

## **ABF Anti-Bribery Policy**

### **Introduction**

Associated British Foods plc (ABF) is committed to acting professionally, fairly and with integrity in all its business dealings. As part of its commitment to ethical business practices, ABF will not tolerate any form of bribery or corruption.<sup>1</sup>

This Anti-Bribery Policy outlines the behaviour and principles required to support this commitment. In particular it outlines ABF's policies and procedures intended to ensure compliance with the UK's Bribery Act and the US Foreign Corrupt Practices Act (FCPA). Anti-bribery laws and regulations can be complex. The Policy will enable employees to recognise when issues arise; avoid prohibited conduct where the issues are clear; and promptly seek guidance where they are not. Relevant employees will also be required to attend face-to-face anti-corruption training.

### **Policy Summary**

**All ABF employees, officers and directors, and all those acting for or on ABF's behalf are strictly prohibited from offering, paying, soliciting or accepting bribes or kick-backs, including facilitation payments.**

The requirements set out in this Policy apply to ABF, its wholly owned subsidiaries and any joint ventures controlled by ABF, and all their employees, officers and directors. Joint ventures where ABF does not have a controlling interest will be expected to comply with this or a comparable policy.

Agents, representatives and intermediaries who act on behalf of ABF, anywhere in the world, must comply with the ABF (or relevant operating company) Business Principles (which include relevant anti-bribery provisions) or a comparable code of conduct.<sup>2</sup> Third parties such as suppliers and other contractors are expected to comply with the ABF (or relevant operating company) Code of Conduct or a comparable code of conduct.

Given the serious nature of a breach, an employee's failure to comply with this Policy, whether intentionally or by an act of negligence, may lead to disciplinary action being taken that could ultimately result in termination of employment.

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<sup>1</sup> More information on ABF's ethical business practices can be found on the ABF website at <http://www.abf.co.uk/csr.aspx>

<sup>2</sup> See section on Agents, representatives and intermediaries below for more information.

## Relevant Law

Anti-bribery laws exist in most countries around the world. We concentrate below on the laws in the UK and the US, but ABF requires compliance with the laws of all countries which are applicable to your business and you should seek local legal advice where relevant.

### UK Bribery Act

Under the UK Bribery Act it is an offence for a person to offer, promise or give money, gifts or anything of value to another person, or to request or receive the same from another person, as an inducement or reward for performing a function improperly or where the acceptance or receipt would itself be improper. Any form of gift, consideration, reward or advantage can constitute a bribe – it need not be an offer of money. This general law criminalises the offering of bribes to persons in both the public and private sector, i.e. it is not confined to the corruption of government officials.

The Act also contains a specific offence for the bribing of foreign public officials (see definition of public official on page 8). A prosecutor does not need to show “impropriety”, only that it was the offender’s intention to influence the public official in order to obtain or retain business or a business advantage.

The Bribery Act applies to any offences taking place in the UK, but also to offences taking place wholly outside the UK where they are committed by British citizens, UK residents or bodies incorporated in the UK, even in some cases where they are customary locally or permitted under local law.

The Act also introduces a new corporate offence which imposes criminal liability on any company incorporated in the UK or which carries on part of its business in the UK<sup>3</sup> for failure to prevent bribery by anyone providing services for or on behalf of the company. This may include employees, agents, representatives, intermediaries, subsidiaries and joint ventures.

A company will not be guilty of the corporate offence if it can demonstrate that it has “adequate procedures” in place to prevent such persons and entities from committing bribery. This Anti-Bribery Policy forms part of ABF’s “adequate procedures”.

Individuals who commit bribery can be subject to up to 10 years imprisonment and/ or unlimited fines. Companies which commit an offence may also face significant fines, confiscation of the benefits of any tainted contract and debarment from tendering for public procurement work and other government contracts.

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<sup>3</sup> This would include, for example, a foreign corporate with only a branch office in the UK.

## The US Foreign Corrupt Practices Act (FCPA)

The FCPA prohibits the giving or offering of money, gifts or anything of value to any foreign government official for the purpose of influencing the foreign official or party, or inducing the foreign official or party to exert influence to assist the company in obtaining or retaining business. The law applies to US citizens, permanent residents and US companies, or any person acting on their behalf, as well as to non-US individuals and companies who breach the rules in a manner that is deemed to have sufficient connection with the US. The US Government has stated its view that the FCPA can apply to a transaction with only very limited connection to the US, e.g. where a non-US individual/ company uses US communications or banking networks in connection with a violation. The FCPA also imposes internal control and accounting and record keeping provisions.

