

ANTI BRIBERY AND CORRUPTION POLICY

(Incorporating gifts and hospitality)

Issued: March 2022

Version: 4

Policy overview

We are required to demonstrate honest and ethical behaviour in all our business dealings and must never use corrupt practices or acts of bribery to influence a business decision or obtain unfair advantage.

This policy sets out the general rules and principles we follow to eliminate, reduce or mitigate the risk of bribery and corruption, and explains how we protect our reputation against allegations of bribery or corruption.

Who does this policy apply to?

This policy applies to all individuals working for us and any other person associated with or providing services to us or any of our subsidiaries or their colleagues, wherever located. This includes all colleagues, directors, officers, agency workers, seconded workers, volunteers, interns, agents, contractors, external consultants, third party representatives and business partners.

Any breach of this policy is serious. In the event of a breach, we may take disciplinary action against colleagues, and appropriate action against third party representatives, agents, consultants, or any of the individuals listed above engaged by the company.

Where we find bribery or corruption, we will refer the matter to relevant regulatory authorities.

This policy does not form part of your contract of employment except to the extent that it imposes obligations on you, and we may amend it at any time.



1 What is bribery and corruption?

Bribery is the offer, promise, giving, demanding or acceptance of an advantage as an inducement for an action which is illegal, unethical or a breach of trust.

Corruption is the misuse of public office or power for private gain, or misuse of private power in relation to business.

The person being bribed is generally someone who will be able to obtain, retain or direct business. This may involve activities such as bid tendering and contracting. Or it may simply involve administrative tasks, such as licences, customs, taxes or import and export matters. It does not matter whether the act of bribery is committed before or after the tendering of a contract or the completion of administrative tasks.

2 What is a bribe?

Bribes typically involve corrupt intent, where both parties will benefit. A bribe could be:

- The direct or indirect promise, offering, or authorisation of anything of value
- The offer or receipt of any kickback, loan, fee, reward or other advantage
- The giving of aid, donations or voting designed to exert improper influence

You must not:

- Give or offer any payment, gift, hospitality or other benefit in the expectation that a business advantage will be received in return, or to reward any business received (e.g. offering a potential client tickets to a major sporting event but only if they agree to do business with us);
- Accept any offer from a third party that you know, or suspect is made with the expectation that we will provide a business advantage for them or anyone else (e.g. a supplier offers your nephew a job but makes it clear that in return they expect you to use your influence to ensure we continue to do business with them);
- Give or offer any payment to a government official to facilitate or speed up a routine or necessary procedure.



3 Legal Context

Bribery is a criminal offence. The penalties can be severe. All forms of bribery are strictly prohibited.

The UK Bribery Act 2010 makes bribery and corruption illegal, but also holds UK companies responsible for failing to prevent such acts by those working for or on its behalf, no matter where the act takes place. Corrupt acts committed abroad may well result in a prosecution in the UK.

4 Who might engage in bribery or corruption?

The law says that bribery and corrupt behaviour can be committed by:

- A colleague, officer or executive of the company
- Any person acting on behalf of the company, including third-party representatives
- Individuals and organisations who authorise someone else to carry out these acts

5 Compliance

To make sure we comply with our obligations, we will take the steps detailed in the following paragraphs:

5.1 Risk assessment

Directors will make sure that the company carries out relevant risk assessment to assess the vulnerability of the business to bribery and corruption, and to take action to reduce and remove such risks. Directors will also regularly monitor the effectiveness of these initiatives.

5.2 Accurate book and record-keeping

Bribery and corruption often involves inaccurate record-keeping.

We will maintain accurate books, records and financial reporting within our business and for all third-party representatives working on our behalf. Our books, records and financial reporting must also be transparent. False, misleading or inaccurate records of any kind can damage the company.

5.2 Effective monitoring and internal control



We will maintain an effective system of internal control and monitoring of our transactions. Where bribery and corruption risks have been identified, we will develop procedures to help reduce them.

Directors will make sure that steps are taken to prevent bribery and corruption, and to make sure we are compliant with this policy. If you believe a particular practice is in breach of this policy, refer the matter to the Employee Relations Manager, or a director, straight away.

All high-risk colleagues (identified by the risk assessment) and third parties acting on behalf of the company with the capacity to materially influence the activities of the company or who might have conflict of, or personal interests are required to formally register their understanding of this policy on an annual basis

All colleagues and relevant third parties acting on behalf of the company will be made aware of the Anti-Bribery and Corruption Policy

The provisions of the Bribery Act 2010 are considered in relation to ongoing and/or new relationships with third parties, agents or suppliers. Where material relationships exist or are anticipated, formal due diligence procedures are performed to assess the reliability in relation to Bribery Act 2010 compliance

Colleagues who engage third parties are responsible for making sure that they understand and conform to the policy.

A formal log is maintained to enable colleagues and third parties to record the giving or receiving of gifts and/or hospitality through the normal course of business.

Acts of non-compliance with this policy will be treated with the utmost seriousness and disciplinary action shall be taken in accordance with relevant HR policies and Employment Law, including dismissal and legal proceedings where necessary

The HR Director can provide independent advice to colleagues or third parties on any matter relevant to adherence with the UK Bribery Act 2010

Prevention controls associated with recruitment, screening, reward and other such financial or transactional controls will be maintained.

