

Arriva Anti-Bribery Policy

Policy ownership:

General Counsel and
Company Secretary

Effective date:

1 Sep 2022
Amendment August 2023

Review date:

1 Sep 2024

**Reference to applicable DB
policy:**

136.0101 Benefits
136.0104 Donations
139.0104 Sponsorship

Business area of author:

Group Legal

1. Policy statement

The Board of Arriva plc is committed to compliance with all legislation and regulations which apply to its business operations and to observing the highest standards of conduct, honesty and integrity.

Arriva will not condone corruption and criminal or unfair business practices by employees or third parties acting on our behalf.

We will not offer, request or accept, either directly or through third parties, any bribes, inducements, privileges, benefits or other advantages which could influence a person's ability to make objective and fair business decisions.

2. Who must comply with this policy?

This policy applies to all Arriva businesses (including majority-owned businesses where Arriva has the controlling interest or is the operator). It applies to all employees whether full-time, part-time, contract or temporary.

Each business unit must either adopt this policy in its entirety or, if local requirements exist for more extensive anti-bribery principles, implement its own unit-specific policy, based on and fully compliant with this policy.

3. Anti-Bribery at Arriva

This policy is concerned with aspects of corruption and criminal behaviour which are part of the broader subject of financial crime, specifically bribery. There are significant financial and reputation risks arising from breaches of anti-bribery legislation, in particular the Bribery Act 2010, a UK Act of Parliament with near-universal jurisdiction, allowing for the prosecution of individuals or companies with links to the UK, regardless of where a crime may have occurred.

Failing to prevent bribery on an organisation's behalf is a corporate offence, punishable by fines (no limit in law). Arriva may also be prevented from tendering for Government contracts under Article 45 of the EU Public Sector Procurement Directive 2004.

Individuals can face a maximum 10-year prison sentence and/or an unlimited fine. This includes senior officers of Arriva held liable through their consent to, or connivance with, a bribery offence by their company.

3.1 Terms

The definitions of terms within the scope of this policy are as follows:

Bribery – the promising or giving of a financial or other advantage to another person, intending to induce or reward a person for the improper performance of a function or activity.

Facilitation Payments – a payment made to facilitate or expedite decisions or actions by government agencies or Government Officials. These payments are usually ‘unofficial’ and made to individual officials.

3.2 Facilitation payments

In most countries in which Arriva does business, facilitation payments are considered bribes. You must not offer or make facilitation payments (no matter how small the payments are) or allow others to offer or make facilitation payments on behalf of Arriva plc.

3.3 Bribes in the form of other benefits and inducements

Benefits and inducements to third-parties are legitimate business practices, but may also be bribes in disguise. The most common business practices that could be abused are:

- Gifts
- Hospitality
- Charitable donations
- Sponsorships
- Grants

The general rule applicable to these types of benefits is that they are permissible, whether given or accepted by Arriva, provided:

- They do not violate any law, regulation or standard of conduct or policy that is applicable to either Arriva or the other party;
- They could not reasonably be interpreted or perceived as an attempt to gain an unfair advantage or otherwise corruptly influence the recipient; or
- They would not cause embarrassment to, or reflect negatively on, the reputation of Arriva, the other party or the other party’s organisation.

See 3.6 for the rules of acceptance and approval in relation to benefits accepted.

3.4 Failing to prevent bribery

The offence of “failing to prevent bribery” has strict liability – that is, if a bribe is made on behalf of Arriva then Arriva is automatically guilty of failing to prevent bribery. There is only one defence in these circumstances – having “adequate procedures” in place designed to prevent persons associated with the organisation from undertaking such conduct.

3.5 Risk control procedures

Arriva’s anti-financial crime standards set out the six principles that underpin our risk control procedures and our defence of “adequate procedures”:

- **Tone-from-the-top** - senior management are committed to preventing bribery by persons associated with Arriva. They foster a culture in which bribery is never acceptable.
- **Risk assessment** - Arriva assesses the nature and extent of its exposure to potential external and internal risks of bribery in relation to the people and businesses we deal with.
- **Due diligence** - Arriva applies due diligence procedures, taking a risk-based approach, in respect of persons who perform or will perform services for or on Arriva’s behalf.
- **Communication and training** - Arriva seeks to ensure that its bribery prevention policies and procedures are embedded and understood throughout the organisation, including through training.
- **Monitoring and review** – Arriva monitors and reviews procedures and internal controls designed to prevent bribery by persons associated with it and makes improvements where necessary.
- **Proportionality** - procedures to prevent bribery by persons associated with Arriva are proportionate to the bribery risks we face and to the nature, scale and complexity of our activities.

3.6 Gifts & Hospitality

Gifts and hospitality are permissible under certain circumstances.

