

# Anti-Corruption and Bribery Policy



## 1. POLICY STATEMENT

- 1.1 It is our policy to conduct all of our business in an honest and ethical manner. We take a zero-tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate and implementing and enforcing effective systems to counter bribery.
- 1.2 We will uphold all laws relevant to countering bribery and corruption. However, we remain bound by the laws of the UK, including the Bribery Act 2010, in respect of our conduct both within the UK and abroad.
- 1.3 The purpose of this policy is to:
  - (a) set out our responsibilities, and of those working for us, in observing and upholding our position on bribery and corruption; and
  - (b) provide information and guidance to those working for us on how to recognise and deal with bribery and corruption issues.
- 1.4 It is a criminal offence to offer, promise, give, request or accept a bribe. Individuals found guilty can be punished by up to ten years' imprisonment and/or a fine. As an employer, if we fail to prevent bribery we could face an unlimited fine, be excluded from tendering for public contracts and face damage to our reputation. We therefore take our legal responsibilities very seriously.
- 1.5 In this policy, third party means any individual or organisation you come into contact with during the course of your work for us, and includes actual and potential clients, customers, suppliers, distributors, business contacts, agents, advisers, and government and public bodies, including their advisors, representatives and officials, politicians and political parties.
- 1.6 In this policy, Compliance Manager means Sarah Renton, Lyreco UK HR Director.
- 1.7 This policy does not form part of any employee's contract of employment and we may amend it at any time.

## 2. WHO MUST COMPLY WITH THIS POLICY?

This policy applies to all individuals working for us or on our behalf in any capacity at all levels and grades, including senior managers, officers, directors, employees (whether permanent, fixed-term or temporary), consultants, contractors, trainees, seconded staff, home employees, casual employees and agency staff, volunteers, interns, agents, sponsors, or any other person associated with us, or any of our subsidiaries or their employees, wherever located.

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## 3. WHAT YOU MUST NOT DO

The following are likely to be found to fall within the anti-corruption and bribery legislation, it is not acceptable for you (or someone on your behalf) to:

- (a) give, promise to give, or offer, 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;
- (b) give, promise to give, or offer, a payment, gift or hospitality to a government official, agent or representative to “facilitate” or expedite a routine procedure;
- (c) 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;
- (d) accept payment from a third party that you know or suspect is offered with the expectation that it will obtain a business advantage for them;
- (e) accept a gift or hospitality from a third party if you know or suspect that it is offered or provided with an expectation that a business advantage will be provided for them or anyone else in return;
- (f) accept hospitality from a third party that is unduly lavish or extravagant under the circumstances;
- (g) threaten or retaliate against another individual who has refused to commit a bribery offence or who has raised concerns under this policy; or
- (h) engage in any activity that might lead to a breach of this policy.

## 4. WHO IS RESPONSIBLE FOR THE POLICY?

- 4.1 The Board of Directors has overall responsibility for ensuring this policy complies with our legal and ethical obligations, and that all those under our control comply with it.
- 4.2 The Compliance Manager has primary and day-to-day responsibility for implementing this policy, and for monitoring its use and effectiveness and dealing with any queries on its interpretation. Management at all levels are responsible for ensuring those reporting to them are made aware of and understand this policy and are given adequate and regular training on it.
- 4.3 You are invited to comment on this policy and suggest ways in which it might be improved. Comments, suggestions and queries should be addressed to the Compliance Manager.

## 5. WHAT ARE BRIBERY AND CORRUPTION?

- 5.1 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, or to reward them for acting improperly, or where the recipient would act improperly by accepting the advantage.
- 5.2 An advantage includes money, gifts, loans, fees, hospitality, services, discounts, the award of a contract or anything else of value.
- 5.3 A person acts improperly where they act illegally, unethically, or contrary to an expectation of good faith or impartiality, or where they abuse a position of trust. The improper acts may be in relation to any business or professional activities, public functions, acts in the course of employment, or other activities by or on behalf of any organisation of any kind.
- 5.4 Corruption is the abuse of entrusted power for private gain.

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## 6 WHO CAN BE INVOLVED IN BRIBERY AND IN WHAT CIRCUMSTANCES?

- 6.1 Bribery and corruption may be committed by:
- (a) our employees;
  - (b) anyone they authorise to do things on their behalf;
  - (c) our representatives and other third parties who act on our behalf;
  - (d) our suppliers;
  - (e) even our customers (for example, they might try to induce one of our people to give them more favourable terms).
- 6.2 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.