The company will be responsible for on-going awareness raising and training as appropriate.

6 Relationship with HM Government

We maintain honest relationships with HM Government, its departments, agencies, officials and personnel, and with local and regional authorities. The company contributes to the public debate of policy issues that affect it. Sometimes, our colleagues are called upon to provide information to Government departments and agencies, and regulatory bodies on behalf of the company – if this applies to you, you must make sure all information is accurate and complete.

7 Relationships with political parties

At times, our colleagues may attend events hosted by a political party for briefing purposes; we must not attend if it might compromise our impartiality. Colleagues who lobby on behalf of the company or represent it in Government and regulatory matters must comply with all laws and regulations relating to corporate participation in public affairs.

We are impartial with respect to party politics. Accordingly, we will not contribute funds to any political party, politician, or candidate for public office. The laws that govern the company's activities may be complex, but ignorance of the law does not excuse you or us from our obligation to comply. If in doubt, ask for and follow expert legal advice.

8 Use of third-party representatives

The definition of a third-party is broad – it could include agents, distributors, consultants and joint venture partners.

Although third parties can help us reach our goals, these arrangements can present significant risks. Risk can be identified where a third-party conducts business on our behalf in a way that is not in keeping with our own values and processes.

Third parties who pose significant risks and act on our behalf must always operate in line with this policy. We are responsible for the evaluation of each third-party relationship and for determining whether it falls into this category. If you engage third parties, you must make sure they are fully aware of the policy and sign and accept its provisions. Where risk regarding a third-party arrangement has been identified, local management must:

- Evaluate the background, experience, and reputation of the third-party
- Understand the services provided, and methods of compensation and payment
- Evaluate the business rationale for engaging the third-party



- Take reasonable steps to monitor the transactions of third parties
- Put a written agreement in place which acknowledges the third-party's understanding and compliance with this policy

9 Facilitation payments and gifts

In some countries, it can be common practice to make payments or gifts of small value. These are made to speed up a routine action or process. Such payments are entirely against ScotRail policy. They are also illegal in the UK.

Gifts, entertainment and hospitality include the receipt or offer of gifts, meals or tokens of appreciation and gratitude, and invitations to events, functions, or other social events in connection with matters related to our business.

These activities are acceptable provided they fall within reasonable bounds of value and occurrence and are declared in advance to your line manager or director.

As a general rule, colleagues and third parties should not offer or accept gifts without first making contact with a director immediately.

If you are in any doubt as to what constitutes reasonable and appropriate hospitality, you should discuss this with HR.

9.1 How to evaluate what gifts and hospitality are 'acceptable'

Accepting some types of a gift or hospitality could potentially damage our reputation and business. The action could well be unlawful. Although no two situations are the same, the following guidance should be considered:

- What is the intent – is it to build a relationship or is it something else?
- How would this look if these details were on the front of a newspaper?
- What if the situation were to be reversed – would there be a double standard?

A gift or hospitality will not be appropriate if it is unduly lavish or extravagant, or could be seen as an inducement or reward for any preferential treatment (e.g. during contractual negotiations or a tender process).

9.2 Unacceptable practice

Circumstances which are never permissible include:



- A 'quid pro quo' (offered for something in return)
- Gifts in the form of cash or cash-equivalent vouchers
- Entertainment of a sexual or similarly inappropriate nature
- Gifts that are given in secret

9.3 **Acceptable practice**

Circumstances that are usually acceptable include:

- Modest or occasional meals with someone we do business with during business hours at a business event, or at the end of a customer education event.
- Occasional attendance at sports, theatre and other cultural events that are for example, attended by other clients of the entertained party.
- Gifts of nominal value, such as promotional pens, or other such small items.

Further detail on acceptable practice can be found in the Acceptability Guidelines at Appendix A to this policy.

10 **Gifts, entertainment and hospitality register**

We maintain and monitor a gifts, entertainment and hospitality register. This is made available, when requested, for internal & external auditing purposes by relevant parties.

If an example does not fall under one of the acceptable practices listed at clause [0] or meet the Acceptability Guidelines at Appendix A, please refer to this clause and the guidelines regarding the Acceptability and Gift and Hospitality register process (Appendix A) or ask a Director for guidance. Generally, such examples would not be allowed without prior approval, and this should be obtained through completing the Gift and Hospitality register.

Any form of gift, entertainment or hospitality given, received or offered which does not fall into one of the categories of acceptable practice listed at clause [9.8] or meet the Acceptability Guidelines must be appropriately recorded in the register. This should be done by completing the electronic register held on the ScotRail Intranet pages and is within My HR Hub, HR Forms section. The form will then require to be authorised by your Functional Director.

The link to this page can be accessed by clicking here: [Gifts and Hospitality Notification Form](#)



Copies of all relevant documents or correspondence must be maintained for future reference in case it should be required. Any item which exceeds the limits will need prior approval by a director. In the event that an impermissible form of gift, entertainment or hospitality has been accepted, colleagues must record the transaction within the register and contact a director immediately.

