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# Compliance and Anti Bribery Policy

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redcentric

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# Compliance and Anti Bribery Policy

Applies to:	ALL UK AND INDIA EMPLOYEES
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## 1. Introductory Statement

- 1.1 Redcentric plc is committed to the highest standards of ethical conduct and integrity in its business activities in the UK and overseas. This policy outlines the Company's position on preventing and prohibiting bribery, in accordance with the Bribery Act 2010, and in preventing the Company from committing the offence of failing to prevent tax evasion as outlined in the Criminal Finances Act 2017.
- 1.2 References to the "Company" in this Policy are references to Redcentric plc, its subsidiaries and affiliates.
- 1.3 This policy is crucial in our business supporting a global community in working honestly and ethically. It has the full support of the board of directors of the Company ("Board"). It outlines the steps all of us must take to prevent offences of bribery and tax evasion facilitation in our business and to comply with relevant legislation. It does not form part of any employee's contract of employment, and we may amend it at any time.

## 2. Purpose and Scope

- 2.1 This policy applies both internally and externally to the Company.
- 2.2 All employees of the Company, in addition to temporary workers, consultants, contractors, agents and subsidiaries acting for, or on behalf of, the Company ('associated persons') within the UK and overseas are required to comply with it.
- 2.3 The Company's suppliers, agents, distributors, business partners and customers may also be 'associated persons' for the purposes of both the Bribery Act 2010 and the Criminal Finances Act 2017. This policy therefore also applies to them, and you are required to comply with this policy, as outlined in section 8.
- 2.4 Every employee and associated person acting for, or on behalf of, the Company is responsible for maintaining the highest standards of business conduct. Any breach of this policy is likely to constitute a serious disciplinary, contractual and possibly criminal matter for the individual concerned and may cause serious damage to the reputation and standing of the Company.
- 2.5 The Company may also face criminal liability for unlawful actions taken by its employees or associated persons under the Bribery Act 2010.
- 2.6 All employees and associated persons are therefore required to familiarise themselves and comply with this policy, including any future updates that may be issued from time to time. Any questions should be directed at the Chief Financial Officer, General Counsel & Company Secretary and/or HR Director.
- 2.7 Associated persons for the purpose of this policy means any third party who acts for on behalf of the Company such as a supplier, an agent, a distributor; or a partner or customer.

## 3. Main areas of liability under the Bribery Act

- 3.1 Under the Bribery Act 2010, a bribe is a financial or other type of advantage that is offered or requested with either the:
  - 3.1.1 intention of inducing or rewarding improper performance of a function or activity; or
  - 3.1.2 knowledge or belief that accepting such a reward would constitute the improper performance of such a function or activity.
- 3.2 A relevant function or activity includes business activities, or any activity performed in the course of a person's employment, or on behalf of another company or individual, where the person performing that activity is expected to perform it in good faith, impartially, or in accordance with a position of trust. A criminal offence will be committed under the Bribery Act 2010 if an employee or associated person acting for, or on behalf of, the Company:
  - 3.2.1 Offers, promises or gives a financial, or other advantage, to another person with the intention to induce a person to perform improperly a relevant function or activity or to reward a person for the improper performance of such a function or activity;
  - 3.2.2 Requests or agrees to receive or accept an advantage and in consequence, a relevant function or activity is performed improperly;

- 3.2.3 Bribes a foreign public official, where the intention is to obtain or retain business or an advantage;
- 3.2.4 Fails to prevent those persons performing services on its behalf from committing bribery, also known as 'the Corporate Offence'.

#### **4. Facilitation Payments**

- 4.1 Facilitation payments are small payments often made to public officials to “grease the wheels” of necessary functions. Although this is common and permissible in many jurisdictions, it is not permissible by the Bribery Act 2010. As a UK based company, facilitation payments made anywhere in the world by the Company’s employees or associated persons can result in prosecution under the Bribery Act 2010.
- 4.2 The Company does not make facilitation payments. If a facilitation payment is requested from you or requested in connection with a project you are working on, you should contact the Chief Financial Officer without delay.

