

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

### **Purpose**

The Construction Skills People Ltd (CSP) is committed to the highest standards of ethical conduct and integrity in its business activities in the UK and overseas. This policy outlines CSP's position on preventing and prohibiting bribery, in accordance with the Bribery Act 2010.

CSP will not tolerate any form of bribery by, or of, its employees, agents or consultants or any person or body acting on its behalf. Senior management is committed to implementing effective measures to prevent, monitor and eliminate bribery.

For the purposes of this Policy, the Compliance Officer shall be the Group Operations Director.

### **Scope of this policy**

This policy applies to all employees of CSP, and to temporary workers, consultants, contractors, agents and subsidiaries acting for, or on behalf of CSP ("associated persons") within the UK and overseas. Every employee and associated person acting for, or on behalf of, CSP is responsible for maintaining the highest standards of business conduct. Any breach of this policy is likely to constitute a serious disciplinary, contractual and criminal matter for the individual concerned and may cause serious damage to the reputation and standing of CSP. CSP may also face criminal liability for unlawful actions taken by its employees or associated persons under the Bribery Act 2010. All employees and associated persons are required to familiarise themselves and comply with this policy, including any future updates that may be issued from time to time by CSP.

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

The Bribery Act 2010 is in force from 1st July 2011. This policy covers:

- the main areas of liability under the Bribery Act 2010;
- the responsibilities of employees and associated persons acting for, or on behalf of CSP; and the consequences of any breaches of this policy.

### **Bribery Act 2010**

CSP is committed to complying with the Bribery Act 2010 in its business activities in the UK and overseas. Under the Bribery Act 2010, a bribe is a financial or other type of advantage that is offered or requested with the:

- intention of inducing or rewarding improper performance of a function or activity; and
- knowledge or belief that accepting such a reward would constitute the improper performance of such a function or activity.

A relevant function or activity includes public, state or business activities or any activity performed in the course of a person's employment, or on behalf of, another business or individual, where the person performing that activity is expected to perform it in good faith, impartially, or in accordance with a position of trust.

A criminal offence will be committed under the Bribery Act 2010 if:

- an employee or associated person acting for, or on behalf of, CSP offers, promises, gives, requests, receives or agrees to receive bribes; or
- an employee or associated person acting for, or on behalf of, CSP offers, promises or gives a bribe to a foreign public official with the intention of influencing that official in the performance of his/her duties (where local law does not permit or require such influence); and
- CSP does not have the defence that it has adequate procedures in place to prevent bribery by its employees or associated persons.

All employees and associated persons are required to comply with this policy, in accordance with the Bribery Act 2010.

### **What is prohibited?**

CSP prohibits employees or associated persons 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. 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 CSP business, or to gain any personal advantage, financial or otherwise, for the individual or anyone connected with the individual.

This prohibition also applies to indirect contributions, payments or gifts made in any manner as an inducement or reward for improper performance, for example through consultants, contractors, sub-contractors, agents, sub-agents, sponsors or sub-sponsors, joint-venture partners, advisors, customers, suppliers or other third parties.

## **Records**

Employees and, where applicable, associated persons, are required to take particular care to ensure that all CSP records are accurately maintained in relation to any contracts or business activities, including financial invoices and all payment transactions with clients, suppliers and public officials.

Appropriate due diligence should be undertaken by employees and associated persons prior to entering into any contract, arrangement or relationship with a potential supplier of services, agent, consultant or representative in accordance with the CSP procurement procedures.

Employees and associated persons are required to keep accurate, detailed and up-to-date records of all corporate hospitality, entertainment or gifts accepted or offered.

## **Working overseas**

### *Principle*

Employees and associated persons conducting business on behalf of CSP outside the UK may be at greater risk of being exposed to bribery or unethical business conduct than UK based employees. Employees and associated persons owe a duty to CSP to be extra vigilant when conducting international business.

### *Procedure*

Employees and associated persons are required to report suspicions of bribery to the CSP Compliance officer. While any suspicious circumstances should be reported, employees and associated persons are required particularly to report:

- close family, personal or business ties that a prospective agent, representative or joint venture partner may have with government or corporate officials, directors or employees;
- a history of corruption in the country in which the business is being undertaken;
- requests for cash payments;
- requests for unusual payment arrangements, for example via a third party; Construction Skills People – Anti-Corruption & Bribery Policy
- requests for reimbursements of unsubstantiated or unusual expenses; or
- a lack of standard invoices and proper financial practices.

