

# Policy on Anti-Bribery and Corruption

ScottishPower Compliance Division

Prepared:

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Board of Directors



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# Version Control

Version	Author	Purpose	Date
1.0	SP Compliance Division	Final approved version following annual review and update of content.	July 2019
2.0	SP Compliance Division	Implementation of document management principles, and annual review and update of content.	October 2020
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4.0	SP Compliance Division	Final approved version.	July 2023



## 1. Purpose

At ScottishPower (the “Company”) we take a zero-tolerance approach to bribery and corruption, and we are committed to the highest standards of ethical conduct and integrity in all our business activities, in line with the Iberdrola Group Code of Ethics and the Iberdrola Anti-Corruption and Anti-Fraud Policy.

The ScottishPower Anti-Bribery and Corruption Policy (the “Policy”) sets out the principles for compliance with that approach, explains how they are applied within the Company, and encourages and provides guidance for reporting of any suspected breaches.

## 2. Scope

This policy applies to all ScottishPower employees (whether full or part-time), including all directors, officers, managers, agents, and permanent or temporary contractors. This policy also applies to third parties working on behalf of ScottishPower, as well as our suppliers, partners, and others we do business with.

This policy applies to all of ScottishPower’s business dealings and transactions in all countries in which it, or its subsidiaries, conduct any business. Moreover, ScottishPower expects its third parties, suppliers, partners, and others we do business with, to conduct themselves in an ethical manner and consistent with the principles outlined in this Policy.

ScottishPower can be held liable for failing to prevent bribery by employees or associated persons working on ScottishPower’s behalf, regardless of where the act takes place. Compliance with this policy is therefore mandatory.

The ScottishPower Compliance Division is responsible for the day-to-day oversight of the Policy. The Chief Compliance Officer is the Senior Officer responsible for the Policy who will monitor and report on compliance with the Policy to the Scottish Power Limited Board of Directors, the Scottish Power Limited Audit and Compliance Committee, and the Group Compliance Unit.

## 3. Bribery and Corruption Defined

**Bribery is** an inducement or reward offered, promised, or provided, to improperly gain any commercial, contractual, regulatory, or personal advantage. For example, giving someone money or offering a job in return for favours or special treatment.

The UK Bribery Act 2010 came into force on 1 July 2011 and there are serious consequences, for individuals and / or companies found to be non-compliant with the Act, including imprisonment and unlimited fines. There are four key offences under the UK Bribery Act 2010:

- Offering, promising, or giving a bribe;



- Requesting, agreeing to receive, or accepting a bribe;
- Bribing a foreign public official; and
- Failure of commercial organisations to prevent bribery.

**Corruption is** any dishonest or illegal behaviour that is aimed at gaining an improper advantage. Corruption can typically include activities such as theft, misreporting, embezzlement, or financial crimes such as money laundering, tax evasion or terrorist financing.

## 4. Anti-Bribery & Corruption Principles

ScottishPower is committed to the following key Anti-Bribery and Corruption principles:

### A. Doing Business

- We will carry out business fairly, honestly, and openly.
- Facilitation or ‘grease’ payments and kickbacks, whether legal or not in a country, are prohibited. Employees must notify the Compliance Division when they identify any kind of request for a facilitation payment:
  - Facilitation or ‘grease’ payments are a type of bribe. They are usually defined as payments made to expedite or facilitate the performance of a routine transaction or service.
  - Kickbacks are an illegal payment intended as compensation for preferential treatment, to induce a purchase or improperly influence future purchases.
- We do not allow employees to accept money, gifts, hospitality, and other advantages from business associates, actual or potential suppliers, or service providers which are intended or could be seen to influence a business decision or transaction.
- Where gifts or hospitality are considered to be appropriate in the circumstances, these should be recorded to ensure appropriate transparency and oversight. A central register is in place for ScottishPower employees to record gifts, hospitality, and conflicts of interest.
- We will not give or offer any money, gift, hospitality, or other advantage to any person carrying out a business or public role in the UK or abroad, or to a third party associated with that person, to get them to do something improper or to improperly influence them to our business advantage.
- Regardless of their purpose, all gifts or hospitality accepted or offered by ScottishPower employees must be of limited value and reasonable in the circumstances.
- No employee will suffer demotion, penalty, or other adverse consequence for refusing to pay bribes, even if it may result in ScottishPower losing business.
- We will adhere to all applicable standards, principles, and laws for accounting and financial reporting, make and keep accurate records that reflect all the transactions of the Company, and maintain an adequate system of internal accounting controls.