#### **5. Corporate Entertainment, Gifts, Hospitality and Promotional Expenditure**

It is a common misconception that the Bribery Act 2010 seeks to prevent hospitality and corporate entertainment. This is not the case. However, recording the nature and value of gifts, hospitality and associated expenditure can demonstrate that the activity is not bribery, but simply a thank you or part of the normal course of doing business. In compliance with this policy, you are also required to comply with the Gifts and Corporate Hospitality Rules which are contained in the Schedule to this policy.

#### **6. Charitable Donations**

The Company considers that charitable giving can form part of its wider commitment and responsibility to the community. The Company supports a number of charities that are selected in accordance with objective criteria, following a risk assessment. The Company may also support fundraising events involving employees.

#### **7. Sales Performance Incentive Funds**

The Company is aware that sales performance incentive funds (SPIFs) can lead to behaviours that are inconsistent with the principles of this policy and possible noncompliance with this policy. The Company will not participate in SPIFs and any incentive-based sales initiative should be approved by the Chief Financial Officer.

#### **8. Offences under the Criminal Finances Act 2017**

Tax evasion is a major issue in world trade, despite the many dedicated efforts to prevent it. It diverts money and resources from those who need them most, hindering economic and social development.

##### **8.1 What is tax evasion and how does this affect us?**

- 8.1.1 Tax evasion is the illegal non-payment or under-payment of taxes. It is usually perpetrated by falsely declaring or not declaring taxes due to the relevant tax authority. Tax evasion is a criminal offence. It can be committed by an individual, e.g., in relation to income tax or VAT, or a legal entity, e.g., in relation to corporation tax.
- 8.1.2 Circumstances in which tax evasion may occur in relation to our business include:
  - 8.1.2.1 a supplier asks us to pay them cash in hand or via some complex payment mechanism that allows them to evade tax; or
  - 8.1.2.2 we become aware that within our supply chain or customer base, the value of goods is not being accurately declared to avoid duty being paid when goods are imported or exported into the UK.

##### **8.2 What are the offences?**

- 8.2.1 The Criminal Finances Act 2017 (CFA 2017) introduced a corporate offence (allowing the Company to be prosecuted) for failure to prevent the criminal facilitation of tax evasion, both within the UK and overseas.
- 8.2.2 All three of the following must occur for criminal liability to arise:
  - 8.2.2.1 criminal tax evasion by a taxpayer, e.g., by a customer or supplier of the Company;
  - 8.2.2.2 criminal facilitation of that tax evasion by the Company's employee, agent or any other person performing services for us or on our behalf; and
  - 8.2.2.3 failure by the Company to prevent its employee, agent etc from committing the criminal facilitation.

### **8.3 What can we do to minimise the risk of committing an offence?**

The Company may have a defence to these offences (failing to prevent the criminal facilitation of tax evasion) if, when the tax evasion facilitation offence was committed, the Company had reasonable prevention procedures in place. This policy is a central plank to those prevention procedures.

### **8.4 The Company's approach to the criminal facilitation of tax evasion**

- 8.4.1 Involvement in the criminal facilitation of tax evasion exposes the Company, and potentially the person facilitating the evasion, to a criminal offence. It will also damage the reputation of the business and the confidence of our customers, suppliers and business partners.
- 8.4.2 If convicted the Company could be exposed to an unlimited fine and excluded from bidding for certain types of contracts, which would be detrimental to the business, its employees and associated persons.
- 8.4.3 The Company's position is simple: we conduct our business to the highest legal and ethical standards. We will not be party to tax evasion or the facilitation of tax evasion in any form.
- 8.4.4 The Company takes a zero-tolerance approach to tax evasion facilitation by our people and our third-party representatives. We are committed to:
  - 8.4.4.1 rejecting the facilitation of tax evasion; and
  - 8.4.4.2 working with our supply chain to seek reasonable prevention procedures are in place.

