

Anti-bribery Policy Statement

1. Summary

- 1.1** This paper outlines the framework of procedures and processes that can be considered to be Hunter Penrose Supplies Ltd's anti-bribery policy.
- 1.2** Hunter Penrose Supplies Ltd (The Company) takes a zero tolerance approach to, and does not in any way condone, bribery. Offences under the Bribery Act 2010 (the Act), including but not limited to active and passive bribery or facilitation payments, by its employees constitute gross misconduct under the conduct procedure. The conduct of persons associated with the Company will be regulated via their contracts with the Company which will similarly prohibit offences under the Act. In addition to any internal procedures the Company will report suspected cases to the relevant authorities.
- 1.3** The Company's Financial, HR and other procedures have been designed to inhibit financial and contractual impropriety; in response to the introduction of the Act the University has undertaken a number of additional actions including updating a number of Financial Procedures and policies to make explicit reference to the Act.

2. Summary of the Act

- 2.1** The Company adopts the legal definitions as set out in the Act, abridged versions of which are detailed below for ease of reference. For the avoidance of doubt the full legal definitions can be found within the relevant sections of the Act here:
- 2.2 Offering a Bribe** Financial or other advantage offered, promised or given to induce a person to perform a relevant function or activity improperly or to reward him or her for doing so. (Bribery Act 2010 S.1)
- 2.3 Receiving a Bribe** Requesting or agreeing to receive or accepting a bribe. (Bribery Act 2010 S.2)
- 2.4 Bribery of Foreign Public Officials** It is an offence to offer or provide a financial or other advantage to a foreign public official. This includes payments made to government officials for carrying out or speeding up routine procedures. They are more common overseas. Facilitation payments are distinct from an official, publicly available fast-track process. Facilitation payments, or offers of such payments, will constitute an offence under the Act. (Bribery Act 2010 S.6)
- 2.5 Applicability** The Act applies to individuals, their managers and senior officers as well as the Company as an organisation. If an offence under one of the three categories above is committed with the "consent or connivance of a senior official or person purporting to act in such a capacity" (Bribery Act 2010 S.14), the Company itself is guilty of an offence (Bribery Act 2010 S.7)
- 2.6 Penalties**
- 2.6.1** Maximum prison sentence of 10 years;
 - 2.6.2** Unlimited Fine.

3. Policy Statement

- 3.1** Bribery is a criminal offence and morally wrong. It exposes the staff of the University to the risk of prosecution, fines and imprisonment as well as endangering the Company's reputation.
- 3.2** The Company is committed to maintaining the highest ethical standards and to carrying on its activities fairly, honestly, openly and in compliance with all applicable laws.
- 3.3** Bribery will not be tolerated by the Company in any form and all members of staff and Associates (Directors, service providers and external partner organisations) are required to uphold the highest standards of integrity in their dealings with or on behalf of the Company and to comply with all applicable laws of the countries in which they are working. Failure to do so will result in disciplinary and, where appropriate, legal action against the individuals/ organisations concerned.

3.4 Staff who suspect, or are concerned, that bribery may be taking place are obliged to report it in line with the whistleblowing policy which can be found here

3.5 Where the Company confirms or reasonably suspects an offence under the Act may have been committed it will inform the relevant authorities as well as carrying out its own investigations.

4. Risk Assessment

4.1 The majority of the Company's business is conducted in overseas and in accordance the regulations applying in the various countries with which the Company deals and their tender procedures; it can therefore be considered medium risk.

4.2 Existing financial procedures are considered to be sufficiently robust not to warrant further augmentation other than to simply reflect their links to the Act. However the Company remains vigilant and processes put in place apply equally to UK and overseas activity.

4.3 The risk is considered greatest where the Company conducts business overseas and for staff that travel abroad on business. Agents/regional representatives are also within a higher risk category given that the Company may be liable for the actions of its Associates. Due diligence conducted on organisations prior to overseas visits substantially mitigates the risk to the Company and its staff and is embedded into the process underpinning the production and authorisation of the Company's commercial agreements.

