

Royal Academy of Engineering Anti-Bribery Policy May 2018

1. Purpose

- 1.1 The Royal Academy of Engineering (“the Academy”) is committed to the practice of responsible corporate behaviour and to complying with all laws, regulations and other requirements which govern the conduct of our operations.
- 1.2 The Academy is committed to supporting the highest standards of engineering excellence in all that it does. Bribery and corruption erode these standards and are counter to our purpose and values. The Academy is fully committed to instilling a zero-tolerance anti-corruption culture and to compliance with all anti-bribery and anti-corruption legislation including, but not limited to, the Bribery Act 2010 (“the Act”). The Academy looks to ensure that no bribes or other corrupt payments, inducements or similar are made, offered, sought or obtained by us or anyone working on our behalf anywhere in the world
- 1.3 All Academy staff must be aware of and comply with this policy. The security and safety of staff, partners and other representatives must not be compromised; hence awareness of policy around Payments Under Duress (5.3) is emphasised.

2. Bribery

- 2.1 Bribery is defined as the giving or promising of a financial or other advantage to another party where that advantage is intended to induce the other party to perform a particular function improperly, to reward them for the same, or where the acceptance of that advantage is in itself improper conduct.
- 2.2 Bribery is also deemed to take place if any party requests or agrees to receive a financial or other advantage from another party where that advantage is intended to induce that party to perform a particular function improperly, where the acceptance of that advantage is in itself improper conduct, or where that party acts improperly in anticipation of such advantage.
- 2.3 Bribery of a foreign official is defined as the giving or promising of a financial or other advantage which is intended to influence the official in order to obtain business or an advantage in the conduct of business unless the foreign official is required or permitted by law to be influenced by such advantage.

3. Consequences of Bribery

- 3.1 Anyone or any organisation found guilty of bribery under the Act may face fines and/or prison terms. In addition, high legal costs and adverse publicity are likely to result from any breach of the Act.
- 3.2 For employees of the Academy, failure to comply with this Policy and/or with the Act may result in:
 - 3.2.1 disciplinary action which may include dismissal; and
 - 3.2.2 criminal penalties under the Act which may result in a fine and/or imprisonment for up to 10 years.

- 3.3 For the organisation, any breach of this Policy by any employee or business associate may result in:
 - 3.3.1 the organisation being deemed to be in breach of the Act;
 - 3.3.2 the organisation being subject to fines; and
 - 3.3.3 the organisation suffering negative publicity and further associated damage as a result of such breach.
- 3.4 Anyone found guilty of bribery, will be responsible for bearing any related remedial costs such as losses, court fees or expenses.

4. Responsibility for Compliance and Scope of Policy

- 4.1 This Policy applies to all employees, agents, contractors, subcontractors, consultants, business partners and any other parties (including individuals, partnerships and bodies corporate) associated with the Academy or any of its subsidiaries.
- 4.2 It is the responsibility of all of the abovementioned parties to ensure that bribery is prevented, detected and reported and all such reports should be made in accordance with the Academy's Whistleblowing Policy or as otherwise stated in this Policy, as appropriate.
- 4.3 No party described in section 4.1 may:
 - 4.3.1 give or promise any financial or other advantage to another party (or use a third party to do the same) on the Academy's behalf where that advantage is intended to induce the other party to perform a particular function improperly, to reward them for the same, or where the acceptance of that advantage will in itself constitute improper conduct;
 - 4.3.2 request or agree to receive any financial or other advantage from another party where that advantage is intended to induce the improper performance of a particular function, where the acceptance of that advantage will in itself constitute improper conduct, or where the recipient intends to act improperly in anticipation of such an advantage.
- 4.4 Parties described in section 4.1 must:
 - 4.4.1 be aware and alert at all times of all bribery risks as described in this Policy and in particular as set out in section 9 below;
 - 4.4.2 exercise due diligence at all times when dealing with third parties on behalf of the Academy; and
 - 4.4.3 report any and all concerns relating to bribery to your line manager or a director or, in the case of non-employees, their normal point of contact within the organisation, or otherwise in accordance with the Academy's Whistleblowing Policy.
- 4.5 The Academy delivers a variety of international grant programmes. Each of these should consider the risks of bribery and misuse of funds on a regular basis (typically annual discussions by programme steering group of the programme risk register). Where significant risks are identified, the programme should have a mitigation plan in place, making sure beneficiaries are aware of the Academy's position on bribery summarised in Section 1.1 and 1.2 above, and that appropriate monitoring and whistleblowing arrangements are in place. Similarly, in designing new programmes, anti-bribery practices appropriate to risk should be incorporated and

documented.

