



Anti-Bribery and Corruption Policy

Version 1.1

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Version Control

Version	Owner	Reviewer	Changes	Approval date	Next Review
1.0	Joanne Wilkinson	Michael Walsh	Initial version or first version uploaded on portal - see ESG share for historical information	07/2021	07/2022
1.1	Joanne Wilkinson	Michael Walsh	Clarified top-level oversight, expanded position on gifts and the role of the MLRO and confirmed training arrangements.	09/2021	07/2022

Introduction

The UK is a party to the OECD Anti-Bribery Convention, which has as its aim the eradication of bribery of foreign public officials in the context of international business transactions. The UK Government's intention in introducing the Bribery Act 2010 (the Bribery Act, which came into force in July 2011) was both a response to the UK's obligations in respect of the Convention and to make it clear that the UK intends to play a leading role in stamping out corruption internationally. This Policy reflects the requirements of the Bribery Act, which provides for the prosecution of both individuals and companies for bribery offences and other related legislation, including the US Foreign Corrupt Practices Act.

In addition, the firm is required by the Financial Conduct Authority (FCA) to set up and maintain effective systems and controls to counter the risk of financial crime, including bribery or corruption.

This policy sets out the systems and controls that the firm has implemented to prevent the involvement of the firm or its employee or agents in acts of bribery or corruption. The following outlines the FCA's anti-bribery framework:

- SYSC 3.2.6R and SYSC 6.1.1R, which require firms to establish and maintain effective systems and controls to prevent the risk that they might be used to further financial crime;
- Principles 1 (integrity), 2 (skill, care and diligence), 3 (management and control) and 11 (relations with regulators) of our Principles for Businesses, set out in PRIN 2.1.1R;
- the Statements of Principle for Approved Persons set out in APER 2.1A.3R and the conduct rules set out in COCON 2.1 and 2.2; and
- in relation to anti-money laundering guidance, the rules in SYSC 3.2.6AR to SYSC 3.2.6JG and SYSC 6.3 (Financial crime).

There is top-level commitment within Newable to identify and prevent incidences of bribery and corruption occurring within the Group. Newable's Executive Committee and the Board also take managerial responsibility for this Anti-Bribery and Corruption Policy, for ensuring that all staff are aware of and abide by it and for ensuring that staff receive annual training on their obligations to prevent bribery and corruption occurring.

What is bribery?

Bribery involves offering, giving, requesting or accepting a financial or other advantage with the intention of inducing the recipient to act improperly or as a reward for their having done so. A bribe may be paid directly or indirectly through a third party. It does not necessarily involve the giving of cash or a gift, and may include any item or act which confers a benefit or advantage of some description on the recipient or another person. Bribery may be committed in either the public or private sectors and may be paid or received in the UK or abroad.

The UK Bribery Act

There are four criminal offences under the Bribery Act:

- Giving or offering to give a bribe (active bribery);
- Requesting, accepting or agreeing to accept a bribe (passive bribery);
- Bribery of a foreign public official; and
- A corporate offence of failure to prevent bribery by the corporate itself or by a person performing services for or on behalf of the corporate (such as an introducer, distributor, broker or other agent).

In the case of the corporate offence, the only defence available is that the corporate has in place “adequate procedures” to prevent bribery.

Facilitation payments

A facilitation payment is a cash payment (or payment in kind) of a relatively small amount to a public official to “grease the way” and ensure that a routine official duty is performed. Although facilitation payments are common in many countries they are illegal under the Bribery Act.

A facilitation payment is a type of bribe; a common example is where a government official is given money or goods to perform (or speed up the performance of) an existing duty. Facilitation payments were illegal before the Bribery Act came into force and they are illegal under the Bribery Act, regardless of their size or frequency.

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

Gifts and entertainment or hospitality

Bona fide, reasonable and proportionate gifts and hospitality and promotional expenditure is an important part of doing business. However, the giving of gifts or provision of entertainment or hospitality by or on behalf of the firm must always be done in compliance with the firm’s relevant policies, all of which apply equally to gifts and entertainment or hospitality received by the firm’s employees. Although lavish or unusual hospitality or extravagant gifts could be considered a bribe, reasonable and proportionate gifts and/or entertainment or hospitality are unlikely to constitute bribery in normal circumstances.