Corporations who violate the FCPA face significant fines. Individuals face potential fines and imprisonment for up to 5 years under the anti-bribery provision and up to 20 years under the accounting provision.

### **What is Bribery?**

Bribery usually involves giving or offering money, a gift or something else of value to someone in business or government in order to obtain or retain a commercial advantage or to induce or reward the recipient for acting improperly or where it would be improper for the recipient to accept the benefit. Bribery can also take place where the offer or giving of a bribe is made by or through a third party, i.e. an agent, representative or intermediary. Both the giving and receiving of bribes is prohibited in most jurisdictions.

Bribes often involve monetary payments (or the promise of payments), but can include other benefits or advantages. For example, bribes could include:

- lavish gifts, entertainment or travel expenses, particularly where they are disproportionate, frequent or provided in the context of on-going business negotiations;
- cash payments by employees or third persons such as consortium members, introducers or consultants;
- the uncompensated use of company services, facilities or property;
- loans, loan guarantees or other extensions of credit;
- providing a sub-contract to a person connected to someone involved in awarding the main contract;
- engaging a local company owned by or offering an educational scholarship to a member of the family of a potential customer/ public or government official;

- political or charitable donations made to a third party linked to, or at the request of, someone with whom ABF does business; and
- benefits such as the provision of an internship or work experience, whether paid or unpaid.

Facilitation payments are small payments or fees requested by government officials to speed up or facilitate the performance of routine government action (such as the provision of a visa or customs clearance). In some countries it may be considered normal practice to make such payments, but they are often nonetheless illegal in these countries.

### **ABF Policies and Procedures**

#### Facilitation payments

**The ABF Anti-Bribery Policy does not permit facilitation payments.**

Any request for a facilitation payment made of an ABF employee or representative should be reported to your line manager or Anti Bribery and Corruption Officer (ABC Officer).

There may be very exceptional circumstances where a facilitation payment is unavoidable (e.g. because of a threat to, or otherwise the impact on, an individual's personal well being or safety). Any such payments must immediately be brought to the attention of your line manager or ABC Officer and must be properly accounted for.

#### Gifts and Hospitality

The exchange or provision of modest gifts and hospitality may foster goodwill in business relationships. However, they must be strictly limited in value and frequency, in keeping with customary business practice and in accordance with all applicable laws.

**Employees must not request, accept, offer or provide gifts or hospitality designed to induce, support or reward improper conduct including in connection with any business or anticipated future business involving ABF: for example, where they might be seen to compromise the receiver's judgement and integrity.** This requirement extends to the provision or acceptance of gifts or hospitality through any third parties or to or by members of the family of an employee of an actual or a potential customer. In addition, employees must not provide gifts, hospitality or any other advantages to potential customers or government officials at their own expense.

*What constitutes a gift or hospitality for the purposes of this Policy?*

Anything of value - a non-exhaustive list would include tickets to a sporting/ cultural event, gift certificates, prizes, discounts, loans, travel expenses, stocks or other securities and use of facilities e.g. a holiday home.

### *When are gifts or hospitality acceptable?*

You should use your own judgement to assess what is acceptable, taking account of this Policy and the requirements for approval below.

Modest gifts and hospitality may usually be offered or accepted provided there is no expectation or belief that something will be given in return. Modest gifts and hospitality may include:

- small gifts, including gifts of nominal value such as calendars, diaries, pens and other small promotional items such as samples;
- occasional modest meals with people with whom you conduct business;
- occasional attendance at modest entertainment events e.g. a musical performance, the theatre or a modest sporting event;
- necessary and reasonable travel and accommodation expenses in connection with legitimate business trips.

Where gifts or hospitality do not fit into the above categories, or you are not sure whether they fit or are otherwise appropriate, **you must seek prior approval** from your line manager or the ABC Officer prior to offering or accepting the gift or hospitality.

You must **always seek prior approval** for:

- any gift whose value exceeds £50;
- entertainment/hospitality (e.g. a meal, invitation to a show or sporting event, business trip expenses or a combination of these activities) that exceeds £100.

For the avoidance of doubt, the following will not require approval:

- branded promotional products of nominal value (e.g. pens, calendars, t-shirts);
- common courtesies such as drinks, sandwiches or modest refreshments provided at ABF's or a third party's premises in connection with a legitimate business meeting.

As well as considering the proportionality and intent behind the proposed gift or hospitality, you should also consider the frequency and appropriateness of timing. Relatively modest gifts and hospitality which are given/received frequently or, for example, during a contract negotiation period could be perceived as inappropriate. Therefore, even where a particular proposal does not exceed the approval threshold, you must satisfy yourself

that it is not appropriate or prudent to seek approval and line managers will also bear such factors in mind when approving expenses.

