

A high-angle, nighttime photograph of a city skyline, likely Los Angeles, with numerous skyscrapers and residential areas illuminated by city lights against a dark blue twilight sky.

GROUP POLICY

Gifts, Hospitality & Entertainment

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Document Control

Policy owner:	Group Financial Controller
Published / effective from:	September 2025
Review frequency:	Annual
Next review date:	May 2026
Version:	5.0

1 Purpose

The purpose of this policy is to ensure the transparent, ethical, and compliant handling of gifts, hospitality and entertainment (GH&E) across Diploma PLC (“Diploma”). It underpins our commitment to integrity and aligns with the Group’s Anti-Bribery and Corruption Policy, providing clear guidance on what is acceptable, how such activities should be recorded, and how to avoid actual or perceived impropriety.

2 Scope

This policy applies to the entire Diploma group (“Group”), including all directors, officers and employees of Diploma and its subsidiaries, regardless of the country in which business is conducted or located.

The principles and thresholds set out in this policy must be applied in all jurisdictions, even where they are more stringent than local laws or procedures. Where local laws or internal policies impose stricter requirements, those must also be followed.

This ensures consistent adherence to ethical standards and legal compliance across all Group entities, while allowing for tailored application to reflect specific local business and cultural considerations.

3 Policy Statement

GH&E can be a legitimate part of building and maintaining business relationships. When offered or received in moderation and for clear business purposes, it can support effective engagement with third parties.

However, GH&E must never be used, or perceived to be used, to improperly influence decisions, secure business advantages, or reward preferential treatment. Any GH&E that creates a conflict of interest, appears excessive, or lacks transparency is strictly prohibited.

All GH&E activity must comply with this policy, the Group Anti-Bribery and Corruption Policy, and all applicable laws. When in doubt, employees must seek guidance from their line manager or the Group Financial Controller before proceeding.

4 Prohibited GH&E

The following types of GH&E are not permitted under any circumstances:

- Cash or cash equivalents (e.g. gift vouchers or gift cards), except where expressly allowed for trade events and pre-approved.
- Entertainment where the host is not present.
- Holidays or travel unrelated to business purposes (excluding pre-approved site visits).
- Inappropriate or offensive entertainment that breaches the Group Code of Conduct.
- Hospitality extended to individuals other than the intended business contact (e.g. family members or friends).
- Attempts to circumvent this policy by providing multiple low-value GH&E to avoid approval thresholds.
- Any GH&E paid for personally to avoid compliance, even if reimbursement is not sought.

GH&E is also prohibited where it:

- Appears lavish, excessive or disproportionate.
- Creates a real or perceived obligation, expectation or undue influence over business decisions.
- Would amount to, or cause the giver or recipient to commit, a criminal offence.
- Is likely to cause offence or damage the reputation of the Group.

5 When is GH&E Appropriate?

This policy does not prohibit reasonable and proportionate GH&E that serves a legitimate business purpose. Hospitality and promotional activity intended to build goodwill, improve the Group’s image, or foster relationships may be acceptable, provided it is conducted transparently and in line with this policy.

When assessing whether GH&E is appropriate, the following criteria must be met:

- It has a clear business purpose.
- It is appropriate to the seniority of the provider and recipient.
- It is not intended to influence, or appear to influence, business decisions.
- It complies with all applicable laws and local customs.
- It is given in the name of the company, not the individual.
- It does not involve cash or cash equivalents.
- It cannot be misinterpreted or seen as improper.
- It is typically linked to a business meeting or non-exclusive event (e.g. an industry networking event).
- It is infrequent and not repeated with the same party to bypass policy limits.
- It is openly disclosed, properly authorised, and fully recorded.

Employees must apply judgement and consider the context:

- Is the GH&E high in value or unusually lavish?
- Is it offered during a negotiation or procurement process?
- Has similar GH&E been offered multiple times to the same person?

If the answer to any of the above is “yes”, the GH&E is unlikely to be appropriate. In such cases, or if in any doubt, advice must be sought from a line manager or the Group Financial Controller before proceeding.

Cultural Considerations

The Group recognises that GH&E practices vary by country and region. What may be customary in one location may be inappropriate in another. The key test is whether the GH&E is reasonable and justifiable in all the circumstances. Always consider the intention behind the GH&E and whether it could reasonably be perceived as improper.

6 Suspicions of Bribery

Any employee who is offered a bribe, asked to make one, suspects that a bribe may be offered or requested, or believes they may be the target of unlawful conduct must report the matter immediately.

Reports should be made to both:

- Your Managing Director; and
- The Group Financial Controller.

The Managing Director will take appropriate steps at the local level to ensure compliance. Where necessary, the matter will be escalated to Group for monitoring, further investigation, or reporting to the relevant authorities.

Prompt reporting helps protect both the individual and the business and ensures that the Group can respond effectively and in line with its legal obligations. All suspected or actual bribery must also be addressed in accordance with the Group’s Anti-Bribery and Corruption Policy, which sets out further responsibilities, red flags, and reporting expectations.

7 Approval & Recording Levels

All GH&E must be properly recorded and, where applicable, pre-approved in line with the thresholds below. Values should be assessed in local currency at the prevailing exchange rate.

Employees must ensure that GH&E is transparent, appropriately authorised, and fully documented. Written approval should be obtained where required (email is acceptable). All records must include sufficient detail to demonstrate compliance with this policy.