## 7 THE LEGAL POSITION ON BRIBERY

- 7.1 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:
- (a) to pay or offer to pay a bribe;
  - (b) to receive or agree to receive a bribe;
  - (c) to bribe a foreign public official;
  - (d) for a commercial organisation, to fail to have adequate procedures in place to prevent bribery.
- 7.2 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. Nor does it matter whether the act is done directly or indirectly.

## 8 FACILITATION PAYMENTS AND KICKBACK

- 8.1 We do not make, and will not accept, facilitation payments or kickbacks of any kind.
- 8.2 Facilitation payments, also known as backhanders or grease payments are typically small, unofficial payments made to secure or expedite a routine or necessary action. They are not common in the UK, but are common in some other jurisdictions in which we may operate.
- 8.3 Kickbacks are typically payments made in return for a business favour or advantage.
- 8.4 You must avoid any activity that might lead to a facilitation payment or kickback being made or accepted by us or on our behalf, or that might suggest that such a payment will be made or accepted. If you are asked to make a payment on our behalf, you should always be mindful of what the payment is for and whether the amount requested is proportionate to the goods or services provided. You should always ask for a receipt which details the reason for the payment. If you have any suspicions, concerns or queries regarding a payment, you should raise these with the Compliance Manager.

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## 9 AREAS OF SPECIFIC RISK

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

### 9.1 **Gifts, hospitality and expenses:**

9.1.1 This policy allows reasonable and appropriate hospitality or entertainment given to or received from third parties, for the purpose of:

- (a) establishing or maintaining good business relationships;
- (b) improving or maintaining our image or reputation; or
- (c) marketing or presenting our products and/or services effectively.

9.1.2 You are prohibited from accepting a gift from or giving a gift to a third party.

9.1.3 Promotional gifts of low value such as branded stationery to or from existing customers, suppliers and business partners will usually be acceptable.

9.1.4 Reimbursing a third party's expenses or accepting an offer to reimburse our expenses (for example, the costs of attending a business meeting) would not usually amount to bribery. However, a payment in excess of genuine and reasonable business expenses (such as the cost of an extended hotel stay) is not acceptable.

9.1.5 We appreciate that practice varies between countries and regions and what may be normal and acceptable in one region may not be in another. The test to be applied is whether in all the circumstances the gift, hospitality or payment is reasonable and justifiable. The intention behind it should always be considered.

### 9.2 **Charitable Donations:**

We only make charitable donations that are legal and ethical. No donation must be offered or made without the prior approval of the Compliance Manager.

We do not make contributions to political parties.

### 9.3 **Samples**

We offer samples to customers and third parties for testing new products as part of our normal business practice. It should remain a limited practice and the Marketing Department should be made aware. Under no circumstances should excess samples be sent as gifts, or sold by employees for their own benefit.

## 10 YOUR RESPONSIBILITIES

10.1 You must ensure that you read, understand and comply with this policy.

10.2 The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all those working for us or under our control. All employees are required to avoid any activity that might lead to, or suggest, a breach of this policy.

10.3 If you are asked to make a payment on our behalf, you should always be mindful of what the payment is for and whether the amount requested is proportionate to the goods or services provided. You should always ask for a receipt which details the reason for the payment. If you have any suspicions, concerns or queries regarding a payment, you should raise these with the compliance manager.

10.4 You must notify the compliance manager as soon as possible if you believe or suspect that a conflict with this policy has occurred, or may occur in the future. For example, if a client or potential client offers you something to gain a business advantage with us, or indicates to you that a gift or payment is required to secure their business. Further red flags that may indicate bribery or corruption are set out below.

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## 11 BREACHES OF THE POLICY

- 11.1 Any employee who breaches this policy will face disciplinary action, which could result in dismissal for gross misconduct.
- 11.2 We may terminate our relationship with other individuals and organisations working on our behalf if they breach this policy.

## 12 RECORD-KEEPING

- 12.1 We must keep financial records and have appropriate internal controls in place which will evidence the business reason for making payments to third parties.
- 12.2 You must declare and keep a written record of all hospitality or gifts accepted or offered, which will be subject to managerial review.
- 12.3 You must ensure all expenses claims relating to hospitality, gifts or expenses incurred to third parties are submitted in accordance with our expenses policy and specifically record the reason for the expenditure.
- 12.4 All accounts, invoices, memoranda and other documents and records relating to dealings with third parties, such as clients, suppliers and business contacts, should be prepared and maintained with strict accuracy and completeness. No accounts must be kept “off-book” to facilitate or conceal improper payments.