## **9. Risk Management**

The Company has established risk management procedures to prevent, detect and prohibit both bribery and tax evasion. The Company will conduct risk assessments for business activities on a regular basis and, where relevant, will identify individuals within the Company who are in positions where they may be exposed to bribery.

### **9.1 Procedure**

- 9.1.1 The Company will identify high-risk areas, for example projects undertaken in high-risk countries, tenders for work and those working on high-value projects.
- 9.1.2 The Company will:
  - 9.1.2.1 regularly monitor "at risk" employees and associated persons;
  - 9.1.2.2 regularly communicate with "at risk" employees and associated persons;
  - 9.1.2.3 undertake due diligence of third parties and associated persons; and
  - 9.1.2.4 communicate its zero-tolerance approach to bribery to third parties, including actual and prospective customers, suppliers and joint-venture partners.

- 9.1.3 Either or both tax evasion and bribery may be more widespread in some countries and business sectors than others. On certain projects or in certain regions, individuals may be told that unless tax evasion or bribery is allowed to take place the Company will not win business. That does not matter. If we were to be involved in even one instance, we would show that we engage in such conduct and be exposed to potential prosecution. This ethical stance is good for our business and is non-negotiable.

## **10. Records**

- 10.1 Employees and associated persons are required to take particular care in ensuring that all records are accurately maintained in relation to any contracts or business activities of the Company, including financial invoices and all payment transactions with client's suppliers and public officials (acting in an official capacity in the normal course of their duties).
- 10.2 Due diligence should be undertaken by employees and associated persons prior to entering into any contract, arrangement or relationship with a potential supplier of services, agent, consultant or representative.
- 10.3 Employees should liaise with the relevant Operating Board member prior to entering into any new business arrangement.
- 10.4 Employees, or individuals working within the Company are required to keep accurate, detailed and up-to-date records of all corporate hospitality, entertainment or gifts accepted or offered, in accordance with the Gifts and Corporate Hospitality Rules. Please see the Schedule for further details.

## **11. Reporting, Suspected Bribery or Taxation Offence**

- 11.1 The Company depends on its employees and associated persons to ensure that the highest standards of ethical conduct are maintained in all its business dealings. Employees and associated persons are requested to assist the Company and to remain vigilant in preventing, detecting and reporting both bribery and tax evasion.
- 11.2 Employees and workers within the Company are encouraged to report any concerns they may have to the Chief Financial Officer or General Counsel and Company Secretary as soon as possible.
- 11.3 Associated persons external to the Company should report, in the first instance, to their Company contact or project lead who will then report to the Chief Financial Officer or General Counsel and Company Secretary.
- 11.4 Issues that should be reported include:
  - 11.4.1 any suspected or actual attempts at bribery;
  - 11.4.2 concerns that other employees or associated persons may be being bribed; or
  - 11.4.3 concerns that other employees or associated persons may be bribing third parties, such as clients or government officials; or
  - 11.4.4 any suspicions regarding a failure to prevent tax evasion by either an employee or an associated person; or
  - 11.4.5 any suspected or actual attempts to evade tax by an employee or associated person.

## **11.5 Procedure**

- 11.5.1 Any reports of suspected non-compliance with this policy will be thoroughly and promptly investigated by the Chief Financial Officer and/or General Counsel and Company Secretary in conjunction with the Human Resources Department in the strictest confidence. Employees and associated persons will be required to assist in any investigation into possible or suspected non-compliance with this policy.
- 11.5.2 Employees or associated persons who report instances of bribery in good faith will be supported by the Company. The Company will ensure that the individual is not subjected to detrimental treatment as a consequence of his/her report.

