

# Anti-Corruption Policy

December 2017

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**Anti-Corruption Policy**

Issue 8, December 2017

**1. PURPOSE**

VolkerWessels UK (VW UK) believes that integrity is of paramount importance in the workplace, it is one of the company's core values. The Group expects all employees, and those who work closely with us, to behave with integrity at all times. We are open and totally honest; our business is ethically and morally strong and each of us is accountable.

What this means is further developed and set out a number of separate Policy Documents or Statements including the following specific aspects:

- Modern Slavery
- Anti-corruption
- Fraud prevention
- Equality, Diversity and Inclusion (EDI)
- Data protection
- Whistleblowing

These policies are supported by an e-learning suite. Each can be completed separately or in conjunction with each other.

It is a condition of your employment that you complete the suite of integrity modules and read the policies. Breach of any of the integrity policies may be considered to amount to gross misconduct and therefore result in the termination of your employment without notice or payment in lieu thereof.

**Anti-corruption**

At VW UK, there is a zero tolerance of corruption or bribery of any kind. We will uphold all laws relevant to countering bribery and corruption in all jurisdictions in which we operate. We remain bound by UK laws, including the Bribery Act 2010, in respect of our conduct both at home and abroad.

This policy is in line with the Bribery Act 2010. The Act relates to both the public and private sector and is relevant to giving or receiving any advantage (which may not necessarily be financial) that could be interpreted as a bribe.

This policy is supported by the board of VW UK and each of its subsidiary companies. It should be read in conjunction with the *VolkerWessels UK Integrity Policy* and other elements of the integrity suite of policies.

This policy sets out how the VW UK Group expects its employees and representatives to behave in operations throughout the UK and abroad. Integrity will ensure the future success of our business and for this reason violation of this policy will be treated with the utmost seriousness in line with disciplinary procedures.

**2. SCOPE**

This policy applies to employees of all VW UK companies and employees of all subsidiary companies. 'Employee' in this context means directly employed, agency workers, contractors and temporary employees.

This anti-corruption policy also forms part of all our contracts with sub-contractors, suppliers, their agents, third party representatives and business partners, sponsors or any other person associated with us, wherever located.

We only do business in accordance with our Anti-corruption policy.

This policy applies to all work, contracts and business related dealings of any nature, whether undertaken in the UK or outside the UK. The scope is identical to that of the Bribery Act 2010 which specifically states that if a person is a British national or is ordinarily resident in the UK, then bribery is still committed under the Bribery Act 2010.

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**3. BRIBERY****3.1 What is bribery?****General Definition**

Where an **advantage** is given / offered / promised or received / requested / agreed / accepted, which consequentially induces "improper performance" (i.e. performance which amounts to breach of an expectation that a person will act in good faith / integrity, impartially, or in accordance with a position of trust), then bribery has been committed which is a criminal offence in line with the Bribery Act 2010.

An advantage includes money, gifts, loans, fees, hospitality, services, discounts, the award of a contract or anything else of value.

**Corruption** is the abuse of entrusted power or position for private gain.

VW UK's interpretation is that this means bribery will occur when an inducement or reward is offered, promised or provided, requested, agreed to or accepted in order to gain any commercial, contractual, regulatory or personal advantage for VW UK, its subsidiary companies or another party.

**Foreign Public Official Bribery**

VW UK occasionally delivers work overseas. An offence will be committed under the Bribery Act 2010 and the terms of this Policy will be breached where a person offers, promises or gives financial or other advantage to a foreign public official with the intention of influencing the official in the performance of his or her functions. We believe that bribery is committed when the person offering, promising or giving the advantage does so to obtain or retain business or an advantage in the conduct of business.

**Foreign Government Contracts**

In seeking publically, funded contracts Governments often permit or require those tendering for the contract on offer, in addition to the principal tender, some kind of additional investment in the local economy or benefit for the local community.

In circumstances where an advantage is given to a foreign public official, and the local law is silent as to whether the officials permitted or required to be influenced by it, then we believe bribery is committed.

**3.2 What is our policy in respect of bribery?**

All employees of VW UK and subsidiaries are expected to act:

- In good faith and with integrity
- Impartially
- In accordance with the expectations that derive from a position of trust

No bribes of any sort must be offered, promised, requested, agreed or paid to or accepted from customers, our supply chain, politicians, government advisors or representatives, private person or company. It is not permitted to establish accounts or internal budgets for the purposes of facilitating bribes or influencing transactions (slush funds).

For the avoidance of doubt, we will not enter into agency agreements with any third party to undertake any of the above on our behalf. Neither is it acceptable to enter into any direct arrangement with employees of (or other related parties to) our counter-parties outside of the contractual arrangements between the respective companies.

Furthermore, no trading will be undertaken through cash payments or receipts. Which, for the avoidance of doubt, means that payments to suppliers may only be made through bank transactions or by use of a procurement card under normal trading arrangements and receipts from clients must all be paid directly by them into our company bank account.

Any requirement for legitimate exceptions to the strict regulations concerning cash transactions must be notified and agreed in advance with the Compliance Officer\* and agreement will only be obtained where strict additional controls are in place to ensure that there is no improper use of cash.

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**4. CORPORATE HOSPITALITY AND GIFTS****4.1 When are hospitality and gifts appropriate?**

Excessive generosity in making gifts or giving entertainment or hospitality to parties from whom business is sought is bribery if it induces improper performance. However, reasonable and appropriate gifts or hospitality are for the quite legitimate purpose of creating goodwill or saying “thank you” for business already given is unlikely to induce improper performance. Determining what is “reasonable” is a difficult area, in which to make precise rules and the exercise of common sense is, as always, important.

