



## Anti-Bribery Policy

### 1. Introduction

The UK Bribery Act 2010 came into force on 1<sup>st</sup> July 2011. Intertek has always maintained a robust, zero tolerance stance against bribery – after all, acting with integrity is the most important attribute we have. The UK Bribery Act criminalises both private (dealings with other businesses) and public (dealings with public officials) corruption.

This policy 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 policy on bribery and to sign our Code of Ethics Agreement.

This policy contains a summary of the UK Bribery Act 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. If you do not understand or have any queries about the content of this guidance and/or how the UK Bribery Act is applied and is relevant to you, please do not hesitate to speak to your line manager, Regional Compliance Officer or Intertek's Group Head of Legal, Compliance & Risk Management.

### 2. The UK Bribery Act and other bribery legislation

There are already local and international laws that forbid bribery. However, the UK Bribery Act 2010 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 (or receiving equivalent hospitality)
- Inviting customers to go with you to sporting events (or receiving equivalent hospitality)
- Paying for customers to visit Intertek operational sites (or receiving equivalent hospitality)
- Customer events such as inviting customers to weekends at hotels (or receiving equivalent hospitality)

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 giving Gifts, Hospitality & Entertaining is as follows:

The following activities are permissible providing they are reasonable and proportionate and for the purpose of demonstrating our services and do not leave the recipient feeling under an 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 may 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 to demonstrate the services Intertek provides.
- b) have accommodation, meals and entertainment that are reasonable and proportionate.
- c) be approved by the EVP.

Gifts up to £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 such times as Christmas, Chinese New Year or Thanksgiving. Any gifts to a public official must be approved by the Group Head of Legal, Compliance & Risk Management (see section below: Domestic and Foreign Public Officials).

Any gift above £30 should be approved by the employee’s line manager and Regional Compliance Officer 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.

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

Intertek employees must not allow gifts, hospitality or entertainment they receive to influence their business decisions or place them under any particular obligation. You should decline gifts, hospitality or entertainment if you believe that accepting such an offer might be unlawful, or may influence your business decisions. Family members and friends of Intertek employees must not accept gifts or hospitality if offered in connection with Intertek’s business.

Acceptance of a gift above £30 must be approved beforehand by the [employee’s line manager and Regional Compliance Officer.

Records of all gifts, hospitality and entertainment received should be maintained for audit by the Regional Compliance Officer.

### **Domestic and Foreign Public Officials**

The offering of gifts, hospitality and entertainment to government officials (both domestic and foreign) or their spouses, family members or close associates, should be approached with caution. It can easily be construed by third parties to represent bribes, even where there is no improper intention. You must always seek the approval of the Group Head of Legal, Compliance & Risk Management, in advance of any such activities, which must be for the purpose of demonstrating our services, and do not leave the recipient feeling under an obligation to give Intertek business (or provide any other benefit) in compliance with our general gifts and hospitality policy outlined above.

## **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**

The Appendix to this Guidance sets out Intertek's approach and the due diligence that must be applied to all its business relationships with intermediaries, joint venture partners, agents, correspondents, contractors, sub-contractors, suppliers and customers.

Particular attention should be applied where Intertek uses intermediaries or joint venture partners to assist with business. In those circumstances 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 about the required background checks and due diligence, your Regional Compliance Officer can assist.

#### **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. Please note that any breaches of Intertek's Anti-Bribery Policy may result in disciplinary action. Intertek employees involved in corruption will be subject to disciplinary action and dismissal, and they could be subject to criminal proceedings.

Thank you for your attention. Please make sure all your staff are aware of these rules. If you need further guidance, please do not hesitate to contact Dan Williams, Group Head of Legal, Compliance & Risk Management.

## APPENDIX

### 1 Intermediaries<sup>1</sup>

To (a) ensure each Intermediary's compliance with Intertek's Code of Ethics and (b) avoid improper payments being channeled through Intermediaries, Intertek shall provide all Intermediaries with a copy of Intertek's Code of Ethics and:

