

Policy Note to be Sent to Employees

Introduction

This policy sets out the steps all of us must take to prevent bribery and corruption in our business[es] and to comply with relevant legislation and [Company name] requirements.

What are bribery and corruption?

Corruption is the misuse of office or power for private gain. Bribery is a form of corruption. It means:

- giving or receiving money, gifts, meals, entertainment or anything else of value;
- as an inducement to a person to do something which is dishonest or illegal;
- in the course of doing business.

In other words, bribery is designed to make a person act wrongly to secure an advantage for the giver.

Who can be involved in bribery and in what circumstances?

Bribery and corruption may be committed by:

- our employees, officers or directors;
- anyone they authorise to do things on their behalf;
- our representatives and other third parties who act on our behalf;
- our suppliers;
- even our customers (for example, they might try to induce one of our people to give them more favourable terms).

Bribery can occur in both the public and private sectors. The person receiving the bribe is usually in a position to influence the award or the progress of business, often a government or other public official.

The legal position on bribery

Bribery and corruption are criminal offences in most countries where we do business. UK-incorporated companies, including ourselves, are subject to the Bribery Act 2010. Under the Act, it is illegal:

- to pay or offer to pay a bribe;
- to receive or agree to receive a bribe;
- to bribe a foreign public official;
- for a commercial organisation, to fail to have adequate procedures in place to prevent bribery.

It does not matter whether the bribery occurs in the UK or abroad. A corrupt act committed abroad may well result in a prosecution in the UK [and/or the US, which has similar legislation]. Nor does it matter whether the act is done directly or indirectly.

Our position on bribery

Our position is simple: we conduct our business[es] to the highest legal and ethical standards. We will not be party to corruption or bribery in any form. Such acts damage our reputation and expose us, and our employees, to the risk of fines and imprisonment. We take a zero-tolerance approach to bribery and corruption by our people and our third party representatives.

Bribery may be more widespread in some countries, and business sectors, than others. In some cases you may be told that unless we pay bribes we will not win business or be able to complete contracts. That does not matter. If we were to be involved in even one instance of bribery, we would have shown that we engage in such conduct. We do not.

Risks of not acting with integrity

Involvement in bribery or corruption carries many risks. Among them are:

- a company which pays — or accepts — bribes is not in control of its business and is at risk of blackmail;
- the UK Bribery Act is one of the widest-ranging pieces of legislation in the field. It covers any corrupt act by a UK company (or by a foreign company trading here) wherever it occurs;
- if the Company is found guilty of bribery — or even of failing to have adequate procedures in place to prevent bribery — it will be subject to large fines;
- any person guilty of bribery will be subject to fines and/or imprisonment (up to 10 years under the Bribery Act);
- a public exposure, or even allegation, of bribery would entail severe reputational damage. [Our share price would almost certainly drop,] banking or supply facilities might be withdrawn or be available on much less favourable terms, and we could be blacklisted as an approved tenderer for both public and private sector contracts;
- the cost of our insurance cover could increase very significantly; and
- good people will not want to work for us.

Benefits of integrity

Equally, there are very clear benefits to acting with propriety. These include:

- we increase our chances of being selected as a supplier in both the public and private sectors. The supply chain organisations of our large customers cannot deal with us unless we have an effective anti-bribery programme in place;
- we remain in good standing with our banks and our own suppliers and they will want to keep doing business with us;
- a business with high ethical standards is a good place to work. It promotes clear communication and lets us act with confidence.

What are indicators of bribery?

Common indicators of corruption include those listed below. There may well be others. Examples include:

- **Payments** are for abnormal amounts (eg commission), or made in an unusual way, eg what would normally be a single payments is made in stages, through a bank account never previously used, or in a currency or via a country which has no connection with the transaction;
- **Process** is bypassed for approval or sign-off of terms or submission of tender documents, payments, or other commercial matters; those whose job it is to monitor commercial processes (eg [*person or department specific to Company, eg Internal Audit*]) may be prevented from or hindered in doing so;
- **Individuals** are secretive about certain matters or relationships and/or insist on dealing with them personally. They may make trips at short notice without explanation, or have a more lavish lifestyle than expected;
- **Decisions** are taken for which there is no clear rationale;
- **Records** are incomplete or missing.

Who is responsible for this policy

The [CEO] [Managing Director] has overall responsibility for this policy. [Divisional] [Managers] [Managing Directors] [Country Managers] have responsibility for it in their [business units] [territories]. The [Head of Internal Audit] [Chief Risk Officer] [Chief Financial Officer] [Chief Counsel] is responsible for ensuring that this policy is adhered to by all [business units] [regions].

Areas of specific risk

Certain areas of business are often at higher risk than others. These include:

- **Gifts and hospitality:** This is covered separately in [set out name of the Company's gifts policy]. Please familiarise yourself with this.
- **Facilitation payments:** These are also known as 'grease' payments. Usually they are small amounts paid to officials to provide goods or services to which we are already entitled, eg speeding up the grant of a licence or permit, or delivering goods which we have ordered and paid for. In some cases they may be larger, eg a significant amount is demanded to complete a project (eg the last mile of a motorway, or section of a major development).
- Facilitation payments are common in many countries, particularly those where public officials are poorly paid. You may be told that this is normal practice and that we will be disadvantaged unless we do the same. But such payments are illegal under the UK Bribery Act and in many other countries where we do business. Whatever their size, we do not offer or pay them. If you are faced with a request, or a demand, for such a payment, please contact the Legal Department [or your local Finance or HR Director] immediately.

