

Arriva Anti-Bribery Policy

Policy ownership:

General Counsel and
Company Secretary

PLC board adoption date:

23 May 2019

Review date:

22 May 2021

**Reference to applicable DB
policy:**

136.0101

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. See also Anti-Bribery Guidance for further details.

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 Rules of notification for acceptance or offering of gifts and hospitality

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. For the avoidance of doubt, “nominal value” means “less than £50, €50 or equivalent in another local currency”.

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 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 originate 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 sufficient, accurate information for monitoring, reporting and assurance purposes.

3.8 Reporting of benefits

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. The format of these reports is included in the guidance (see Appendix C) and they may also be requested at any time for audit purposes. It is recommended that Arriva businesses use these reports for internal monitoring quarterly.

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.

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.