



ANTI-BRIBERY & CORRUPTION POLICY



Risk
October 2017

LET'S DRIVE TOGETHER



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1. VERSION CONTROL

Version	Changes from previous version
V.8 MAY 2016	Version control section inserted. Clarification for gift and hospitality approval and logging process added.
V.9 OCTOBER 2017	Amendments regarding notification process in Sections 2 & 12 (substitution of Human Resources Manager with HR Director) and Sections 10 & 12 (removal of reference to Risk Manager & Human Resources Manager; insertion of reference to any Director) Substitution of Management Committee reference with Risk Committee (Section 6)

2. STATEMENT OF ETHICS

ALD Automotive Ltd is a leading UK Vehicle leasing organisation. Whilst our parent company ALD International operates globally, our main area of operation is the UK. We pride ourselves on our reputation for acting fairly and ethically wherever we do business. Our reputation is built on our values as a company, the values of our employees and our collective commitment to acting with integrity throughout our organisation.

ALD Automotive Ltd condemns corruption in all its forms and we will not tolerate it in our business or in those we do business with. From the confines of our working environments, it is sometimes difficult to grasp the scale of the damage that bribery does to societies. It is not a victimless crime; far from it:

"Corruption ... undermines democracy and the rule of law, leads to violations of human rights, distorts markets, erodes the quality of life and allows organised crime, terrorism and other threats to human security to flourish. This evil phenomenon is found in all countries - big and small, rich and poor...corruption hurts the poor disproportionately by diverting funds intended for development, undermining a government's ability to provide basic services, feeding inequality and injustice and discouraging foreign aid and investment. Corruption is a key element in economic under-performance and a major obstacle to poverty alleviation and development." (Kofi Annan, former UN Secretary General)

ALD Automotive Ltd comply with the group Codes of Conduct, (SG Group Code of Conduct (COC) & ALDI Code of Ethics (COE), held on Locate) which set out in detail how you should behave and what you should do if you are confronted with corruption. We expect that all of you will embrace these codes and this policy and use them in all aspects of your day-to-day work.

These Codes are for your benefit as much as for ALD Automotive Ltd's. If convicted of a bribery offence, ALD Automotive Ltd might get a significant fine and suffer lasting reputational damage. If you are convicted of a bribery offence, you could face up to ten years in prison and a significant fine. The potential harm done by bribery, both to ALD Automotive Ltd and to you, is long term and hugely outweighs any potential short term gain. Bribery is just not worth the risk.

If you have any doubts about anything at all, refer to the SG Group COC and ALDI COE, held on Locate or this policy and/or you can speak to your manager or the Risk Manager or the HR Director in complete confidence. We are committed to eradicating corruption and we will stand by you in acting ethically. This policy and the above codes are also circulated via Policy Hub.

Remember, take the RIGHT approach, and we can eradicate corruption together:

- **Responsibility.** You are responsible for your actions. If you break the law, you will have to face the consequences - which could mean a fine, imprisonment, or both.
- **Integrity.** Don't compromise your integrity. If you think something is wrong, ALWAYS report it. If you aren't sure, consult the documents referred to above. Don't ever let yourself be forced into doing something you know or suspect is wrong.
- **Genuineness.** Always pay genuine prices for genuine goods and services. Never pay over the odds. Agents who ask for especially large fees or commissions may do so in order to pay bribes on your behalf. If this happens, you will be responsible. Excessive payments are obvious and will always be uncovered.
- **Honesty.** Act honestly and in good faith at all times and in all aspects of your work.
- **Transparency.** Keep accurate records (including all invoices and receipts) of everything that you do, especially in relation to the payments you make and what they are for. Full and accurate records demonstrate complete transparency and that you have nothing to hide. Always enter all gifts, perks or hospitality into the company database and always gain your line manager's approval in writing before accepting any gift, perk or hospitality.

Don't bribe. Do the RIGHT thing.



