

ANTI-BRIBERY & CORRUPTION POLICY

Introduction

Sewtec Automation Limited (“The Company”) is committed to promoting and maintaining the highest level of ethical standards in relation to all of its business activities. Its reputation for maintaining lawful business practices is of paramount importance and this Policy is designed to preserve these values.

Sewtec has a zero tolerance policy towards bribery and corruption and is committed to acting fairly and with integrity in all of its business dealings and relationships and implementing and enforcing effective systems to counter bribery.

Purpose and Scope of Policy

This Policy sets out Sewtec’s position on any form of bribery and corruption and provides guidelines aimed at:

Ensuring compliance with anti-bribery laws, rules and regulations, not just within the UK but in any other country within which Sewtec may carry out its business or in relation to which its business may be connected.

Enabling employees and persons associated with the Company to understand the risks associated with bribery and to encourage them to be vigilant and effectively recognise, prevent and report any wrongdoing, whether by themselves or others.

Providing suitable and secure reporting and communication channels and ensuring that any information that is reported is properly dealt with effectively.

Creating and maintaining a rigorous and effective framework for dealing with any suspected instances of bribery or corruption.

This Policy applies to all permanent and temporary employees (including any of its intermediaries, subsidiaries or associated companies). It also applies to any individual or corporate entity associated with the Company or who performs functions in relation to, or for and on behalf of, the Company, including, but not limited to, directors, agency workers, casual workers, contractors, consultants, seconded staff, agents, suppliers and sponsors (“associated persons”). All employees and associated persons are expected to adhere to the principles set out in this Policy.

Our principles

It is our policy to conduct all of our business in an honest and ethical manner. We take a zero-tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate and implementing and enforcing effective systems to counter bribery.

It is our objective that those we do business with take a similar zero-tolerance approach to bribery and corruption.

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

Bribery and corruption are criminal offences and are punishable for individuals by up to ten years' imprisonment. If we are found to have taken part in corruption we could face an unlimited fine, be excluded from tendering for contracts and face damage to our reputation. We therefore take our legal responsibilities very seriously and expect all our employees and associated persons to do the same.

In this policy "third party" means any individual or organisation our employees come into contact with during the course of their work for us, and includes actual and potential clients, customers, suppliers, distributors, business contacts, agents and advisers.

This policy should be read in conjunction with the Sewtec Automation Expenses Policy and Whistle Blowing Policy.

This policy does not form part of any employee's contract of employment and it may be amended at any time.

Responsibility for the policy?

Our Senior Management Team have overall responsibility for ensuring this policy complies with our legal and ethical obligations, and that all those under our control comply with it.

Management and senior staff at all levels are responsible for ensuring those reporting to them are made aware of and understand this policy and are given appropriate training on it.

Risks for our business

We have identified some particular risks for our business, an overview of which is set out in Schedule 1 to this policy together with our assessment of those risks.

What are bribery and corruption?

Corruption is the abuse of public or private office for personal gain.

In general terms, bribery is committed where a person (A) offers or gives some benefit to another person (B) as an inducement for that person or another person (C) to act dishonestly in relation to his principal's or employer's business. In such case, all those persons (A, B and C), as well as other persons who were complicit in the offence, may be guilty of bribery.

Remember:

A bribe does not have to be cash;

The person who receives the bribe is as guilty as the person who offers it even if it is unsolicited;

The bribe will still be an offence under UK law if it is committed overseas, irrespective of whether it would be illegal under local law;

A bribe is a criminal offence.

Gifts and hospitality

This policy does not prohibit reasonable and proportionate hospitality (given and received) to or from third parties in line with the Expenses Policy.

What is not acceptable?

It is not acceptable to:

- (a) give, promise to give, or offer, a payment, gift or hospitality on the condition that a business advantage will be received, or to reward a business advantage already given;
- (b) give, promise to give, or offer, a payment, gift or hospitality to a government official, agent or representative to "facilitate" or expedite a routine procedure (where the payment is not a legitimate payment pursuant to local written law);
- (c) accept payment from a third party that is intended to obtain a business advantage for them;
- (d) accept a gift or hospitality from a third party if it is offered or provided on the condition that a business advantage will be provided by us in return;
- (e) threaten or retaliate against another employee or associated person who has refused to commit a bribery offence or who has raised concerns under this policy; or
- (f) engage in any activity that will breach this policy.

Facilitation payments and kickbacks

Facilitation payments are typically small, unofficial payments made to secure or expedite a routine government action by a government official. They are not commonly paid in the UK, but are common in some other jurisdictions.

Kickbacks are typically payments made in return for a business favour or advantage.

We do not make, and will not accept, facilitation payments or "kickbacks" of any kind. You must avoid any activity that might lead to, or suggest, that a facilitation payment or kickback will be made or accepted by us.

