

Anti-Bribery and Anti-Corruption Policy

PURPOSE

- ▶ This document sets out Control Risks' policy on bribery and corruption. Control Risks is committed to the highest ethical standards, and vigorously enforces the integrity of its business practices. Wherever we operate, we abide by all applicable national and international laws, including the UK Bribery Act and the US Foreign Corrupt Practices Act (FCPA). We will not engage in any form of bribery or corruption, including the facilitation of tax evasion within our business relationships, either directly or indirectly.
- ▶ Breaching anti-bribery and anti-corruption law is a serious offence and represents a failure of our commitment to business integrity.
- ▶ These requirements and guidelines describe how to implement our anti-bribery and anti-corruption commitments.

SCOPE

This policy applies to all employees (including the Group Board of Directors) in companies in the Control Risks Group ("Control Risks" or the "Company"). Control Risks Group shall be defined as Control Risks International Limited and its subsidiaries and branches. The policy also applies to all agents, representatives and subcontractors acting on Control Risks' behalf.

SUPPORTING DOCUMENTS AND CONTACTS

This policy must be read in conjunction with the following: Code of Ethics, Human Rights Policy.

Procedures and guidance

Exposure to Insider Trading

Contacts

If you are in any doubt about how to apply this policy please speak to your manager or the Legal, Risk and Compliance team.

If you become aware of any breach of this policy, or suspected breach, we hope that you will feel comfortable talking to your manager. However, if that's not the case please use the Control Risks Whistleblowing Policy and hotline.

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1. DEFINITIONS

► **Table 1: Definition**

Anything of value	Anything of value refers to a bribe in money or in kind, or some other favour (such as an offer of employment to a relative of the person being bribed). It refers to something of sufficient quality/size to potentially induce improper performance, regardless of financial value.
Bribery	Bribery, in broad terms, is offering or receiving of undue reward or anything of value to secure an advantage, financial or otherwise, to which we are not entitled. It will involve the receiver in the improper performance of a personal, company or official responsibility.
Business integrity	Business integrity involves the application of the Company's core values. The opposite of integrity is dishonest behaviour, including corruption, that could undermine Control Risks' reputation for fair dealing.
Corruption	Corruption can include graft, bribery, facilitation payments or other forms of improper business practice. It has the same attributes as Bribery. It can be summarised as "the misuse of entrusted power or office, whether in the public or the private sector, for private gain".
Facilitation payments	Facilitation payments are small bribes to officials with a view to speeding up routine governmental transactions to which the payer is already entitled. Examples include payments to speed up customs clearances and extra fees to officials in their personal capacities in order to secure utility connections.
Gifts and Hospitality	This refers to any form of gift, hospitality, reward, benefit or other incentive that is received or offered.
Insider Trading	Insider Trading is the buying or selling of a security whilst in possession of material non-public information (MNPI). A security is any tradable financial asset. MNPI is information that has not been disclosed to the marketplace (it is non-public) and that would be considered relevant (material) to an investor, or prospective investor, in the security. If the information is likely to make the stock price move up or down, or effect the yield or price of a fixed income security it is material.
Kickbacks	Kickbacks arise when third parties pay part of their fees to the individuals who give them a contract or some other business advantage.
Office/Department Head	Head of Office or Country Manager; Regional Head of Department
UK Bribery Act	The UK Bribery Act applies to Control Risks and its employees everywhere in the world, whether they are UK nationals or not. Control Risks complies with all its requirements.
US Foreign Corrupt Practices Act (FCPA)	The FCPA also has extraterritorial reach: it applies to US nationals and companies, and in many cases to non-US companies as well. Control Risks complies fully with its requirements.

2. POLICY REQUIREMENTS

2.1 Introduction

This policy is endorsed by the Group Board of Directors. In applying the policy, Control Risks employees are expected to use their judgement not just to avoid malpractice but to promote good practice.

Control Risks will not criticise or penalise employees for any loss of business resulting from adherence to these principles. Similarly, we will not penalise employees who report concerns in good faith even if on closer investigation these turn out to be unfounded.

