



## **Anti-Bribery and Corruption: Policy and Procedures**

### **Ethical Tea Partnership**

Policy Version Number	2
Author	David Meek and Jennifer Costelloe
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Summary of changes to previous version	New Chair details included



## 1 MESSAGE FROM THE CHAIR

### Statement of ethics

Dear All,

At the Ethical Tea Partnership (“ETP”) we pride ourselves on our reputation for acting professionally, fairly and ethically wherever we operate. Our reputation is built on our values, both as an organisation and as individuals, and our collective commitment to acting with integrity throughout our organisation. We are a not-for-profit organisation that aims to create a fairer, better and more sustainable tea industry through a number of long-term global programmes, which we deliver in partnership with the local tea industry, development partners, NGOs and governments.

ETP takes a zero-tolerance towards bribery and corruption. A bribe is an inducement or reward offered, promised or provided in order to gain any commercial, contractual, regulatory or personal advantage

We uphold all laws relevant to countering bribery and corruption in all the jurisdictions in which we operate. In particular, we are bound by the UK’s Bribery Act 2010, in respect of our conduct both in the UK and abroad.

Our Anti-Corruption and Bribery Policy and Procedures can be found below. All staff and contractors have access to the policy on the Company intranet and receive appropriate training. . Any member of staff or contractor who breaches our Anti-Corruption and Bribery Policy and Procedures will be in breach of their contract with ETP, and will potentially face investigation and termination of contract.

The policy contains certain procedures and will be monitored and reviewed periodically.

If you are unsure whether a particular act constitutes bribery or corruption, or if you have any other queries, you should contact the Company’s Anti-Corruption Officer, Jenny Costelloe. You will not be penalised for speaking out.

**Under the Bribery Act 2010, there are severe consequences for being convicted of bribery in terms of both imprisonment and fines for individuals and also an unlimited fine for commercial organisations. Our policies and procedures are for the protection of both individual members of the Company and for the Company as a whole.**

A handwritten signature in black ink, appearing to read "DM", is positioned above the name David Meek.

**David Meek**

Chair of the Ethical Tea Partnership

22<sup>nd</sup> January 2022

## 2 GLOSSARY

This glossary contains definitions for common terms that are used in ETP's Anti-Bribery and Corruption Policy and Procedures.

**Adequate Procedures:** According to the UK Government's Guidance on the UKBA<sup>1</sup>, these are procedures that commercial organisations can put into place to prevent bribery by associated persons. The Guidance is based on six principles: (i) proportionate procedures; (ii) top-level commitment; (iii) risk assessment; (iv) due diligence; (v) communication and (vi) monitoring and review.

**Associated Person:** An "associated person" is an individual or organisation that provides services for, or on behalf of ETP, in any capacity, including but not limited to employees, contractors, Partners, suppliers, subsidiaries, branches or other Third Parties.

**Bribery:** A bribe is an inducement or reward offered, promised or provided in order to gain any business, contractual, regulatory or personal advantage. A bribe can be any form of payment, benefit or gift which is offered or given with the purpose of bringing about an improper performance of a relevant function or activity by another person, such as influencing a decision or outcome. Bribery is not limited to the act of offering a bribe. If an individual requests for or receives a bribe, they are also committing an offence. Bribery does not have to involve cash or an actual payment exchanging hands, and can take many forms such as a gift, lavish treatment during a business trip or tickets to an event.

**Corruption:** Corruption is the abuse of position for private gain.

**Conflict of Interest:** A conflict of interest is a situation where you have competing interests, and these competing interests impair your ability to make objective, unbiased decisions. You may face a conflict of interest when your professional duties and your personal interests diverge.

**Facilitation Payments:** Facilitation payments are typically small, unofficial payments made to secure, expedite or encourage a routine government action by a government official. They are common in some of the jurisdictions in which ETP may operate.

**Foreign Public Official:** A foreign public official is a person who (i) holds any legislative, administrative or judicial position; (ii) exercises a public function for a country, or a public agency or public enterprise of that outside country; or (iii) is an official or agent of a public international organisation (e.g. United Nations or the World Bank).

**Fraud:** Fraud is any intentional false representation, including failure to declare information or abuse of position that is carried out to make gain, cause loss or expose another to the risk of loss. The term "fraud" can be used to describe many acts such as: deception, bribery, forgery,

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<sup>1</sup> *Bribery Act 2010: Guidance to help commercial organisations prevent bribery* (published 2012), <https://www.gov.uk/government/publications/bribery-act-2010-guidance>



extortion, corruption, theft, conspiracy, embezzlement, misappropriation, false representation, concealment of material facts and collusion.

**Gift:** A gift is any item of value provided or offered for the personal benefit of the recipient or a close contact (family, friend or colleague) at no cost, or a cost that is less than its commercial value. Gifts can also include offers of employment to family members.

**Hospitality:** Hospitality includes any offer of travel, accommodation, food, drink or an invitation to any event (e.g. concert, sporting event, either as a spectator or participant) in the company of a Third Party. Corporate hospitality means hospitality of any kind provided by ETP or its employees in connection with the lawful business of ETP.

**Improper performance:** Improper performance is performance which amounts to a breach of an expectation that a person will act in good faith, impartially, or in accordance with a position of trust.

**Kickback:** Kickbacks are typically payments made in return for a business favour or advantage.

**Partner:** Any individual or organisation that works in concert or in partnership with ETP, irrespective of whether a partnership agreement has been entered into.

**Policy:** ETP's Anti-Bribery and Corruption Policy and Procedures.

**Qualifying Disclosure:** A disclosure of information that a member of Staff reasonably believes shows one or more of the following "relevant failures" has taken place, is taking place or is likely to take place: (i) criminal offences; (ii) breach of any legal obligation; (iii) miscarriages of justice; (iv) danger to the health and safety of any individual; (v) damage to the environment and (vi) the deliberate concealing of information about any of (i) – (v).

