



# Anti-Bribery & Corruption Risk Policy

Policy Owner	Head of Enterprise Shared Services
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## Table of Contents

Definition, purpose & policy	3
Scope, compliance & policy breaches	4
Roles & Responsibilities	5

# Definition, purpose & policy

## How do we define Bribery and Corruption Risk?

Bribery and Corruption risk is a component of the Financial Crime operational risk category. Bribery and Corruption risk is defined as an employee or individual acting on behalf of the Society, or any third party supplier, behaving improperly or unlawfully for personal or commercial gain.

The scope of this risk covers offering or giving a bribe, and requesting or accepting a bribe, in order to encourage a person to perform their functions improperly or to reward them for having done so. The bribe may be in the form of a financial benefit, gift, or other advantage. This includes facilitation payments, political and charitable contributions and sponsorships.

This Policy prohibits any inducement resulting in personal gain or advantage to the recipient or any person or body associated with them. This includes inducements to influence individuals to perform an action or activity improperly, which may not be solely in the interests of the Society, the person, their employer or whom they represent.

## What is the purpose of this Policy?

The Society's Anti-Bribery and Corruption Risk Policy is produced in accordance with the requirements of the UK Bribery Act 2010. The purpose of the Policy is to communicate the Society's approach to bribery and corruption, and the arrangements in force for carrying out the Policy.

## What is our Policy?

### Risk Appetite

The Society has a LOW appetite for Financial Crime Risk (and therefore for Bribery and Corruption Risk), meaning the Society will normally accept: i) green residual risks; ii) amber risks with approved action plans; and iii) a moderate cumulative impact of events across a 12 month period.

The Society operates a zero tolerance to Bribery and Corruption, and does not condone it in any way.

### Policy Objectives

The objectives of the Policy are aligned closely with legislative and regulatory requirements given the nature of the risk. The Society has a legal and regulatory responsibility to operate adequate systems and controls to prevent, detect and address bribery risk in accordance with the requirements of the UK Bribery Act 2010. In addition, the Society expects its employees, or individuals acting on behalf of the organisation to:

- Conduct business in an ethical and honest manner (including compliance with the Code of Conduct);
- Escalate suspicious activity and deal with individuals found to be engaging in Bribery and Corruption in an appropriate manner, including, via use of the Society's disciplinary procedures, termination of business, or reporting to relevant authorities.

In support of these objectives, employees are required to:

- Not make Political donations under any circumstances;
- Not conduct business with Charitable Organisations, Intermediaries and Suppliers who have not been pre-approved under relevant processes operated by the Society;
- Comply with supporting standards, processes, and guidance (refer to the following section); and
- Comply with other risk category requirements as they relate to the Anti-Bribery and Corruption Policy (refer to the following section).

This Policy is reviewed by the Board on an annual basis or when warranted due to changes to the business or external factors.

### Reliance Upon and Boundaries with Other Risk Categories

In determining appropriate content for this Risk Policy, activities which may give rise to Bribery and Corruption Risk were considered, along with all potentially relevant parties (Suppliers, intermediaries, customers, employees, directors and contingent workers, charitable organisations, and parties unconnected to the Society). Where required, boundaries with other Risk Categories have been determined:

- All Society outbound payment routes – financial controls are covered via Statutory, Regulatory and Internal Financial Reporting Risk, Fraud Risk, and Transaction Processing and Execution Risk;
- Selection, On-boarding and management of third parties, customers and employees – aligned due diligence and screening is covered via Conduct Risk, Third Party Risk, Money Laundering Risk, and People Risk, and;

Dishonest activity by employees and individuals working on behalf of the Society following the unlikely event of acceptance of a bribe, is considered to be outside of the scope of this Policy, and covered via the Society's suite of Operational Risk categories.

Other standards and processes are relevant to the management and related disclosure of Bribery and Corruption Risk, including: Whistleblowing policy (which supports Conduct Risk); Code of Conduct policy (supplier and employee); Anti-Bribery and Corruption Guidelines (which includes Gift & Hospitality Guidelines); Facilitation Payments; Political and Charitable Contributions and Sponsorship guidance.

# Scope, compliance & policy breaches

## Who does this Policy apply to?

This Policy applies to all employees, contingent workers, business areas and companies within the Society, regardless of working location. It is the responsibility of all employees and contingent workers to maintain awareness of, and comply with this Policy and any associated standards, guidelines or procedures.

## How is compliance with the Policy monitored, overseen and assured?

The Society adopts a Three Lines of Defence (3LoD) approach to monitoring, oversight and assurance.

Compliance with the Policy is monitored by the Fraud Control and Support Team under the guidance of the Head of Enterprise Shared Services, using the following mechanisms:

- Review and challenge of first line RCSA;
- Review and challenge of first line controls assurance;
- Review of risk events reported via the Society’s risk management system;
- Monitoring and review of risk acceptances and Exceptions to Policy; and
- Monitoring completion of risk mitigation actions.

Additional independent assurance will be gained from Operational Risk oversight, Compliance inspections and reviews and Internal Audits.

## How should breaches or exceptions to this Policy be recorded and escalated?

**Policy Breaches**  
All policy breaches should be recorded in the Society’s risk management system. If the breach has caused, or has the potential to cause a ‘Moderate’ or above impact (as assessed against the Society’s Risk Impact Matrix) it must be notified to the Head of Financial Crime and the Operational Risk team within 24 hours after identification.