- **Gifts** - The receipt or provision of gifts is permissible if they are not designed to influence action or obtain an improper advantage. Depending upon local custom and subject to local law, permissible gifts could include small gifts of nominal value:
 - Flowers
 - Chocolates
 - Book
 - Modest promotional item with a corporate logo
 - Other items with a value under £50

The receipt or provision of gifts of cash or cheques or other cash equivalents is strictly prohibited, irrespective of value.

Modest promotional items and gifts of nominal value are not required to be notified. For the avoidance of doubt, “nominal value” means “less than £50, €50 or equivalent in

another local currency". All other gifts must be notified to your line manager or other authorised person for approval. Lavish or excessive gifts are not permissible.

- **Hospitality** - The acceptance or provision of travel and accommodation, meals and drinks, entertainment and events (collectively "hospitality") by Arriva or its employees is acceptable where it is:
 - Business-related;
 - Reasonable in value;
 - Provided in good faith;
 - Permitted under local laws and customs; and
 - Offered infrequently

Whether hospitality is 'reasonable in value' will depend on the circumstances, including whether such hospitality is 'normal'.

Hospitality in excess of £100 or €100 must be notified for approval. Where hospitality is somewhat regular (for example 4 or more times per annum), a lower threshold of £50 or €50 for notification applies.

The table below shows the value thresholds for which gifts and hospitality must be notified, approved and recorded for transparency and monitoring purposes.

This policy does not distinguish, in principle, between benefits (particularly gifts and hospitality) offered to Arriva employees by third parties, or vice-versa and applies the same rules in either case.

The risk of appearing to exert or attempt to exert undue influence, or being influenced by, is greater when the third party is a public official (see also Group External Engagement (Public Officials) Policy), therefore the threshold values for notification and approval are lower.

The values included in the table below are guidelines only. You may not know the exact value of any gifts and hospitality accepted. If in doubt, notify.

Approvers should consider the value, frequency and third party involvement when deciding whether or not to approve the acceptance or giving of items.

Type of Benefit	What can be permissible (subject to 3.3) without notification or approval?	What may be permissible (subject to 3.3) with notification and approval?	What cannot be accepted?
Gifts	<ul style="list-style-type: none"> • Small promotional items • Gifts of nominal value (<£50/€50) unless to/from a public official 	<ul style="list-style-type: none"> • Gifts > £50/€50 • Gift of any value to/from a public official or otherwise associated with a public body 	<ul style="list-style-type: none"> • Cash or cash equivalents • Anything that might be considered 'lavish' or excessive
Hospitality	<ul style="list-style-type: none"> • Hospitality < £100/€100 <i>(unless accepted or provided on a regular basis, in which case a lower notification threshold value of £50/€50 applies)</i> 	<ul style="list-style-type: none"> • Hospitality > £100/€100 • Hospitality > £50/€50 where accepted/provided on a regular basis • Hospitality < £100/€100 from a public official 	<ul style="list-style-type: none"> • Anything that might be considered 'lavish' or excessive

Notification of gifts or hospitality must be made to your line manager, (or an authorised person) for approval, **in advance where possible**. This is because your line manager may determine that such gift or hospitality is **not** appropriate and should be returned, declined or refused. A model notification form is provided in the anti-bribery guidance.

3.7 Sponsorships

For the purposes of this Policy, acts of sponsoring or sponsorship are business relations in which Arriva provides funding and/or material resources or services to a person, group or organisation with the aim of achieving Arriva's internal and external corporate strategic targets. The sponsored party provides services in return by providing Arriva or its business units and subsidiaries with their own advertising space and marketing and sales channels and providing Arriva with access to its target groups. The principles of this Policy shall apply similarly in cases where Arriva is the sponsored party.

Entering into sponsorship agreements (either directly or indirectly) made in accordance with section 3.3 are permissible, but in the following cases are strictly prohibited:

- with political parties, politicians, office holders and public officials;
- with governmental administrative offices or sovereign units subordinate to the government;
- with associations, clubs, institutions, etc. in which employees, executive bodies or business partners of the Arriva Group serve on boards or in other key functions, unless the Arriva Group Compliance team has consented to grant such an exception after consulting with DB Compliance (GC);

- with persons, companies, organizations, etc. who are known to act in violation of the law, are associated with terrorist activities or whose names appear on a sanctions list.

Group Compliance and Group External Communications must be consulted in advance of entering into sponsorship agreements where the annual value is expected to exceed EUR 25,000. Group General Counsel must review and approve such sponsorships contracts in advance of signing.

Arriva Group Compliance must agree any exceptions, upon consultation with DB Group Compliance.

Furthermore, the receipt or provision of “sponsorship” in the form of cash or cheques or other cash equivalents directly to or from an individual, is strictly prohibited, irrespective of value.

Receipt or provision of sponsorship of individuals, for example for their participation in events to raise money for charities, where there should be no expectation of any return or commercial opportunity, must be treated as a charitable donation subject to the rules outlined under 3.8 below.