Mel Dawson
Managing Director
ALD Automotive Ltd

3. POLICY STATEMENT

- a) It is our policy to conduct all of our business in an honest and ethical manner. We take a zero-tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate, as well as implementing and enforcing effective systems to counter bribery.
- b) We will uphold all laws relevant to countering bribery and corruption in all our activities. We remain bound by the English law, including the Bribery Act 2010, in respect of our conduct.
- c) The purpose of this policy is to:
 - i. set out our responsibilities, and responsibilities of those working for us, in observing and upholding our position on bribery and corruption;
 - ii. provide information and guidance to those working for us on how to recognise and deal with bribery and corruption issues; and
 - iii. ensure compliance with SG Group Instruction 013714 and ALDI Instruction GR-64.
- d) Bribery and corruption are punishable for individuals by up to ten years' imprisonment and fines. If ALD is found to have taken part in corruption, ALD could face an unlimited fine, be excluded from tendering for public contracts and face damage to our reputation. We therefore take our legal responsibilities very seriously.
- e) Any act of corruption is prohibited within the SG Group. This includes:-
 - i. directly or indirectly offering anything of value (such as money, goods, perks or services) to customers, public officials or any other third party in order to obtain an advantage of any kind, or yielding to the these individuals for the same purpose; or
 - ii. directly or indirectly soliciting or accepting anything of value from customers, suppliers or any third party seeking an advantage of any kind in return.
- f) We have identified that the following are potential risks for our business; independent consultants and business hospitality & gifts. To address those risks it is the responsibility of the business manager in question to put in place (with assistance from Legal) a clear documented agreement with any independent consultants we transact with, prior to conducting any business on our behalf. A policy and method for recording & monitoring gifts and hospitality, both given and received by ALD Automotive is in place and the database can be accessed via Locate.
- g) In this policy, third party means any individual or organisation you come into contact with during the course of your work for us, and includes actual and potential clients, customers, suppliers, distributors, business contacts, agents, intermediaries, advisers, and government and public bodies, including their advisors, representatives and officials, politicians and political parties.
- h) If workers are faced with a choice between becoming involved in bribery and losing business, they must choose to forgo the business.

4. WHO IS COVERED BY THE POLICY?

This policy applies to all individuals working at all levels including Directors, managers, officers, employees (whether permanent, fixed-term or temporary), consultants, contractors, trainees, seconded staff, home workers, casual workers and agency staff, volunteers, interns, agents, advisors, representatives, intermediaries, sponsors, 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).

What is Bribery?

- a) A bribe is an inducement or reward offered, promised or provided in order to gain any commercial, contractual, regulatory or personal advantage.
- b) Bribes can include any advantage, including gifts, sponsored travel and hospitality. However, proportionate and reasonable gifts and hospitality provided by you or to you will not constitute bribes. In order for there to be a bribe, the advantage must be intended to induce or reward impropriety on the part of the recipient.

Examples of Bribery

- a) **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. ALD may also be found to have committed an offence because the offer has been made to obtain business for ALD. It may also be an offence for the potential client to accept. (It is not an offence to accept or offer tickets to an event in order to strengthen customer relationships rather than win specific business, providing this is within company policy, approved by line management and documented in the company database.)

- b) **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.

- c) **Bribing a Foreign Official** – You arrange for the business to pay an additional payment to a foreign official to speed up an administrative process, such as clearing goods through customs.

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 ALD. ALD may also be found to have committed a separate corporate offence. Whilst this activity is specifically mentioned under the Bribery Act 2010, as we do not operate outside of the UK this example is unlikely to be relevant to ALD Automotive UK.

5. DUE DILIGENCE

- a) When dealing with suppliers, distributors, agents and others the company has a business relationship with, you should consider:
- i. whether they have an anti-bribery policy; and
 - ii. if they understand the firm's anti-bribery policy and are happy to comply with it.
- b) The company screens new clients, suppliers and intermediaries, and in certain cases it may be appropriate to use this facility to carry out due diligence on others we work with.

With new customers, you should always follow the company's new client acceptance procedure. Similarly, with new suppliers and intermediaries, the company's Procurement Policy should be followed.

6. GIFTS, HOSPITALITY & INVITATIONS

6.1. Acceptable Gifts and Hospitality

ALD policy does not prohibit normal and appropriate hospitality (given and received) to or from third parties.