If employees or associated persons are asked to make a payment on our behalf, they should always be mindful of what the payment is for and whether the amount requested is proportionate to the goods or services provided. Employees should always ask for a receipt which details the reason for the payment. If employees or associated persons have any suspicions, concerns or queries regarding a payment, they should raise these with the Head of Finance.

Dealing with foreign officials and representatives of state owned enterprises;

Additional restrictions apply in these cases. The Bribery Act contains a surprisingly wide concept of bribing a public official, which applies where a worker gives a financial or other advantage to the official with the intention of influencing the performance of their functions, except where the advantage is permitted or required by written law. The odd aspect of this is that the government has clearly stated that the advantage could be indirect. So if an employee agreed to invest in a local business and in return agreed to make a donation to a local school, which happened to be attended by the official with whom an employee or associated persons had been dealing with, this could result in the offence being committed. If unsure, employees or associated persons must speak to the Managing Director.

Donations

We do not make contributions to political parties. We only make charitable donations that are legal and ethical under local laws and practices. No donation must be offered or made without the prior approval of the Head of Finance. This policy only applies to business, not personal, donations.

Responsibilities

Employees and associated persons are required to read, understand and comply with this policy, and to notify their manager, Head of Finance or the Managing Director or use the procedure in the Whistleblowing Policy as soon as possible if they believe or suspect that a conflict with this policy has, or may occur. For example, if a client or potential client indicates to them that a gift or payment is required to secure their business. Further indicators that may point towards bribery or corruption are set out in Schedule 2.

Such concerns should be raised with the Head of Finance and will be treated in the utmost confidence.

Any employee who breaches this policy will face disciplinary action, which could result in dismissal for gross misconduct.

We reserve our right to terminate our contractual relationship with any third parties if they breach this policy.

Protection

Employees or associated persons who refuse to accept a bribe, or refuse to offer a bribe, or those who raise concerns or report another's wrongdoing, are sometimes worried about possible repercussions. We aim to encourage openness and will support anyone who raises genuine concerns in good faith under this policy, even if they turn out to be mistaken.

We are committed to ensuring no one suffers any detrimental treatment as a result of refusing to take part in bribery or corruption, or because of reporting in good faith their suspicion that an actual or potential bribery or other corruption offence has taken place, or may take place in the future. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern. If an employee or associated persons believe that they have suffered any such treatment, they should inform their line manager, Head of Finance or Managing Director immediately. If the matter is not remedied, and they are an employee, they should raise it formally using our Grievance Procedure.

Record-keeping

We are required to keep financial records and have appropriate internal controls in place which will evidence the business reason for making payments to third parties.

All expenses claims relating to hospitality, gifts or expenses incurred to third parties should be submitted in accordance with our expenses policy and specifically record the reason for the expenditure.

All accounts, invoices, memoranda and other documents and records relating to dealings with third parties, such as clients, suppliers and business contacts, should be prepared and maintained with strict accuracy and completeness. No accounts must be kept "off-book" to facilitate or conceal improper payments.

How to raise a concern

Employees and associated persons are encouraged to raise concerns about any issue or suspicion of malpractice at the earliest possible stage. If Employees and associated persons are unsure whether a particular act constitutes bribery or corruption, or if they have any other queries, these should be raised with their line manager or the Head of Finance.

Concerns should be reported by following the procedure set out in our Whistleblowing Policy. A copy of our Whistleblowing Policy can be found on the intranet.

What to do if employees or associated persons are a victim of bribery or corruption

It is important that employees and associated persons inform their manager, Head of Finance or follow the procedure in the Whistleblowing Policy as soon as possible if they are offered a bribe, are asked to make one, suspect that this may happen in the future, or believe that they are a victim of another form of unlawful activity.

Training and communication

All new employees and associated persons will be given a copy of this policy as part of the induction process.

Our zero-tolerance approach to bribery and corruption must be communicated to all suppliers, contractors and business partners at the outset of our business relationship with them and as appropriate thereafter.

Monitoring and review

The Head of Finance will monitor the effectiveness and review the implementation of this policy, considering its suitability, adequacy and effectiveness. Improvements identified will be made as soon as possible. Internal control systems and procedures will be subject to regular audits to provide assurance that they are effective in countering bribery and corruption.

Issue	Issue Date	Author	Revision Notes
1	February 2018	Business Support	New Policy

Schedule 1

Part 1

Risk Assessment

It is a defence to an incident of bribery that the company involved had “adequate procedures” in place to prevent bribery occurring. The adequacy of an organisation’s procedures are in part determined by how comprehensive those procedures and policies are in light of the risks the business faces. An organisation is not required to implement every possible preventative measure. What is required is that an organisation’s preventative measures are proportional to the risks the business actually faces.