**Staff:** All individuals working for ETP at all levels and grades, including senior managers, officers, directors, employees (whether permanent, fixed-term or temporary), consultants, contractors, trainees, seconded staff, homeworkers, casual workers and agency staff, volunteers, interns, agents, sponsors, or any other person associated with us, or any of our subsidiaries or their employees, wherever located.

**Third Party:** Any individual or organisation you come into contact with during the course of your work for ETP. This includes actual and potential partners, NGOs, ETP members, funders, suppliers, distributors, business contacts, agents, advisers, and government and public bodies, including their advisors, representatives and officials, politicians and political parties.

**UKBA:** The Bribery Act 2010, which is the anti-bribery and corruption legislation in the United Kingdom.



### 3 POLICY STATEMENT

One of our core values is to uphold responsible and fair business practices. It is our policy to promote and maintain the highest level of ethical standards relation to all of our business activities.

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 to implementing and enforcing effective systems to counter bribery.

Ethical Tea Partnership (ETP) upholds all laws globally relevant to countering bribery and corruption, including the UK Bribery Act 2010 (the “**UK BA**”). This anti-bribery and corruption policy (“**Policy**”) has been jointly produced by ETP and Reed Smith LLP (who provided assistance on a pro bono basis), and applies to **all individuals working for ETP, at all levels and grades, including senior managers, officers, directors, employees** (whether permanent, fixed-term or temporary), **consultants, contractors, trainees, seconded staff, homeworkers, casual workers and agency staff, volunteers, interns, agents, sponsors, or any other person associated with us, or any of our subsidiaries or their employees, wherever located** (collectively referred to as “**Staff**” in this Policy).

If you are unsure about whether or not this Policy applies to you, please contact **Jenny Costelloe, Executive Director**, the Company’s Anti-Corruption Officer, (Jenny.Costelloe@ethicalteapartnership.org) who will advise accordingly. If Jenny Costelloe is not available, please contact **Premila Sattianayagam, ETP’s Finance & Operations Manager** (Premila.Sattianayagam@ethicalteapartnership.org).

The purpose of this Policy is to:

- set out our responsibilities, and of those working for us, in observing and upholding our position against bribery and corruption; and
- provide information and guidance to those working for us on how to recognise and deal with bribery and corruption issues.

This Policy sets out what we must all do to detect and prevent bribery in all its forms. Any act of fraud, bribery or corruption is treated with extreme seriousness by ETP, and any direct or indirect assistance given to others to enable them to carry out such acts will also not be tolerated. This Policy focusses on ETP’s obligations under the UK BA.

The UK BA applies to all and any of the following:

- UK nationals;
- Individuals ordinarily resident in the UK;
- Non-UK citizens engaged in prohibited activities in the UK; and
- Companies established and / or conducting business or part of a business in the UK.

As ETP is incorporated in the UK, the UK BA, and all of the obligations set out therein, will apply to all of ETP’s activities, and its entire Staff (defined above). The UKBA will also apply



to any Associated Person (defined in Section 2 (*Glossary*)). The UKBA will apply to the Associated Person's actions, even if that person's actions occur outside of the UK or if that person does not have any connection with the UK. **All Staff must make Associated Persons aware of ETP's zero-tolerance approach to bribery, and advise the Associated Person that they must adopt the same approach as set out in this Policy, when performing services for, or on behalf of, ETP.**

In this Policy, "**Third Party**" has the meaning given to it in Section 2 (*Glossary*).

This Policy forms part of contracts of employment and services with ETP. ETP may amend it at any time or depart from it depending on the circumstances of the case.

This Policy provides guidance on what is and what is not acceptable in general terms for ETP's Staff. However, if you are in any doubt about whether specific conduct could amount to bribery, you should contact the Company's Anti-Corruption Officer.

### **3.1 Anti-bribery Principles**

In order to prevent bribery and corruption, and as described by the UK Ministry of Justice, ETP is committed to the following principles:

1. ETP's anti-bribery procedures are aimed to be proportionate to the bribery risks faced by ETP, and also to the nature, scale and complexity of ETP's activities;
2. ETP's top-level management is committed to preventing bribery and communicating the company's anti-bribery policies and procedures across the company;
3. ETP shall develop and have in place the adequate control measures to assess the nature and extent of ETP's exposure to potential external and internal risks of bribery;
4. ETP shall carry out proportionate and risk-based due diligence on any persons providing services to it, and shall communicate its anti-bribery policies to all third-parties that it works with;
5. ETP is committed to communicating its anti-bribery policies to Staff and providing training on such policies; and
6. ETP shall monitor and review anti-bribery policies and procedures periodically and make improvements where necessary.

### **3.2 Enforcement**

The punishments for bribery and corruption under the UK BA are severe. We, Staff of ETP, therefore, take our legal responsibilities very seriously. Failure to comply with this Policy may lead to criminal or civil prosecution, as well as a fine, details of which are set out below.



<b>Competent Authority</b>	Criminal enforcement only by the Serious Fraud Office and Director of Public Prosecutions.
<b>Imprisonment</b>	Up to 10 years' imprisonment.
<b>Fine / Other Punishment</b>	For individuals: unlimited fine and reputational damage.  For entities: unlimited fine, potential disbarment from participation in public contracts, confiscation order under the UK Proceeds of Crime Act 2002, and reputational damage.

#### **4 WHO IS COVERED BY THE POLICY?**

Through this Policy, ETP's Executive Board reiterates its own compliance with the requirements set out herein, as well as that of ETP's and affirms ETP's strong stance against bribery and corruption.

