

## SCHEDULE 4: ANTI-CORRUPTION AND BRIBERY POLICY

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### 1. ABOUT THIS POLICY

- 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.
- 1.2 Any employee who breaches this policy will face disciplinary action, which could result in dismissal for gross misconduct. Any non-employee who breaches this policy may have their contract terminated with immediate effect.
- 1.3 This policy does not form part of any employee's contract of employment, and we may amend it at any time with the appropriate notification. It will be reviewed regularly.

### 2. WHO MUST COMPLY WITH THIS POLICY?

This policy applies to all persons working for us or on our behalf in any capacity, including employees at all levels, directors, officers, agency workers, seconded workers, volunteers, interns, agents, contractors, external consultants, third-party representatives, and business partners.

### 3. WHAT IS BRIBERY?

- 3.1 **Bribe** means a financial or other inducement or reward for action which is illegal, unethical, a breach of trust or improper in any way. Bribes can take the form of money, gifts, loans, fees, hospitality, services, discounts, the award of a contract or any other advantage or benefit.
- 3.2 **Bribery** includes offering, promising, giving, accepting, or seeking a bribe.
- 3.3 All forms of bribery are strictly prohibited. If you are unsure about whether a particular act constitutes bribery, raise it with a member of the SMT immediately.
- 3.4 Specifically, you must not:
- 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 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;
  - c) accept a payment, gift or hospitality from a third party that you know or suspect is offered with the expectation that it we will provide a business advantage for them or anyone else in return;
  - d) accept hospitality from a third party that is unduly lavish or extravagant under the circumstances.
  - e) offer or accept a gift to or from government officials or representatives, or politicians or political parties, without the prior approval of the CEO;
  - f) threaten or retaliate against another individual who has refused to commit a bribery offence or who has raised concerns under this policy; or
  - g) engage in any other activity that might lead to a breach of this policy.
- 3.5 You must not threaten or retaliate against another person who has refused to offer or accept a bribe or who has raised concerns about possible bribery or corruption.

### 4. GIFTS AND HOSPITALITY

- 4.1 This policy does not prohibit the giving or accepting of reasonable and appropriate hospitality for legitimate purposes such as building relationships, maintaining our image or reputation, or marketing our products and services. However, you must obtain approval (in advance) from either a member of the SMT or the CEO that the proposed entertainment is appropriate and acceptable. HS1 needs to operate in a way that is publicly defensible and therefore we must be cautious about accepting and giving gifts and hospitality that could give grounds for suggestions of undue influence. In general we do not consider

entertainment/hospitality that includes overseas travel and/or overnight accommodation to be appropriate. If there is a good reason for this type of event this should be agreed and authorised by the CEO.

- 4.2 The policy places a number of responsibilities on employees whereby all employees are responsible for ensuring that they record, declare and surrender (to the Head of Admin) any gifts they receive in the course of their work at HS1 – which will then be included in the Christmas Raffle to raise money for Charity. Monetary gifts (including redeemable vouchers) must not be accepted.
- 4.3 A gift or hospitality will not be appropriate if it is unduly lavish or extravagant or could be seen as an inducement or reward for any preferential treatment (for example, during contractual negotiations or a tender process).
- 4.4 Gifts that are given must be of an appropriate type and value depending on the circumstances and taking account of the reason for the gift its timing and value – e.g., Christmas. Gifts must not include cash or cash equivalent (such as vouchers) or be given in secret. Gifts must be given in our name, not your name.
- 4.5 Promotional gifts of low value such as branded stationery may be given to or accepted from existing customers, suppliers, and business partners.
- 4.6 It should be noted that we do not consider buying or receiving a coffee / light lunch to be entertainment / hospitality.

## **5. RECORD-KEEPING**

- 5.1 You must declare and keep a written record of all hospitality or gifts given or received and this should be supplied to the PA – Legal and Compliance Team on a quarterly basis. You must also submit all expenses claims relating to hospitality, gifts or payments to third parties in accordance with our expenses policy and record the reason for expenditure.

Any hospitality offered but declined must also be entered on the log. This log will be monitored on a periodic basis and could form an important defence for the company if our practices were ever questioned. The information that is required for the Compliance Log is:

- a) Details of gift/benefit or entertainment received

- b) Reason for the event
- c) Offered by
- d) Offered to
- e) Date of event
- g) Expenditure amount if known

- 5.2 All accounts, invoices, and other records relating to dealings with third parties including suppliers and customers should be prepared with strict accuracy and completeness. Accounts must not be kept "off-book" to facilitate or conceal improper payments.

## **6. YOUR RESPONSIBILITIES**

- 6.1 You must ensure that you read, understand and comply with this policy.
- 6.2 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. You are required to avoid any activity that might lead to, or suggest, a breach of this policy.
- 6.3 You must notify the CEO 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 in clause 9.

## **7. HOW TO RAISE A CONCERN**

If you are offered a bribe, or are asked to make one, or if you suspect that any bribery, corruption or other breach of this policy has occurred or may occur, you must report it to a member of the SMT or Chairman as soon as possible.

## **8. PROTECTION**

8.1 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.

8.2 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. If you believe that you have suffered any such treatment, you should inform the CEO immediately. If the matter is not remedied, and you are an employee, you should raise it formally using our Grievance Procedure, which can be found in this handbook.

## **9. POTENTIAL RISK SCENARIOS: "RED FLAGS"**

9.1 The term "Red Flags" is an attempt to communicate, in simple, clear terms, the changing nature of liability risk, based on the latest research into recent case law. It provides a guide for law-abiding companies as to how the expectations for compliance are changing. The list is not intended to be exhaustive and is for illustrative purposes only.

If you encounter any of these red flags while working for us, you must report them promptly to the CEO:

- 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, or has a reputation for having a "special relationship" with foreign government officials;
- c) a third party insists on receiving a commission or fee payment before committing to sign up to a contract with us, or carrying out a government function or process for us;
- d) a third-party requests payment in cash and/or refuses to sign a formal commission or fee agreement, or to provide an invoice or receipt for a payment made;
- e) a third-party request 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 request that a payment is made to 'overlook' potential legal violations;
- i) a third-party request 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 customised;
- 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;
- o) A third-part refuses to respond to our due diligence questionnaire or to agree contractually to implement adequate anti-corruption measures.

This list is intended as a guide and is not exhaustive.