11.5.3 Any instances of detrimental treatment by a fellow employee because an employee has made a report will be treated as a disciplinary offence. An instruction to cover up wrongdoing is itself a disciplinary offence.

11.5.4 Please also refer to the Company's Whistleblowing policy.

## **12. Action by the Company**

12.1 The Company will fully investigate any instances of alleged or suspected non-compliance with this policy. Employees suspected of committing a breach of this policy may be suspended from their duties while the investigation is being carried out.

12.2 The Company will invoke its disciplinary procedures where any employee is suspected of bribery, or non-compliance with this policy and proven allegations may result in a finding of gross misconduct and immediate dismissal.

12.3 The Company may terminate the contracts of any associated persons, including consultants or other workers who act for, or on behalf of, the Company who are found to have breached this policy.

12.4 The Company may also report any matter to the relevant authorities and will provide all necessary assistance to the relevant authorities in any subsequent prosecution.

## **13. Review of Procedures and Training**

13.1 The Company will regularly communicate its compliance and anti-bribery measures to employees and associated persons. The Company will set up training sessions where applicable.

13.2 The Board and/or its audit committee will monitor and review the implementation of this policy and related procedures on a regular basis, including reviews of internal financial systems, expenses, corporate hospitality, gifts and entertainment policies.

13.3 Employees and those working for, or on behalf of, the Company are encouraged to contact the Chief Financial Officer or General Counsel and Company Secretary with any suggestions, comments or feedback that they may have on how these procedures may be improved.

## **14. Compliance by External Associated Parties**

14.1 As stated in the various sections, this policy applies to external associated parties.

14.2 Associated parties working outside of the Company are not required to comply with the Gifts and Corporate Hospitality Rules contained in the Schedule, unless otherwise agreed.

14.3 They should comply with any contractual requirements placed on them and implement their own internal recording and reporting mechanisms in respect of both non-compliance with this policy and giving and receiving of corporate hospitality and gifts.

14.4 As stated in section 7 above, associated persons external to the Company should report any concerns or non-compliance with this policy, in the first instance, to their Company contact or project lead who will then report to the Chief Financial Officer or General Counsel and Company Secretary.

**The Company reserves the right to amend and update this policy at any time.**

# Schedule: Gifts and Corporate Hospitality Rules

## 1. Accepting Gifts and Hospitality

This Schedule outlines the Company's approach to gifts and hospitality.

### 1.1 Accepting Gifts

- 1.1.1 As a general rule, gifts above £30 should be declined wherever possible and any offers should be reported to your Line Manager. In a scenario where it would be ungracious or difficult not to accept the gift, you are responsible for informing your Line Manager and the Chief Financial Officer to ensure that the nature of the gift, the estimated value and the donor can be recorded in the Gifts and Hospitality Register, contained in Annex 1 to this schedule (the “**Gifts and Hospitality Register**”) which will be maintained by the Legal Department.
- 1.1.2 Employees should not receive benefits of any kind from a third party which might reasonably be seen to compromise their personal judgment and integrity.
- 1.1.3 Employees are only permitted to accept and keep token gifts of very low value such as pens, diaries and small promotional items, the value of which would not exceed £30. These do not need to be recorded in the Gifts and Hospitality Register or reported to the Chief Financial Officer; you should however make your Line Manager aware if the gift is directed specifically at you alone.
- 1.1.4 All gifts valued in excess of £30 should be recorded in the Gifts and Hospitality Register.
- 1.1.5 In certain circumstances, it may not be appropriate to retain such gifts or be provided with the entertainment and employees and, where applicable, associated persons may be asked to return the gifts to the sender or refuse the entertainment.

