

TITLE	Anti-Bribery Policy
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1. Introduction

WM Housing Group is committed to eliminating corruption and bribery and achieving the highest standards of good governance in all its activities. Incidences of bribery could lead to the Group's reputation being damaged and also lead to deterioration in its relationship with its tenants, customers, business colleagues and other stakeholders. Misconduct can lead to prosecutions being brought against the Group and can impact directly on the Group's public reputation.

2. Policy statement

The Group wishes to carry out its business transparently and fairly and therefore operates a zero tolerance policy towards bribery by its Board Members, Board Co-optees, employees, contractors, agents and other associated persons. The Group is committed to avoiding working with other organisations or individuals who do not commit to doing business without bribery.

2. Purpose

The purpose of this policy is to mitigate the risks of contravening the Bribery Act 2010. The Government passed the Act to simplify the law and assist the UK to combat bribery. The Act came into force in 1 July 2011 and it applies to the Group.

The Act contains four principal bribery offences:

- 1) bribing someone to encourage or reward 'improper performance' of a function or activity - this includes offering, promising or actually giving a bribe;
- 2) being bribed resulting in an activity or function being 'improperly performed' or resulting from an activity or function being 'improperly performed' – this includes requesting, agreeing to receive or receiving a bribe;
- 3) bribing a foreign public official; and
- 4) the corporate offence (see below).

A bribe is 'a gift or reward given, offered or received to gain any business, commercial or personal advantage.'

The corporate offence

The Act introduces a strict liability offence for commercial organisations where someone associated with an organisation (including Board Members, Board Co-optees, employees, agents or sub-contractors) commits an act of bribery to obtain or retain business or a business advantage. Strict liability means that the Group may be liable in law without the finding of fault. At court, it need only be proved that a bribe was made by someone associated with the Group with the intention of giving the Group a business advantage, whether or not the Group encouraged such action or was aware of it. The responsibilities under the Act therefore need to be taken extremely seriously.

Penalties

Prosecution under the Act could result in the Group receiving an unlimited fine and potentially the Group becoming debarred from tendering for public contracts.

Breaches of the Act could also lead to penalties for the Group's senior officers with whose "consent or connivance" bribery was committed. Individuals can be found guilty of bribery and, in the most serious cases, be liable on conviction to imprisonment for up to 10 years, to a fine, or to both.

In addition, individuals could be liable for bribing, receiving a bribe or bribing a foreign public official. Again, such individuals could be liable on conviction to imprisonment for up to 10 years, to a fine, or to both.

3. Scope

The Policy applies to all shareholders, employees, Board Members, Board co-optees and committee members of the Group at any time. The Group will apply the provisions of this Policy as they relate to all of its commercial and non-commercial arrangements and to individuals and organisations having a relationship with the Group, including contractors, agents and consultants.

All of the parties listed above are required by the Group to familiarise themselves with this Policy and the processes and procedures contained within it, and to make sure they follow it at all times throughout their relationship with the Group.

4. Roles, responsibility and authority

The effective implementation of this policy is the responsibility of Group Chief Executive.

All staff, including new starters, are trained on the application of this Policy to ensure managers and staff are aware of its content and associated implications.

5. Policy management system requirements.

There is a defence to the corporate offence if the Group can show it had "adequate procedures" in place, designed to prevent bribery. The Ministry of Justice has issued guidance which sets out six broad management principles to assist organisations to put in place proper anti-bribery procedures. The Group will be following these principles to show that it is committed to eliminating bribery within the Group.

The management principles the Group needs to follow are:

- **Proportionality** - anti-bribery policies and procedures should be proportionate to the activities and size of the Group, the sector in which it operates and the risks it faces;
- **Top level commitment** - establishing a clear culture within the Group in which bribery is unacceptable;
- **Risk assessment** - understanding and keeping up to date with the bribery risks it faces by carrying out regular and comprehensive risk assessments;

- **Due diligence** - the Group needs to know about who it does business with, who it's paying money to and why - and make sure the Group's partners also have reciprocal anti-bribery agreements in place;
- **Communication** - so that all of the Group's employees, Board Members and business partners know the procedures to follow in situations which may be sensitive to bribery. The

Group must ensure that its anti-bribery policy is embedded in the Group's culture, not just a "box-ticking" exercise; and

- **Monitoring and review** - through audit and other internal controls the Group must monitor its anti-bribery procedures to prevent and detect bribery - to make sure its procedures are working.

This Policy is designed to address these principles and, primarily, the second key principle of demonstrating top level commitment and the fifth key principle - having clear, practical and accessible policies and procedures properly communicated to people and organisations with the Group. This Policy complements the other procedures the Group has in place to avoid bribery and corruption in the Group.

