

**This arrangement applies to all employees**  
**This is a Global arrangement**

# **Anti-Bribery and Corruption/Ethical Policy**

## **BAB-LG-POL-27**

### **Version 1**

## Document History

Version	Date	Author	Owner	Approver	Description of Change

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**1. Purpose**

Policy, procedures and guidance on preventing or minimising the risk of bribery and corruption/ethical practices in Babcock's business.

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Sectors will need to set their own internal approval limits as regards certain matters, including charitable donations, corporate gifts and hospitality and, to the extent not already covered by their approvals procedures, the appointment of subcontractors or working as a subcontractor or dealing with new customers;





***No act is permitted if there is an intention to influence a person to act improperly; or if there is an intention to influence a non-UK public official to secure a business advantage for anyone; or if acceptance of what is offered would itself constitute improper performance of a duty.***

Subject	Permitted	General Guidance and Exceptional Circumstances
<b>Facilitation Payments (“FPs”)</b>  For an explanation of what these are see Section G.	<b>NONE</b> (unless exceptional circumstance (see right) applies.	<b>General Guidance</b>  If what appears to be, or could reasonably be regarded as, an FP is requested or demanded, ask for evidence that the payment is due and is legitimate, ideally evidenced on a visible and official tariff. If satisfied by the evidence that it is an officially and legitimately required fee, the payment can be made but an official receipt should be requested on payment. If you remain uncertain whether the fee is legitimate do not make the payment and seek further advice from



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**Appointment of Business Partner: appointment of a Subcontractor by Babcock or Babcock as a Subcontractor**

<p><b>Appointment of Babcock as a subcontractor at any level in a supply chain</b></p> <p><b>Appointment by Babcock of sub-contractors to Babcock (including any material sub-sub-contractors)</b></p>	<p>All appointments (whether of a subcontractor by Babcock or Babcock as a subcontractor) must be approved according to each Sector’s own procedures and (as part of its contract approvals process) the Group delegated authorities and TAF process.</p> <p>Those procedures must include appropriate and proportionate due diligence on the sub-contractor (if Babcock is appointing the sub-contractor) or the prime contractor/employer (if we are the sub-contractor being appointed) and as to whether the appointment is in line with Babcock’s Code of Business Conduct. Examples of the types of issues that the Sector should bear in mind are set out in the list of Red Flags at the back of this matrix. See also Section L of the full Guidance which discusses what due diligence should be undertaken.</p> <p>If any issues are identified, then the approval of the relevant Sector Chief Executive should be sought (if it would not otherwise have been needed).</p> <p>The Sector should keep a record of its assessment. If a Group TAF approval is required, the above information should be included in the TAF.</p> <p>Each year, each Sector must undertake as part of its risk register review, an anti-bribery and corruption risk assessment which will involve a review of the Sector’s prime and sub-contractors and other significant counter parties.</p>
<p><b>Comment/Additional Action required</b></p>	<p><b>In some circumstances, even though Babcock may just be taking a subcontractor’s role, its real position is greater and in effect is more akin to a partnering or teaming arrangement – in which case it should be approved as though it was a partnering or teaming arrangement (see previous page on the approval of teaming arrangements, joint ventures and consortiums).</b></p>



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**Corporate Gifts**

<b>Corporate Gifts Giving</b>	- These limits are for the purpose of our Code of Business Conduct. Any otherwise applicable expenses approval or reimbursement procedures should still be complied with.
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To a public official      **NOT PERMITTED** – any deviation from this policy must have the express prior approval of a Sector Chief Executive or the Group

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**Corporate Gifts**

the person authorising the corporate gift must also take into account the aggregate of the corporate gifts and hospitality



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**Corporate Hospitality**

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Offset

Offset  
arrangements





**Secrecy.** Requests to keep an arrangement or relationship confidential, where this is not obviously needed in order to protect legitimate commercial interests. Or you instinctively want to keep it quiet.