Third parties: We use external parties to help us achieve our business objectives. Whilst that use is important, and in some cases essential, it can involve significant risks. It is therefore the subject of a separate [set out name of the Company's intermediaries policy]. Anyone who deals with third parties who act on our behalf must familiarise themselves with this policy and adhere to it.

- **Political contributions:** You should be aware that such contributions can be (or be seen as) bribes in disguise. [We do not make donations to political parties] [We occasionally make small donations to political parties. However, this is always done by resolution of the Board of Directors and is recorded in the minutes as such.] No individual is to make a donation stated to be, or which could be taken to be, on our behalf without the prior approval of the Board. You may, of course, make political donations in a personal capacity but please be sensitive to how such contributions could be perceived, especially by those who are aware of your connection with the Company.
- **Charitable donations:** Bribes may even be disguised as charitable donations. [Again, for that reason, donations we make are approved by resolution of the Board and recorded.] Whilst individuals may of course make personal donations to charity, they should not do so on behalf of the Company without prior approval from the Board.

Local circumstances

We understand that different parts of the world have different social and cultural customs. This does not affect our stand that we do not pay or accept bribes or act corruptly: we do not and will not. However, subject to that position, we understand the need to be sensitive to local customs. For example, there are cultures in which refusing (or even failing to offer) a gift is considered impolite, and could alienate a key contact. In such cases, please refer to the [Legal Department] [Human Resources Department]. [Heads of business units/regions are responsible for establishing variations to this Policy in their [unit/area] subject to the agreement of the [CFO] [Finance Director] and the [Chief Counsel] [Head of Legal].]

Exceptional circumstances

In some circumstances a payment is justifiable. If one of our people is faced with a threat to his or her personal safety or that of another person if a payment is not made, they should pay it without fear of recrimination. In such cases, however, [the Legal Department] must be contacted as soon as possible, and the payment and the circumstances in which it was made must be fully documented and reported to the [Finance Director or Human Resources Director] for the business [and region] concerned within five working days. [Consider carefully whether to involve the police. There may be cases where this will actually make the situation worse. If, on consideration, this appears to be the best course of action, always consult the Legal Department first.]

Such cases will be rare. All our people visiting regions where they are more common should familiarise themselves, prior to travel, with current guidance relating to those countries. [See *[insert name of relevant Company travel policy]*]. The Human Resources Department should be consulted if in doubt.] [For general information on travelling to a particular country, please consult the latest information from the Foreign and Commonwealth Office.]

Risk assessment

Risk in our business will vary by area. The [Managing Director and the Finance Director] of each [business unit] [region], working with [the Chief Risk Officer and the Legal Department], are responsible for assessing the level of risk to which their [business unit] [region] is subject, and, with the approval of the [CFO] [Finance Director] and the [Chief Counsel] [Head of Legal], putting in place any measures additional to those outlined in this policy they consider are required.

Records

It is essential that we keep full and accurate records of all our financial dealings. Transparency is vital; false or misleading records could be very damaging to us. Under money laundering regulations our lawyers and accountants are obliged to report anything which appears to be irregular.

Monitoring

Everyone in the Company must observe this policy. It will count for nothing unless we do. [Group Risk] [Internal Audit] will monitor it regularly to make sure it is being adhered to. In doing this they act in the interest of our business as a whole, and it is therefore the responsibility of all of us to help them in this. [[insert name], [Head of Internal Audit,] will report regularly to the [CEO] on business unit and region compliance with this policy.

Your responsibility

Everyone in the Company is responsible:

- for reading and knowing the contents of this policy;
- for keeping full and accurate records of all cases where bribery is suspected;
- for reporting cases where you know, or have a reasonable suspicion, that bribery has occurred or is likely to occur in [our business] [any of our businesses].

What to do if you think something is wrong

Each of us has a responsibility to speak out if we discover anything corrupt or otherwise improper occurring in relation to our business. We cannot maintain our integrity unless we do that. If you discover or suspect corruption, whether:

- by another member of staff;
- by a third party who represents us;
- by one of our suppliers or competitors;
- or by anyone else — perhaps even a customer seeking to get better terms from us

please report it to your line manager **and** the Legal Department **as soon as possible**. If for any reason you cannot do this, please report it to [Head of Internal Audit] [or telephone our Whistleblowing Hotline on [enter telephone number]]. We will investigate all allegations of corruption immediately.

Conclusion

We take this Policy very seriously. Our reputation comes from the way we act. Anyone who pays bribes on our behalf [will be subject to disciplinary action] [has no place in our business]. Equally, we will not penalise someone who loses business through not paying a bribe.

If in doubt about anything in this policy, do not hesitate to contact: [*insert name*], [Chief Counsel] [Head of Legal] or [*insert name*], [CFO] [Finance Director].