



## Anti-Bribery and Corruption Policy

This policy sets our stance on the implementation and management of anti-bribery and corruption measures across the business operations in accordance with the Ethical Code of Business Conduct and the UK Bribery Act 2010.

ETS Group acts with the highest standards of integrity and honesty in all it does; adherence to best practice governance, controls and compliance are essential for maximising shareholder value, thereby helping customers to have confidence when entrusting their business to the company. ETS Group recognises that bribery and corruption have an adverse affect on communities wherever they occur and is committed to enforcing high moral and ethical standards in all business activities, as defined in the company Ethical Code of Business Conduct, which outlines the requirements to which all businesses are required to comply and forms an integral part of this policy.

### Summary of UK Legislation

The main piece of legislation in the UK is the Bribery Act 2010.

The key offences are those of:

- active bribery
- passive bribery
- bribing a foreign public official
- a commercial organisation failing to prevent active bribery by its employees, agents or subsidiaries.

Apart from the "commercial organisation" offence noted above, all the offences apply equally to the public, private & third (i.e. charity) sector. A commercial organisation must be able to show that it has adequate procedures in place to prevent bribery being committed on its behalf.

The law applies to bribes in the UK. The law also applies to bribes abroad if the person is resident or incorporated in the UK. It applies to the conduct of overseas agents and employees if the corporate is registered in or trades in the UK. The maximum penalty is 10 years imprisonment, and/or an unlimited fine.

### What is meant by bribery and corruption?

ETS Group defines bribery and corruption in accordance with the following definitions from Transparency International:

**Bribery:** *"The offering, promising, giving, accepting or soliciting of an advantage as an inducement for an action which is illegal, unethical or a breach of trust. Inducements can take the form of gifts, loans, fees, rewards or other advantages (taxes, services, donations, etc)."*

**Corruption:** *"The abuse of entrusted power for private gain."*

**Facilitation Payments:** *"A small bribe, also called a 'facilitating', 'speed' or 'grease' payment; made to secure or expedite the performance of a routine or necessary action to which the payer has legal or other entitlement."*

### **Purpose**

The purpose of this policy is to set out the core requirements all businesses i.e. all companies within the company (both regulated and non-regulated) must follow in order to comply with the Board's expectations and the anti-bribery and corruption legislation.

This policy should form the basis of policy and procedures in each business, and is the baseline to which all businesses must comply. Businesses are required to complete a formal risk assessment and develop more specific and detailed processes and procedures where required.

### **Scope**

This policy reflects the statutory requirements of all the jurisdictions that the company operates in and sets the minimum acceptable standard of compliance. It addresses all inducements/rewards/corrupt payments/bribes. Such payments or inducements are regarded as those that are not, and would not, be authorised by ETS Group in the ordinary course of business and would fall outside the definition of an acceptable gift within the company's Gifts and Entertainment Policy.

This policy applies to all businesses and to all staff (i.e. employees full time & part time; temporary; seconded; contract personnel of the business & non-executive Directors). This policy applies to outsourcing within the company as well as to outside third parties. It is also the express intention of the company that it will apply to partnerships & joint ventures that it enters into, and that suppliers would also be expected to comply. There are no exceptions.

Infringement of this policy may have serious implications for the reputation of the company, including adverse regulatory and media comment together with the possibility that criminal or civil penalties may be levied. If a company is found to have paid or received bribes on any project funded by the World Bank or other international financial institutions, the company can be debarred from bidding on contracts funded by the World Bank, the International Monetary Fund and other institutions. Companies may also be publicly "named and shamed". Within the European Union the "Procurement Directive" requires that an organisation found guilty of bribery or corruption offence may be prohibited from bidding on public sector contracts anywhere in the EU.

### **Policy Statement**

ETS Group believes that business success should depend on a fair and open assessment of the company's products and services rather than being partly or wholly reliant on bribes, or other inducements to those outside the company.

The Board is committed to ensuring a risk based approach to assessing business risk and implementing processes, procedures and controls to monitor bribery and corruption risk and to ensure robust ethical management.

It is the company's policy to ensure that its businesses, senior management, and other staff comply with all legislation designed to combat bribery and corruption in the jurisdictions in which they operate.