2.2 Bribes and kickbacks

The Company prohibits employees from engaging in acts of corruption, and from paying bribes or kickbacks to—or accepting bribes or kickbacks from—public officials and private individuals such as the personnel of companies with which we do business.

A typical example of indirect bribery would be a case where a company employs a commercial agent to help it win a government contract. The agent is paid by commission, and part of that commission is passed on to a government official. The Company does not tolerate such practices in any form.

It is the responsibility of all employees who engage the services of subcontractors, external consultants, suppliers or advisers to ensure that such individuals are made aware of the Company's Anti-Bribery and Anti-Corruption policy at the outset of the relationship and on a regular basis thereafter.

2.3 Facilitation payments

The Company and its employees will not make facilitation payments (small bribes to speed up routine official transactions) even if such payments are local practice or custom. The Company accepts that refusal to make illicit payments may lead to delays, for example in the processing of government papers, and that such delays may have an adverse commercial impact on our business.

If Company employees encounter a demand for a facilitation payment, or think they are likely to do so, they should report the situation to their line manager without delay. Line managers will then ensure that the Regional CEO is informed at the earliest possible opportunity.

The Company recognises that demands for facilitation payments are often backed by a form of extortion and that in exceptional circumstances resistance may not be feasible. An extreme example would be a demand for payment to secure an emergency admission into hospital. In such circumstances, the Company accepts that employees will need to use their best judgement. Employees must report any incident where they feel forced to make a facilitation payment to their line manager at the earliest opportunity. The Company will support employees who find themselves placed in exceptional situations, provided that the employee has provided absolute transparency as to the circumstances surrounding a payment shortly after the incident has occurred.

2.4 Public officials

Bribing or corrupting a public official is a serious offence, can carry severe penalties and can cause significant reputational damage. Control Risks takes special care to comply rigorously with laws prohibiting bribery of public officials. In particular, the company will not offer anything of value to a public official in order to influence an official decision.

Detailed guidelines on offering – or receiving - Gifts and Hospitality is given below (section 2.5) and this shall apply to public officials, including employees of state-owned enterprises.

2.5 Gifts, hospitality and expenses

Employees are forbidden to offer - or accept - Gifts and Hospitality that could affect the impartiality of the giver or receiver, influence a business decision or lead to the improper performance of an official duty. Similarly, they may not offer or accept donations in cash or cash-equivalents such as vouchers.

Company employees may offer and accept reasonable and proportionate Gifts and Hospitality, such as dinner, theatre parties or sporting events. In determining what is 'reasonable and proportionate', employees should consider the value of the Gifts and Hospitality (see below), as well as the frequency with which the same or similar Gifts and Hospitality are offered. In all cases they must ensure that the Gifts and Hospitality:

- ▶ are being given as an expression of goodwill and not in expectation of a return favour (a gift designed to secure a return favour could be seen as a bribe);
- ▶ are commensurate with generally accepted standards for hospitality, taking into account the norms for the industry/professional sector in which it is offered;
- ▶ are being provided openly and transparently, and is of a nature that will not cause the Company embarrassment if publicly reported;
- ▶ complies with local laws and regulations, including the recipient's own rules (bearing in mind that government rules on offering and receiving Gifts and Hospitality are often particularly tight);
- ▶ meet the value limits set by the Company and has all required approvals.

In cases of uncertainty, employees must seek advice from their line managers or senior colleagues.

Spouses or partners may be included in an invitation to, for example, a sporting event or dinner, where this does not create or give the appearance of an inducement.

Approvals

Employees must seek prior approval for Gifts and Hospitality offered – or received - prior to final acceptance, as in table 2 below. Note that in the case of public officials, management approval is required for *any* Gift and even modest Hospitality. Values refer to the actual value or notional value in USD (or equivalent) and, in the case of hospitality, to the value per head:

▶ **Table 2: Approval for offering or receiving Gifts and Hospitality**

Approval from	Value of Gifts and Hospitality in USD (or equivalent)	Value of Gifts and Hospitality in USD (or equivalent) with public officials
Office/Department Head	125 - 250	Gifts 0 – 250; Hospitality 40 – 250
Regional CEO	Up to 625	Up to 625*
Group CEO	Up to 1250	Up to 1250*

* In practice, it is unlikely that the exchange of Gifts or Hospitality to this value with public officials would be approved.