- 1.1. Prior to appointing an Intermediary, or renewing or substantially revising the terms of the appointment of an Intermediary, conduct due diligence which shall include:
  - (i) A risk analysis.
  - (ii) An interview with the Intermediary.
  - (iii) Confirmation that, in the event of the intermediary's appointment, or reappointment, the intermediary accepts that their contract with Intertek shall require their full compliance with the Code of Ethics and allow that this may be periodically verified by Intertek.
  - (iv) An investigation of the Intermediary's background which, for Intermediaries required to deal with government officials, shall be performed by an independent investigator.
  - (v) A verification that the remuneration paid to each Intermediary is appropriate and justifiable for legitimate services rendered, and does not facilitate improper payments by an Intermediary, through:
    - (A) A remuneration analysis. This may include, where appropriate, consideration of:
      - (a) the remuneration of other Intermediaries already used by Intertek for performing a similar function
      - (b) quotations from other prospective Intermediaries
      - (c) local market information on rates paid to Intermediaries
      - (d) justification for the rate proposed for the prospective Intermediary, and
    - (B) A review of the remuneration analysis and, for Intermediaries required to deal with government officials, an approval by the Compliance Committee prior to any payments being made to the prospective Intermediaries.
- 1.2 Monitor the Intermediary's continual compliance with Intertek's Code of Ethics and, in the event of breach, take remedial action which could, for serious breaches, result in termination of the contract. All agreements with Intermediaries shall allow Intertek to terminate the association upon the Intermediary breaching Intertek's Code of Ethics.
- 1.3 Where appropriate, provide training and support to the Intermediary.
- 1.4 Maintain records of fulfillment of the above mentioned requirements, including a copy of the contract with the Intermediary, consistent with the Intertek's Code of Ethics.
- 1.5 Account for the intermediaries' remuneration in a separate general ledger account in the accounting records. All such payments shall be consolidated.
- 1.6 Prepare annually a consolidated management statement of Intermediaries' remuneration.
- 1.7 Not deal with Intermediaries which it knows to be involved in bribery as defined in Section 3 of the Code of Ethics and this Guidance.

### 2 Joint venture partners

- 2.1 Due diligence of prospective joint venture partner(s) shall be conducted to the extent determined by risk analysis and may include some or all of the components outlined in section 1.1.
- 2.2 Intertek shall not deal with any joint venture partner(s) which it knows to be involved in bribery as defined in Section 3 of the Code of Ethics and this Guidance.
- 2.3 The joint venture partner's compliance with the Intertek's Code of Ethics shall be monitored through monitoring of its conduct and, as appropriate, periodic verification. All joint venture agreements shall allow Intertek to terminate the joint venture upon the joint venture partner breaching Intertek's Code of Ethics.

---

<sup>1</sup> "Intermediary" is any entity or individual external to Intertek, that/who is required, as part or all of its/his/her responsibilities, to promote the services of Intertek to Government officials or departments. This includes "middlemen", consultants and advisors for obtaining business or used in business negotiations.

### **3 Agents<sup>2</sup>, correspondents and subcontractors**

- 3.1 Due diligence of prospective agents, correspondents and subcontractors shall be conducted to the extent determined by risk analysis and may include some or all of the components outlined in section 1.1.
- 3.2 Where appropriate, training for agents, correspondents and subcontractors shall be provided.
- 3.3 Intertek shall not deal with agents, correspondents and subcontractors which it knows to be involved in bribery as defined in Section 3 of the Code of Ethics and this Guidance and this Guidance.
- 3.4 The agent's, correspondent's or subcontractor's compliance with the Intertek's Code of Ethics shall be monitored through monitoring of their conduct and, as appropriate, periodic verification. All agreements with agents, correspondents and subcontractors shall allow Intertek to terminate the agreement upon the agents, correspondents or subcontractors breaching Intertek's Code of Ethics.

### **4 Contractors and suppliers**

- 4.1 Procurement practices shall be conducted in a fair and transparent manner.<sup>3</sup>
- 4.2 Due diligence shall be considered in evaluating major prospective contractors and suppliers. The appropriateness and extent of due diligence shall be determined by risk analysis and may include some or all of the components outlined in section 1.1.
- 4.3 Intertek's Code of Ethics shall be made known to major contractors and suppliers used in the course of government jobs.
- 4.4 Intertek shall avoid dealing with contractors and suppliers which it knows to be involved in bribery as defined in Section 3 of the Code of Ethics and this Guidance.

Where practical, all agreements with contractors and suppliers shall allow Intertek to terminate the agreement upon the contractor or subcontractor breaching Intertek's Code of Ethics.

### **5 Customers**

- 5.1 Dealings with customers shall be conducted in a fair and honest manner.
- 5.2 Due diligence shall be considered in evaluating major prospective customers. The appropriateness and extent of due diligence shall be determined by risk analysis and may include some or all of the components outlined in section 1.1.
- 5.3 Intertek's Code of Ethics shall be available to all customers.
- 5.4 Intertek shall avoid dealing with customers which it knows to be involved in bribery as defined in Section 3 of the Code of Ethics and this Guidance.

Where practical, agreements with customers shall allow Intertek to terminate the agreement upon the customer breaching Intertek's Code of Ethics.

---

<sup>2</sup> "Agent" shall mean an external entity that is granted Agency status and is required as part or all of its responsibilities to provide operational services on behalf of Intertek. "Correspondent" shall mean an external entity with no Agency status that is required, by written arrangement as part or all of its responsibilities to provide operational services, on behalf of Intertek. "Subcontractors" shall mean entities or persons performing outsourced activities on behalf of Intertek.

<sup>3</sup> "Fair and transparent manner" shall mean that Intertek's purchasing and procurement processes ensure level and equal terms of competition and should set out and publicise how bids and quotations are invited and assessed. This will include the criteria and specifications against which decisions are made and confirm that competitive bids are obtained for all larger contracts and full information is provided on the decision process.