The businesses should adopt a risk-based approach to fighting bribery and corruption, and are required to complete a formal risk assessment of their operations to understand the particular risk factors that they face and to develop more specific and detailed processes, procedures and controls where required (e.g. where an outsourcing contract has been entered into with a third party). This will allow ETS Group to channel its resources where they will be most effective and target them on activities that are more likely to result in deterring and detecting bribery and corruption.

Senior management within the company are responsible for the risk-based approach and must be fully engaged in the decision making processes regarding appropriate controls to mitigate the risk of bribery and corruption within their business operations. It is the responsibility of the senior management within each business to ensure that arrangements are in place to comply with the Ethical Code of Business Conduct and this policy ensuring that the required management information is recorded and reported to the Board of Directors for review. Any incident where this policy has been breached should be reported to Managing Director.

### **Procedural Requirements: The Risk Based Approach**

Risk assessment is the foundation of an anti-bribery and corruption programme. To address the risks of bribery and corruption in our operations, senior management of company businesses must understand how their business model and procedures may expose them to such risks.

All businesses must carry out, on an appropriate and regular basis, an anti-bribery and corruption risk assessment to understand the level of risk attributable to bribery & corruption in their particular business.

A risk assessment looks at business activities, location of business activities, industries, local business conditions and customs, identifies bribery and corruption risks inherent in those activities, and attempts to estimate the likelihood of the occurrence of the risks and their impact on the business. Most importantly, the assessment looks for ways and means to minimise the risks by providing appropriate counter measures. Having identified the relevant areas of risk, the business will define the need for and develop detailed policies, procedures and controls that address the potential areas of bribery and corruption.

More specifically, the business risk assessment must consider bribery and corruption risks resulting from market changes, changes in products, customer base or services, and new acquisitions or major contract wins, as well as advisors and other third party service providers involved in the supply chain. Other areas to consider include the business's particular customers, geographical areas of operation, outsourced arrangements (including intra-Group arrangements) and product/service type offered.

As part of their risk-based approach to anti-bribery and corruption businesses must:

- Provide training for all identified high risk staff to enable them to understand and fulfil their obligations under the legislation of the jurisdiction in which they operate and in line with local anti-bribery and corruption procedures. Frequency of training must be

at least annually with a record retained of all staff completing the training and pass mark achieved

- Ensure all staff complete training, a mandatory training requirement for all staff. Frequency of training must be at least annually with a record retained of all staff completing the training and pass mark achieved.
- Ensure that all necessary controls and communications are in place to forestall and prevent bribery and corruption, and that adequate monitoring procedures are in place.
- Ensure appropriate due diligence is carried out and fully documented on third parties. This includes ensuring that all required vetting checks are completed.
- Ensure appropriate measures are in place to enable bribery and corruption risk is taken into account in the day to day operation of the business, including in relation to the development of new products and services, the taking on of new customers/suppliers and changes in the business's profile as a result of new contract wins or acquisitions.
- Provide the Board of Directors with appropriate and effective reporting on anti-bribery and corruption matters as per the formally agreed & documented timetable.
- Require that Board of Directors provide regular and appropriate reporting to the Managing Director
- Provide the Director with regular reports that they request and give them reasonable access to information that may be of assistance to their work.

Following the above mentioned assessment, local procedures must be reviewed to ensure that systems and controls and staff awareness adequately reflect the risks identified during the risk assessment. Monitoring programmes will need to be reviewed accordingly.

The accountabilities and responsibilities associated with this policy are:

- Local business management are responsible for the business risk assessment and the implementation of appropriate policies, procedures and controls to ensure compliance with the Group's Ethical Code of Business Conduct, this policy, the Group Gifts and Entertainment Policy and Bribery and Corruption legislation.
- Businesses will provide regular reporting and management information to local boards and to the Divisional Risk Committee
- Divisional Risk Committees are required to provide regular and appropriate reporting to the Group Risk Committee The overall ownership of this policy rests with the Director or their delegate who is the custodian of the policy. They will control any amendments required to this policy as a result of changing internal and external needs.
- The Director or their delegate will review any regular reports received from the businesses and will report, as appropriate, to the Board of ETS Group.

For ETS Group



**Mark Cole**

**Managing Director**

July 2021