**No or misleading or poor paperwork.** Re( )Tj /R98803(meR9 -11.4 T547( fo)4.01263(r)-2.J 113( )JTJ04846(ma)2.64526(y)-4.J 111(me)2

Noce

No

**Strange Payment Requests.** Requests to make payments to someone other than the person or entity providing the services or materials in question (for example, an agent requests the payment to go to a director or employee or to another company).

**Offshore Payments.** Requests for payment to be made to accounts outside the territory in which the other party is based.

**Cash in hand.** Requests for payment in cash or other non-traceable form.

**Payment before performance.** Requests for significant payments “up front” with no legitimate commercial reason.

**Rushed payment.** Demands for payment at short notice.

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seeking retrospective approval, you must include the justification for not having sought approval

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**10. Section E - Making Charitable, Political or other Donations or Sponsorship**

**Charitable Donations**

A charitable donation (whether in cash or kind) may be perceived as an attempt to influence someone (for example, making a donation to a charity sponsored by a customer or pocm BT /R9,o[( )-6.367







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## 12. Section G - Facilitation Payments

Facilitation payments are unofficial payments that are requested or expected for the delivery of goods or services to which the payer would otherwise be legally entitled.

Facilitation payments (often referred to as “grease payments”) are normally relatively small sums, although the connection is often not made between monetary value for the payer and purchasing power for the recipient). Their size may therefore encourage the payer to believe that, because the sum is so insignificant, it “doesn’t really count”.

Nevertheless, they do count and they are illegal under UK law, and as such, they are strictly forbidden in the Babcock Group globally.

However, Babcock also recognises and accepts our corporate responsibility to safeguard the personal health and safety of our employees. Whilst this may not be a complete answer in law against the payment being treated as a bribe, it could be a mitigating circumstance, in the event of a prosecution being considered or brought against either the employee or the company.

Using “personal safety” as an unjustified excuse to make an FP is unacceptable and a serious breach of our Code of Business Conduct. It will only ever genuinely apply in exceptional circumstances.

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are expecting the Agent to deliver, the added value that he can bring and why Babcock cannot reasonably be expected to proceed without his appointment and cannot perform those services itself - or do without them, and an assessment as to the risk of unethical behaviour inherent in the delivery of those works or services;

- b) confirmation that we have not been asked to appoint the Agent by anyone involved in any related tender or project on the client side;
- c) a summary of the due diligence undertaken (which must be appropriate to the case in hand and will normally include investigation so far as reasonably possible and appropriate), any noteworthy limits on the extent of that investigation, and its findings. ha1; so 4(h00

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**14. Section I - Offset Arrangements**

1. In seeking tenders for publicly funded contracts, Governments across the world often permit and in some cases require those tendering for the contract to offer, in addition to the principal tender, some kind of additional investment in, or benefit to, the local community. For example, where the tender will involve the prime contractor setting up a supply chain in order to deliver the project, the prime contractor may undertake to ensure that a given percentage of the value of the work done will be done within the territory of the country concerned using local contractors. Or the prime contractor may agree to transfer certain t

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**17. Section L - Due Diligence**

1. It is essential we protect Babcock’s interests and reputation by knowing who we are dealing with or relying on – whether a client, a supplier, a sub-contractor (or material sub-sub-



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on particular countries or territories within a particular country if required - they refer to this

## Appendix A - Babcock Code of Business Conduct

### 1. OUR POLICY: Babcock will conduct its business to the highest standards of honesty and integrity.

WHY?

Simply, it is the right and proper thing to do and it is in Babcock's, and our employees', best interests:

Our reputation and good name are our greatest assets; they are easily lost by actual or suspected corrupt or unethical behaviour. Without them we will lose business and jobs. Corrupt behaviour can be criminal behaviour: the company and employees can be prosecuted, fined or imprisoned. Conviction can ruin individual careers, lead to existing contracts being terminated and disqualification from bidding for others, with a consequent loss of jobs.