Employees in doubt as to whether a proposed gift, entertainment or hospitality to be offered to clients or potential clients is within the limits of what is likely to be considered reasonable and proportionate should consult Jo Wilkinson, the firm’s Money Laundering

Reporting Officer (MLRO) and/or the local compliance manager/officer.

Bribery and Corruption is monitored by the MLRO who is notified by Line Management of all gifts and entertainment that their staff have received or given. The gifts and entertainment are subject to reasonable limits and all excessive or lavish gifts and entertainment are not permitted to be accepted (or would be given to charity).

All staff are aware of the obligation to report gifts and entertainment to their Line Manager, who is responsible for approving any reasonable gifts and entertainment. The MLRO maintains a log of all gifts and entertainment received by staff.

Six Bribery Act principles

The Bribery Act 2010 sets out six principles designed to give organisations the tools to design systems and controls to put adequate procedures in place to prevent bribery. What counts as adequate will depend on the bribery risks the firm faces and the nature, size and complexity of the business. A small or medium sized business which faces minimal bribery risks will require few procedures to mitigate those risks. The UK Ministry of Justice has published guidance on compliance with the Act, including the following six principles to prevent bribery:

1. **Proportionate procedures**

Procedures to prevent bribery by associated persons should be proportionate to the bribery risks faced and proportionate to the scale, nature and complexity of the firm's business. A firm may need to do more to prevent bribery if it is a large organisation and operational in overseas markets, where bribery is more prevalent, compared to a smaller firm only operating within the UK or markets where bribery is not commonplace.

2. **Top-level commitment**

The firm must adopt a culture of zero tolerance to bribery, through a commitment by senior management. The firm will want to demonstrate that it has been active in making sure that employees (including any middle management) and the key people who the firm does business with, understand that bribery will not be tolerated. To that end, the Executive Committee and the Board are responsible for this bribery and corruption policy and its implementation throughout the firm.

3. **Risk assessment**

The firm should identify its bribery risks and prioritise its actions in high risk areas, by implementing procedures that are proportionate to the level of risk. Key risk areas may include:

- Corporate hospitality
- Charitable and political donations
- Political connections
- Monitoring expense, whistleblowing and complaints registers

Newable believes that the risk of bribery and corruption is low within the firm as its business is predominately domestic. The firm has a strict gifts and entertainment policy with all gifts and entertainment being notified to Line Management and the MLRO. The firm does not permit political donations and expenses are independently approved and monitored by the Finance Department. The firm has whistleblowing and complaints policies and a complaints log is maintained by the MLRO.

4. **Due diligence**

Knowing exactly who the firm is dealing with can help protect it from taking on individuals who might be less than trustworthy. The firm must therefore ask questions and undertake checks before engaging others to represent it in its

business dealings.

5. **Communication**

Communicating the firms' policies and procedures to employees and others who perform services on its behalf, enhances awareness and helps deter bribery, by making clear the basis on which the firm does business. Therefore, the firm may want to think about whether additional training or awareness raising would be appropriate or proportionate to its size and type of business.

6. **Training**

All Newable employees are required to undertake annual anti-bribery and corruption training and to pass a test at the end of this training.

7. **Monitoring and review**

The risks the firm faces and the effectiveness of its procedures may change over time. Therefore, the firm must keep an eye on the anti-bribery steps that it has taken, to ensure that these keep pace with any changes in the bribery risks faced by the firm, for example, when entering new markets or issuing new products and services.

Firm requirements

- Conduct thorough vetting of all staff (pre-employment screening)
- Conduct anti-bribery and corruption “stress tests” on products and services. Stress testing involves the following:
 - Undertaking periodic testing to ensure the firms’ systems and processes governing anti-bribery, respond to changes in both its internal and external environment
- Conducting due diligence on third parties
- Ensuring records of all due diligence undertaken is retained on file or record.

Other considerations

- The jurisdictions where the firm undertakes business
- Third parties and their anti-bribery and corruption systems and controls.

Risk-based approach

In line with FCA requirements and the Ministry of Justice Bribery Act guidance, (which can be accessed via the following link):

<http://www.justice.gov.uk/downloads/legislation/bribery-act-2010-guidance.pdf>, the firm has adopted a risk-based approach to bribery.