In deciding whether to approve Gifts and Hospitality, managers must consider the circumstances as well as the financial amounts. Even a low-value gift may be inappropriate if, for example, the recipient is about to decide whether to award

a contract to the Company. Those employees with approval responsibilities may consult the Ethics Committee at their discretion.

All approvals must be given in writing. Records of Gifts and Hospitality received – or offered - which require approval must be recorded in an office or department log (see Annex A for a sample register). The logs will be open to inspection from the company auditor.

If prior approval cannot be realistically obtained before the initial acceptance of Gifts and Hospitality, the employee must report and seek retrospective approval, or otherwise, at the required level as soon as possible after initial acceptance.

If employees with approval responsibilities themselves receive or offer Gifts and Hospitality with a value of more than USD125 they must obtain approval from their own line managers.

2.6 Personal conflicts of interest

Employees must avoid situations or transactions in which their personal interests could conflict—or be seen to be in conflict—with the interests of the Company. This includes: acting on any client information gained through their employment with the Company for personal gain; passing such information to a third party; or acting in any way that could be construed as Insider Trading.

Conflicts of interest can arise if individuals have a personal interest in business dealings involving the Company. Personal interest can be direct or indirect, and refers not only to personal interests but to those of family members and friends. If there is a potential for conflict, the interests of the Company must take priority.

Employees must disclose any personal conflict of interest or perceived conflict to their line manager. For company conflicts of interest see Conflicts of Interest policy.

2.7 Charitable donations

As part of its corporate citizenship activities set out in the Charity and Volunteering policy, the Company may support local charities or provide sponsorship, for example, to sporting or cultural events. Any such sponsorship must be transparent and properly documented. The Company will only provide donations to organisations that serve a legitimate public purpose, and which are themselves subject to high standards of transparency and accountability. Appropriate due diligence must be conducted on the proposed recipient charity to confirm that it meets these requirements.

2.8 Political activities

The Company has a policy of strict political neutrality; it does not make donations to any political parties, organisations, or individuals engaged in politics. The Company will co-operate with governments and other official bodies in the development of policy and legislation that may affect its legitimate business interests, or where it has specialist expertise.

Control Risks will deliver services to governments. As with all client engagements, our acceptance of such work is in accordance with our commitment to maintaining ethical standards in our business relationships and in compliance with our Client and Project Risk Management Policy.

Employees are entitled to their own political views and activities, but they may not use Company premises or equipment to promote those views or associate their views with those of the Company.

2.9 Business relationships

The Company expects its business partners to approach issues of bribery and corruption in a manner that is consistent with the principles set out in this policy. This requirement applies to agents, subcontractors, joint venture partners and other business associates. In cases where the Company is unable to ensure these standards, it will reconsider the business relationship.

Agents, representatives and subcontractors

This policy applies with particular force to commercial agents, representatives and subcontractors. In many reported international corruption cases, agents have passed on part of their commissions as bribes. The Company prohibits such practices.

In order to maintain the highest standards of integrity, employees must ensure that:

- ▶ They are fully briefed on the background and reputation for integrity of agents, representatives and subcontractors before hiring them. The Company will conduct due diligence enquiries to review the integrity records of agents, representatives and subcontractors before entering a commercial relationship with them.
- ▶ The engagement process is fully documented; and that final approval of the selection of agents, representatives and subcontractors is made by someone other than the person selecting or managing the Company's relationship with them.
- ▶ Agents, representatives and subcontractors are fully briefed on the Company's Anti-Bribery and Anti-Corruption policy, and have made a formal commitment in writing to abide by it.
- ▶ Fees and commissions agreed will be appropriate and justifiable remuneration for legitimate services rendered.

Once agreements have been signed, the Company will continue to monitor its relationships with agents, representatives and subcontractors to ensure that there are no infringements of its Anti-Bribery and Anti-Corruption policy. Contractual agreements will include appropriate wording making it possible to withdraw from the relationship if agents, representatives or subcontractors fail to abide by this policy.