6. Implementation, monitoring and reviewing

This Policy will be reviewed by the Board periodically and no less frequently than every 3 years. The Company Secretary will monitor the operation and adequacy of this Policy on a regular basis and will report no less frequently than every 12 months on the Group's anti-bribery compliance to the Group Board.

Appendix 1

Part B: Anti-Bribery Requirements

1. Gifts and Hospitality

1.1 This Policy must be read in conjunction with the Group's Probity Policies, in particular in relation to approval of levels of gifts and hospitality and the need to record gifts and hospitality.

1.2 Employees, Board Members and Board Co-optees should generally not receive or offer hospitality and gifts from or to persons or organisations that may be in a position to benefit from actions or decisions taken by the Group.

1.3 Hospitality and/or gifts cannot be given or received if done so with the intention of influencing someone to give the Group business, influencing the Group to award business or to reward the provision or retention of business or business advantage.

1.4 Any hospitality or gifts given should be reasonable and proportionate and designed to:

- cement or improve relationships;
- show genuine appreciation for services;
- improve the Group's image; and/or
- market products or services.

Recipients should never be given the impression that they are under an obligation to confer a business advantage on the Group because of the gifts or hospitality offered.

1.5 You should never give, promise or offer a payment, gift or hospitality to a government official, agent or representative to expedite or "facilitate" a routine procedure (e.g. to speed up a planning application).

1.6 If you suspect that hospitality is being offered or provided with an expectation that a business advantage will be provided by the Group in return, then you must not accept it and you must report this to the Company Secretary immediately.

1.7 Any hospitality or gifts offered or received should be declared appropriately. Unofficial payments or incentives should not be offered or accepted under any circumstances.

2. Dealings with third parties

2.1 If you make payments to third parties, details of such payments must be properly recorded and receipted.

2.2 In making any such payments, you should consider what these payments are for and whether they are reasonable and proportionate.

2.3 You must make all suppliers / contractors and business partners you deal with aware that the Group takes bribery and corruption very seriously and that it will not be tolerated.

2.4 No hospitality or gifts should be offered to any organisation for which the Group is tendering for a contract during the tender process.

3. Charitable donations

3.1 The Group only makes charitable donations that are legal and ethical. No donation should be offered or made without the prior approval of the Company Secretary. In making charitable

donations there will be an assessment of whether it would be appropriate to make such a donation under a formal grant agreement.

4. Political donations

4.1 The Group does not make political donations.

5. Training

5.1 Board Members and employees will receive training on anti-corruption measures and the requirements of this Policy, and all new Board Members and employees will receive anti-bribery training as part of their induction.

5.2 You must attend any training you are required to attend and, where you cannot attend a session that has been organised; you must arrange to attend an alternative session.

5.3 Any training provided will be monitored and evaluated to ensure it is an effective method of communicating with employees and Board Members.

6. Advice

6.1 You should seek advice from the Company Secretary if you are unsure about how the provisions of this Policy should be applied.

6.2 Where appropriate, the Company Secretary should seek legal advice on anti-bribery issues.

7. Practical Procedures

7.1 You must make sure that no payments are left unrecorded; to make sure that there can be no concealment of improper payments.

8. Breaches

8.1 If you believe or suspect that a breach of this Policy has taken place, or may occur in future - for example if a contractor offers you something in return for business, you must notify the Company Secretary immediately.

8.2 You must tell the Company Secretary if you are ever offered a bribe, or suspect that this may happen in the future or if you think you are a victim of another form of unlawful activity.

8.3 You must tell the Company Secretary if you have any concerns or suspicions that any of your colleagues may be involved in bribery or corruption at the earliest possible opportunity. Alternatively, if you are uncomfortable in doing this, you should raise your concerns or suspicions following the procedure set out in the Group's Whistleblowing Policy.

9. Examples of Bribery

9.1 The following list (not exhaustive) contains some examples of acts which should set alarm bells ringing and which should be reported to the Company Secretary. These are to give you an idea of the sort of behaviour which is unacceptable and which could have serious consequences.

you learn that one of the contractors you regularly deal with has a reputation for paying bribes or requiring that bribes are paid to them;

- a supplier asks you to provide an invoice or receipt when no money is payable or has been paid;
- a supplier insists on being paid in cash and/or refuses to sign a formal agreement;

- a contractor offers to pay you cash to provide employment for a friend or relative;
- you are offered an unusually generous gift or lavish hospitality;
- you are offered substantially discounted fees for supply of goods to you as a private person;
or
- you are offered a payment in cash if a contract is awarded to the contractor /supplier.

Appendix 2 Dealing with Breaches

1.1 For the reasons outlined in Part A of the Anti-Bribery Policy, the Policy is crucial to the Group's ability to meet its legal requirements. Accordingly the Group will treat any breach of the Anti-Bribery Policy very seriously indeed.