- a) Employees must refuse gifts of invitations from suppliers or customers unless they represent a 'reasonable amount'. A gift is considered reasonable if its worth is not likely to compromise the independence or judgment of its recipient, or raise doubts about his or her integrity, or appear disproportionate in relation to the business relationship held. At ALD, the giving or receipt of gifts of a value up to 150 Euro (£120 GBP approximately), per customer / supplier, etc., per year is allowed as detailed in ALD International Instruction GR-64, provided that the following requirements are met:
- i. it complies with local law;
 - ii. the intention behind the gift, business entertainment and event is considered and it is for a legitimate business purpose;
 - iii. it is modest and reasonable in value, appropriate in all the circumstances and does not compromise the integrity and reputation of ALD Automotive and Société Générale (SG);

- iv. it is proportionate and acceptable in the context of the business occasion and it is in accordance with usual business practice. In other words, it must not be so lavish as to create the appearance that ALD Automotive is intending to cause anyone to make a decision in return for receiving it;
- v. it is transparent and can be discussed openly. In other words, if it were reported to the media or to any other third party, it would cause embarrassment to neither ALD Automotive nor the recipient;
- vi. it is timed appropriately. In other words, it does not coincide with the engagement in a bid process or pitch for prospective work or any decision in relation to new business or the removal of any other business arrangement;
- vii. it complies with SG Group Instruction 013714, ALDI Instruction GR-64 and any other instruction issued by the Group and has been approved in line with ALD Automotive policy.

We appreciate that the practice of giving business gifts varies between countries and industry sectors and what may be normal and acceptable within the UK in one sector may not be in another. The test to be applied is whether in all the circumstances the gift or hospitality is reasonable and justifiable within the UK leasing industry and marketplace. The intention behind the gift should always be considered.

6.2. Required procedure for acceptable Gifts & Hospitality

1. All gifts in excess of £50 GBP must be entered into the ALD Automotive Gifts & Hospitality Database (refer to Locate for further information) but gifts exceeding 150 Euros (approximately £120 GBP) must be returned.
2. All business hospitality must be approved by your line manager prior to any acceptance. For the avoidance of doubt, the company considers that events related to driving, professional automobile shows, developing vehicle knowledge and understanding and building leasing knowledge is in the form of information, training and awareness and does not constitute business hospitality and may be accepted within the limits applied by this policy. Additionally, events organised by our main contractors and the SG Group, or SG sponsoring activities are generally acceptable when within the bounds of this policy but must not be linked to closing a deal or other commercial arrangement.
3. All ALD Automotive Hospitality events will be logged automatically by the Marketing Department within the appropriate database. You are only required to log non-ALD events and hospitality. Event organisers and "hosts" (for ALD events managed by the Marketing department), will be excluded from the need to log their own activity as this will have been logged by the Marketing department on their behalf.

6.3. Unacceptable Gifts & Hospitality

Workers must not:-

- a) use their position to solicit or accept any gifts, advantages or other perks for themselves or their families where this act is intended to influence their professional decisions or it may suggest to others that this is the case;
- b) grant gifts, perks or other advantages to third parties where this act is intended to influence their professional decisions or it may suggest to others that this is the case; or
- c) accept any gift of cash or a cash equivalent (such as gift certificates, vouchers or financial instrument, regardless of their amount) from any third party.

6.4. What is not acceptable?

You will always need to refer to the detail and requirements found elsewhere in this policy but as a general principle it is not acceptable for you (or someone on your behalf) to:

- a) give, promise to 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, promise to give, or offer, a payment, gift or hospitality to a government official, agent or representative to "facilitate" or expedite a routine procedure;
- c) accept payment from a third party that you know or suspect is offered with the expectation that it will obtain a business advantage for them;

- d) accept a gift or hospitality from a third party if you know or suspect that it is offered or provided with an expectation that a business advantage will be provided by us in return;
- e) threaten or retaliate against another worker who has refused to commit a bribery offence or who has raised concerns under this policy; or
- f) engage in any activity that might lead to a breach of this policy.