This Policy applies to all ETP Staff. In addition, where ETP enters into a supplier contract, joint-venture or strategic partnership of any kind, an equivalent policy to this one shall be implemented by the supplier, and any joint-venture or partnering entities.

Any failure to comply with this Policy will be treated seriously by ETP and will be considered a breach of your contract with ETP, potentially giving rise to an investigation and termination of contract.

##### **4.1 Who is responsible for developing and enforcing this Policy?**

ETP has a top-down commitment to detecting and preventing bribery and corruption. ETP's board of directors, and the ETP executives and senior management all have ultimate responsibility for ensuring that this Policy complies with ETP's legal and ethical obligations, and that those under ETP's control comply with it. ETP's Finance & Operations Function has responsibility for notifying new Staff upon induction about this Policy.

Senior management within ETP, along with the Company's Anti-Corruption Officer, are responsible for ensuring that regular risk assessments, which address both external and internal key risk factors in respect of bribery and corruption linked to the giving or receiving of gifts and hospitality, are conducted and that the requisite associated documents and registers are maintained, are accurate and are kept up-to-date.

ETP's Anti-Corruption Officer 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.

ETP shall ensure that all of its Staff are made aware of this Policy, and all ETP Staff shall also be briefed on the requirement to adhere to it and shall receive training in respect of the anti-



bribery risks and procedures. You will be required to attend and complete any mandatory training that ETP instructs its Staff to complete, as may be relevant.

Management at all levels is responsible for ensuring those reporting to them are made aware of and understand this Policy, and are given adequate and regular training on it.

If you have any questions in respect of this Policy, you should contact, in the first instance, the Company's Anti-Corruption Officer, as further explained below.

## 5 WHAT IS BRIBERY?

Please see Section 2 (*Glossary*) for the definition of bribery.

The UK BA sets out the four different bribery offences:

1. Offering or giving a bribe to another person;
2. Receiving or accepting a bribe;
3. Bribing a foreign public official; and
4. Failure (on the part of a commercial organisation) to prevent bribery (the “**Corporate Offence**”).

### **Offence of bribing another person**

Under the UK BA, a person is guilty of an offence where they offer, promise or give a ‘financial advantage’ to another person, where such person either:

(a) intends the advantage to bring about an *improper performance* of a *relevant function or an activity* by another person or to reward such improper performance; or

(b) knows or believes that the acceptance of the advantage offered, promised or given, in itself constitutes the *improper performance* of a *relevant function or activity*.

The Guidance states that *improper performance* of a function is performance which amounts to a breach of an expectation that a person will act in good faith, impartially, or in accordance with a position of trust.

Under the UK BA, *relevant function or activity* includes: all functions of a public nature; all activities connected with a business; any activity performed in the course of a person's employment; and any activity performed by or on behalf of a body of persons (whether corporate or unincorporated). **It should be well-noted that a function or activity is a relevant activity even it has no connection with the UK or is performed in a country or territory outside the UK.**

## **Offences relating to being bribed**

The recipient or potential recipient of a bribe (R) is guilty of an offence in the following circumstances:

- (a) R requests, agrees to receive or accepts a financial or other advantage, and R intends that improper performance will follow as a consequence of the request.
- (b) R requests, agrees to receive or accepts a financial or other advantage. The request, agreement or acceptance itself is the improper performance by R of a relevant function or activity.
- (c) R requests, agrees to receive or accepts a financial or other advantage as a reward for the improper performance of a relevant function or activity.
- (d) A relevant function or activity is improperly performed by R (or another person, where R requests, assents or acquiesces in it) in anticipation of or as a consequence of R requesting, agreeing to receive or accepting a financial or other advantage. Where the function or activity is performed by another person, it does not matter whether that person knew or believed that the performance of the function or activity was improper.

In all of the above circumstances, it does not matter if the improper performance is by R or another person. It also does not matter whether it is R, or someone else through whom R acts, who requests, agrees to receive or accepts the advantage. In addition, the advantage can be for the benefit of R or another person.

### **5.1 Examples of Bribery**

#### **Offering a bribe**

*You offer a potential partner tickets to a major sporting event, but only if they agree to work with us.*

This would be an offence as you are making the offer to gain a business and contractual advantage. Note that the courts will take a subjective approach to determining a person's intention in offering a bribe. This means that you will have committed an offence if your intention was to bring about an improper performance by another person – regardless of whether you have explicitly stated that you were making the offer to gain a business and contractual advantage. We may also be found to have committed an offence because the offer has been made to obtain / retain business for us.

It may also be an offence for the potential partner to accept your offer, if by doing so, they intend to perform their function at work improperly.

### **Receiving a bribe**

*A partner gives your nephew a job, but makes it clear that in return they expect you to use your influence in our organisation to ensure we continue to work with them.*

It is an offence for a supplier to make such an offer. It would be an offence for you to accept the offer as you would be doing so to gain a personal advantage.

### **Bribing a foreign public official**

*You arrange for ETP to pay an additional payment to a foreign public official to speed up an administrative process, such as clearing goods through customs.*

The offence of bribing a foreign public official has been committed as soon as the offer is made. This is because it is made to gain a business advantage for us.

A foreign public official is a person who:

- Holds any legislative, administrative or judicial position;
- Exercises a public function for a country, or a public agency or public enterprise of that outside country; or
- Is an official or agent of a public international organisation (e.g. United Nations or the World Bank).

Examples of foreign public officials include:

- Civil servants;
- Professional judges and lay judges;
- Public prosecutors;
- Employees of an public authority (tax office, building authority, Ministry of Energy), as well as inspecting and certification authorities;
- Employees of municipal utilities; and
- Ministers, Parliamentary State Secretaries, Data Protection Supervisors or notary publics.

A foreign public official need not necessarily work for a government. Liability arises if a foreign public official is bribed with the intent:

- to influence the foreign public official in his / her official capacity; and
- to obtain or retain business or an advantage in the conduct of business.

