process if this could be perceived as intended or likely to influence the outcome.
Keep complete and accurate <u>records</u> . All accounts, invoices, and other records relating to dealings with third parties (including suppliers and customers) should be prepared with strict accuracy and completeness.	Do not – accept a payment, gift or hospitality from a third party that is offered (or you suspect is offered) with the expectation that it will provide a business advantage for them or anyone else in return.
Submit all <u>expenses claims</u> relating to hospitality, gifts or payments to third parties in accordance with Renishaw's expenses policy and record the reason for expenditure.	Do not – accept hospitality from a third party that is unduly lavish or extravagant under the circumstances.
Seek approval via the <u>G&H register</u> , where possible BEFORE giving or receiving a gift or hospitality of £200/\$200/€200 or above.	Do not – keep accounts "off-book" to facilitate or conceal improper payments.

Annex 1 – Due diligence questionnaire



Due Diligence
Questionnaire -Third P.

Annex 2 – Currencies of association

Location	Local currency	Currency of association
GROUP		
United Kingdom (UK)	GBP	GBP
AMERICAS		
Brazil	BRL	USD
Canada	CAD	USD
Mexico	MXN	USD
USA	USD	USD
APAC		
Australia	AUD	GBP
China	CNY	GBP
Hong Kong	HKD	GBP
India	INR	GBP
Indonesia	IDR	GBP
Japan	JPY	GBP
Malaysia	MYR	GBP
Singapore	SGD	GBP
South Korea	KRW	GBP
Taiwan	TWD	GBP
Thailand	THB	GBP
Vietnam	VND	GBP
EMEA		
Austria	EUR	EUR
Czech Republic	CZK	EUR
France	EUR	EUR
Germany	EUR	EUR
Hungary	HUF	EUR
Israel	ILS	EUR
Italy	EUR	EUR
Netherlands	EUR	EUR
Poland	PLN	EUR
Republic of Ireland	EUR	EUR
Romania	RON	EUR
Russia	RUB	EUR
Slovakia	EUR	EUR
Slovenia	EUR	EUR
Spain	EUR	EUR
Sweden	SEK	EUR
Switzerland	CHF	EUR
Turkey	TRY	EUR