

# **Policy on the Prevention and Detection of Bribery and Corruption**

February 22

## Contents

1. Purpose: .....	3
2. Applicable: .....	3
3. Policy: DEFINITION OF BRIBERY AND CORRUPTION .....	3
4. Management Responsibilities .....	4
5. Employees' Responsibilities .....	4
6. Risks.....	4
7. Procedure .....	5
8. Training and Communications .....	5
9. Monitoring and review .....	5

## **1. Purpose:**

- 1.1.** The Company requires all employees at all times to act with honesty and integrity and to safeguard the resources of the business. Employees are advised that the Company views any form of bribery or corruption as unacceptable.
- 1.2.** The purpose of this policy is to establish management's and employees' responsibilities with regard to the prevention of bribery and corruption and to encourage employees to expose bribery and corruption. This policy and the associated procedure set out a professional method of raising concerns and are designed to protect anyone making such exposures from any reprisals.
- 1.3.** This policy has been developed in accordance with English Law principles. Insofar as its operation within the regional offices is concerned, this document should form the basis of any approach to any allegations or actual instances of bribery and corruption. If, in other regional offices, there is any conflict between the relevant local laws and this policy, the local laws as relevant to the particular regional office will take precedence.

## **2. Applicable:**

All Borchard Lines Ltd staff and agents.

## **3. Policy: DEFINITION OF BRIBERY AND CORRUPTION**

- 3.1.** In the UK "bribery" is used to describe a dishonest payment in money or in kind and "corruption" is used to describe the type of relationship brought about by bribery. The Bribery Bill will come into force in the UK in July 2011 and will consolidate the law, creating four criminal offences:
  - Paying a bribe.
  - Receiving a bribe.
  - Bribing foreign public officials.
  - A corporate offence of negligently failing to prevent bribery.
- 3.2.** The Bribery Act sets out a complicated definition of bribery, focusing on "improper performance" a bribe secures or is intended to secure. In summary, bribery involves:
  - dishonestly offering, promising or giving a financial or other advantage.
  - dishonestly requesting, agreeing to receive or accepting a financial or other advantage.
  - to bring about or to reward improper performance of a function or activity.
- 3.3.** It is important to remember that third parties, long standing employees or even the management of a company, can perpetrate bribery, which may include but is not limited to:
  - Secret commissions or kickbacks.
  - Paying a part or percentage of a contract price or claims settlement to public officials or employees of business partners.
  - Inappropriate or disproportionate remuneration.
  - Contributions to candidates for public office, political parties or other political organisations.

#### 4. Management Responsibilities

- 4.1. Each Borchard Lines Ltd office or agent, through its Directors and managers, is required to follow the procedure as laid out below.
- 4.2. In January 2009 AON were fined £5.25m by the FSA who identified that they did not take reasonable care to establish and maintain effective methods to make sure payments to overseas companies and individuals who helped it win business were not used to pay bribes.
- 4.3. In March 2011, the Government issued guidance about procedures which relevant commercial organisations can put into place to prevent persons associated with them from bribing. The guidance is centred around six principles which should be taken into account by managers and employees alike.

The principles are:

1. Proportionate procedures
2. Top-level commitment
3. Risk Assessment
4. Due diligence
5. Communication (including training)
6. Monitoring and review



data.pdf

To view The Bribery Act 2010 Guidance see the embedded pdf document

Managers are responsible for ensuring that an adequate system of internal control exists within their areas of responsibility and that controls operate effectively. Therefore the responsibility for the prevention and detection of bribery and corruption rests primarily with managers.

All managers should assess the types of risks involved in the operations for which they are responsible, review and test the control systems for which they are responsible, ensure that the controls are being complied with and satisfy themselves that their systems continue to operate effectively.

Borchard, London is available to offer advice and assistance on control issues as and where they arise.

#### 5. Employees' Responsibilities

Employees must disclose any cases of suspected bribery and corruption. The procedure set out in the following sections outlines the way in which employees should go about doing this.

#### 6. Risks

- Bribery and corruption is being perpetrated in any of the businesses owned or managed by Borchard Lines Ltd and/or its agencies.
- The Regulatory Authorities could impose a substantial fine on Borchard Lines Ltd or one of its agencies for failing to have in place appropriate processes and procedures to reduce the risk of bribery and corruption happening within the business.

## **7. Procedure**

Any case of bribery or corruption must be reported. The following procedures apply:

- Any member of staff who “knows or suspects” bribery or corruption is taking place or has taken place, must, in each case, report those suspicions to the Disclosure Officer.
- The Disclosure Officer will make a written record of the report and give a written acknowledgement to the member of staff concerned.
- The Disclosure Officer will assess the report and, where appropriate instigate an internal investigation of the strength of an allegation.
- On the conclusion of the internal investigation, where appropriate make a report to the Serious Organised Crime Office and / or the National Criminal Intelligence Service.
- The Disclosure Officer will retain the records and documents for six years – or until clearance is received from the Serious Organised Crime Office and / or the National Criminal Intelligence Service.

Please note that the Disclosure Officer for the Company is Christian Mash.

All instances of suspected bribery or corruption will be dealt with seriously and swiftly. Bribery and corruption will be considered as acts of gross misconduct under the Company’s Disciplinary Procedure.

The Director responsible for Human Resources (HR Director) has primary responsibility for implementing this policy and for reporting at least annually to the Board of Borchard Lines Ltd. The Disclosure Officer will report to the HR Director as and when necessary, but in any event annually.

The above procedure is in line with the Borchard Lines Ltd "Whistleblowing Policy" in relation to protection of employees who report suspicions of bribery and corruption.

## **8. Training and Communications**

This policy and relevant guidance will be communicated to employees across the Borchard companies and agencies. Where it is appropriate to do so, this policy will be communicated to suppliers, contractors and business partners of any business in the Group as well as to wider stakeholders.

Managers, employees and agents will receive relevant updates on this policy.

## **9. Monitoring and review**

The HR Director will review the implementation of this policy in respect of its suitability, adequacy and effectiveness and recommend improvements as appropriate.

The results of this process will periodically be reported to the Borchard Lines Ltd Board.