## 13 WHAT TO DO IF YOU ARE A VICTIM OF BRIBERY OR CORRUPTION

It is important that you tell the Compliance Manager as soon as possible if:

- (a) you are offered a bribe by a third party,
- (b) are asked to make one or suspect that this may happen in the future, or
- (c) believe that you are a victim of another form of unlawful activity.

## 14 HOW TO RAISE A CONCERN

You are encouraged to raise concerns about any issue or suspicion of malpractice at the earliest possible stage. If you are offered a bribe, or are asked to make one, or if you believe or suspect that any bribery, corruption or other breach of this policy has occurred or may occur, you must notify the Compliance Manager as soon as possible. If you are unsure whether a particular act constitutes bribery or corruption, or if you have any other queries, these should be raised with the Compliance Manager.

## 15 PROTECTION

- 15.1 Individuals who refuse to accept or offer a bribe or who raise concerns or report another’s wrongdoing are sometimes worried about possible repercussions. We aim to encourage openness and will support anyone who raises genuine concerns in good faith under this policy, even if they turn out to be mistaken.
- 15.2 We are committed to ensuring no one suffers any detrimental treatment as a result of refusing to take part in bribery or corruption, or because of reporting in good faith their suspicion that an actual or potential bribery or other corruption offence has taken place, or may take place in the future. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern.
- 15.3 If you believe that you have suffered any such treatment, you should inform the compliance manager immediately. If the matter is not remedied, and you are an employee, you should raise it formally using our company’s grievance procedure.

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## 16 TRAINING AND COMMUNICATION

- 16.1 Training on this policy forms part of the induction process for all new employees. All existing employees will receive regular, relevant training on how to implement and adhere to this policy.
- 16.2 Our zero-tolerance approach to bribery and corruption must be communicated to all suppliers, contractors and business partners at the outset of our business relationship with them and as appropriate thereafter.

## 17 MONITORING AND REVIEW

- 17.1 The compliance manager will monitor the effectiveness and review the implementation of this policy, regularly considering its suitability, adequacy and effectiveness. Any improvements identified will be made as soon as possible. Internal control systems and procedures will be subject to regular audits to provide assurance that they are effective in countering bribery and corruption.
- 17.2 All employees are responsible for the success of this policy and should ensure they use it to disclose any suspected danger or wrongdoing.
- 17.3 Employees are invited to comment on this policy and suggest ways in which it might be improved. Comments, suggestions and queries should be addressed to the compliance manager.
- 17.4 This policy does not form part of any employee's contract of employment and it may be amended at any time.

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## 18 POTENTIAL RISK SCENARIOS: RED FLAGS

- 18.1 The following is a list of possible red flags that may arise during the course of your employment and which may raise concerns under various anti-bribery and anti-corruption laws. The list is not intended to be exhaustive and is for illustrative purposes only.
- 18.2 If you encounter any of these red flags while working for us, you must report them promptly to the Compliance Manager:
- (a) you become aware that a third party engages in, or has been accused of engaging in, improper business practices;
  - (b) you learn that a third party has a reputation for paying bribes, or requiring that bribes are paid to them;
  - (c) a third party insists on receiving a commission or fee payment before committing to sign up a contract with us;
  - (d) a third party insists on receiving a commission or fee payment before committing to sign up to a contract with us;
  - (e) a third party requests that payment is made to a country or geographic location different from where the third party resides or conducts business;
  - (f) a third party requests an unexpected additional fee or commission to facilitate a service;
  - (g) a third party demands lavish entertainment or gifts before commencing or continuing contractual negotiations or provision of services;
  - (h) a third party requests that a payment is made to overlook potential legal violations;
  - (i) a third party requests that you provide employment or some other advantage to a friend or relative;
  - (j) you receive an invoice from a third party that appears to be non-standard or customized;
  - (k) a third party insists on the use of side letters or refuses to put terms agreed in writing;
  - (l) you notice that we have been invoiced for a commission or fee payment that appears large given the service stated to have been provided;
  - (m) a third party requests or requires the use of an agent, intermediary, consultant, distributor or supplier that is not typically used by or known to us;
  - (n) you are offered an unusually generous gift or offered lavish hospitality by a third party.