The Group recognises that customs, legal requirements and the cost of living vary across regions. Local businesses may propose lower thresholds or tailored procedures to reflect these differences. Any such variation must be pre-approved by the Group Financial Controller and formally documented. Once agreed, local thresholds may only be amended once in any 12-month period.

In all cases:

- GH&E must never be offered to or accepted from government officials, politicians, or political parties.
- Secret, undocumented, or retrospective GH&E is not permitted under any circumstances.

The following table outlines the approval and recording requirements:

GIFTS		
Category	Given	Received
Recording	<ul style="list-style-type: none"> • Branded items of nominal value do not require recording. • All non-branded gifts must be declared via the standard expense process. 	<ul style="list-style-type: none"> • Branded items below £100 do not require recording. • All non-branded gifts over £50 must be recorded.
Approval	<ul style="list-style-type: none"> • Any item over £100 requires prior written approval from your line manager. • Total annual gift spend must not exceed £1,000 without line manager approval. • Gifts above £1,000 require prior written approval. 	<ul style="list-style-type: none"> • Any gift over £300 must not be accepted without prior written approval from a line manager. • Each business should determine how such gifts are to be handled (e.g. donated or raffled).
ENTERTAINMENT		
Category	Given	Received
Recording	<ul style="list-style-type: none"> • All H&E must be recorded via the expense system, including full details of attendees and their organisations. 	<ul style="list-style-type: none"> • All H&E exceeding £300 must be recorded, including names of hosts and guests.
Approval	<ul style="list-style-type: none"> • Subject to normal expense approval limits. H&E is prohibited if the host is not present. 	<ul style="list-style-type: none"> • No approval required if below £300 but must be reasonable and proportionate. • H&E is prohibited if the host is not present.

8 Training and Communication

To ensure consistent understanding and application of this policy across the Group:

- **Mandatory Training:** All new employees must complete anti-bribery and corruption training, which includes guidance on the appropriate handling of GH&E.

- **Refresher Training:** Existing employees are required to complete periodic refresher training to maintain awareness of their responsibilities.
- **Management Responsibilities:** Managers must ensure their teams understand this policy and reinforce expectations through daily oversight.
- **Third-Party Awareness:** Where appropriate, high-risk third parties should be made aware of the Group's GH&E expectations and may be provided with training or guidance materials.
- **Access to Policy:** This policy is available on the Group's Learning Management System (Purple Portal) and communicated through regular compliance updates and onboarding programmes.

9 Compliance & Non-Compliance

The Board of Diploma PLC holds overall responsibility for ensuring that effective systems and controls are in place across the Group to support compliance with this policy.

Each business unit is responsible for implementing appropriate procedures to ensure adherence at the local level. The Group Financial Controller is responsible for monitoring the policy's effectiveness and ensuring it remains up to date, relevant, and legally compliant.

Group Internal Audit will periodically review the implementation and effectiveness of this policy as part of its audit programme.

All breaches of this policy must be reported immediately to the Group Financial Controller. Breaches may result in disciplinary action, up to and including dismissal for gross misconduct. Where a breach causes reputational or legal risk to Diploma or its stakeholders, it will be treated as a serious disciplinary matter.

Breaches by associated persons, such as contractors or third-party representatives, may result in suspension or termination of the relevant contract or business relationship.

This policy operates in conjunction with the Group Code of Conduct and the Group Disciplinary Procedure.

10 Related Policies

This policy should be read in conjunction with the following Group policies, which provide further detail and guidance on related matters:

- [Group Anti-Bribery and Corruption Policy](#) – sets out responsibilities, red flags, and reporting requirements for bribery and corruption.
- [Group Code of Conduct](#) – establishes the ethical standards expected of all employees and guides appropriate workplace behaviour.

11 Contacts

If you have any questions about this policy or are unsure how it applies in a particular situation, please contact:

- **Group Financial Controller:** Wilson.Ng@diplomapl.com
- **Group Risk & Compliance Team:** Risk.Compliance@diplomapl.com

12 Definitions

Gifts A tangible item, payment, or benefit given or received without expectation of something in return:

- Goods (e.g. flowers, wine, hampers, chocolates)
- Discounts or preferential treatment

- Holiday gifts or merchandise
- Technology devices or software licences
- Free services (e.g. repairs, insurance)
- Use of personal time, facilities or materials
- Cash or cash equivalents (e.g. gift vouchers, cards) – always prohibited

Hospitality and Entertainment Any form of travel, accommodation, meals, events, or experiences offered or received in a business context. This may include:

- Business meals or receptions
- Hotel stays
- Flights or other transport
- Invitations to cultural, sporting, or social events
- Entry to seminars, conferences, or forums

Bribe Any inducement, offer, or reward given or received to gain an improper business, contractual, regulatory, or personal advantage. Bribes can be direct or indirect and may involve money, gifts, favours, or non-monetary benefits.

Inducement Something that prompts or encourages someone to act in a certain way, particularly in a manner that breaches ethical or legal standards.

Business advantage A benefit - financial, reputational, regulatory, or otherwise - that places Diploma in a better position than it would have been had the unethical conduct not occurred.

Gifts vs. Bribes While gifts can be a legitimate part of business culture, the key difference lies in intent. A gift is something of value given openly, without expectation of anything in return, and in line with this policy. A bribe is offered with the intent to improperly influence a decision, secure an advantage, or reward preferential treatment. When in doubt, employees should consider whether the GH&E could reasonably be perceived as influencing a business outcome. If so, it is likely to be inappropriate and should not proceed.