This form of sponsorship is only permissible provided the sponsorship goes directly to the charity concerned, via an online ‘giving’ account, for example.

3.8 Donations

For the purposes of this Policy, a donation is a voluntary contribution by the Arriva Group, which, as opposed to sponsoring, is made for no consideration and is intended to further non-profit-making or charitable aims. This includes non-cash contributions and services as well as contributions for (sponsoring) memberships of socially beneficial and cultural associations in particular.

Donations may not improperly influence business decisions, nor may they give any appearance of doing so. Moreover, they may not go against the interests of the Arriva Group or of an Arriva Group company.

For donations up to and including the value of EUR 5,000, providing they are permissible in accordance with section 3.3, the local relevant management board/board of managing directors must grant prior written approval. The management board/board of managing directors may however, choose to delegate decisions regarding approval of donations to an employee responsible for the budget.

Donations in excess of EUR 5,000 must be pre-approved in writing by Arriva Group’s General Counsel.

Arriva maintains a politically neutral position, therefore donations to political parties, or on behalf of political candidates is strictly prohibited. See also Group External Engagements (Public Officials) Policy.

3.9 Grants

For the purposes of this Policy, grants are non-repayable funds or products given by one party (grant makers), to a recipient, often (but not always) a non-profit entity, educational institution, business or an individual.

In order to receive a grant, some form of "Grant Writing" is required by way of a proposal or an application. Most grants are made to fund a specific project and require some level of compliance and reporting.

The rules that apply to grants are the same as those for sponsorships.

3.10 Records

Gifts and hospitality, both accepted and offered, must be recorded in registers, kept locally, for monitoring and review. As a minimum, local registers must include all notifiable items under 3.6 above. The cost of benefits offered by Arriva businesses must be properly recorded in local accounting records, using accurate descriptions and appropriate account codes.

Where the record of benefits originates via claims for reimbursement of expenses, then the claims must comply with your local expenses policy. It is the responsibility of the claimant to provide, in addition, a notification of any notifiable gifts or hospitality for inclusion in the appropriate register.

Benefits accepted by Arriva employees are not normally recorded in the accounting records, thus the registers must include enough, accurate information for monitoring, reporting and assurance purposes.

3.11 Reporting of benefits

Arriva businesses are responsible for first-line monitoring and review of any benefits provided by the business or accepted by their employees from third parties.

The Head of Group Compliance will submit an annual report on gifts, hospitality, charitable donations, sponsorships and grants to the Arriva Management Board. Arriva businesses are therefore required to submit their own reports to Group Compliance, for consolidation and review, as and when requested. It is recommended that Arriva businesses use these reports for internal monitoring on a regular basis.

The report should be compiled from the registers of gifts and hospitality (also charitable donations, sponsorships and grants, if registers are maintained for these benefits), or from the accounting records.

A report of benefits may be requested at any time for audit purposes.

4. Responsibilities

Everyone - We must all comply with this policy and any communications relating to this policy.

Business Leaders – including Divisional directors and Heads of Group functions, are responsible for ensuring that business areas under their control, implement and maintain arrangements to comply with this policy.

Group General Counsel and Company Secretary - is responsible for establishing the internal control system designed to counter the bribery risks faced by Arriva and also for making arrangements for investigating allegations of bribery. These arrangements include the appointment of a suitably qualified senior member of staff to lead the investigation.

Group Chief Executive – is responsible for implementing this policy. Performance will be reported regularly to the Arriva Management Board.

5. How to raise a concern

Any Arriva employee, business partner or stakeholder can raise a concern, if they believe that this policy is being (or is at risk of being) breached. Arriva employees must raise any concern as soon as practically possible with their line manager or local compliance officer.

Alternatively, concerns can be raised in confidence via the Group's confidential telephone mailbox on 0800 587 7580 (or if outside the UK 00 44 191 528 5322) or e-mail inconfidence@arriva.co.uk or use any local whistleblowing facilities which may be in place.

6. Breaches of this policy

Breaches of this policy must be managed in accordance with the disciplinary policy applicable to the local business.

Suspected wrongdoing will be investigated to the extent legally permitted and appropriate action taken if evidence of wrongdoing is discovered. This action may include termination of employment and reporting of matters to police authorities.

In the event of a significant breach of anti-bribery legislation, the group will self-refer to the Serious Fraud Office (or equivalent). Any such referrals will be made by the General Counsel.

In the event that a business seeks an exemption from any aspect of this Policy due to a conflicting local requirement, the exemption request should be submitted to the Group Policy Owner and Head of Group Compliance for review and approval.

7. Further help and guidance

This policy should be read in conjunction with other financial crime framework policies and guidance, copies of which are available on OneArrivanet.

Queries regarding interpretation of this policy or its content should be referred to your local Head of Legal (or similar), or to Group Compliance via the Compliance Support mailbox at supportc@arriva.co.uk.