If an employee or associated person is in any doubt as to whether or not a potential act constitutes bribery, the matter should be referred to the Compliance Officer.

## **Facilitation payments**

### *Principle*

CSP prohibits its employees or associated persons 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. Facilitation payments, or offers of such payments, will constitute a criminal offence by both the individual concerned and CSP under the Bribery Act 2010, even where such payments are made or requested overseas. Employees and associated persons are required to act with greater vigilance when dealing with government procedures overseas.

### *Procedure*

Where a public official has requested a payment, employees or associated persons should ask for further details of the purpose and nature of the payment in writing. If the public official refuses to do so, this should be reported immediately to the Compliance Officer. If the public official provides written details, the Compliance Officer will consider the nature of the payment. Legal advice may be sought by CSP.

If it is concluded that the payment is a legitimate fee, for example part of a genuine fast track process, or is permitted locally, CSP will authorise the employee to make the payment. Where the Compliance Officer considers that the request is for a facilitation payment, the employee or associated person will be instructed to refuse to make the payment and notify the public official that he/she is required to report the matter to CSP and the UK embassy.

CSP will seek the assistance of the relevant employee in its investigation and may determine that the matter should be referred to the prosecution authorities. If an employee has any other concerns about the nature of a request for payment, he/she should report it to the Compliance Officer using the reporting procedure set out in this policy and in accordance with the CSP Whistle blowing Policy.

### **Corporate entertainment, gifts, hospitality and promotional expenditure**

#### *Principle*

CSP permits corporate entertainment, gifts, hospitality and promotional expenditure that is undertaken:

- for the purpose of establishing or maintaining good business relationships;
- to improve the image and reputation of CSP; or
- to present the CSP activities effectively; provided that it is:
- arranged in good faith, and
- not offered, promised or accepted to secure an advantage for CSP or any of its employees or associated persons or to influence the impartiality of the recipient.

CSP will authorise and accept only reasonable, appropriate and proportionate entertainment and promotional expenditure in line with the Financial Regulations and Procedures. This principle applies to employees and associated persons, whether based in the UK or overseas. However, those with remits overseas may be given further training on the specific procedures that they are required to follow.

#### *Procedure*

Employees and, where relevant, associated persons should submit requests for any proposed hospitality and promotional expenditure above £500 well in advance of proposed dates to the Compliance Officer.

Employees are required to set out in writing:

- the objective of the proposed client entertainment or expenditure;
- the identity of those who will be attending;
- the organisation that they represent; and
- details and rationale of the proposed activity.

CSP will approve business entertainment proposals only if they demonstrate a clear business objective and are appropriate for the nature of the business relationship. CSP 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). Any gifts, rewards or entertainment received from clients, public officials, suppliers or other business contacts should be reported as required under the CSP Financial Regulations and Procedures. In certain circumstances, it may not be appropriate to retain such gifts and employees and associated persons may be asked to return the gifts to the sender, for example, where there could be a real or perceived conflict of interest. The making of gifts by an employee or associated person to suppliers, clients or other business contacts is generally not permitted. However, in exceptional circumstances these must be authorised by the Compliance Officer.

#### **Charitable and political donations**

CSP does not generally make donations to any political parties/charities. Employees and associated persons are not permitted to make any charitable and political donations to organisations on behalf of CSP.

What practices are permitted?

This policy does not prohibit:

- normal and appropriate hospitality, entertainment with clients; and
- the use of any recognised fast track process that is publicly available on payment of a fee;
- any such practices must be proportionate, reasonable and made in good faith. Clear records must be kept.

#### **Risk management**

##### *Principle*

CSP has established detailed risk management procedures to prevent, detect and prohibit bribery. CSP will conduct risk assessments for each of its key business activities on a regular basis and, where relevant, will identify employees of CSP who are in positions where they may be exposed to bribery.

##### *Procedure*

CSP will identify high risk areas, for example projects undertaken in high risk countries, tenders for work and those working in high value projects. Employees and associated persons are required to complete a bribery risk assessment form with the Compliance Officer.

CSP will:

- regularly monitor “at risk” employees and associated persons;
- regularly communicate with “at risk” employees and associated persons;
- where appropriate, undertake due diligence of third parties and associated persons; and communicate its zero tolerance approach to bribery to third parties, including actual and prospective e-customers, suppliers and joint-venture partners.