Procedures for managing relationships with subcontractors are set out in the Subcontractor Management policy and supplement the requirements set out in this policy.

Partnership relationships

The need for documentation and careful reviews of the Company's partners' integrity records applies equally to the process of setting up and managing joint ventures or other such partnerships (whether a legal partnership or a contractual arrangement). The Company will use its influence to ensure that partners meet high integrity standards. Where the Company has majority control in a partnership arrangement, it will ensure that the partner adopts the concepts and approach to bribery and corruption as set out in this policy.

Suppliers and contractors

The Company will ensure that the procurement procedure for appointing suppliers and contractors is open, fair and transparent. The selection of suppliers and contractors will be based on an evaluation of professional merit, and not on personal recommendations. Procedures for managing relationships with suppliers and contractors are set out in the Supplier Management policy and supplement the requirements set out in this policy.

The Company will communicate its Anti-Bribery and Anti-Corruption policy to its suppliers and contractors, and it will expect them to abide by the principles set out in the policy when working on the Company's behalf. If those principles are breached, the Company will reserve the right to terminate the contract.

2.10 Client and project risk assessment

As set out in the Client and Project Risk Management Policy, Control Risks employees must assess, manage and review the full range of risks, including ethical, legal, financial and operational risks to the Company, at every stage in the client project cycle. This includes corruption-related risks: we will not take on any assignment that requires us, the client or a third party to pay bribes. Similarly, once an assignment is under way, the project manager must keep ethical and legal risks under constant review, together with associated mitigation measures.

2.11 Monitoring

The Group Risk Director, Group Internal Auditor and/or Group EXCO members will, at regular intervals, make arrangements for audit of compliance with this policy on an office and department basis, and will include the results of such audits in reports to the Audit Committee of the Group Board.

2.12 Accounts and audits

Control Risks' policies require employees to keep accurate accounts throughout the Company's operations. In no circumstances will Control Risks' companies keep parallel accounts.

Control Risks' regular auditing procedures will include a review of the local circumstances that may make particular offices or projects vulnerable to corruption, and the defences and strategies that are in place to mitigate such risks. In some countries, demands for facilitation payments are a particular hazard. An assessment of the frequency of such demands, and the strategies to counter them, will be a regular part of the audit review.

2.13 Training

The Company will make this policy available on the Company's intranet for all employees. An e-learning programme that encompasses the principles and approach to bribery and corruption adopted by the Company will be made available to all employees and each employee will be required to confirm that he/she has undertaken the course within three months of their joining the Company.

Regular training will be made available to all business units in relation to anti-bribery and anti-corruption measures. Similarly, the details of the Company's whistleblowing procedures will be disseminated throughout the Company on a regular basis.

3. AUTHORITY AND RESPONSIBILITY

3.1 All Control Risks employees

All Control Risks employees are required to abide by this policy. They should seek advice from their line managers in cases of uncertainty about how to apply it. We take infringements of this policy very seriously. Employees who fail to abide by these principles may face disciplinary action, including dismissal.

Employees should consult their line manager if they suspect that a Company employee or a third party working on the Company's behalf is engaged in bribery, corruption, fraud or any other unacceptable or unethical conduct.

If they feel unable to speak to their line manager, they may consult a representative of the Ethics Committee in confidence or alternatively make use of the Control Risks Whistleblower Hotline.

3.2 Office/Department Heads

Office/Department Heads are responsible for modelling and applying the principles of this policy in their respective teams.

3.3 Regional CEOs

Regional CEOs are responsible for ensuring that this policy is adhered to throughout their region.

Annex A: Sample register of Gifts and Hospitality

► **Table 3:**

Date	Name and job title	Offered or received	Other party	Description and value	Approval given by (include date)
01/03/2017	John Smith, Director	Offered	Legal Services LLP	Client lunch, USD 125 per head	Sarah Jones, Head of Department approved 15/2/2017
07/05/2017	Kate Walker, Office Manager	Received	Building Maintenance Ltd	Case of red wine, USD 130	Matthew Wise, Head of Office approved 06/05/2017