7. OUTSOURCED ACTIVITIES & USE OF INTERMEDIARIES OR AGENTS

Use of intermediaries and subcontractors for the purpose or within the framework of carrying out transactions is only authorised if all of the following conditions are met:-

- a) using these intermediaries is warranted, with regards to the nature of the transaction and in the light of UK local practice;
- b) it is not against English Law;
- c) the conditions of using the intermediaries or agents, with particular regard to assignments and compensation, are clearly defined and do not involve any acts of corruption;
- d) the proposed remuneration is reasonable for the services that are rendered, either in absolute terms or in proportion to the value to the business; and appropriate know-your-customer due diligence is performed, especially if the operation involves contacts with public agents.

All contracts with intermediaries, agents and subcontractors should include clauses (relevant to the UK marketplace and the perceived risk) which prohibit bribery and corruption.

8. FACILITATION PAYMENTS & KICKBACKS

- a) Facilitation payments or "kickbacks" of any kind are specifically prohibited by this policy. Facilitation payments are typically small, unofficial payments made to secure or expedite a routine government action by a government official. They are not commonly paid in the UK, but are common in some other jurisdictions.
- b) If you are asked to make any payment on our behalf, you should always be mindful of what the payment is for and whether the amount requested is proportionate to the goods or services provided. 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 with the Managing Director.
- c) Kickbacks are typically payments made in return for a business favour or advantage. All workers must avoid any activity that might lead to, or suggest, that a facilitation payment or kickback will be made or accepted by us.

9. OTHER

- a) Contributions to charities, associations and other not-for-profit organisations are permitted within reasonable limits and where they are legal and ethical under English law and practice. No donation must be offered or made without the prior approval of the Managing Director.
- b) ALD Automotive maintains political and religious neutrality and refrains from backing any political or religious activity with gifts or subsidies.
- c) No event, gift, perk or advantage, may be offered or accepted if the third parties reputation has not been previously checked. In any event, ALD Automotive and/or SG Group's image must not be damaged by these dealings.

10. YOUR RESPONSIBILITIES

- a) You must ensure that you read, understand and comply with this policy.

- b) The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all those working for us or under our control. All workers are required to avoid any activity that might lead to, or suggest a breach of this policy.
- c) You must notify your Line Manager **OR** the Head of Operational Risk **OR** the HR Director as soon as possible if you believe or suspect that a conflict with this policy has occurred, or may occur in the future. For example, if a client, potential client or other third party offers you something to gain a business advantage with us, or indicates to you that a gift or payment is required to secure their business.
- d) Any failure to comply with all anti-bribery and corruption policies will be treated most seriously. Any employee who breaches this policy will face disciplinary action, which could result in dismissal for gross misconduct. Additionally, we reserve our right to terminate our contractual relationship with any other workers if they breach this policy.

11. RECORD KEEPING

- a) We must keep financial records and have appropriate internal controls in place which will evidence the business reason for making payments to third parties, including any outsourced activities and the use of intermediaries of agents.
- b) You must declare and enter details of all hospitality or gifts accepted or offered in excess of £50, which will be subject to managerial review. These records will be held in the confidential Gifts & Hospitality Database and will be subject to management reporting, internal audit and Management Supervision.
- c) You must ensure all expenses claims relating to hospitality, gifts or expenses incurred to third parties are submitted in accordance with our company expenses policy and specifically record the reason for the expenditure.
- d) 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.
- e) An annual report detailing all gifts and hospitality is provided to the ALDI Country Supervisor on an annual basis.

12. HOW TO RAISE A CONCERN

- a) 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 with your Line Manager **OR** the Head of Operational Risk **OR** the HR Director as soon as possible. Concerns should be reported by following the procedure set out in our Whistleblowing Policy. A copy of our Whistleblowing Policy can be found within the Employee Handbook.
- b) The company has in place policies and procedures in relation to suspicious transactions. All suspicious transactions must be reported according to the applicable English legislation and any specific money laundering suspicions must be reported to the Money Laundering Reporting Officer in line with company procedures.