If you are the recipient of an unexpected gift or hospitality which appears to exceed the approval limits, you must declare the item to your line manager or the ABC Officer after the event. In respect of a gift, you may be required to return it, surrender it to ABF or give it to charity if it is not considered appropriate to retain it.

All gifts and hospitality which require approval will be fully documented in the local gifts and hospitality register. Outward gifts and hospitality which are below the approval thresholds will be subject to the usual expenses approval processes and will not be approved if the relevant approver considers the expense to have been inappropriate. Such an instance will be reported to the ABC Officer.

The register and the expenses process will be subject to regular review by Internal Audit.

Such review of the register will include monitoring not only the value of individual gifts and hospitality, but also the frequency and aggregate value of gifts and hospitality offered/ received by particular individuals/ companies.

There are certain cases where gifts and hospitality are **never acceptable**, namely:

- gifts of cash or equivalents (e.g. gift certificates, loans, shares or share options);
- gifts and hospitality that are indecent, inappropriate or would damage ABF's integrity or reputation;
- gifts and hospitality that breach any local law or regulation;
- gifts and hospitality that the recipient is not permitted to receive by their employer/principal. If there is any room for doubt in this regard, written notice of the intention to make the gift or offer the entertainment/hospitality should be given to the recipient or the recipient's employer/principal to enable them to advise in advance if acceptance by the recipient would contravene any applicable policies/local law.

**Please note that special considerations apply where you intend to offer a gift or hospitality to a public or government employee or official. Other than the nominal exemptions for low value branded promotional products and modest refreshments at ABF's or a third party's premises referred to above, you will always require prior approval from your local ABC Officer and registration for gifts and hospitality which are offered to government officials (please see section on dealing with governments below).**

Your local ABC Officer will be able to advise you of any relevant local variations to the Policy, for example in respect of customary gifts which are lawful and do not give rise to a perception of bribery or corruption.

Further guidance on gifts, entertainment, hospitality and hosting is contained in the process slides for giving and receiving gifts, entertainment and hospitality and relevant approval forms, together with the Approval Principles for Gifts, Entertainment or Hospitality which are available on the ABF intranet at [www.abfintranet.com](http://www.abfintranet.com).

#### Agents, representatives, intermediaries and other third parties

ABF could be held criminally liable for the acts of agents, representatives and other intermediaries who are involved in bribery when they are acting on its behalf.

Before engaging a third party you should consider whether the use of such a person is necessary; whether the proposed person is appropriate for the role (including by reference to their expertise and any possible conflict of interest); and whether the proposed remuneration is appropriate. Business units are responsible for following the third party processes set out in the Bribery Risk Assessment for Third Parties (available on the ABF intranet), including assessing risk level and applying the relevant procedures prior and during appointment.

**Agents, representatives and intermediaries engaged to represent ABF's interests must comply with the ABF (or relevant operating company) Business Principles, including relevant anti-bribery provisions.** Managers are responsible for ensuring that ABF's expectations in this regard are communicated to and followed by such persons/entities, and that appropriate contractual protections and safeguards are in place where necessary.<sup>4</sup>

Thorough due diligence needs to be undertaken before engaging any agent, representative or intermediary, which may include commissioning third party risk assessments in high risk areas. In particular you need to find out who they are (including details of the ultimate owners of any company); what their business history is (including whether there has ever been any allegation or report of their involvement in any wrongful business conduct); and for whom they have previously worked. Appropriate references must always be obtained.

Business units shall be responsible for ensuring that commission and other payments to any agents, representatives or intermediaries under an approved intermediary (or equivalent) agreement are properly recorded, approved and paid in accordance with the agreement and any other legal requirements. All payments to an agent, representative or intermediary must be made by direct bank transfer (not to any third party) into the country in which the agent, representative or intermediary has its principal place of business or performs substantial services on behalf of ABF. Any request for payment to a third party of a commission, service fee or other fees in a manner that is not in accordance with this Policy must be approved by the ABC Officer.

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<sup>4</sup> Standard anti-bribery wording for representative agreements is available from your in-house legal team.

## Dealing with governments

Although many countries punish both public and private sector bribery and corruption, the rules applicable to the public sector tend to be stricter. While the principles of this Policy apply to dealings across both the public and private sectors, particular care is required in relation to any dealings with governments, government agencies, or government owned or controlled businesses, particularly where a contract is already held with the relevant government or government entity and/or you are pitching for business from that government or government entity.