The offence includes bribes given to another person at the request or with the acquiescence or assent of the foreign public official.

However, if the giving of a payment / gift / hospitality is explicitly permitted by written local law, then the individual giving the payment / gift / will not be deemed to have breached the UK BA. The availability of this defence is extremely rare – acceptance of bribery of foreign public



officials being the **local custom or mode of business is not a defence**: the defence must be set out in writing. Staff should not seek to rely on this defence without first seeking advice from the Company's Anti-Corruption Officer.

#### *Per diems for Third Parties*

Per diems are specific amounts of money provided to an individual to cover extra expenses when travelling for work. While these payments may be legal under local law and common practice in some of the countries in which we operate, they can also be seen as an inducement, if the per diem rate far exceeds the actual costs of travel.

As a best practice, we should try to avoid paying per diems to Third Parties where possible, especially to government officials. We should try to pay trip-related expenses directly to service providers instead, or alternatively, reimburse the individual for any legitimate expenses upon receiving original receipts.

If it is not possible to pay service providers directly, or reimburse well-documented expenses, and a per diem is necessary, then the provision of a per diem should be approved by the Company's Anti-Corruption Officer and Finance & Operations Function in advance of the relevant trip or event. If there is a standard per diem rate, you should always use the agreed rates. Otherwise, the per diem rate should be a reasonable approximation of the actual daily expenses for that business trip, taking into account the costs of hotels, transport and meals (as appropriate) in that particular area of the country.

You must declare and keep a written record of the amount of the per diems, who received per diems, and the reasoning used to determine the amount of the per diems. Please see Section 12 (*Record-Keeping*) for further information on record-keeping.

#### **Failure (on the part of a commercial organisation) to prevent bribery**

The Corporate Offence applies to a "relevant commercial organisation". The definition of "relevant commercial organisation" is widely drafted, to include any corporate bodies or partnerships which carry on business, or part of a business, in the UK. It does not matter what kind of work the organisation carries out (i.e. whether it is a for-profit or not-for-profit organisation).

ETP is therefore a "relevant commercial organisation", and the Corporate Offence would apply to ETP, on the basis that it is a company incorporated in the UK. The Corporate Offence also applies regardless of where the bribery by the Associated Person occurred in the world. Consequently, that person's actions need not occur in the UK, and need not to have a connection with the UK.

In relation to the Corporate Offence, which is a new strict liability offence, **ETP would be liable** where the bribe is made by **any "associated" person** (defined in Section 2 (*Glossary*)) **performing services for, or on behalf of, ETP, in any capacity.**



The liability will arise if the Associated Person:

- offers a financial or other advantage; and
- intends to obtain or retain business or an advantage in the conduct of business for the organisation.

Therefore, it is essential that when entering into any form of contractual or non-contractual relationship with an Associated Person, all Staff must make the Associated Person aware of **ETP's zero-tolerance approach to bribery**, and advise the Associated Person that they must adopt the same approach, when performing services for, or on behalf of, ETP.

## 6 GIFTS AND HOSPITALITY

**Gifts and hospitality should not be given or accepted unless express permission has been given beforehand by Jenny Costelloe, the Company's Executive Director.**

Staff must at all times comply with the Company's procedures for giving and receiving gifts and corporate hospitality, as set out in the **Gifts from Members &/or Partners Policies**, and **Corporate Hospitality Policy**.

This Policy does not prohibit normal and appropriate hospitality (given and received) to or from Third Parties. The giving or receipt of gifts by Staff is not prohibited, if all of the following requirements are met:

- it is not made with the intention of influencing a Third Party to obtain or retain business or a business advantage, or to reward the provision or retention of business or a business advantage, or in explicit or implicit exchange for favours or benefits;
- it complies with local law;
- it is given in our name, not in your name;
- it does not include cash or a cash equivalent (such as gift certificates or vouchers);
- it is appropriate in the circumstances. For example, in Europe and the U.S., it is customary for small gifts to be given at Christmas time;
- taking into account the reason for the gift, it is of an appropriate type and value and given at an appropriate time;
- it is given openly, not secretly; and
- it is approved by the Executive Director of ETP.

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

All Staff are expected to conduct themselves with integrity and honesty at all times. You must maintain a high standard of fairness and ethics and not open yourself up to suspicion of



dishonesty or allow personal interests to conflict with those of the business. It is important that the actions of all Staff are able to withstand both internal and external scrutiny.

The receipt of gifts, hospitality and entertainment should never influence (or appear to influence) business decisions made by or on behalf of ETP. It is also unacceptable for any member of Staff to attempt to exert or seek influence in exchange for inducements, regardless of local business practice.

While ETP acknowledges that the giving and receiving of *bona fide* gifts, hospitality or entertainment at a reasonable level can be an important part of building effective business relationships, any gifts, hospitality and entertainment given and received as a reward, inducement or encouragement for preferential treatment or inappropriate or dishonest conduct are completely prohibited. In particular, no gifts, hospitality or entertainment should be given or accepted during a tender process or contractual negotiations. You must always refuse high value personal gifts from any Third Parties.

Reciprocal gifts, hospitality and entertainment may sometimes be offered, on similar terms, but need to be approved in advance by the Company's Executive Director.

When considering whether to give or accept a gift or hospitality, Staff should consider whether such gift or hospitality:

1. could be construed as attempting to improperly influence the recipient;
2. is accepted or given for the purpose of maintaining and building a new or existing relationship; and
3. complies with all applicable laws (if unsure, please always consult the Company's Anti-Corruption Officer. Where necessary, local legal advice will be sought.).