11 Roles and Responsibilities

11.1 Colleagues

The following behaviour is required of all colleagues when undertaking their duties and responsibilities:

- Conduct business in accordance with our stated values;
- Comply with all UK laws and regulations, including specifically the UK Bribery Act 2010;
- Comply with our published procedures and policies;
- Declare any outside business or financial interest that could conflict with the interests of us, our subsidiaries or customers;
- Do not ignore or allow corrupt practices.
- Helping to detect, prevent and report bribery, suspicious activity and wrongdoing. Any concerns should be reported in line with the procedure set out in clause [12]

11.2 The Human Resources Director

The HRD is responsible for making sure an appropriate framework of internal controls and monitoring is in place. The officer also makes sure that appropriate records are kept and provides definitive advice and guidance on overall compliance with the Anti-Bribery and Corruption Policy.

12 How can I raise a concern about bribery?

We are committed to ensuring that all of us have a safe, reliable, and confidential way of reporting any suspicious activity. We will support anyone who raises genuine concerns in good faith under this policy, even if they turn out to be mistaken

If you are concerned that a corrupt act is being considered or carried out, either within the company, by any of our third-parties or by any of our competitors, you must:



- Report it to your line manager. If it is not possible to speak to them, then you should report your concerns to the Employee Relations Manager;
- Alternatively, contact the Human Resources Director of the company; or
- Follow the procedure set out in our Whistleblowing policy.

If an incident of bribery, corruption or wrongdoing is reported, we will act as soon as possible to evaluate the situation. We have clearly defined procedures for investigating fraud, misconduct and non-compliance issues and these will be followed in any investigation of this kind.

If you are unsure whether a particular act constitutes bribery or corruption, or if you have any other queries, these should be raised with HR.

13 **Sanctions for Non-Compliance**

It's a serious matter if you don't comply with this policy.

If you breach this policy, you may be disciplined in terms of our Disciplinary Policy. This can include summary dismissal against any colleague who has been proven to have engaged in bribery or corrupt practices. In serious cases breach of this policy may be regarded as gross misconduct.

We will not hesitate in referring such instances to relevant regulatory authorities for further investigation.



APPENDIX A: GUIDELINES REGARDING

(I) ACCEPTABILITY AND

(II) THE GIFTS & HOSPITALITY REGISTER PROCESS

(To be read in conjunction with the Anti bribery and Corruption Policy)

(I) Acceptability Guidelines

A variety of factors such as customs, culture and currency may influence the level of acceptability. As a guide, the following list of monetary value for gifts / entertainment (which will be reviewed at appropriate intervals) would be deemed acceptable:

Item	Guidance on acceptability
Regular lunch	in line with the company's current expenses policy
Dinner	in line with the Company's current expenses policy, including any alcohol consumption
Gifts (giving of)	£25 limit (this value can be discretionary please seek approval by a member of the Executive Committee team) for gifts not bearing the Company logo.
Gifts (receiving of)	Gifts bearing the logo of the supplier are acceptable. Gifts with no logo up to £50 are acceptable. (this value can be discretionary please seek approval by a member of the Executive Committee team)
Corporately entertained by a third party	Such events can be attended if approval is given in advance from a member of the Executive Board. All such events should be entered on the register.
Other items	On a case-by-case basis, approval must be sought from a member of the Executive Committee who will decide whether an entry should be made on the register.

(II) The Gifts & Hospitality Register process

A ScotRail colleague ('**colleague**') who has been offered a gift or hospitality by a third party (or who has offered a gift or hospitality to a third party) is **responsible for having this recorded adequately in the Register**.

Blank template of the form can be found on My HR Hub, HR Forms on the Intranet:

[Gifts and Hospitality Notification Form](#)

Regardless of whether an Executive Board member has **approved or declined** a gift or hospitality that has been offered to a colleague, all gifts and hospitality that have been offered should be recorded onto the Register (also those that have been declined).

Separate registration of gifts/hospitality being **offered to** a ScotRail colleague versus gifts/hospitality that has been **offered by** a ScotRail colleague.

'**Indicative value**' field ensures a better overview of the monetary value of the gifts and/or hospitality that have been offered. The employee is responsible for recording the monetary value in the Register. Indicative value of the gift or hospitality offered should be recorded regardless of whether the gift/hospitality is/was accepted or not. To enable a practical way of determining the monetary value we have chosen to apply following classification:

classification of gifts being offered to ScotRail	classification of gifts being offered by ScotRail
below £ 100 (below € 125)	below £ 50 (below € 60)
£ 100 - £ 500 (€ 125 - € 600)	£ 50 - £ 500 (€ 125 - € 600)
above £ 500 (> € 600)	above £ 500 (> € 600)

'**Accepted/Declined**' field ensures adequate registration of gifts and hospitality that is in line with the Policy. Same way of working applies to the 'Accepted or Declined by' field.

'**Rationale for acceptance or decline**' field allows recording of reasoning for acceptance or decline.

Review and Revision History

Version	Date	Issued By	Status	Review Due	Comments
4	14/03/22		Final	April 2022	V&V branding updated