4.4 **Reputational risks** Directors are considered to be medium risk, however it is recognised that their substantial business interests need to be appropriately and transparently presented. Accordingly the existing register of interests will be expanded to cover gifts and hospitality as well as issuing guidance in the form of the code of conduct.

5. Anti-bribery measures

5.1 The Company has reviewed the existing regulatory and policy framework and considered it sufficiently robust to manage many of the risks outlined within section 4 above. However where additional measures are considered necessary they have been put in place and are detailed below.

5.2 **Communication of the Policy to staff** The Director will highlight the Company's anti-bribery policy statement to all staff which will be publically available on the Company's website in addition to information already published. The Policy has been included within induction arrangements for new staff and training developed for specific at risk groups.

5.3 **Staff based or travelling overseas** The Director has informed all staff of their obligations and has implemented a register for gifts and hospitality which will be used in accordance with the guidance in section 6 below.

5.4 **Other staff including Senior Management and Directors** Staff and Director should declare gifts/hospitality using the online Gifts and Hospitality Register. Completion of the register does not exempt senior postholders, as defined by the Director, from declaring separately relevant expenditure incurred as expenses.

6. Guidance on Gifts and Hospitality

6.1 The Gifts and Hospitality Register is maintained by the Company..

6.2 Gifts In general the receipt of gifts by Company staff is discouraged, however legitimate gifts associated with the business organisation (e.g. goods with the organisations brand) may be accepted if it is considered that it may damage the relationship or cause offence to do otherwise. All gifts over the value of £25² received by Company employees must be recorded on the Gifts and Hospitality Register.

6.3 Hospitality The Act does not prohibit hospitality but due consideration must be given to the level of hospitality given or received, the way in which it was provided and to whom³. For the purposes of the Gifts and Hospitality Register hospitality given (or received) by staff on Company premises and using catering services procured using the appropriate process (e.g. online order form) does not need to be recorded on the register.

6.4 Where hospitality is given or received off Company premises over the value of £25 per person (i.e. lunch for four people costing £95 would not need to be included on the register, if it cost £110 it would) and not paid by invoice to the Company this must be entered onto the Gifts and Hospitality Register.

6.5 Individuals that receive or give low value hospitality to/from the same third party on a regular basis must declare it once the cumulative value exceeds £25 and on every occasion thereafter.

6.6 Where a group of employees receives hospitality, the most senior person (defined by grade, or if grades are equal length of service) present when hospitality is received is responsible for completing the Gifts and Hospitality Register on behalf of the others present.

6.7 Gifts or hospitality over the value of £50 per person should not be accepted without prior authorisation from an individual's line manager. All gifts given to staff while on the business of the Company may be considered to be the property of the Company at the discretion of the Director.

7. Further guidance

Further guidance should be sought from line managers in the first instance, who may in turn refer the matter to the Director.

Appendix One

Hunter Penrose Supplies Ltd - Bribery Act 2010 - Policy for Agents

1. Introduction

- 1.1 The Bribery Act 2010 is in force from 1st July 2011 and a summary of the key offences under the Act is given in Appendix two.
- 1.2 The Bribery Act 2010 covers all employees and officers of the Company, and temporary workers, consultants, contractors, agents and subsidiaries acting for, or on behalf of, the University ("associated persons") within the UK and overseas. Every employee and associated person acting for, or on behalf of, the University is responsible for maintaining the highest standards of business conduct.
- 1.3 Under the Bribery Act it is a criminal offence:-
- 1.3.1 to give, promise or offer a bribe in the UK or abroad
 - 1.3.2 to request, agree to receive or accept a bribe in the UK or abroad
- 1.4 It is a separate criminal offence to bribe a foreign public official which does not require evidence of improper performance (To ensure full compliance with the OECD Convention.)
- 1.5 It is a corporate offence to fail to prevent bribery **by persons working on behalf of but not necessarily employed by a business.**
- 1.6 The Company could also be liable where someone who performs services for it – like an employee **or agent** – pays a bribe specifically to get business, keep business, or gain a business advantage for the University.
- 1.7 **It is immaterial whether the offence is committed in the UK or abroad.**
- 1.8 Thus it is important that:-
- 1.8.1 The Company has "adequate procedures" in place to prevent bribery;
 - 1.8.2 Employees and **agents** do not undertake actions which contravene the Bribery Act 2010.