## 6.1 Gifts and Hospitality Register

To ensure openness and transparency, Staff must report any funder/member, partner, agent, consultant or other Third Party gifts, hospitality and entertainment given or received (including nil returns) immediately to **ETP's Finance & Operations Officer**,<sup>2</sup> who maintains the Gifts and Hospitality Register for ETP's Anti-Corruption Officer.

ETP's Anti-Corruption Officer will review the Gifts and Hospitality Register on a quarterly basis.

## 7 WHAT IS NOT ACCEPTABLE?

The giving, receiving or facilitating of bribes or involvement in any connected activity by any member of Staff is totally unacceptable. Examples of prohibited activities are set out below.

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<sup>2</sup> Note to ETP: As above.



While recognising that market practice varies across the countries ETP does business in, we are committed to complying with our obligations under the UK BA, as well as any applicable laws in the countries where we operate. We must ensure that no bribes or corrupt payments are made, offered, sought, received or obtained, either directly or indirectly, by any Staff or anyone acting on ETP's behalf, to anyone, anywhere in the world.

It is not acceptable for you (or someone on your behalf) to:

- give, promise to give, or offer, a payment, gift or hospitality with the expectation or hope that a business or personal advantage will be received, or to reward a business or personal advantage already given;
- 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;
- 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;
- 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 by us in return;
- threaten or retaliate against another member of Staff who has refused to commit a bribery offence or who has raised concerns under this Policy;
- make unofficial payments to government or other local officials or other Third Parties (sometimes referred to as "facilitation payments", as further explained below), in order to obtain any permission, permit or stamp particularly in connection with importing or exporting goods;
- appoint any Third Party to act on behalf of ETP who you know or have good reason to believe to have engaged in any corrupt or unlawful conduct;
- pay any Third Party (excluding bona fide consultants) for the purposes of making business connections for ETP; or
- engage in any activity that might lead to a breach of this Policy.

You must also consider and be alert to the fact that a benefit offered or given indirectly, for example through an agent, or through a Third Party acting on ETP's behalf, may also constitute a bribe.

ETP acknowledges that any act of bribery is completely unacceptable. ETP may take disciplinary action against anyone who fails to comply with this Policy. This would be in addition to any civil or criminal enforcement undertaken as a result of a breach of the UK BA.

## **8 FACILITATION PAYMENTS AND KICKBACKS**

We do not make, and will not accept, "facilitation payments" or "kickbacks" of any kind. Please see Section 2 (*Glossary*) for the definitions of "facilitation payments" and "kickbacks".

If you are asked to make a payment on ETP's 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. Prior to making a payment, you should always ask for a purchase order or agreement and seek approval before making a payment. After making a payment, 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 Finance & Operations Function, which will escalate queries to the Company's Anti-Corruption Officer, as necessary.

All Staff must avoid any activity that might lead to, or suggest, that a facilitation payment or kickback will be made or accepted by us.

## **8.1 Transparency International**

When dealing with clients / customers / business partners based abroad, it is essential that Staff are aware of local anti-corruption laws, in particular in jurisdictions where one is likely to need a heightened level of awareness to bribery. Each time Staff undertake such activities, they should refer to the Transparency International website (<http://www.transparency.org.uk/>). Transparency International updates its guidance regarding financial crime and corruption on a frequent basis. Staff should also speak with the Company's Anti-Corruption Officer, who gives a rating to each jurisdiction, after undertaking an internally-calibrated country risk assessment, to determine whether or not a particular jurisdiction is high-risk.

Transparency International publishes an annual corruption perception index. A country or territory's score indicates the perceived level of public sector corruption on a scale of 0 - 100, where 0 means that a country is perceived as highly corrupt and 100 means it is perceived as very clean.

The higher the risk associated with a particular jurisdiction, the more due diligence will have to be undertaken to ensure that Staff, and any Associated Persons, are in compliance with the UK BA and any local anti-corruption laws.

The ETP Risk Register, maintained by regional managers, incorporates the corruption perception index data.

## **9 DONATIONS**

Staff should be alert to the fact that giving or offering charitable donations or charitable sponsorship with the intention of inducing or rewarding improper conduct in relation to ETP's business is likely to constitute a bribe and is strictly prohibited by ETP. As such, any member of Staff involved in such conduct may be subject to disciplinary proceedings and may be deemed to be committing an offence.

We only make charitable donations that are legal and ethical under local laws and practices. No donation must be offered or made without the prior approval of ETP's Executive Director.

## 10 CONFLICTS OF INTEREST

**You must take all necessary steps to avoid conflicts of interest but, where they occur, Staff should manage them by making appropriate reports to ETP's Anti-Corruption Officer, and abiding by the suggested actions to help resolve or manage the conflict of interest.**

A conflict of interest creates corruption risk when an employee or contracted Third Party breaches the duty due to their employer by acting in regard to another interest and does not advise their employer of this interest.

This improper behaviour, if serious enough, could expose the person to extortion demands or be the first step to criminal behaviour including bribery. Even where there is no improper behaviour from a conflict of interest, the public perception might be otherwise.

### 10.1 How to manage a conflict of interest

You must immediately disclose any matters that could reasonably be considered a conflict of interest to ETP's Anti-Corruption Officer, as soon as you become aware of it. All disclosures of a potential conflict of interest will be treated confidentially. **The obligation to disclose potential conflict situations is an ongoing obligation.**

In an effort to prevent potential conflicts and ensure that Staff's outside business or activities do not infringe of their responsibilities on behalf of ETP, Staff may not take up board, trustee or governance positions (whether paid or unpaid) if it is related to their expertise as an ETP employee or the business of ETP, without prior approval from ETP's Executive Director.

Staff disclosing a potential conflict of interest should do so in writing, and state:

- What the potential conflict is; and
- The reason for the conflict.