ABF prohibits the provision of money, gifts, entertainment or anything else of value to any government or public officials for the purpose of influencing such officials in order to obtain or retain business or a business or commercial advantage, or otherwise in relation to decisions that may be seen as beneficial to ABF's business interests.

**Approval from the ABC Officer is required** prior to offering a gift or hospitality to any government or public officials including in relation to:

- paying or reimbursing travel, hospitality or entertainment expenses (e.g. airfares, meals or hotel bills);
- making gifts; and
- making charitable contributions.

**All gifts and hospitality to government and public officials, other than nominal exceptions referred to in the gifts and hospitality section, should also be entered on the local gifts and hospitality register.**

Examples of government and public officials include:

- anyone holding a legislative, administrative or judicial position, including government ministers, elected representatives of national, regional or local assemblies, officials of a political party, civil servants, magistrates or judges;
- an employee, officer, agent or other person acting in an official capacity for a government, government department, government or public agency, public enterprise, or commercial enterprise owned in whole or in part by a government; and
- an employee, officer, agent or person acting in an official capacity for a public international organisation, such as the World Bank, United Nations or the European Commission.



### Political donations

It is the policy of ABF not to make any political donations as an organisation. Employees may choose to make payments from their own money, but not with a view to influence a third party for the benefit of ABF, or in any way that might give the impression that such influence was intended.

### Charitable donations

ABF believes in contributing to the communities in which it does business and permits reasonable donations to charities from ABF funds. However, ABF must be certain that charitable donations cannot be viewed as an attempt to buy influence for the benefit of ABF or in any other way as being improper, and on a worst case basis are not disguised unlawful payments to private individuals or public officials in violation of anti-corruption laws. Care should be taken to ensure that charity is legitimate and that any donation is not diverted to other beneficiaries. No charitable donation should therefore be made or agreed without first referring to your local ABC Officer.

### Internships/work experience

The provision of an internship or work experience, whether paid or unpaid, may be viewed as a benefit (and potentially an improper one), to a third party. No offer should be made of any internship or work experience, without first seeking approval from your Human Resources department. Any requests you receive for internships or work experience should be passed to your Human Resources department.

### Compliance and oversight

Every ABF employee is responsible for compliance with this Policy.

Responsibility for oversight of the Policy and its enforcement has been assigned to the ABC Officer at each ABF subsidiary/ business unit, with the assistance of the in-house Legal Team. Ultimate responsibility for the Policy is taken by the ABF ABC Officer. Adherence to the Policy will be subject to regular review by Internal Audit.

ABF will also provide regular training for relevant employees regarding this Policy and general compliance with anti-bribery obligations. All new employees whose day-to-day activities may be affected by this Policy will receive appropriate training within a reasonable time after commencing employment and will acknowledge that they have received a copy of this Policy and will comply with the Policy and all associated laws and procedures.

### **Reporting issues internally**

All ABF employees are required to assist in tackling fraud, corruption and other malpractice within the organisation. If you are aware of, or suspect that bribery may be taking place within ABF, you should report

your suspicions to an appropriate person (which will usually be your local ABC Officer). If you are in doubt that your concerns have been or will be dealt with properly, you should raise the matter directly with any senior company officer or one of the contacts provided through your operating company whistleblowing procedures or the ABF Whistleblowing Policy (details of which are set out on the ABF intranet at [www.abfintranet.com](http://www.abfintranet.com)).

This will enable ABF to investigate swiftly. It will not normally be appropriate to disclose your concerns outside the company or to a third party before ABF has had a chance to deal with the issue. If you ask for your identity to be protected, ABF will do its best to ensure this.

No employee will ever suffer if ABF loses business as a result of his/ her decision not to pay bribes or engage in corrupt activities. In addition, if you genuinely believe that there is some form of malpractice occurring and raise a concern in good faith and without malicious intent, ABF will ensure that you do not suffer any disadvantage in the workplace as a result of speaking up, whatever the outcome of the investigation.

### **Investigations**

In addition to regular audits to verify compliance with relevant anti-corruption laws and more broadly with this and other ABF policies, practices and procedures, there may be individual instances in which ABF wishes to investigate a specific issue or allegation. In these events, an audit or investigation of records, books and accounts may be performed to prevent and detect violations of anti-corruption laws and procedures and to ensure compliance with this Policy and other ABF policies, practices, and procedures.

While performing such an audit or investigation, the investigating team may seek the assistance of any ABF personnel, and is authorised to retain accounting firms, external lawyers, or others, as deemed appropriate in the discretion of the investigating team. All personnel have a duty to comply with such requests for assistance.