### 1.2 Accepting meals and hospitality

- 1.2.1 The Company trusts its employees to use their judgment when accepting business meal hospitality from third parties (i.e., that the appropriateness of the meal or the frequency of such hospitality is 'reasonable' and can be 'justified'). If an employee is in any way uncomfortable with the 'lavishness' of the meal hospitality or has concerns of the motives of the third-party donor then the employee should raise the subject with their Line Manager.
- 1.2.2 Employees should never accept ongoing hospitality if they believe that favour will be expected in return; they should never put themselves in a position that would make them feel beholden or vulnerable to a third party. For example, an invitation to a one-off football game may be an appropriate way to get to know a supplier or customer, but regular attendance or use of a season ticket could be misinterpreted as something more. Employees should be mindful of this and avoid being put in difficult situations. If you have any concerns, contact the Chief Financial Officer or General Counsel and Company Secretary to discuss the position.
- 1.2.3 The occasional working lunch provided by a third party to an employee during a business visit requires no prior approval. However, be aware of the points made above and being taken for a meal should be reported to your Line Manager and recorded in the Gifts and Hospitality Register in the following circumstances:
  - 1.2.3.1 the annual value of the hospitality from the same company or individual exceeds £250 or a local value equivalent in any rolling 12-month period;
  - 1.2.3.2 the nature of the hospitality is inappropriate or disproportionately “lavish” to the nature of the event or relationship.
- 1.2.4 Where the nature of a meal or hospitality also includes additional hospitality, such as a post-meal visit to a club or entertainment venue, it is the employees' responsibility where reasonably practical to ensure their Line Manager is aware of this prior to the hospitality. It is acknowledged that there are various hospitality events which produce good networking opportunities for the Company, therefore, offers of premium hospitality such as entertainment, participating in or attending sporting events, free trips and accommodation and other travel related hospitality



can be attended but should be authorised by the Chief Financial Officer prior to an employee attending, using the Request for Hospitality Form in Annex 2 to this Schedule.

- 14.4.1 Hospitality (this may be a meal or attendance at a concert or sporting event) which is likely to exceed a cost of £100 should be reported to both your Line Manager and the Chief Financial Officer, on the Request for Hospitality Form in Annex 2 to this Schedule. The Chief Financial Officer will then record it in the Hospitality and Gifts Register.

## 2. Providing Corporate Hospitality/Giving Gifts

- 2.1 Corporate hospitality is used on occasion to raise awareness of the Company's activities.
- 2.2 All corporate hospitality events should have a demonstrable link to the work of the Company and represent good value for money. To represent value for money, the investment should not only be in proportion to the value of the project or initiative to the Company but should also be with a reasonable level of expenditure per head that is proportionate to the relationship with the relevant party.
- 2.3 Any corporate hospitality meeting the threshold outlined in Request for Hospitality Form in Annex 2 to this Schedule may require prior authorisation from the employee's Line Manager and the Chief Financial Officer.
- 2.4 When giving or providing gifts or hospitality, the usual processes for approval of expenditure will apply in addition to this process.
- 2.5 A record will be kept in the Hospitality and Gifts Register of all offers of gifts, awards, prizes and invitations to functions or events where the value of the gift or hospitality spent on any individual or organisation exceeds:
- 2.5.1 £30 in the case of any individual gift;
  - 2.5.2 £250 in any rolling 12 month period, or at the time of reporting is expected to do so; or
  - 2.5.3 £100 in any single event/occurrence,
- this applies where employees are giving or receiving.
- 2.6 To request authorisation to either receive or provide a gift or hospitality, please complete the "**Request for Hospitality form**" contained in Annex 2 to this Schedule (and available on the "Legal" section of sharepoint) and pass to your line manager and then to the Chief Financial Officer for approval.
- 2.7 They will then consider your request and confirm in due course if you are permitted to give or receive the hospitality/gift as applicable.
- 2.8 It is the responsibility of the Chief Financial Officer to pass this to the Legal Department to add to the gifts and hospitality register. The Company will authorise only reasonable, appropriate and proportionate entertainment and promotional expenditure. In authorising any hospitality or expenditure, the following principles will be taken into account where it:
- 2.8.1 demonstrates a clear business objective that is undertaken:
  - 2.8.2 for the purpose of establishing or maintaining good business relationships;
  - 2.8.3 to improve the image and reputation of the Company; or
  - 2.8.4 to present the Company's services effectively;
- provided that it is:**
- 2.8.5 arranged in good faith, and
  - 2.8.6 appropriate for the nature of the business relationship