## 11 YOUR RESPONSIBILITIES

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

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 Staff, at every level, are required to avoid any activity that might lead to, or suggest, a breach of this Policy, and are each responsible for their own individual compliance with this Policy. All Staff must read, understand and comply with this Policy and be vigilant and report any suspicion of bribery immediately. ETP will rigorously investigate any instances of alleged bribery.

All Staff are required to complete all mandatory training in respect of anti-bribery, as may be provided by, or requested by, ETP from time to time.



You must notify (by any means available to you) the Company's Anti-Corruption Officer 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 partner or potential partner 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 in Section 17 (*Potential Risk Scenarios: "Red Flags"*) of this Policy.

When doing business with a new client that is based in a higher risk jurisdiction, or undertaking an activity that may be high-risk in nature, consider performing heightened due diligence. Please speak with [your line manager and/or ETP's Finance & Operations Function] who will advise on the level of due diligence that should be performed prior to onboarding the client and / or undertaking the activity.<sup>3</sup>

Instances of suspected fraud may be reported by the Executive Director to an appropriate external government and any other relevant regulator.

Any member of Staff who breaches this Policy will face disciplinary action, which could result in dismissal for gross misconduct. We reserve our right to terminate our contractual relationship with Staff if they breach this Policy.

### **11.1 Disclosure Procedure under ETP's Whistleblowing Policies**

One of the ways by which you may notify a suspected instance of fraud / breach of this Policy is by following the disclosure procedure set out in the Company's **Whistleblowing Policies**.

The procedure is as follows:

1. If you wish to make a qualifying disclosure, you should, in the first instance, report the situation in writing to your line manager (or designated Company contact if you are an agency worker, consultant or contractor), setting out in detail the nature of your disclosure. Please see 11.2 for a template form which you can use to report any concerns. If you do not wish to contact your line manager, you can instead contact an alternative manager or ETP's Executive Director.
2. Such disclosures should be made promptly so that investigation may proceed and any action taken expeditiously.
3. All qualifying disclosures will be treated seriously. The disclosure will be promptly investigated and, as part of the investigatory process, you will be interviewed and asked to provide a written witness statement setting out the nature and details of your qualifying disclosure and the basis for it. Confidentiality will be maintained during the investigatory process to the extent that this is practical and appropriate in the circumstances. However, in order to effectively investigate a disclosure, ETP must be able to determine the scope of the investigation and the individuals who should be informed of or interviewed about the disclosure. ETP reserves the right to arrange for

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<sup>3</sup> Note to ETP: Please confirm who should be the first point of contact in relation to due diligence.

another manager to conduct the investigation other than the manager with whom you raised the matter.

4. Once the investigation has been completed, you will be informed in writing of the outcome and the Company's conclusions and decision as soon as possible. ETP is committed to taking appropriate action with respect to all qualifying disclosures which are upheld.
5. You will not be penalised for raising a qualifying disclosure even if it is not upheld, unless the complaint was both untrue and made with malice.
6. Once the Company's conclusions have been finalised, any necessary action will be taken. This could include either reporting the matter to an appropriate external government department or regulatory agency and/or taking internal disciplinary action against relevant members of staff. If no action is to be taken, the reasons for this will be explained to you.
7. If, on conclusion of the above stages, you reasonably believe that appropriate action has not been taken, you may then report the matter externally to the proper authority in accordance with the provisions of the Act. The Act sets out a number of prescribed external bodies or persons to which qualifying disclosures may be made and you can access these at: [Click Here for Further Information about Making a Protected Disclosure](#).

However, the Company always encourages all employees, workers, agency workers, consultants and contractors to raise their concerns directly in the first instance, rather than externally. This enables issues to be dealt with promptly and speedily.

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 Company's Anti-Corruption Officer. Further details of the whistleblowing procedure can be found in our **Whistleblowing Policy**.

ETP shall ensure that all of its Staff are provided with, and are made aware of, the suitable channels of communication in relation to suspicions of bribery. In addition, the procedure is published on ETP's website, to ensure that the public are aware of our policy.

If you suspect any suspicious internal or Third Party bribery or corruption activity or have any queries, you must raise your concerns with the Company's Anti-Corruption Officer, unless you suspect they have breached the law, in which case you should raise your concerns with your line manager and/or ETP's senior management.

For any general legal or compliance queries or concerns, you should contact the Finance & Operations Function.

Any suspected or actual bribery activity must be immediately reported, as above.



Any reports of suspected or actual bribery instances shall be treated with strict confidence and ETP shall support ETP Staff against any form of action against them in relation to the making of any such report, as further detailed below.

All allegations relating to a breach of a law will be thoroughly investigated by ETP. We will not dismiss, harass or otherwise discriminate against Staff who raise concerns in good faith, even if you are mistaken.

## 11.2 Template form for raising concerns

### **STRICTLY PRIVATE & CONFIDENTIAL**

Please use this form to report any serious concerns that you may have over malpractice or wrongdoing occurring at ETP, including but not limited to:

- Bribery or corruption
- Financial malpractice, impropriety or fraud
- Failure to comply with a legal obligation or statutes
- Danger to health and safety or the environment
- Criminal activity
- Improper conduct or unethical behaviour, including matters relating to the safeguarding of children, young people or vulnerable adults
- Attempts to conceal any of these

This may either involve ETP Staff, or other related individuals / organisations.

Who is the allegation against? Please provide name and organisation (if known).	
What is the allegation?	
Where is this happening and is it still happening?	
What evidence can you give to support this? (Please provide further details)	
Have you reported this previously? Yes / No	
Any further information to add?	



You will also be able to provide supporting documentation and files. It is entirely up to you to decide how much information to provide.

### 11.3 Legal Clauses<sup>4</sup>

All contracts and agreements should include relevant anti-bribery and corruption clauses or wording unless the Executive Director has expressly agreed in writing otherwise before ETP enters into any agreement or contract.