What to do if you are a victim of Bribery or Corruption

- a) It is important that you tell the Head of Operational Risk as soon as possible if you are offered a bribe by a third party, are asked to make one, suspect that this may happen in the future, or believe that you are a victim of another form of unlawful activity.
- b) If workers are faced with a choice between becoming involved in bribery and losing business, then they **must** choose to forgo the business.

Protection

- a) Workers who refuse to accept or offer a bribe, or those who raise concerns or report another's wrongdoing, are sometimes worried about possible repercussions. We aim to encourage openness and will support anyone who raises genuine concerns in good faith under this policy, even if they turn out to be mistaken.
- b) 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 suspicion that an actual or potential bribery or other corruption offence has taken place, or may take place in the future. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern. If you believe that you have suffered any such treatment, you should inform the HR Director immediately. If the matter is not remedied, and you are an employee, you should raise it formally using our Grievance Procedure, which can be found within the Employee Handbook.

13. FIGHT AGAINST EXTERNAL CORRUPTION

Several international agreements involve private structures in the international anti-corruption efforts.

- a) ALD must not contract with any company that perpetrate acts of corruption or whose shareholders and/or directors are corrupt in any way.
- b) All entities must implement a regular follow-up of all of their counterparties and evaluate their exposure to a reputation risk linked to corruption.
- c) The presence of Politically Exposed Persons among ALD's counterparties is a risk factor due to the influence these people might have on public institutions.
- d) Direct or indirect participation in a public tender also increases this risk, due to the involvement of public structures in a decisional process.
- e) Because of the risk entailed by these operations, all entities must make sure they apply sufficiently secure agreement processes to all concerned counterparties, in accordance with GR-63.

14. TRAINING & COMMUNICATION

- a) Training on this policy forms part of the induction process for all new starters and this policy will be circulated to all workers via our electronic Policy Library annually. All existing workers will receive regular, relevant training on how to implement and adhere to this policy through SkillsServe.
- b) Our zero-tolerance approach to bribery and corruption must be communicated to all customers, suppliers, contractors and business partners at the outset of our business relationship with them and as appropriate thereafter.

15. WHO IS RESPONSIBLE FOR THE POLICY?

- a) The Risk Committee has overall responsibility for ensuring this policy complies with our legal and ethical obligations, and that all those under our control comply with it.
- b) The Head of Operational Risk has primary and day-to-day responsibility for implementing this policy and for monitoring its use and effectiveness and dealing with any queries on its interpretation. Management at all levels are responsible for ensuring those reporting to them are made aware of and understand this policy and are given adequate and regular training on it.

16. MONITORING & REVIEW

- a) The Head of Operational Risk will monitor the effectiveness and review the implementation of this policy regularly considering its suitability, adequacy and effectiveness.
- b) Any improvements identified will be made as soon as possible. Internal control systems and procedures will be subject to regular risk assessments/audits to provide assurance that they are effective in countering bribery and corruption.

- c) All workers are responsible for the success of this policy and should ensure they use it to disclose any suspected danger or wrongdoing.
- d) Workers are invited to comment on this policy and suggest ways in which it might be improved. Comments, suggestions and queries should be addressed to the Head of Operational Risk.
- e) This policy does not form part of any employee's contract of employment and it may be amended at any time.
- f) Appropriate controls are in place to support this policy, specifically with regard to:-
 - i. Checking the effectiveness of the distribution of this instruction via Policy Hub and on Locate.
 - ii. Reviewing the logging of gifts, perks and business hospitality within the company database.
 - iii. Use of intermediaries and other agents to ensure appropriate contracts for these individuals are in place.

ALD AUTOMOTIVE

As the operational leasing and fleet management division of Société Générale, the ALD Automotive group is the second largest vehicle leasing operation in Europe and manages over 1 million vehicles across 40 countries worldwide. Established in the UK in 1958 ALD has over 55 years experience in providing vehicle funding and ancillary support services within both the corporate and consumer markets. ALD is widely recognised as one of the industry's leading service providers, with a proven portfolio of award winning products for major plc's, small businesses and individual drivers alike.

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