Anti-Bribery Policy

Contractors, Consultants and Suppliers

Revision history

<table>
<thead>
<tr>
<th>Version</th>
<th>Revisions made</th>
<th>Date approved</th>
<th>Approved by</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.0</td>
<td></td>
<td>July 2012</td>
<td>Bribery Working Group</td>
</tr>
<tr>
<td>2.0</td>
<td>Updated to include training</td>
<td>November 2014</td>
<td>Bribery Monitoring and Compliance Group</td>
</tr>
<tr>
<td>2.1</td>
<td>Scope and process update</td>
<td>27 October 2016</td>
<td>Bribery Monitoring and Compliance Group</td>
</tr>
<tr>
<td>2.2</td>
<td>Update on giving gifts &amp; hospitality</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
1. Introduction

The City & Guilds Group is committed to the highest ethical standards of conduct and integrity in its business activities in the UK and overseas. We take a zero-tolerance approach to bribery and corruption and as such we prohibit anyone working for or on behalf of the City & Guilds Group from offering, promising, giving, seeking or accepting any bribe.

We will uphold laws relevant to countering bribery and corruption in all the countries in which we operate. We are also bound by the laws of the UK, including the Bribery Act 2010, in respect of our conduct both at home and abroad.

The purpose of this policy is to:

- set out our responsibilities, and the responsibilities of those providing services to us, in observing and upholding our position on bribery and corruption; and
- provide information and guidance to those providing services to us on how to recognise and deal with bribery and corruption issues.

The City & Guilds standard contract for services requires contractors, consultants and suppliers to comply with this policy if they do not have any existing policies and procedures which comply with the Bribery Act 2010.

For the purpose of this policy references to “Contact” means your Customer Project Manager, Quality Manager or main contact at the City & Guilds Group.

2. Scope

This policy applies to contractors, consultants and suppliers providing services to any member of the City & Guilds Group. The City & Guilds Group shall mean:

- UK members of the City & Guilds Group which are owned or controlled directly or indirectly by The City and Guilds of London Institute; and
- overseas members of the City & Guilds Group which are owned or controlled directly or indirectly by The City and Guilds of London Institute (“City & Guilds”).

Companies that are not wholly owned subsidiaries (as set out in the Legal Department’s Group Legal Structure document) are out of scope of this policy. Whilst training may be made available to them it will not be enforced or monitored.

There is a separate Anti-bribery Policy for employees and trustees.

3. Definition of bribery

A bribe is an inducement or reward offered, promised or provided in order to gain any commercial, contractual, regulatory or personal advantage. It is not limited to a financial reward and can take any form where the intent is to induce or reward improper performance of a position of trust, or a function.

Examples:

Offering a bribe
4. Your responsibilities

The prevention and reporting of bribery or other forms of corruption is the responsibility of all persons associated with the City & Guilds Group. All consultants, contractors and suppliers are required to avoid any activity that might lead to, or suggest, a breach of this policy.

You must:

- not offer, promise or give a bribe on behalf of the City & Guilds Group;
- not seek or accept any bribe either for yourself or on behalf of the City & Guilds Group;
- not offer, promise or give any facilitation payment on behalf of the City & Guilds Group (see section 5);
- if requested to do so by your Contact, complete and ensure that your staff who are also providing services to the City & Guilds Group complete any anti-bribery training; and
- notify your Contact as soon as possible if you believe or suspect that bribery has taken place or is likely to take place.

Any breach of this policy could result in criminal proceedings against both the individual and the City & Guilds Group and cause serious damage to the reputation of the City & Guilds Group.

Therefore, any breach of this policy will be a material breach entitling the contracting member of the City & Guilds Group to terminate your contract for services without notice.

5. Facilitation payment
**Facilitation payments** are typically small, unofficial payments made to secure or speed up a routine government action by a government official. They are not commonly paid in the UK, but can exist in some countries in which we operate. Facilitation payments are different from an official, publicly available fast-track process.

**Examples:**

**Facilitation Payment**

A customs officer requests a small payment to secure the clearance of some City & Guilds textbooks through customs.

This is likely to be a facilitation payment as you are paying an official to do a routine action. You should ask for details of the payment and why it is required in writing.

**Fast-Track Process**

During the process of booking a postal delivery, the postal service offers you a faster method of delivery which costs an additional fee.