### 2. What our Code of Business Conduct means

**Babcock:**

- a) WILL respect the dignity and rights of its employees and place the highest priority on ensuring the safety of each other at work and the safety of others who might be affected by our activities;
- b) WILL seek to minimise so far as we reasonably can the impact of our activities on the environment;
- c) WILL comply with the law in the conduct of our business;

- l) WILL NOT take bribes and will report to appropriate management any attempt made to bribe or improperly influence them or another employee in the carrying out of their duties for Babcock;
- m) WILL NOT bribe or attempt to bribe anyone (including by making “facilitation payments”<sup>1</sup> and will report to appropriate management any request or suggestion that Babcock, or anybody working for or with Babcock, should bribe or attempt to improperly influence someone;
- n) WILL seek advice on how to proceed if they are at all unsure whether something complies with our Code of Business Conduct or how to apply its associated Guidance ;
- o) WILL be able to raise (confidentially if they wish), without fear of unfavourable consequences for themselves, any genuine concerns they have that our Code or its associated Guidance is not being followed.

**And our Business Advisers**

- p) MUST agree to comply, and actually comply, with our Code and this Guidance, so far as relevant to them, as if they were our employees.

**And our Business Partners**

- q) SHOULD either be willing to subscribe to our Code and its associated Guidance or have equivalent standards and procedures in their own businesses.

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<sup>1</sup> A “facilitation payment” is a payment to a public official or another person to encourage or reward that

## Appendix B - Template Short Form Anti-Corruption Policy



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**A. PRINCIPLES OF THIS POLICY**

1. Babcock is committed to honesty and integrity in how it does business.
2. No Babcock employee or representative of Babcock may engage in any dishonest practice or any form of corruption anywhere in the world. Corruption includes, but is not limited to, the giving or receiving (directly or indirectly) of bribes, kickbacks or any other improper advantage in the context of a business relationship or transaction.
3. This policy against corruption is of paramount importance.
4. The Policy shall be read in conjunction with the Babcock Code of Business Conduct which is included as an appendix to this document.

***What you must do to comply***

5. All Babcock companies and employees must:
  - a) Act honestly at all times.
  - b) Comply with the laws of the United Kingdom and any other country in which they are operating or which may otherwise have an impact on its business operations.
  - c) Never bribe or give any other improper advantage to any party (whether directly or indirectly), or receive the same from any party (whether directly or indirectly).
  - d) Avoid any appearance of impropriety in business relationships or transactions.
  - e) Keep full and accurate records of all payments made by any Babcock company or by third parties on behalf of any Babcock company.

***Penalties for non-compliance***

6. Under UK law bribery is a criminal offence (no matter where in the world the corrupt behaviour takes place), as are attempts, aiding and abetting or conspiracy to commit such an offence. The penalties on conviction are likely to be severe, and include:
  - a) long terms of imprisonment for individuals;
  - b) significant fines;
  - c) debarment from public procurement projects; and/or
  - d) lasting reputational damage for the company.
7. Babcock is committed to complying with all applicable laws everywhere it conducts business. As a result, **all officers, employees and representatives have an affirmative obligation to become familiar with, and to adhere to, this Policy.**
8. Any action in breach of this Policy may constitute gross misconduct and as such would be likely to lead to dismissal.

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**POLICY REGARDING RISKS TO PERSONAL SAFETY**

26. In circumstances where you face an immediate risk to your personal safety, such as extortion backed by physical threats, you should take any reasonable action to remove yourself from physical danger as soon as possible. Once the employee in question is able to do so, a full written report should be made to your line-manager and to [*insert appropriate contact*].

**POLICY REGARDING CONFIDENTIAL DISCLOSURES**

27. All Babcock employees are required to report any breaches of this Policy, in the first instance, to [*insert appropriate contact*]. All such reports will be investigated, in confidence insofar as possible.
28. Babcock operates a confidential telephone line to facilitate the making of such reports. The number to ring is [*insert appropriate contact*]
29. Babcock will support any employee or officer who makes such a report and will ensure that the report is treated with the greatest seriousness. No disciplinary action may be taken against any person who makes a legitimate report, even if the suspicions reported turn out to be incorrect. Disciplinary action will be taken against any person who attempts to victimise or discriminate against a person making such a report.

**Questions**

30. For further information in relation to any of the issues outlined in this Policy please contact [*insert appropriate contact*].