2. Policy for Hunter Penrose Supplies Agents

- 2.1 **Scope** The policy set out below relates to both Agents in the UK and overseas. For the purposes of this policy "agent" includes anyone acting on the University's behalf in the recruitment of students either under an agents contract or by payment of a referral fee
- 2.2 **Overriding Principle** In the course of the Agents work relating to Hunter Penrose Supplies Ltd:
- 2.2.1 Agents of the Company must not undertake any actions on behalf of the Company which contravene the Bribery Act 2010.
 - 2.2.2 The Company prohibits agents from offering, promising, giving, soliciting or accepting any bribe. The bribe might be cash, a gift or other inducement to, or from, any person or company, whether a public or government official, official of a state-controlled industry, political party or a private person or company, regardless of whether the agent is situated in the UK or overseas. The bribe might be made to ensure that a person or company improperly performs duties or functions (for example, by not acting impartially or in good faith or in accordance with their position of trust) to gain any commercial, contractual or regulatory advantage for the Company in either obtaining or maintaining Company business, or to gain any personal advantage, financial or otherwise, for the agent or anyone connected with the agent.
- 2.3 **Records** Agents of the Company are required to take particular care to ensure that all the Agents records are accurately maintained in relation to any contracts or business activities, enacted on behalf of the Company, including financial invoices and all payment transactions with clients, suppliers and public officials.

Agents are required to keep accurate, detailed and up-to-date records of all corporate hospitality, entertainment or gifts accepted or offered relating to their work on behalf of the Company. (See Appendix three)

- 2.4 Agents Overseas** Agents conducting business on behalf of the Company outside the UK may be at greater risk of being exposed to bribery or unethical business conduct than UK-based agents. Agents owe a duty to the Company to be extra vigilant when conducting international business.
- 2.5 Agents should report to the Company close family, personal or business ties that the agent may have with government or corporate officials, directors or employees that University business is being undertaken with:
- 2.5.1 a history of corruption in the country in which the business is being undertaken;
 - 2.5.2 requests for cash payments;
 - 2.5.3 requests for unusual payment arrangements, for example via a third party;
 - 2.5.4 requests for reimbursements of unsubstantiated or unusual expenses; or
 - 2.5.5 a lack of standard invoices and proper financial practices.
- 2.6 If an agent is in any doubt as to whether or not a potential act constitutes bribery, the matter should be referred to their prime contact at the Company who will liaise with the Director to obtain advice.

3. Facilitation Payments

- 3.1 Agents are prohibited from making or accepting any facilitation payments. These are payments made to government officials for carrying out or speeding up routine procedures. They are more common overseas. Facilitation payments are distinct from an official, publicly available fast-track process. (See Appendix three.)
- 3.2 Where a public official has requested a payment, the Agent should ask for further details of the purpose and nature of the payment in writing. If the public official refuses to give these, this should be reported immediately to their prime contact at the Company to obtain advice.
- 3.3 If the public official provides written details, their prime contact at the Company who will consider the nature of the payment. Local legal advice may be sought by the Company in liaison with the Agent. If it is concluded that the payment is a legitimate fee, for example part of a genuine fast-track process, or is permitted locally, the Company will authorise the agent to make the payment.
- 3.4 Where the Director considers that the request is for a facilitation payment, the Agent will be instructed to refuse to make the payment and notify the public official that the Agent is required to report the matter to the Company
- 3.5 The Company will seek the assistance of the relevant agent in its investigation and may determine that the matter should be referred to the prosecution authorities.
- 3.6 If an Agent has any other concerns about the nature of a request for payment, the Agent should report it to the Director.