VW UK considers that it is good practice to operate within the bounds of what is customarily accepted as appropriate and reasonable within the Group and our industry when making judgements on gifts or hospitality.

In cases of sensitivity, for example where VW UK subsidiaries are bidding for an important contract, consideration should be given as to whether the giving or receiving of gifts or private entertainment to / from persons connected with the bid is appropriate. If VW UK is about to award important business to the supply chain the staff involved must not accept gifts or other benefits from members of the supply chain who may be involved. It is paramount that the company is (and is seen to be) impartial and acting with integrity.

For gifts or hospitality provided to be considered to be a bribe, it must be shown that the hospitality or gift was intended to induce improper conduct that amounts to breach of an expectation and employee will act in good faith / integrity, or in accordance with a position of trust.

For example an invitation to clients to attend a major sporting event as part of a public relations exercise designed to cement good relations or enhance knowledge in the organisation’s field is unlikely to engage a bribery offence if it lacks any intention to induce improper performance.

**4.2 What is our policy in respect of gifts and hospitality?**

This policy applies to the offer of gifts or hospitality both by employees of VW UK to third party companies or by third party companies to an employee of VW UK.

All gifts and hospitality with a value of over £1,000 (being offered or accepted to / by an individual) must be approved by the CEO of VW UK (before offer or acceptance) and recorded in the VW UK Gift Register. This is maintained by the Compliance Officer (see Appendix 1 for an example of the Gift Register).

For the avoidance of doubt, the £1,000 threshold applies to each hospitality event or gift and is not a per person threshold (e.g. legitimately entertaining 15 suppliers at a cost of £1,500 in total should be entered into the register).

For gifts and hospitality below the value of £1,000, of which the employee is unsure whether receipt or giving of a gift could constitute (or could be seen to constitute) a bribe or be unduly generous, it is recommended that this is also disclosed in the gift register after seeking guidance, along with the guidance received.

Each Business Unit may set a lower threshold than the default £1,000. Please contact your Business Unit HR Manager for guidance. It is not permitted for a threshold above £1,000 to be set.

The following are additional points of guidance regarding hospitality and gifts:

- Employees and employees’ families should refuse to accept gifts or hospitality which could influence or appear to influence decisions or create a conflict of interest with the company. The company and its employees must be and be seen to be impartial and acting with integrity at all times
- The acceptance and / or offer of small gifts such as flowers, and / or casual hospitality such as business lunches and dinners, is acceptable within reasonable bounds, as long as it is a normal and appropriate expression of business courtesy
- The primary responsibility for deciding whether gifts or hospitality should be accepted lies with the employee, although guidance is always available from their Managing Director, the Compliance Officer or a member of the VW UK Executive Committee
- Hospitality and gifts should not only be considered as individual offers, but also seen in the context of the annual value of gifts or hospitality received from or offered to each company or individual. It is good practice for all employees to make a record of gifts that have been received and given

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**5. RESPONSIBILITIES**

All employees have a responsibility to carry out their roles and duties for the business with complete integrity. If any instance of bribery or corruption is identified (whether proven or not) this must be reported to the Compliance Officer immediately and appropriate remedial steps will be taken. Employees may report any incidents to their own manager who must escalate the matter to the Compliance Officer to determine the required actions.

The Compliance Officer will then agree the appropriate route for any investigation including reporting to and discussion with the VW Group in the Netherlands as required.

Any breach of these policy requirements by an employee is likely to be considered as gross misconduct and will be dealt with in accordance with the company's disciplinary procedure.

**6. TRAINING AND COMMUNICATIONS**

We will communicate this policy and relevant guidance to employees across the Group, through our established internal communications channels. Training will also be provided for employees of VW UK to ensure adherence to this policy.

We will also communicate this policy to our suppliers, contractors, business partners and wider stakeholders.

**7. MONITORING AND REVIEW**

The VW UK Executive Committee will review the implementation of this policy in respect of its suitability, adequacy and effectiveness and make improvements as appropriate.

**8. INTERNAL CONTROLS AND AUDIT**

VW UK has mechanisms to maintain accurate records, which are available for inspection and which properly document all financial transactions. Internal control systems are subject to regular external audits. Internal business and finance reviews provide assurance that these controls are effective in countering bribery and corruption.

**9. FURTHER GUIDANCE**

Inevitably, decisions as to what is acceptable may not always be easy, particularly in the absence of minimum legal standards. If anyone is in doubt as to whether a potential act constitutes bribery / corruption, the matter should be referred to their Managing Director, the Compliance Officer, or a member of the VW UK Executive Committee.

\*Compliance Officer Role Holder: Naomi Connell CFO VolkerWessels UK

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**APPENDIX 1**
**Gift Register**
**VolkerWessels UK recipient**

| Date | VW UK Company | Employee name | Third party | Description of offer | Purpose of the gift / hospitality | Estimated value |
|------|---------------|---------------|-------------|----------------------|-----------------------------------|-----------------|
|      |               |               |             |                      |                                   |                 |
|      |               |               |             |                      |                                   |                 |
|      |               |               |             |                      |                                   |                 |
|      |               |               |             |                      |                                   |                 |
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**VolkerWessels UK as proposer**

| Date | VW UK Company | Employee name | Third party | Description of offer | Purpose of the gift / hospitality | Estimated value |
|------|---------------|---------------|-------------|----------------------|-----------------------------------|-----------------|
|      |               |               |             |                      |                                   |                 |
|      |               |               |             |                      |                                   |                 |
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**10. IMS AUTHORISATION****Document owner approval:****Andrew Edge**, HR Director - 28.11.2017**Approval for IMS:****Angela Saini**, Senior IMS Manager - 29.11.2017