## **Reporting suspected bribery**

### *Principle*

CSP depends on its employees and associated persons to ensure that the highest standards of ethical conduct are maintained in all of its business dealings. Employees and associated persons are requested to assist CSP and to remain vigilant in preventing, detecting and reporting bribery. Employees and associated persons are encouraged to report any concerns that they may have to the Compliance Officer as soon as possible. Issues that should be reported include:

- any suspected or actual attempts at bribery;
- concerns that other employees or associated persons may be being bribed; or
- concerns that other employees or associated persons may be bribing third parties, such as clients or government officials.

### *Procedure*

A form is available on the staff intranet to allow employees to record any incidents of suspected bribery. Any such reports will be thoroughly and promptly investigated by the Compliance Officer in the strictest confidence. Employees and associated persons will be required to assist in any investigation into possible or suspected bribery. Employees will also be required to comply with the CSP Whistle blowing Policy. Employees or associated persons who report suspicions of bribery in good faith will be supported by CSP. CSP will ensure that the individual is not subjected to detrimental treatment as a consequence of his/her report. Any instances of detrimental treatment by a fellow employee because an employee has made a report will be treated as a disciplinary offence. An instruction to cover up wrongdoing is itself a disciplinary offence. If told not to raise or pursue any concern, even by a person in authority such as a manager, employees and associated persons should not agree to remain silent. They should report the matter to the Compliance Officer.

### **Action by CSP**

CSP will fully investigate any instances of alleged or suspected bribery. Employees suspected of bribery may be suspended from their duties while the investigation is being carried out. CSP will invoke its disciplinary procedures where any employee is suspected of bribery, and proven allegations may result in a finding of gross misconduct and immediate dismissal. CSP may terminate the contracts of any associated persons, including consultants or other workers who act for, or on behalf of, CSP who are found to have breached this policy. CSP may also report any matter to the relevant authorities, including the Director of Public Prosecutions, Serious Fraud Office, Revenue and Customs Prosecutions Office and the police. CSP will provide all necessary assistance to the relevant authorities in any subsequent prosecution.



## **Review of procedures and training**

CSP will regularly communicate its anti-bribery measures to employees and associated persons and arrange training where appropriate. The Compliance Officer will monitor and review the implementation of this policy and related procedures on a regular basis, including reviews of internal financial systems, expenses, corporate hospitality, gifts and entertainment policies. Employees and those working for, or on behalf of, CSP are encouraged to contact the Compliance Officer with any suggestions, comments or feedback that they may have on how these procedures may be improved. CSP reserves the right to amend and update this policy as required. For the avoidance of doubt, this policy does not form part of employees' contracts of employment.

## **Law relating to this document**

*Leading statutory authority*

### **Bribery Act 2010**

"Bribery Act 2010: Guidance about commercial organisations preventing bribery" (on the Ministry of Justice website). The Bribery Act 2010 introduces new criminal offences for bribery for both individuals and companies. The Act comes into force on 1st July 2011. The Bribery Act 2010 replaces the previous main statutory authorities on bribery and creates several new criminal corporate offences. Employers are advised to review and update their anti-bribery measures to prepare for the Bribery Act 2010.

### **Active and passive bribery**

An active bribe is defined in Section 1 of the Bribery Act 2010 as a financial or other advantage offered, promised or given to induce a person to perform a relevant function or activity improperly or to reward them for doing so. Section 2 defines a passive bribe as requesting, agreeing to receive or accepting a bribe. A bribe takes place even where the advantage offered is to be provided to a third party. A person has performed a function improperly where he or she has not met an expectation that he or she would act in good faith, impartially, or in accordance with a position of trust. A relevant function or activity includes state or public functions, those connected with a business or those performed in the course of employment, or on behalf of, a business or other person. Bribery in both the public and private sectors is covered. Both these general offences of active and passive bribery may apply to individuals and companies.

The Bribery Act 2010 creates three further specific offences of commercial bribery. These apply to all commercial organisations, including companies, partnerships and incorporated bodies that carry on a business or part of a business in the UK (including those with charitable, educational or public functions).

## **Section 6 - bribery of a foreign public official**

Section 6 of the Bribery Act 2010 prohibits bribery of a foreign public official to obtain or retain business or an advantage in the conduct of business. The offence is committed where a person offers, gives, or promises a financial or other advantage to a foreign public official with the intention of influencing the official in the performance of his or her duties, where the official was not permitted by local law to be influenced in that manner.

This includes all forms of facilitation payments. Employers should research and consider local laws in relation to the making of payments to public officials.

The guidance states that, where an individual makes a payment to protect against loss of life, limb or liberty, where no alternative is available, he or she may be able to rely on the defence of duress to avoid prosecution.

