

Saffron Building Society (The Society)

Anti-Bribery and Corruption Policy

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DOCUMENT CONTROL

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0.4	10/10/2017	Alison Yearsley	Annual review to incorporate enabling tax evasion & expenses claims
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ISSUE CONTROL			
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Business Owner:	Alison Yearsley; Head of Financial Crime		
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<p>Comments or proposals for amendments to this document should be sent in writing to the Executive and Business owner identified above.</p>			

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1 POLICY STATEMENT

It is the Group policy to conduct all of our business in an honest and ethical manner.

The Group takes a zero-tolerance approach to bribery and corruption and is committed to acting professionally, fairly and with integrity in all business dealings and relationships and implementing and enforcing effective systems to counter bribery.

The Group will uphold all laws relevant to countering bribery and corruption.

Statement in support:

As an organisation, Saffron Building Society Group is wholeheartedly committed to preventing bribery and corruption in all its forms. This commitment is evidenced at all levels of our business. It is the role of the Chief Executive to ensure that our zero-tolerance attitude to corruption is advertised and implemented both internally and externally. "Whether you are a customer, an employee, a supplier or any other third party with whom we do business, we commend our anti-corruption policy to you and ask that you read and comply with it. Corruption cannot be allowed to taint our business: we are proud of our heritage and values, and our reputation which helps in maintaining our position as a market leader in Financial Services." Colin Field, Chief Executive

2 WHO IS COVERED BY THE POLICY

This policy applies to all individuals working at all levels, including senior managers, officers, directors, employees, consultants, contractors, trainees, seconded staff, homeworkers, casual workers and agency staff, agents, or any other person associated with us, or any of our subsidiaries or their employees, wherever located (collectively referred to as workers in this policy).

3 WHAT IS BRIBERY

A bribe is an inducement or reward offered, promised or provided in order to gain any commercial, contractual, regulatory or personal advantage.

Examples include:

Offering a bribe

You offer a potential client tickets to a major sporting event, but only if they agree to do business with us. This would be an offence as you are making the offer to gain a commercial and contractual advantage. The Society 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 your offer.

Receiving a bribe

A supplier gives your nephew a job, but makes it clear that in return they expect you to use your 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 you to accept the offer as you would be doing so to gain a personal advantage.

Bribing a foreign official

You arrange for the business to pay an additional payment to a foreign official to speed up an administrative process.

The offence of bribing a foreign public official has been committed as soon as the offer is made. This is because it is made to gain a business advantage for us. We may also be found to have committed an offence.

4 GIFTS AND HOSPITALITY

This policy does not prohibit normal and appropriate hospitality given or received.

The giving or receipt of gifts is not prohibited if all of the following requirements are met:

- a. It is not made with the intention of influencing a third party to obtain or retain business or a business advantage, or to reward the provision or retention of business or a business advantage, or in explicit or implicit exchange for favours or benefits;
- b. It complies with local law;
- c. It does not include cash or cash equivalent;
- d. Taking into account the reason for the gift, it is of an appropriate type and value and given at an appropriate time;
- e. It is given openly, not secretly; and
- f. Gifts should not be offered to, or accepted from, government officials, politicians or political parties without the prior approval of a member of the Executive.

All gifts or hospitality over the amount of £10 must be reported to the Assistant Society Secretary for retention and review. Please see section 8 Record Keeping for details.

Any gifts or hospitality worth over £150 must be authorised by the Chief Executive Officer; Chief Risk Officer or Head of Compliance prior to acceptance. This must then be sent to the Assistant Society Secretary with evidence of who authorised it.

5 WHAT IS NOT ACCEPTABLE

It is not acceptable for any worker (or someone on their behalf) to:

- a. Give or offer a payment, gift or hospitality with the expectation or hope that a business advantage will be received, or to reward a business advantage already given;
- b. Give or offer a payment, gift or hospitality to a government official, agent or representative to facilitate or expedite a routine procedure;

- c. Accept a payment, gift or hospitality from a third party that you know or suspect is offered with the expectation that it will obtain a business advantage for them; or
- d. Threaten or retaliate against another worker who has refused to commit a bribery offence or who has raised concerns under this policy.