It is important to include these clauses in our contracts, as they are a way in which ETP can effectively control, and mitigate the risks arising out of, the behaviour of its contractual counterparts. ETP's contractual counterparts will fall under the definition of an Associated Person, and as discussed in Section 5 above, ETP can be liable for bribes made by any Associated Person performing services for, or on behalf of, ETP, in any capacity.

ETP's anti-bribery and corruption clauses require the other party to comply with ETP's Anti-Bribery and Corruption Policy, and in most cases will require the other party to notify ETP if they become aware of any breach of the UKBA or this Policy. Where appropriate, ETP may also put in place a monitoring and review mechanism, which will require the other party to certify its compliance with the UKBA and this Policy, and provide supporting evidence on request.

You must always bring the other party's attention to this Policy before entering into an agreement or contract, even if they have an existing relationship with ETP. You must also attach a copy of this Policy to the agreement or contract.

No clauses or wording proposed by customers, counterparty or any relevant party in respect of anti-bribery and corruption, shall be agreed without specific express written approval from the Executive Director. If a partner objects to including ETP's anti-bribery and corruption wording, please speak to the Executive Director.

## 12 RECORD-KEEPING

We must keep financial records and have appropriate internal controls in place, which will evidence the business reason for making all payments to Third Parties.

You must declare and keep a written record of all hospitality or gifts accepted or offered, which will be subject to managerial review, in accordance with this Policy.

You must ensure all expenses claims relating to hospitality, gifts or expenses incurred to Third Parties are submitted in accordance with our **Expenses Policies (including reimbursement of expenses policy)** and specifically record the reason for the expenditure.

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<sup>4</sup> Note to ETP: Please confirm who has responsibility for ETP's contracts, and whether a link to these legal clauses will be included.



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.

Project level risk register and country-level risk assessments shall be completed in accordance with Section 16 (*Monitoring and Review*) of this Policy.

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

It is important that you tell your line manager or the Company’s Anti-Corruption Officer as soon as possible if you are offered a bribe by a Third Party, are asked to make one, suspect that this may happen in the future, or believe that you are a victim of another form of unlawful activity.

All Staff must follow the reporting process, detailed above, in any instances where they have been offered a bribe by a Third Party, are asked to make one, suspect that this may happen in the future, or believe that they are a victim of another form of unlawful activity.

### **14 PROTECTION**

Staff who refuse to accept or offer a bribe, or those 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.

We are committed to ensuring that 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 your line manager, an alternative manager or ETP’s Finance & Operations Manager immediately.

### **15 TRAINING AND COMMUNICATION**

ETP ensures that all of its Staff are made aware of this Policy as part of their induction process for new Staff. All Staff shall also be briefed on the requirement of the Policy, be aware of the requirement to adhere to it. Relevant Staff shall receive training in respect of anti-bribery risks and procedures.

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.



In order to apply the necessary controls required to manage any potential risk that ETP may be exposed to, ETP shall also ensure that relevant ETP Staff are given specific training and guidance tailored to manage any such risks in their particular field.

You will be required to attend and complete any mandatory training that ETP instructs its Staff to complete, as may be relevant.

## **16 MONITORING AND REVIEW**

ETP's Finance & Operations Function 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 reviews to provide assurance that they are effective in countering bribery and corruption.

All Staff are responsible for the success of this Policy and should ensure they use it to identify and disclose any suspected danger or wrongdoing.

Staff 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 Company's Anti-Corruption Officer.

## **17 POTENTIAL RISK SCENARIOS: "RED FLAGS"**

The following is a list of possible red flags that may arise during the course of you working for us, and which may raise concerns under various anti-bribery and anticorruption laws.

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 Company's Anti-Corruption Officer.

- you become aware that a Third Party engages in, or has been accused of engaging in, improper business practices;
- 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"<sup>5</sup> with foreign government officials;
- 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;
- 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;

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<sup>5</sup> This term is not defined in the Bribery Act



- a Third Party requests that payment is made to a country or geographic location different from where the Third Party resides or conducts business;
- a Third Party requests an unexpected additional fee or commission to “facilitate” a service;
- a Third Party demands lavish entertainment or gifts before commencing or continuing contractual negotiations or provision of services;
- a Third Party requests that a payment is made to “overlook” potential legal violations;
- a Third Party requests that you provide employment or some other advantage to a friend or relative;
- you receive an invoice from a Third Party that appears to be non-standard or customised;
- a Third Party insists on the use of side letters or refuses to put terms agreed in writing;
- you notice that we have been invoiced for a commission or fee payment that appears large given the service stated to have been provided;
- 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; or
- you are offered an unusually generous gift or offered lavish hospitality by a Third Party.



## Annex I - Guidelines

The following section summarises the dos and don'ts for Staff, and what must be borne in mind when preventing and combatting bribery and corruption.

### Offering and Accepting Gifts

ACCEPTABLE	NOT ACCEPTABLE
<ul style="list-style-type: none"> <li>Offering and acceptance of small gifts, in particular usual promotional gifts such as calendars, notepads, sweets or pens is permissible.</li> <li>Courtesies in accordance with usual customs, such as chocolates or sweets for Christmas or Easter are permissible.</li> </ul>	<ul style="list-style-type: none"> <li>Low-value gifts, if offered repeatedly, can create the impression that a commitment of the recipient towards the donor shall be established. This impression must be avoided under all circumstances.</li> <li>You should not offer lavish gifts under any circumstances, unless approved by the Company's Executive Director / Anti-Corruption Officer.</li> </ul>
<ul style="list-style-type: none"> <li>You should only offer or accept more valuable gifts in exceptional circumstances, for example if, due to cultural or courtesy reasons, a more valuable gift shall be made.</li> <li>Such exceptions must be discussed with the Company's Anti-Corruption Officer <u>prior</u> to the activity and requires express approval.</li> </ul>	<ul style="list-style-type: none"> <li>Offering and accepting a gift in the form of cash is prohibited under any circumstances without exception.</li> </ul>