A review of the potential risks relevant to the Sewtec and the business we are doing has been completed by a group of employees from across the business and a decision made on a proportional response.

Having considered the jurisdictions and sectors in which the Sewtec operates and the transactions which it carries on, the risks we have identified are outlined in the Schedule 1 table which is available with this policy. If any employees would like to add information or comment on this review, please send input to the Head of Finance.

Part 2

Examples of Bribery

Example 1: Offering a bribe

Employees offer a potential client tickets to a major event on the condition that they agree to do business with us. This would be an offence as they are making the offer to gain a commercial and contractual advantage. The company/organisation may also be found to have committed an offence because the offer has been made to obtain business for us. It may also be an offence for the potential client to accept the offer. The Act and this policy do not seek to prevent reasonable and proportionate hospitality being offered or received. In this example the offence is committed because it is a condition of acceptance that they reward us with work. If the offer was made without condition, for example, to strengthen the commercial relationship and was reasonable and proportionate then it would likely be acceptable.

Example 2: Receiving a bribe

A supplier gives an employee’s nephew a job, but makes it clear that in return they expect them to use their influence in our organisation to ensure we continue to do business with them.

It is an offence for a supplier to make such an offer. It would be an offence for them to agree to use any influence in this way as they would be doing so to gain a personal advantage, such an offer should therefore be declined.

Example 3: Bribing a foreign official:

An "expediting" fee is required by a government official to issue a permit in circumstances where the legitimacy of the fee is not clear, or a fee is demanded which the official claims is legitimate but is higher than the published fee or appears to be disproportionately high given the action required.

Suggested response: Employee or associated persons should consider the following action:

First off, payment should be resisted, particularly any payment in cash and/or payment directly to the official, perhaps using illegality and the prospect of prosecution under the Bribery Act 2010 as a reason not to pay; if the official persists in the demand, ask for documentary proof that the fee is payable; if the official cannot supply evidence of the validity of the fee, they should again politely refuse to pay it or ask to see a more senior official; if this request is refused, or if the senior official is unhelpful, they should not make the payment and say to the official that they have noted their identity and that their employer will make a formal complaint to the official's employer and to the relevant authorities; and finally, they should report the incident to the Head of Finance as soon as practicable giving as much detail as possible so that we can make a meaningful record of the situation and decide what action to take to ensure that it is not repeated. If an employee or associate person have no option other than to pay, perhaps because they have good reason to believe that they cannot escape serious harm unless they meet a demand for payment, they may make such a decision in these exceptional circumstances. Employees or associated persons should report the incident to the Head of Finance without delay. The report should state: why the payment was unavoidable; the purpose of the payment; the amount of the payment; the date it was made; and the identity of the recipient of the payment, and of any superior official to whom reference was made, if known.

Schedule 2

Potential risk scenarios: bribery and corruption indicators

The following is a list of possible scenarios that may arise during the course of working for us and which may raise concerns under various anti-bribery and anti-corruption laws. The list is not intended to be exhaustive and is for illustrative purposes only to help employees or associated persons in their compliance with this policy.

If employees or associated person encounter any of the following scenarios while working for us, they must report them promptly to their manager or to the Head of Finance or using the procedure set out in the Whistleblowing Policy:

- (a) employees or associated persons become aware that a third party engages in, or has been accused of engaging in, improper business practices;
- (b) employees or associated persons learn that a third party they are or intend to be involved with has a reputation for paying bribes, or requiring that bribes are paid to them, or has a reputation for having a "special relationship" with foreign government officials;
- (c) 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;
- (d) a third party 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;
- (e) a third party requests that payment is made to a country or geographic location different from where the third party resides or conducts business;
- (f) a third party requests an unexpected additional fee or commission to "facilitate" a service;

- (g) a third party demands lavish entertainment or gifts before commencing or continuing contractual negotiations or provision of services;
- (h) a third party requests that a payment is made to "overlook" potential legal violations;
- (i) employees or associated persons receive an invoice from a third party that appears to be non-standard or customised;
- (j) a third party insists on the use of side letters or refuses to put terms agreed in writing;
- (k) employees or associated persons notice that we have been invoiced for a commission or fee payment that appears large given the service stated to have been provided;
- (l) a third party requests or requires the use of an agent, intermediary, consultant, distributor or supplier that is not typically used by or known to us;
- (m) employees or associated persons are offered an unusually generous gift or offered lavish hospitality by a third party;
- (n) employees or associated persons are asked to give hospitality at which they are requested not to attend;
- (o) employees or associated persons are offered hospitality at which the giver is not going to be in attendance; or
- (p) employees or associated persons are asked to give hospitality to persons who are not associated with the organisation (for example, family members) or are offered hospitality which extends to persons beyond our business (for example, family members).