

UK Bribery Act - What You Need To Know Guidance for Intertek Staff

1. Introduction

The UK Bribery Act came into force on 1st July 2011. Intertek has always maintained a robust stance against bribery - after all, acting with integrity is the most important attribute we have. This communication is relevant to all Intertek employees, and any third parties who perform services for us on our behalf. All employees and third parties who perform services for us have a duty to understand and comply with our policies on bribery, and to sign our Code of Ethics and Zero Tolerance policy. Further details are given in our Code of Ethics, found on the intranet [here](#).

This paper contains a summary of this recent legislation and some practical guidance on how to ensure we continue to behave in a manner that complies with the letter and spirit of the law.

2. The UK Bribery Act and other bribery legislation

There are already local and international laws that forbid bribery. However, the UK Bribery Act is amongst the most stringent of all existing laws.

The Act includes four separate offences:

- a) Bribing another person or business;
- b) Receiving a bribe;
- c) Bribery of a foreign government official; and
- d) Failure of a commercial organisation to prevent bribery.

Bribery is widely defined as the offering, giving or receiving of a financial or some other benefit in exchange for improper advantage.

Examples include:

- bribery to secure or keep a contract.
- bribery to secure an order.
- bribes taken to use a particular supplier.
- bribery to gain any advantage over a competitor.
- bribery of a local, national or foreign official to secure a contract.
- bribery to turn a blind eye to a health safety issue or substitution of materials.
- bribery to falsify an inspection or test report or obtain a certificate.

There are severe fines for both individuals and Intertek for breaches in the law. Individuals can be imprisoned.

The UK authorities have jurisdiction over Intertek's operations globally, in relation to the offering, giving and receiving of bribes, whether by Intertek staff or by third parties acting on behalf of Intertek. A bribe may be in the form of cash, or by the provision of some other inappropriate advantage.



3. Practical guidance on some key areas

Guidance is provided on:

1. Gifts, Hospitality & Entertaining
2. Facilitation payments
3. External relationships including intermediaries and joint venture partners

Gifts, Hospitality and Entertaining

This includes:

- Giving small gifts to existing customers and receiving gifts
- Taking existing or potential customers for meals
- Inviting customers to go with you to sporting events
- Paying for customers to visit Intertek operational sites
- Customer events such as inviting customers to weekends at hotels.

The key message here is one of common sense. Gifts, Hospitality and Entertaining can take place, but should be to foster good relationships in general and never to make the customer feel obliged to give Intertek work.

The following extract from the UK Government guidance on the Act is helpful:

“The Government does not intend that genuine hospitality or similar business expenditure that is reasonable and proportionate be caught by the Act, so you can continue to provide bona fide hospitality, promotional or other business expenditure.

As a general proposition, hospitality or promotional expenditure which is proportionate and reasonable given the sort of business you do is very unlikely to engage the Act. So you can continue to provide tickets to sporting events, take clients to dinner, offer gifts to clients as a reflection of your good relations, or pay for reasonable travel expenses in order to demonstrate your goods or services to clients if that is reasonable and proportionate for your business.

Any hospitality should reflect a desire to cement good relations and show appreciation, and promotional expenditure should seek to improve the image of the company as a commercial organisation, to better present its products or services, or establish cordial relations.

The recipient of the hospitality or entertaining should not be given the impression that they are under an obligation to confer any business advantage or that their independence will be affected.

For hospitality expenditure over certain limits, approval by an appropriately senior level of management may be a relevant consideration.”

Intertek’s policy on Gifts, Hospitality & Entertaining is as follows:

The following activities are permissible, providing they do not leave the recipient feeling under obligation to give Intertek business as a consequence:



1. Taking existing or potential customers for meals.
2. Taking existing customers to sporting or other entertainment events.
3. Paying reasonable travel and subsistence costs to allow existing or potential customers to view Intertek facilities.
4. Giving small gifts to existing customers - these should be infrequent, and should typically be Intertek-branded marketing material. They must never be in cash or cash equivalents - these will be viewed as being bribes and not gifts. Bribes are illegal and strictly against company policy.

Any activities such as taking one or more existing customers away to hotels for “customer days / weekends” must:

- a) have a high business content such as presentations
- b) have meals and entertainment that are reasonable and proportionate
- c) be approved by the relevant EVP

Gifts up to US\$50 / GBP £30 may be given to existing customers without higher approval, but must not be given more than twice a year to the same customer, and should normally be at times such as Christmas, Chinese New Year, Thanksgiving etc. Any gifts to a public official must be approved by the Group Head of Legal, Compliance & Risk.

ny gift above US\$50 / GBP £30 should be approved by the employee’s line manager and Country Manager prior to the gift being made. Records of all gifts should be maintained for audit by the Regional Compliance Officer.

It is recognised that some Intertek locations or businesses have implemented stricter policies on Gifts, Hospitality & Entertaining, based on local laws or contractual obligations with customers.

Family members and friends of Intertek employees must not offer gifts or hospitality if offered in connection with Intertek’s business’

Facilitation payments

Facilitation payments are small sums paid to government officials personally in order to facilitate them performing a task that is a routine part of their job. Typical examples include:

- Obtaining customs clearance for goods
- Immigration services while travelling
- Crossing borders
- Obtaining work permits
- Receiving security or police protection
- Obtaining vehicle registration

These are prohibited by UK law and our policy is that we should never pay them.

Where an Intertek employee, or person acting on behalf of Intertek, is requested to make such a payment, then they should follow the guidance below:



- Question the legitimacy of the demands
- Request identification details of the official making the demand
- Ask to consult with superior officials
- Inform those demanding payments that compliance with the demand may mean that the company will commit an offence under UK law
- Refuse to make the payment

If the demands for payment persist after following the steps above, and the Intertek employee, or person acting on behalf of Intertek, is in receipt of threatening behaviour and fears for their health or wellbeing, then payment may be made as a last resort.

Anyone who is forced to make a payment in such circumstances must report it to their line manager, the local Finance Manager, and Compliance Officer. The local Finance Manager must immediately inform the Regional CFO and Group Head of Legal, Compliance & Risk Management. The local Finance Manager must keep a record of such payments.

External relationships including intermediaries and joint venture partners

Where Intertek uses intermediaries or joint venture partners to assist with business, then the following must be performed:

- The contract with the intermediary / joint venture partner should where possible include the following items:
 - explicitly forbid bribery
 - include the right for us to appoint an external auditor to ensure the intermediary / joint venture partner has controls to prevent bribery
 - clearly define the scope of work and deliverables
- Background checks (including media checks to highlight any previous unethical behaviour) must be performed before entering the business relationship
- Due diligence interviews should be performed before entering the business relationship
- Intermediaries and joint venture partners should provide monthly reports of work they have undertaken
- Intermediaries and joint venture partners should be trained in our ethical policies

If you require further guidance on undertaking the required background checks and due diligence, please contact your local Regional Compliance Officer.

4. Conclusion

Our Mission Statement clearly declares that we act with integrity and honesty, filling our customers with confidence. But our Mission Statement is not just a piece of paper. We must always ensure that we live out those values every day. We never bribe. We never accept bribes.

Thank you for your attention. Please make sure all your staff are aware of these rules.