- 2.8.7 not offered, promised or accepted to secure any commercial, contractual or regulatory advantage for the Company; or
  - 2.8.8 provided or offered to a public official; or
  - 2.8.9 to gain any personal advantage, financial or otherwise.
- 2.9 The Company will not approve business entertainment where it considers that a conflict of interest may arise or where it could be perceived that undue influence or a particular business benefit was being sought (for example, prior to a tendering exercise).
- 2.10 Employees and, where applicable, associated persons must supply records and receipts, in accordance with the Company's expenses policy.
- 2.11 Lunches and meals which may arise in the normal course of business, for example working lunches or evening meals on overseas visits, do not need to be approved in advance, where impractical. To the extent that approval can be sought in advance from your Line Manager it should be; however, employees should consider that any expenses claimed to cover the costs of such meals and entertainment will only be approved if they are in line with the principles of these Gifts and Corporate Hospitality Rules and compliant with the expenses policy.

**Annex 1 - Hospitality and Gifts Register**

Recipient of gift or hospitality	Nature of gift or hospitality	Estimated value of gift or hospitality	Name of donor and relationship to the Company/Recipient	Date of gift/hospitality	Any comments / issues to note

## Annex 2 - Request for Hospitality form

Name:

Contact Details:

Department:

Supervisor:

Where you are seeking approval for:

A) receipt of gifts worth more than £30, approval is required from your Line Manager and the Chief Financial Officer please complete this form and once your Line Manger has approved it, please pass it to the Chief Financial Officer for approval.

B) receipt of hospitality worth over £100 (or £250 in any rolling 12-month period from the same third party), approval is required from your Line Manager and the Chief Financial Officer. Please complete this form and once your Line Manger has approved it, please pass it to the Chief Financial Officer for approval.

C) the giving of gifts worth in excess of £30 approval is required from your Line Manager and the Chief Financial Officer. Please complete this form and once your Line Manger has approved it, please pass it to the Chief Financial Officer for approval.

D) the giving of hospitality in excess of £100 (or £250 in any rolling 12-month period from the same third party) approval is required from your Line Manager and the Chief Financial Officer. Please complete this form and once your Line Manger has approved it, please pass it to the Chief Financial Officer for approval.

This form should not be completed retrospectively, but any past gifts and hospitality that falls within the appropriate thresholds should be reported to the Chief Financial Officer and Legal Department for inclusion in the Gifts and Hospitality Register as appropriate.

### Details of the gift or hospitality given, received or proposed

<b>Recipient of gift/ hospitality and relationship to Company/ donor (including details of their company)</b>	
<b>Reason for gift or hospitality</b>	
<b>Details of proposed gift/hospitality (including date)</b>	
<b>Estimated value</b>	
<b>Any comments / issues to note</b>	

<b>Summarise objective of the gift or hospitality</b>	
<b>Key stakeholder in objective</b>	

**Data protection, confirmation and undertaking**

Information provided in this request form will be processed for the purposes set out in the Gifts and Hospitality Rules, in accordance with data protection principles set out in THE GENERAL DATA PROTECTION REGULATION ((EU) 2016/679) AND THE DATA PROTECTION ACT 2018 and the Company’s Privacy Policy.

I confirm that, to the best of my knowledge the information contained in this request is complete and accurate.

Signed: ..... POSITION IN ORGANISATION Print name: ..... Dated: .....
Signed as approver (Line Manager): Name of Line Manager: Position of Line Manager: Date of approval given:
Signed by Chief Financial Officer: Name of Chief Financial Officer: Date of approval given:

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