This is likely to be a legitimate, publicly available fast-track process. If you are uncertain you can still request details in writing.

We will not make or offer any facilitation payment and we prohibit anyone else from making or offering a facilitation payment on our behalf.

This prohibition does not apply if the request for payment is accompanied by threats or if you are otherwise concerned for your personal safety, but you must report it as soon as possible, to your Contact.

Where a public official has requested a payment which you suspect is a facilitation payment, you should:

- ask for further details of the purpose and nature of the payment in writing; and
- report the request for the payment immediately by email or phone and, if provided, forward written details of the purpose and the nature of the payment to your Contact.

Your Contact will consider the nature of the payment and determine whether it is appropriate for such payment to be made.

6. **Charitable and political donations**

You must not make any donations to charities or political parties on behalf of the City & Guilds Group.

7. **Receiving gifts and corporate hospitality**

We appreciate that the practice of giving business gifts and hospitality varies between countries and regions and what may be normal and acceptable in one region may not be in another.
7.1. **Small promotional gifts**

You can accept small promotional gifts (such as pens and calendars), which are offered as a direct result of the services you provide to the City & Guilds Group, without the need to check with your Contact.

7.2. **Other gifts**

In relation to any other gifts which are offered to you as a direct result of the services you provide to the City & Guilds Group, you will need to get approval from your Contact. Your Contact will discuss it with you and then decide whether it is appropriate in the circumstances to accept it.

It will **not** be appropriate to accept other gifts if they are:

- capable of being interpreted as placing an obligation on the City & Guilds Group or giving a benefit to the City & Guilds Group;
- over a nominal value of £30;
- otherwise excessive, disproportionate and inappropriate in the circumstances; or
- offered during negotiations or tender procedure by a party involved in those negotiations or tenders.

If your Contact decides that it is not appropriate for you to accept the gift then it should be returned with a note thanking the sender explaining that it is City & Guilds Group policy that contractors, consultants and suppliers should not receive gifts.

It is your Contact’s responsibility to keep records of all gifts offered to consultants, contractors and suppliers during the provision of services; both those accepted and those declined, in accordance with section 9.

7.3. **Small-scale hospitality**

You can accept small scale hospitality (such as tea, coffee, soft drinks and snacks) which are offered to you as a direct result of the services you provide to the City & Guilds Group, without the need to tell your Contact.

7.4. **Hospitality**

City & Guilds Group acknowledges that hospitality is used in order to build and maintain business relationships and in some cases it will be appropriate to accept an invitation to lunch, dinner or drinks or a corporate event which are offered to you as a direct result of the services you provide to the City & Guilds Group.

However, it will **not** be appropriate to accept hospitality if it is:

- capable of being construed as placing an obligation on the City & Guilds Group or granting a benefit to the City & Guilds Group;
- over a nominal value of £75;
• offered during negotiations or tender procedure by a party involved in those negotiations or tenders; or
• an invitation to a sporting, theatrical or other similar event not related to the business of the City & Guilds Group unless there is a specific business reason for attendance.

You must seek approval from your Contact about any hospitality that you are offered prior to acceptance.

It is your Contact’s responsibility to keep records of all hospitality offered to you during the provision of services; including both hospitality accepted and hospitality declined.

**Example**

On a visit to a customer, the customer arranges for refreshments to be available at a meeting. It is of course fine to accept this without the need to tell your Contact about it.

**Example**

A customer of the City & Guilds Group invites you to dine with them as part of a normal business supplier relationship. You can accept this but you will need to tell your Contact about it before accepting.

**Example**

A customer of the City & Guilds Group offers you tickets for an all-expenses paid trip to Paris. This is excessive as it could be seen as a bribe for City & Guilds having accepted their business and should not be accepted.

**Example**

A customer of the City & Guilds Group gives you a box of chocolates to say thank you for working with them. If the value is less than £30, this could be accepted but speak to your Contact about whether you can accept the gift or not.

**Example**

A customer of the City & Guilds Group invites you to participate in a golf tournament which will be attended by a number of their other suppliers. You should speak to your Contact about whether it would be appropriate for you to attend.

If in doubt as to whether you can accept gifts or hospitality, please speak to your Contact.