The MLRO must undertake a qualitative process to assess the nature and extent of the risks relating to bribery which the firm is exposed to, which includes:

- Relationships with law enforcement, regulatory bodies, and trade organisations;
- Relationships with customers and third parties
- Relationships with third party providers of products and services which the firm uses, recommends, or re-sells
- Internal relationships between employees

Risk control

The MLRO must document controls, including sufficient guidance to implement those controls effectively, to meet the following minimum requirements:

- Documented policies for all employees detailing their obligation to report knowledge or suspicion of bribery, including processes for reporting;
- Documented policies requiring all departments to assess their bribery and corruption risks and to put in place controls to prevent or mitigate these risks;
- Documented procedures for receiving, assessing, and dealing with reports of potential bribery, including procedures for notifying the Serious Fraud Office (<https://www.sfo.gov.uk/contact-us/>) and the FCA of any misconduct within the company;
- Document procedures and systems for producing appropriate management information;
- Document procedures which require approval of all gifts, entertainment and hospitality received or given by employees, detailing appropriate limits.

Please refer to the Gifts, Entertainment and Hospitality Policy.

Commonly encountered risks

Commonly encountered external risks can be categorised into five broad groups – country, sectoral, transaction, business opportunity and business partnership:

1. Country Risk

This is evidenced by perceived high levels of corruption, and absence of effectively implemented anti-bribery legislation and a failure of the foreign government, media, local business community and civil society effectively to promote transparent procurement and investment policies.

2. Sectoral Risk

Some sectors are higher risk than others. Higher risk sectors include the extractive industries and the large scale infrastructure sector.

3. Transaction Risk

Certain types of transaction give rise to higher risks, for example, charitable or political contributions, licences and permits, and transactions relating to public procurement.

4. Business Opportunity Risk

Such risks might arise in high value projects or with projects involving many contractors or intermediaries; or with projects which are not apparently undertaken at market prices, or which do not have a clear legitimate objective.

5. Business Partnership Risk

Certain relationships may involve higher risk, for example, the use of intermediaries in transactions with foreign public officials; consortia or joint venture partners; and relationships with politically exposed persons where the proposed business relationship involves, or is linked to, a prominent public official.

Training

Annual training is provided to all relevant employees, delivered via online training modules, to refresh employee understanding of the following:

- Zero-tolerance approach to bribery;
- An overview of anti-bribery legislation;
- An overview of key bribery risks;
- Examples of how those risks may occur within the business;
- Employee's obligations and responsibilities to report suspected bribery; and
- Details on how employees should make internal reports to the MLRO and/or the local compliance manager/officer.

Any significant changes to policies or responsibilities will be notified immediately to employees.

Offences

The Bribery Act outlines the following offences:

- Offences of bribing another person (active bribery) - improper performance by another person of a relevant function or activity or to reward such a performance. Acceptance of the advantage offered, promised or given in itself, constitutes the improper performance of a relevant function or activity.
- Offences relating to being bribed (passive) - to request, agree, receive or accept a financial or other advantage in the following:
 - Intending that, in consequence, a relevant function or activity should be performed improperly.
 - The request, agreement or acceptance itself constitutes the improper performance by a person of a relevant function or activity.
 - As a reward for the improper performance (by any person) of a relevant function or activity.
 - In anticipation of, or in consequence of requesting, agreeing to receive or accept a financial or other advantage, a relevant function or activity is performed improperly by any person at request or with assent or acquiescence.
- Bribing of foreign public officials:
 - Promising or giving financial or other advantage to a foreign public official with the intention of influencing the official in the performance of his or her official functions.
 - Intending to obtain or retain business or an advantage in the conduct of business. It is equally an offence if a person tries to do this through a third party.
- Failure of commercial organisations to prevent bribery:
 - A commercial organisation will be liable to prosecution if a person associated with it bribes another person intending to obtain or retain business for that organisation, or to obtain or retain an advantage in the conduct of business for the organisation.
 - If the business can demonstrate that it had adequate procedures in place to prevent persons associated with it from bribing, then this could constitute a defence.
 - Corporate hospitality such as taking clients to dinner or sporting occasions is still allowed provided it is appropriate and the firm is mindful that it is proportionate.

Penalties

An individual guilty of one of the offences is liable for:

- Up to 12 months in prison and/or a fine not exceeding the statutory maximum if an individual is found guilty of a bribery offence, tried as a summary offence (in a Magistrates Court).
- Up to 10 years' imprisonment and/or an unlimited fine if the individual is found guilty on conviction on indictment (in a crown court).

A commercial organisation failing to prevent bribery is punishable by an unlimited fine.