1.2 Any alleged breach of the Policy will be investigated by the Group.

1.3 A breach of the Policy by an employee is incorporated into the Group's Disciplinary Policy as an act that is considered to constitute gross misconduct and will be treated as a disciplinary matter under his/her contract of employment and an appropriate sanction may be applied. An investigation into any allegation of such a breach made against an employee will be conducted in accordance with the Group's relevant policies for such investigations, in line with the Group's supporting Disciplinary Procedures.

1.4 A breach of the Anti-Bribery Policy by a Board Member will be treated as a breach of his or her duties and obligations to the Group and his or her services agreement with the Group. An investigation into any allegation of such a breach made against a Board Member will be conducted in accordance with the Group's relevant policies for such investigations and an appropriate sanction may be applied.

1.5 Where the Group discovers bribery has taken place, it will make a full disclosure of this to the Serious Fraud Office and co-operate fully in any investigation carried out by the Serious Fraud Office.

Appendix 3 Anti-Bribery 'Adequate Procedures' Checklist

1. Top level commitment

- The Group has made a clear commitment to tackling bribery within its anti-bribery policy.
- An anti-bribery statement has been included on the Group's website.
- An anti-bribery statement is included within all tender documentation for services to be carried out for the Group.
- The Group has appointed the Group Company Secretary as Compliance Officer.

2. Risk assessment

The Group will carry out periodic, informed and documented risk assessments of potential bribery risks faced by a) the Group in general; b) specific projects the Group is proposing to carry out; and c) potential and existing relationships with contractors and agents.

3. Board Members

The Group will ensure its Board Member Code of Conduct includes reference to non-tolerance of bribery by the Group.

The Group will provide training to Board Members on the Bribery Act and anti-bribery procedures.

4. Employees

The Group will ensure its employees' Code of Conduct includes reference to non-tolerance of bribery by the Group and that committing bribery will be considered gross misconduct.

The Group will review its terms and conditions of employment and disciplinary policy and procedures to determine if it is necessary to amend to include termination where bribery is committed.

The Group will provide regular training for employees, and consider specific training for those employees involved in procurement exercises and marketing.

The Group will incorporate anti-bribery measures into its recruitment policies and procedures, where this is appropriate to the role being recruited for (e.g. senior management and those involved in tendering and marketing, etc.)

5. Contractors and consultants

The Group will review its standard commercial contracts to ensure there is provision for termination where a contractor providing services, agent or consultant commits bribery. In addition the Group will consider whether it is appropriate for provisions to be included to give the Group the ability to audit the organisation's activities and expenditure and require any requests for bribes to be reported to the Group.

The Group will carry out appropriate due diligence on agents, consultants and contractors, including taking and checking references, checking ownership, checking details of other directorships or partnerships, reviewing financial statements and accounts, incorporating checks into interviews, reviewing any judicial or regulatory findings and keeping a record of all checks carried out. In carrying out such due diligence, the Group will have regard to the potential bribery risks posed by its relationship with such agents or contractors, especially where they operate in higher risk sectors (e.g. construction) where the project is of higher value and/or longer duration.

The Group will require contractors to put in place appropriate anti-bribery procedures both internally and with sub-contractors (if applicable), including, if appropriate, bribery prevention training for employees.

Where any consultant, agent or contractor may offer hospitality on the Group's behalf, the Group will ensure such hospitality is only offered where appropriate, reasonable and proportionate. This may include providing such third parties with criteria for the provision of hospitality.

In employing consultants, contractors or agents, the Group will provide a clear statement of the services to be provided and any relevant costs, commissions and fees (except where this is clear from the contract with that third party).

6. Tendering

The Group will provide appropriate training to staff involved in tendering exercises to enable them to identify potential bribery risks.

The Group will require all contractors for the provision of services to demonstrate a commitment to tackling bribery.

The Group will include a statement about its stance towards bribery in all tender documents.

The Group will review its standard tender documents to include a requirement for disclosure of bribery or other corruption offences.

7. Communication

The Group will be proactive in communicating its anti-bribery stance to employees and external organisations.

The Group will publish its anti-bribery statement on its website.

The Group will review any feedback from employees and Board Members in relation to anti-bribery training to make such training more effective.

8. Financial procedures

The Group will review its internal expenses policies and procedures to ensure that the process for reclaiming expenses is transparent.

The Group will raise anti-bribery procedures with its internal auditors.

9. Joint ventures

The Group will review all joint venture arrangements to assess if appropriate anti-bribery procedures should be put in place.

The Group will review any existing joint venture and other agreements to ensure both parties demonstrate a commitment to tackling bribery and allow termination if bribery takes place.

10. Mergers and acquisitions

In considering any potential merger or acquisition, the Group will carry out appropriate due diligence on the other organisation(s) involved to assess and mitigate risk.