**BABCOCK****HOSPITALITY GUIDELINES**



## Babcock Hospitality Register

11. In accordance with Babcock Code of Business Conduct (included in the Appendix to this policy), all Hospitality must be properly and accurately recorded in the Babcock Hospitality Register. All personnel either giving or receiving hospitality should provide details of the Hospitality to *[insert appropriate contact]*.
12. All Hospitality must be approved in advance. If approval is pending or has not been granted the Hospitality in question may not be given or accepted.
13. This Register covers 3 aspects:

Where a Babcock employee has been invited to a corporate event by either a company or individual

If an Babcock employee has been invited/or invited someone for a meal outside of normal working meetings

Items received as a gift e.g. bottles of spirits

14. The information that is required is:

Date of event

Description of event

Approximate cost

Name of company/individual inviting you or you have invited by

Sort of gift and approximate value (normal small value corporate gifts i.e. diary/desk calendar we do not need to know about)

**Babcock Anti-Corruption Policy**

***BABCOCK CODE OF Business Conduct***

**[Insert Babcock Code of Business Conduct - see *Appendix A*]**

**Babcock Anti-Corruption Policy*****Case Studies*****CASE STUDY 1 – TRAVEL & ENTERTAINMENT***Facts*

1.

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**Risk Assessment**

1. In assessing risk in any given situation, consider:

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## Appendix D - What is Bribery?

### Generally

1. Bribery, in its general sense, can take many forms, but in essence it is an offence for a person to offer or give a financial or other advantage to a person in one of two ways:

- a) Where thea n 6b1.99394yn 214.003-4(a )-a781(n49)14.0115(t)-4(a)4.99781(ge)3(9(7)1a pe)10.9908



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- O. Equally, we have to be aware of the scenarios where our employees are offered bribes in order for the Babcock employee to exercise his discretion improperly. This is called “passive” bribery. For example, a Babcock employee may be offered a financial or other inducement in order to grant the award of business to a third party, such as a supplier or sub-contractor.



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**1. Proposed Business Partner:**

1.1 Business Partner Name:	
1.2 Address	Provide the address of the principal place of business
1.3 Legal Structure:	<input type="checkbox"/> Corporation; <input type="checkbox"/> Partnership; <input type="checkbox"/> Individual; <input type="checkbox"/> Other
1.4 Principal and Key Personnel:	if Business Partner is not an individual
1.5 Owner(s):	if Business Partner is not an individual.
1.6 How were we introduced to the Business Partner and how long have we known him?	Note you will be asked to provide further background information in Section 3 below

### 3. Background of Prospective Business Partner:

3.1 Occupation or Principal Business Activity?	
3.2 Country of Registration	If the Business Partner is other than an individual person, is the entity registered in the country where the services are to be performed? If not, why not?
3.3 Relationships with potential clients	Provide details of the prospective Business Partner’s relationships with target clients. Are any Owners or Key Personnel government or political party officials, or related to such officials?
3.4 Prior or existing agreement(s) with Babcock:	
3.5 Number of Employees:	
3.6 Length of time in the same business as contemplated in the agreement:	
3.7 Affiliations; Representation of other Companies or Organisations	Is the Business Partner affiliated to any other organisations; does the agent act for any other companies or organisations? If so, which ones? Can we/have we contact(ed) them for references? If so, what are the findings?
3.8 Field of Business Partner’s Activities	List the market sectors (municipalities, national government, contractors, or industry1(C)-11802(n)-8.99341.9-8.99472( O)5( G



**APPENDIX C.1(c)****CONSORTIUM APPROVAL FORM**

Trading Unit	
Project	Tender
Name	Ref:



Members of the Consortium

Contracting Company	Estimated value of work allocation	% of contract value	Members parent company
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

100

**Tender Submittal**

Tender to be submitted to the Client in the name of:-

\_\_\_\_\_

**Price Levels**

**Currency**

**Amount**

Consortium

\_\_\_\_\_

\_\_\_\_\_

Babcock

\_\_\_\_\_

\_\_\_\_\_

**Key Dates**

Receive enquiry

Contract award

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