8. Giving gifts and corporate hospitality

Except in relation small promotional gifts (such as pens and calendars) that the City & Guilds Group may supply to you, you must not give any gifts or hospitality to any third party on behalf of the City & Guilds Group unless you obtain prior written approval from your Contact- this is of particular importance where the intended recipient is a public official.

The City & Guilds Group will only authorise corporate hospitality, gifts and promotional expenditure which is reasonable, proportionate and appropriate in the circumstances.
The giving of a gift or providing of hospitality is acceptable if it is:

- not made with the intention of influencing a third party to obtain or retain business or a business advantage, or to reward the provision of business or a business advantage, or in explicit or implicit exchange for favours or benefits;
- in compliance with local law;
- given in the name of the City & Guilds Group, not in your name;
- not cash or cash equivalent;
- not over a nominal value of £30 for gifts;
- not over a nominal value of £75 for hospitality;
- of an appropriate type and value and given at an appropriate time; and
- given openly, not secretly.

It is your Contact's responsibility to keep records of all hospitality offered, including both hospitality accepted and hospitality declined, in accordance with section 9.

The register of gifts and hospitality is reviewed quarterly by the BMCG and any issues are escalated to the Audit and Risk Committee.

9. Keeping records and monitoring

Except for small promotional gifts and small scale hospitality, Your Contact is required to keep records of all gifts and hospitality given, accepted or declined by their consultants, contractors and suppliers as a direct result of the services they provide to the City & Guilds Group, in accordance with this policy.

Your contact should maintain an overall register of gifts and hospitality for their consultants, contractors and suppliers. These registers are monitored by the BMCG on a regular basis. Contacts may also be required to provide these records as part of any Internal Audit process.

All accounts, invoices, memoranda and other documents and records relating to dealings with third parties, such as clients, suppliers and business contacts which are undertaken in the course of the provision of service to the City & Guilds Group, must be prepared and maintained. No accounts may be kept "off-book" to facilitate or conceal improper payments.

Please note that your contract with the contracting member of the City & Guilds Group may allow us to audit these records.
10. Reporting suspected bribery

10.1. Reporting

If you have any concerns or suspect any act of bribery or corruption is taking place you should raise this with your Contact at the earliest possible opportunity.

Examples

The following is a list of possible “red flags” which may indicate the existence of bribery or other corrupt practices. It is not intended to be exhaustive and is for illustrative purposes only.

- you become aware that a third party:
  - engages in, or has been accused of engaging in, improper business practices;
  - has a reputation for paying bribes, or requiring that bribes are paid to them;
- a third party:
  - insists on receiving a commission or fee payment before committing to sign up to a contract with us, or carrying out a government function or process for us;
  - requests payment in cash and/or refuses to sign a formal commission or fee agreement, or to provide an invoice or receipt for a payment made;
  - requests that payment is made to a country or geographic location different from where the third party resides or conducts business;
  - requests an unexpected additional fee or commission to “facilitate” a service;
  - demands lavish entertainment or gifts before commencing or continuing contractual negotiations or provision of services;
  - requests that a payment is made to “overlook” potential legal violations;
  - requests that you provide employment or some other advantage to a friend or relative;
  - insists on the use of side letters or refuses to put terms agreed in writing;
  - requests or requires the use of an agent, intermediary, consultant, distributor or supplier that is not typically used by or known to us;
- you receive an invoice from a third party that appears to be non-standard or customised;
- you notice that we have been invoiced for a commission or fee payment that appears large given the service stated to have been provided; and/or
- you are offered an unusually generous gift or offered lavish hospitality by a third party.
10.2. Protection

You should not be concerned about possible repercussions if you refuse to accept or offer a bribe, or raise concerns or report another's wrongdoing. The City & Guilds Group is committed to supporting any individual who reports any act of bribery or corruption. Further details on the support the City & Guilds Group offers are set out in the Whistleblowing Policy.

10.3. Action by the City & Guilds Group

The City & Guilds Group will fully investigate any instances of alleged or suspected bribery.

Any proven allegation may result in the termination of the contract between you and the relevant member of the City & Guilds Group.

City & Guilds may also report any matter to the relevant authorities, including the Director of Public Prosecutions, Serious Fraud Office, Foreign and Commonwealth Office, Revenue and Customs Prosecutions Office and the police.

11. Responsibility for this policy

The City & Guilds Group is responsible for this policy and we shall renew, amend and update this policy from time to time as required. New versions of this policy will be notified to you by your Contact.