**Exceptions to Policy**  
No deviations to the policy are permitted unless an Exception to Policy has been formally agreed with the Head of Financial Crime. All requests for Exceptions to Policy must be requested using the Society’s Risk Acceptance Request Form and forwarded to the Operational Risk Team.



### Board

The Board of Directors provide leadership on Anti-Bribery & Corruption. The Board of Directors are responsible for:

- annually reviewing and adopting the Policy, on the advice of the Director of Corporate Services;
- ensuring that Board decisions are consistent with the Policy.

### Board Audit Committee (BAC)

Anti-Bribery & Corruption management is a key part of the Society’s governance framework, ensuring clear lines of accountability. The Board delegates responsibility for oversight and review of the effectiveness of the Society’s Anti-Bribery & Corruption management systems to the Board Audit Committee, who receive an annual report from the Director of Corporate Services.

### Operational Risk Committee (ORC)

Anti-Bribery & Corruption is a key part of the Society’s governance framework, ensuring clear lines of accountability. The ORC has oversight of:

- a quarterly report from Financial Crime into any Gifts & Hospitality issued and received across the Society;
- an annual report into the effectiveness of the Society’s Anti-Bribery & Corruption Management Systems for onward recommendation to BAC;
- an annual review of the Anti-Bribery & Corruption Risk Policy for onward recommendation to the Board.

### Chief Executive

The Chief Executive has overall accountability for ensuring that Anti-Bribery & Corruption is successfully managed by the Society.

The Chief Executive and the Board have delegated authority to the Director of Corporate Services.

### Chief People Officer

The Chief People Officer is responsible for:

- ensuring expectations relating to ABC are clearly set out within the Employee Code of Conduct so that all colleagues are aware of their responsibilities;
- ensuring all colleagues attest to their understanding of their ABC responsibilities through the Annual Statement of Personal Responsibilities.

### Executives, Enterprise Leaders, and Managers

All Executives, Enterprise Leaders, and Managers in relation to their area of responsibility or control have the following responsibilities:

- ensure that their area is fully conversant in ABC Controls applicable to their area and the ongoing maintenance and review of their appropriateness;
- ensure that all Gift & Hospitality are entered onto the Society’s register and submitted to Financial Crime at the requested intervals;
- any non-compliance with policy or controls are to be escalated to the Head of Financial Crime / Financial Crime Leadership team, as appropriate.

### Director of Corporate Services

The Director of Corporate Services is responsible for:

- providing the Board with a review of the Society’s Anti-Bribery & Corruption Risk Policy;
- providing BAC with an annual report into the effectiveness of the Society’s Anti-Bribery & Corruption Management Systems.

### Head of Enterprise Shared Services

The Head of Enterprise Shared Services is responsible for ensuring that the Director of Corporate Services is advised on significant Anti-Bribery & Corruption issues which arise, or which need to be considered. This includes the responsibility to:

- agree the Policy;
- monitor compliance with the Policy;
- monitor implementation of the Policy.

### Head of Financial Crime

- The Head of Financial Crime is responsible for:
- the day to day coordination and oversight of the Society’s programme for managing Anti-Bribery & Corruption, with support from the Senior Manager Fraud Control & Support;
  - maintaining a business-wide Anti-Bribery and Corruption Guidelines framework to ensure that the Society is well placed to meet its legal and regulatory obligation in relation to ABC risks;
  - providing advice, support and challenge to business areas on the effective application of the ABC Policy, including Gifts & Hospitality;
  - preparing and submitting an Annual Report to BAC into the effectiveness of the Society’s ABC controls, including Gifts & Hospitality;
  - maintaining the Society’s Gift & Hospitality Register and submitting a Quarterly Summary to ORC;
  - overseeing and reporting on Financial Crime (Fraud) risk (Operational Risk Sub category), including ABC;
  - ensuring all colleagues receive ABC training at least annually to maintain awareness;
  - ensuring relevant Risk Events are raised under the Operational Risk Management Framework that apply to the Financial Crime (Fraud) risk sub category.

### Senior Marketing Manager, Sponsorship

- The Senior Marketing Manager, Sponsorship is responsible for:
- the setting of clear guidelines on the correct use of any sponsorship activity;
  - maintaining a log of all use of the Arena to ensure compliance with the guidelines;
  - providing details of relevant usage of the Arena to Financial Crime for inclusion on the quarterly and annual Gift & Hospitality reporting to ORC and BAC.

### Head of Procurement

- The Head of Procurement is responsible for:
- ensuring that the Supplier Code of Conduct contains specific requirements for suppliers to have an Anti-Bribery & Corruption Risk Policy. Such Policies to be evidenced at onboarding;
  - overseeing the maintenance of systems to keep records of enquiries made and information obtained while exercising supplier due diligence, including ABC expectations, and to ensure that these records are retrievable as required for legal and regulatory requirements.

### All Colleagues

- All colleagues regardless of position are expected to:
- ensure they maintain an up to date understanding of current ABC Policies and Guidelines;
  - ensure that they follow all relevant procedures in relation to ABC, including the giving or receiving of Gifts & Hospitality;
  - ensure they complete the Annual ABC Training requested of them and to attest understanding through the Annual Statement of Personal Responsibilities;
  - escalate any ABC concerns either through line management, to Financial Crime, or through the Society’s Whistleblowing procedures.