6 FACILITATION PAYMENTS AND KICKBACKS

The Group does not make, and will not accept, facilitation payments or kickbacks of any kind. Facilitation payments are typically small, unofficial payments made to secure or expedite a routine government action by a government official. Kickbacks are typically payments made in return for a business favour or advantage.

If a worker is asked to make a payment on behalf of the Group, they should always be mindful of what the payment is for and whether the amount requested is proportionate to the goods or services provided. As a worker you should always ask for a receipt which details the reason for the payment. If you have any suspicions, concerns or queries regarding a payment, you should raise these using the Group procedure for Raising a Concern.

You must avoid any activity that might lead to or suggest that a facilitation payment or kickback will be made or accepted by us.

7 ENABLING TAX AVOIDANCE AND EVASION

The Criminal Finances Act 2017 introduced legislation to hold firms criminally liable where workers facilitate tax evasion by customers.

The legislation brings two tax evasion offences:

- Failure of a firm's workers to prevent the facilitation of UK tax evasion
- Failure to prevent the facilitation of foreign tax evasion

The highest risk of bribery to enable tax avoidance and evasion is from overseas. All overseas accounts are monitored automatically on a daily basis. However there is also a risk of UK customers evading tax. This can be achieved in many ways. A full risk assessment will be conducted across all business areas for the Society.

The legislation also introduced the Unexplained Wealth Order (UWO) which requires those suspected of corruption to explain their sources of wealth. This is why it is essential to obtain the origin of funds on all account application forms and on any unusual or out of character transactions – e.g. large credits to nominee accounts; large capital repayments on mortgage accounts; large gifted deposits.

If you have any suspicions regarding tax evasion or the origin of funds you must report these immediately to the Financial Crime team.

8 YOUR RESPONSIBILITIES

The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all those working for us. You must raise a Concern as soon as possible if you believe or suspect that a conflict with this policy has occurred, or may occur in the future. The procedure for Raising a Concern is included in the Staff Handbook.

Any worker who breaches this policy will face disciplinary action which could result in dismissal for gross misconduct. The disciplinary procedures are outlined in the Staff Handbook.

9 RECORD KEEPING

You must declare all hospitality or gifts accepted or offered and/or accepted. These must be authorised by your line manager, where possible, before acceptance and will be subject to managerial review. You must notify the Assistant Society Secretary by email with details of any gifts or hospitality accepted as soon as possible after the offer is made – and, where possible, before the gift/hospitality is accepted. A central record will be retained by the Society Secretary. This is subject to a regular review by Financial Crime and Compliance.

You must ensure all expenses claims relating to hospitality, gifts or expenses incurred to third parties are submitted in accordance with our expenses policy and specifically record the reason for the expenditure. These must be authorised by your line manager and are subject to regular review by Financial Crime. This includes payments made on company cards.

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.

10 HOW TO RAISE A CONCERN

You are encouraged to raise concerns about any issue or suspicion of malpractice at the earliest possible stage. If you are unsure whether a particular act constitutes bribery or corruption, or if you have any other queries, these should be raised through the procedures detailed in the Whistleblowing Policy.

11 WHAT TO DO IF YOU ARE A VICTIM OF BRIBERY OR CORRUPTION

It is important that you tell your line manager or line Executive as soon as possible if you are offered a bribe by a third party or are asked to make one.

12 PROTECTION

We 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 suspicions about bribery or corruption activity.

If you believe that you have suffered any such treatment, you should report this through your line manager or line Executive. If the matter is not remedied, and you are an employee, you should raise it formally using our grievance procedure.

13 TRAINING AND COMMUNICATION

Training on this policy forms part of the induction process for all new workers. All existing workers will receive annual relevant training on how to implement and adhere to this policy.

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. The following clause must be included in any new contracts entered into with suppliers, contractors and business partners:

The supplier shall comply with all the applicable laws, regulations, codes and sanctions relating to anti-bribery and anti-corruption including but not limited to the Bribery Act 2010.

14 REVIEW

This policy will be reviewed on an annual basis by the board of Saffron Building Society. The Board will also have sight of the Annual Risk Assessment completed by the Risk Department.