4. Corporate entertainment, gifts, hospitality and promotional expenditure

- 4.1 The Company permits corporate entertainment, gifts, hospitality and promotional expenditure that is undertaken:
- 4.1.1 for the purpose of establishing or maintaining good business relationships;
 - 4.1.2 to improve the image and reputation of the University; or
 - 4.1.3 to present the Company services effectively; provided that it is:
 - 4.1.4 arranged in good faith, and
 - 4.1.5 not offered, promised or accepted to secure an advantage for the Company or any of its employees or associated persons or to influence the impartiality of the recipient.
- 4.2 The Company will authorise only reasonable, appropriate and proportionate entertainment and promotional expenditure which has been authorised in advance by the appropriate officer as set out in the Company's procedures. Thus Agents need to obtain approval from the Company before this is undertaken.

- 4.3** The Agent should submit requests for proposed hospitality and promotional expenditure well in advance of proposed dates to the officer of the Company giving:
- 4.3.1** the objective of the proposed client entertainment or expenditure;
 - 4.3.2** the identity of those who will be attending;
 - 4.3.3** the organisation that they represent; and
 - 4.3.4** details and rationale of the proposed activity.
- 4.4** The Company will approve business entertainment proposals only if they demonstrate a clear business objective and are appropriate for the nature of the business relationship. The Company will not approve business entertainment where it considers that a conflict of interest may arise or where it could be perceived that undue influence or a particular business benefit was being sought (for example, prior to a tendering exercise).
- 4.5** Any gifts, rewards or entertainment received or offered from clients, public officials, suppliers or other business contacts should be reported immediately to the Director. In certain circumstances, it may not be appropriate to retain such gifts or be provided with the entertainment and an agent may be asked to return the gifts to the sender or refuse the entertainment, for example, where there could be a real or perceived conflict of interest. As a general rule, small tokens of appreciation, such as flowers or a bottle of wine, may be retained by employees.
- 4.6** If an agent wishes to provide gifts to suppliers, clients or other business contacts, prior written approval from the Director is required, together with details of the intended recipients, reasons for the gift and business objective. These will be authorised only in limited circumstances.
- 4.7** Agents must supply records and receipts, in accordance with the contract requirements.

5. Charitable and political donations

Agents should not give charitable and political donations to third parties on the University's behalf or in relation to the Company's business.

6. Reporting suspected bribery

- 6.1** The Company depends on its Agents to ensure that the highest standards of ethical conduct are maintained in all its business dealings. (This is also the case for any sub-contractors that the Agent employs to carry out work on behalf of the Company.) Agents are requested to assist the Company and to remain vigilant in preventing, detecting and reporting bribery.
- 6.2** Agents are encouraged to report any concerns that they may have to the Director for the Agent as soon as possible. Issues that should be reported include any suspected or actual attempts at bribery in relation to the work carried out on behalf of the Company.
- 6.3** The Director for the Agent will then inform the Company Director who will liaise with other Company officers to ascertain the appropriate action to be undertaken.

Appendix two

Bribery Act 2010

The Act came in to force on July 1st 2011.

It contains offences of making or receiving a bribe and establishes a new corporate offence.

The Ministry of Justice has issued both “Guidance to the Bribery Act” and a “Quick Start Guide”

See below a summary of the key offences under the Bribery Act.

Section 1 – offering or providing a bribe

The general bribery offences under section 1 of the Act are drawn very widely:

- It is an offence for a person to offer or provide a financial or other advantage to another person, where the advantage is intended to induce a person to “perform improperly” a “relevant function or activity”, or reward them for that improper performance.
- An offence will also be committed where it is known that the acceptance of the advantage would itself constitute improper performance.
- The offering or provision of the advantage can be made directly or via a third party (e.g. an agent).
- There is no exception for “facilitation” or “grease” payments.
- “Functions” and “activities” include any public function, and any business or employment activity, whether within or outside the UK.
- “Improper performance” means performance of a function or activity in breach of a “relevant expectation” i.e. that the function or activity be performed in good faith, impartially, or by a person in a position of trust.
- The “expectation” is deemed to be that of a reasonable person in the UK. If the function or activity is performed outside the UK, the local customs and practices of bribery in the foreign country are to be disregarded, unless they are permitted by the written law of that country

Section 2 – Receiving bribes (Section 2 of the Act)

It is an offence under the Act to be bribed as well as to bribe:

- The Act makes it an offence to request or accept a financial or other advantage, with the intention that, as a consequence, a relevant function or activity (as defined above) should be performed improperly.
- Again, an offence will be committed where the request or acceptance itself constitutes the improper performance, and also where a person requests or accepts the advantage as a reward for improper performance. Note that, in these instances there is no requirement that the recipient knows or believes that the performance of a function or activity is improper.
- Again, the request or acceptance of the advantage can be made directly or via a third party.