## **Section 7 - failure of CSP to prevent bribery by associated person**

Section 7 of the Bribery Act 2010 establishes a new form of corporate liability where a commercial organisation has failed to prevent bribery by associated persons under Sections 1, 2 and 6 acting on behalf of an organisation. An associated person, defined in Section 8, is a person who performs services for, or on behalf of, an organisation. This includes individuals and companies, so covers employees, agents, contractors, suppliers (who perform services) and subsidiaries based in and outside the UK. The scope of the Bribery Act 2010 extends to conduct undertaken by foreign nationals overseas. Employers should be aware that an offence is committed even where the bribe has not actually been given or received. An offer or promise is sufficient for liability to arise under the Bribery Act 2010.

## **Section 14 - offences under ss.1, 2 and 6 by corporate bodies**

Section 14 of the Bribery Act 2010 provides that, where an offence is proved to have been committed by a business with the “consent or connivance” of the senior officer of CSP, both CSP and the senior officer will be guilty of the offence. A senior officer will include any director and senior manager who has a close connection to the UK (for example, a British citizen or a person who is resident in the UK). Directors or senior management who are found to have omitted to take action or who have turned a blind eye to actions of employees or associated persons that amount to bribery will be personally liable and at risk of imprisonment. Therefore, it is imperative that senior management is fully engaged in implementing anti-bribery measures.

## **Jurisdiction**

Section 12 of the Bribery Act 2010 provides that UK courts will have jurisdiction over offences committed outside the UK for Sections 1, 2 or 6 offences by an individual with a close connection to the UK (for example, a person who is resident in the UK or a UK incorporated business or partnership). However, for Section 7 offences, there is no requirement that the offence be committed by an individual or business with a close connection to the UK. Any business that is incorporated or formed in the UK or carries out business in the UK will be liable for an associated person’s conduct, even where that person is neither a UK resident, citizen or business, or where the conduct takes place outside the UK. Companies need to be aware of the risks where business is conducted by foreign nationals overseas, especially in territories where corruption is commonplace. Companies will need to carry out extensive due diligence on any agents, intermediaries, joint venture partners or other representatives conducting business overseas.



## Penalties

Conviction for offences under the new Bribery Act 2010 carries severe penalties. These include up to 10 years' imprisonment and fines for an individual and/or unlimited fines for a business found guilty of bribery.

## Adequate procedures defence

Commercial organisations will not be liable for offences of bribery by associated persons under Section 7 where they can demonstrate the “adequate procedures” defence. The Act does not define “adequate procedures”, but the Government’s guidance sets out six key principles that companies should follow when devising bribery prevention procedures, including having anti-bribery policies, staff training and a rigorous management and compliance framework to deal with instances of bribery.

### The six principles are as follows:

- Proportionate procedures: the policy and procedures should be proportionate to the size, complexity of commercial operations and risk that an organisation faces.
- Top-level commitment: the top-level management should be committed to preventing bribery and should foster a culture in which bribery is never acceptable.
- Risk assessment: the nature and extent of exposure to potential external and internal risks of bribery should be assessed and documented periodically.
- Due diligence: due diligence should be carried out in relation to third parties who will perform services on behalf of the organisation.
- Communication: bribery prevention policies and procedures, including processes for training staff, should be embedded and understood throughout the organisation.
- Monitoring and review: bribery prevention procedures should be monitored, reviewed and, where necessary, improved.

This policy is designed to comply with the six principles set out in the Government’s guidance. However, management will need to carry out and document their own risk assessments and due diligence before deciding if they need to use this policy in its entirety. The guidance emphasises that risk procedures should be proportionate to the level of risk faced by an organisation. In addition, management are reminded that such risk procedures will not, by itself, help management to meet the “adequate procedures” defence. Management will need to design and rigorously apply a policy appropriate to the level of risk faced. CSP has a duty to report any instances of bribery to the Serious Fraud Office. Failure to do so could lead to prosecution under the Section 7 offence. Prosecuting authorities will consider whether or not CSP has effectively implemented its anti-bribery policy, provided full disclosure and cooperated with the authorities. In determining whether or not the test for the adequate procedures defence has been satisfied, the courts will consider the particular circumstances of the case, with regard to the level of control over the activities of the associated person and the degree of risk requiring mitigation. Organisations should be aware that any employee who reports a suspected act of bribery will be protected from victimisation under the Public Interest Disclosure Act 1998. Employers should ensure that this is understood by managers and that whistle blowing policies are updated where necessary.

**Next review date 26/09/18**