## Business Invitations

ACCEPTABLE	NOT ACCEPTABLE
<ul style="list-style-type: none"> <li>• Business invitations by ETP, especially for lunch, must be kept within adequate limits and may only serve to promote business objectives. The value and nature of the expenditure should always be proportionate to the occasion.</li> <li>• If it is expected that the value of a business invitation will exceed adequate limits, then prior approval must be sought from your line manager and/or the Company's Anti-Corruption Officer.</li> <li>• The same rules apply for accepting invitations: it is permissible to accept a lunch / other form of business invitation that is within an "adequate limit".</li> </ul>	<ul style="list-style-type: none"> <li>• Invitations of spouses or friends of Staff and business partners are principally not allowed. Exceptions may only be made in individual cases with approval of the Company's Anti-Corruption Officer.</li> <li>• Lavish meals are not permissible, whatever the nature of the relationship between the individual / company and ETP.</li> </ul>
<ul style="list-style-type: none"> <li>• Inviting partners or potential partners is permissible, e.g. if the invitation serves to initiate or maintain a business relationship and to meet the partners' needs. Such invitations must be kept within the limits of social adequacy.</li> </ul>	<ul style="list-style-type: none"> <li>• Inviting partners or potential partners to lunches / functions which exceed acceptable norms is not acceptable. No hospitality should ever be 'extravagant'.</li> </ul>
<ul style="list-style-type: none"> <li>• Tickets to sports events, cultural events and other events from or for partners or potential partners may only be offered or accepted in individual cases with prior approval of the Company's Anti-Corruption Officer.</li> </ul>	<ul style="list-style-type: none"> <li>• Expensive tickets to concerts, exhibitions, sporting events should never be offered as an inducement, or give the appearance of being an inducement.</li> </ul>



**Interaction with Public Officials**

ACCEPTABLE	NOT ACCEPTABLE
<ul style="list-style-type: none"> <li>• The buying of coffee, soft drinks, low value gifts for public officials is acceptable, subject to it not being done on a frequent, recurring basis.</li> <li>• If we make per diem payments to public officials for attending ETP activities, these should be approved by the Company’s Anti-Corruption Officer in advance of the relevant trip or event. If there is a standard per diem rate, you should always use the agreed rates. Otherwise, the per diem rate should be a reasonable approximation of the actual daily expenses for that business trip, having regard to the costs of hotels, transport and meals (as appropriate) in that particular area of the country.</li> </ul>	<ul style="list-style-type: none"> <li>• In some countries the offering of low-valued soft-drinks or promotional gifts (such as pens) may be considered as bribery. Always err on the side of caution: if not strictly required, avoiding buying anything for public officials.</li> <li>• You should not offer public officials high value or lavish gifts under any circumstances.</li> <li>• Even if low value gifts (especially on Christmas) might not constitute bribery in individual cases, ETP considers any repeated and frequent financial benefits, gifts and invitations to recreational activities or meals forbidden in any case. Exceptions of this prohibition always require prior approval of the Company’s Anti-Corruption Officer.</li> </ul>



## Business Trips

ACCEPTABLE	NOT ACCEPTABLE
<ul style="list-style-type: none"> <li>• During national or international business trips it is of major importance that the trip is focused on business activities. Travel costs of Staff, including expenses, are to be borne by ETP.</li> <li>• Individual invitations, for example for a business meal may be accepted, if it does not exceed the suitable framework for the business purposes. In case you have doubts, whether particular events during your business trip (invitations to events, meals, evening events) stay within the framework of the anti-corruption legislation, seek advice from your line manager and/or the Company's Anti-Corruption Officer without due delay.</li> </ul>	<ul style="list-style-type: none"> <li>• Travel costs and expenses may not be borne by the business partner without the prior written consent of the Company's Anti-Corruption Officer.</li> </ul>
<ul style="list-style-type: none"> <li>• For business trips abroad it should be borne in mind, that local public officials could be met unexpectedly. The buying of coffees or soft drinks for public officials is (usually) acceptable, but no more.</li> </ul>	



**Agreements on commissions, consulting fees or agents' fees**

ACCEPTABLE	NOT ACCEPTABLE
<ul style="list-style-type: none"> <li>• Agreements on commissions, consulting fees and agents' fees to brokers or other intermediaries is only permissible under the following circumstances:               <ul style="list-style-type: none"> <li>○ All commissions, consulting or agents' fees require the Company's Anti-Corruption Officer's prior written approval.</li> <li>○ The intermediary, consultant or broker may not be an employee of ETP and may not have a close personal relationship to any of ETP's Staff (such as a family member or a friend).</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• You may not use a consultant or an agent (excluding bona fide consultants and agents, who have been engaged by ETP with a clear scope of work with a related fee) without the prior written consent of the Company's Anti-Corruption Officer.</li> </ul>
<ul style="list-style-type: none"> <li>• Commissions, consulting or agents' fees must be properly accounted for in ETP's account books. The payment of a commission or a fee may only be made following a proper invoice being issued by the recipient and pursuant to the written agreement of the Company's Anti-Corruption Officer.</li> <li>• The services invoiced must be actually provided, and fully documented. The service provided has to be shown in the invoice. The granted commissions and consulting fees must constitute an adequate consideration for the service provided and meet market standards.</li> </ul>	<ul style="list-style-type: none"> <li>• No fees will be paid prior to a written, itemised invoice being issued.</li> <li>• All invoices must set out the cost of the goods / services, the value of any taxes charged and any discounts given. No invoices will be paid unless this has been properly documented.</li> </ul>