Section 3 – Bribery of foreign public officials (Section 6 of the Act)

The Act sets out specific offences relating to bribery of public officials:

- It is an offence to offer or provide a financial or other advantage to a foreign public official with the intention of obtaining or retaining business or an advantage in the conduct of business.
- Again, the offering or provision of the advantage can be made directly or via a third party (e.g. an agent)
- The local customs and practices of bribery of officials in the foreign country are to be disregarded, unless they are permitted by the written law applicable to the official.

Section 4 – Failure of a commercial organisation to prevent bribery (Section 7 of the Act)

The Act creates an entirely new “corporate” offence which can be committed by any commercial organisation (partnerships and companies) in the private as well as the public, sector. The definition includes English universities:

- A commercial organisation will commit an offence where a person “associated” with it commits one of the above bribery offences with the intention of obtaining or retaining business for the organisation, or obtaining or retaining an advantage in the conduct of business for the organisation.
- The offence can be committed by a UK body corporate or partnership carrying on business in the UK or abroad, and also a foreign body corporate or partnership carrying on business in the UK.
- An associated person is anyone who performs services for or on behalf of the organisation. This can extend beyond employees and subsidiaries to sub-contractors, distributors, suppliers, business partners, and other agents. The key test is whether the person is performing services for or on behalf of the organisation.
- The offence is one of “strict” or automatic liability i.e. it can be committed by the commercial organisation without intention or knowledge.
- However, it will be a defence for the organisation to prove that it had in place “adequate procedures” designed to prevent associated persons from committing bribery offences. Adequate procedures will need to be proportionate to the size of the organisation and the risks faced by it.
- The Ministry of Justice has produced guidance on what procedures will constitute “adequate procedures” for the purposes of Section 7 of the Act.

Section 5 – International application

- The offences set out above have international application. Therefore, a person may commit the offences in Section 1, 2 and 6 of the Bribery Act either in the UK, or abroad, so long as the person has a “close connection” with the UK e.g. is a British citizen or UK company.
- A commercial organisation, as defined, may commit the offence under Section 7 in the UK or abroad in any event. There is no additional requirement that it has a close connection with the UK.

Section 6 – Penalties

- Maximum prison sentence of 10 years.
- Unlimited fine.

Appendix three

Extract from “The Ministry of Justice Quick Start Guide to the Bribery Act 2010”

Can I provide hospitality, promotional or other business expenditure under the Act?

Yes. The Government does not intend that genuine hospitality or similar business expenditure that is reasonable and proportionate be caught by the Act, so you can continue to provide bona fide hospitality, promotional or other business expenditure.

In any case where it was thought the hospitality was really a cover for bribing someone, the authorities would look at such things as the level of hospitality offered, the way in which it was provided and the level of influence the person receiving it had on the business decision in question. But, as a general proposition, hospitality or promotional expenditure which is proportionate and reasonable given the sort of business you do is very unlikely to engage the Act. So you can continue to provide tickets to sporting events, take clients to dinner, offer gifts to clients as a reflection of your good relations, or pay for reasonable travel expenses in order to demonstrate your goods or services to clients if that is reasonable and proportionate for your business.

What about facilitation payments?

Facilitation payments, which are payments to induce officials to perform routine functions they are otherwise obligated to perform, are bribes. There was no exemption for such payments under the previous law nor is there under the Bribery Act.

As was the case under the old law, prosecutors will carefully consider all the facts and surrounding circumstances of cases which come to their attention to assess whether a payment amounts to a bribe and, if so, whether a prosecution is in the public interest.

You can continue to pay for legally required administrative fees or fast-track services. These are not facilitation payments.

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