## B. Public Officials

- All interactions with public officials, both foreign and domestic, must comply with this Policy, the Company's Code of Ethics, and with all applicable laws, rules, and regulations.
  - A public official may include anyone, regardless of rank or title, who exercises a public, administrative, or judicial function. This includes anyone who works with, on behalf of, or for:
    - A government, a government agency, a local or public authority;
    - A political party, politician or individual engaged in politics;
    - A person who works for a public international organisation (for example, the United Nations or the World Bank);
    - An employee of a state-owned company; or
    - A close relative of any of the above.

**If in any doubt, contact the SP Compliance Division.**

- You must ensure that you maintain the principles of transparency, openness, and honesty in dealing with any public officials. Regardless of the intent, all employees and third parties must be sure that they do not act in any way that could even create the appearance of any impropriety.
- ScottishPower does not support individual politicians or officials, and does not make contributions to political parties, organisations or individuals engaged in politics as a way of obtaining an advantage in business.
- ScottishPower recognises that there can be legitimate business reasons for supporting events and other activities of public officials. The amounts involved in such support should be reasonable, and any payment for such an event must be made direct to the political party or organisation, rather than to an individual.
- ScottishPower employees engaging directly with politicians or government agencies, or speaking at an event attended by politicians, must inform the Government Affairs team as soon as possible, in line with the ScottishPower Political Engagement Policy.

## C. Third Parties

- If a third party does not commit to doing business without bribery, then we will not work with them.
- Third parties are not permitted to offer or provide any money, gift, hospitality or other advantage in order to secure benefits for themselves or the Company when carrying out business connected with ScottishPower.
- We will not use intermediaries or contractors for the purpose of committing acts of bribery.
- We will carry out appropriate risk assessment and due diligence on third parties and maintain a record of this process.
- We will include appropriate anti-bribery and corruption clauses within our contractual arrangements.



- We expect our third parties to support and comply with the principles of this Policy and ensure equal standards are upheld within their subcontractor populations.

#### **D. Monitoring and Awareness**

- We will undertake a bribery and other financial crime risk assessment regularly to ensure the appropriate management of risk. The results of the risk assessment will be documented and retained for record keeping purposes.
- Employees will be provided with appropriate training in this area.

**Failure to comply with any provision of this Policy is a serious violation. Any employee found to be in breach of these principles will face disciplinary action**

## **5. Control, Evaluation and Review**

The ScottishPower Compliance Division shall review the contents of the Anti-Bribery & Corruption Policy on an annual basis, ensuring that the policy reflects the recommendations and best international practices in effect, and shall propose to the Board those amendments and updates that contribute to the development and ongoing improvement of the policy.

This Policy was last approved by the Scottish Power Limited Board on 11 July 2023.

## **6. Further Information and Guidance**

The following supplementary policies are available, for ScottishPower employees, on the SP Compliance Division area of the employee portal ([Iberdrola Group > Our areas and businesses > SP Compliance Division](#)):

- Code of Ethics;
- ScottishPower Code of Conduct and Disciplinary Rules;
- The Compliance and Ethics Manual;
- Speaking Out Guidelines.



## 7. Reporting a Concern

We all have a responsibility to help prevent, detect, and report instances of bribery and corruption. If you have a concern regarding a suspected instance of bribery or corruption, or a breach of this Policy, please Speak Out.

If you feel comfortable to do so, you can discuss your concern with your line manager in the first instance. You or your line manager should report any concerns relating to a breach of this policy in one of the following ways:

<b>In person or by email to your Business Compliance Officer (BCO)</b>	SP Chief Compliance Officer & Corporate BCO - Pamela Mowat <a href="mailto:pamela.mowat@scottishpower.com">pamela.mowat@scottishpower.com</a>
	SP Energy Networks BCO - June Dickson <a href="mailto:june.dickson@spenergynetworks.co.uk">june.dickson@spenergynetworks.co.uk</a>
	SP Renewables BCO - Amanda Henderson <a href="mailto:amanda.henderson@scottishpower.com">amanda.henderson@scottishpower.com</a>
	SP Retail BCO - Sean Tierney <a href="mailto:sean.tierney@scottishpower.com">sean.tierney@scottishpower.com</a>
<b>By email to the Compliance Division mailbox</b>	<a href="mailto:compliancedivision@scottishpower.com">compliancedivision@scottishpower.com</a>
<b>Through the Ethics Helpline reporting tab</b>	Available on the ScottishPower Employee Portal ( <i>ScottishPower employee guide on how to report can be found <a href="#">here</a></i> )
<b>Through People InTouch, our external third party Speaking Out service provider</b>	<b>Online at:</b> <a href="http://www.speakupfeedback.eu/web/scottishpower/gb">http://www.speakupfeedback.eu/web/scottishpower/gb</a> <b>By calling:</b> 0800-169-3502 ScottishPower Access Code (for both services): 45042

**ScottishPower will not tolerate any form of discrimination, harassment or retaliation against any person who raises a concern in good faith or refuses to participate in conduct that would violate law or this Policy.**