- 4.6 When entering into partnerships with other organisations, the governance capacity of that partner, including around anti-bribery practices, will receive appropriate due diligence – usually by taking up references from trusted parties who have worked with them before. In cases where the nature of the partnership leads to a particularly high risk, additional investigation may be needed to ensure that the Academy understands enough about the partner’s governance, policies and process. Evidence that a partner does not have robust anti-bribery practices will lead to termination of the partnership.

5. Facilitation Payments and Payments Under Duress

- 5.1 A facilitation payment is defined as a small payment made to officials in order to ensure or speed up the performance of routine or necessary functions.
- 5.2 Facilitation payments constitute bribes and, subject to section 5.3, may not be made at any time irrespective of prevailing business customs in certain territories.
- 5.3 The security and safety of staff, partners and other representatives must not be compromised. There may be instances where payments are forced to protect against loss of life or liberty, or risk of physical harm. Facilitation or similar payments in these circumstances, known as Payments Under Duress, are permitted under UK law and should be made. Facilitation payments should not be made under any other circumstances. Any payment so made must be reported to the Director of Finance & Corporate Services and Chief Executive as soon as is reasonably possible and practicable. Repeated or systematic Payments Under Duress are considered an example of bribery. The Chief Executive will ensure security policies and operational activities are appropriately reviewed after any Payment Under Duress.

6. Gifts and Hospitality

- 6.1 Gifts and hospitality remain a legitimate part of conducting business and should be provided only in compliance with the Academy’s Gifts and Hospitality Policy.
- 6.2 Gifts and hospitality can, when excessive, constitute a bribe and/or a conflict of interest. Care and due diligence should be exercised at all times when giving or receiving any form of gift or hospitality on behalf of the organisation.
- 6.3 The following general principles apply:
 - 6.3.1 Gifts and hospitality in excess of £100 value may neither be given nor received as rewards, inducements or encouragement for preferential treatment or inappropriate or dishonest conduct.
 - 6.3.2 Neither gifts nor hospitality should be actively sought or encouraged from any party, nor should the impression be given that the award of any business, custom, contract or similar will be in any way conditional on gifts or hospitality.
 - 6.3.3 Cash should be neither given nor received as a gift under any circumstances.
 - 6.3.4 Gifts and hospitality to or from relevant parties should be generally avoided at the time of contracts being tendered or awarded.
 - 6.3.5 The value of all gifts and hospitality, whether given or received, should be proportionate to the matter to which they relate and should

not be unusually high or generous when compared to prevailing practices in our industry or sector.

6.3.6 Certain gifts which would otherwise be in breach of this Policy and/or the Gifts and Hospitality Policy may be accepted if refusal would cause significant and/or cultural offence, however the Academy will donate any gifts accepted for such reasons to a charity of the Chief Executive's choosing.

6.3.7 All gifts and hospitality, whether given or received, must be recorded in the Gifts and Hospitality Register.

7. Charitable Donations

7.1 Charitable donations are permitted only to registered (non-profit) charities. No charitable donations may be given to any organisation which is not a registered charity.

7.2 All charitable donations must be fully recorded in the Charitable Donations Register.

7.3 Proof of receipt of all charitable donations must be obtained from the recipient organisation.

7.4 Under no circumstances may charitable donations be made in cash.

7.5 No charitable donation may be made at the request of any party where that donation may result in improper conduct.

8. Political Donations

8.1 The Academy does not make political donations and is not affiliated with any political party, independent candidate, or with any other organisation whose activities are primarily political.

8.2 Employees and other associated parties are free to make personal donations provided such payments are not purported to be made on behalf of the Academy and are not made to obtain any form of advantage in any business transaction.

9. Due Diligence and Risks

The following issues should be considered with care in any and all transactions, dealings with officials, and other business matters concerning third parties:

9.1 Territorial risks, particularly the prevalence of bribery and corruption in a particular country;

9.2 Cross-border payments, particularly those involving territories falling under section 9.1;

9.3 Requests for cash payment, payment through intermediaries or other unusual methods of payment;

9.4 Activities requiring the Academy and / or any associated party to obtain permits or other forms of official authorisation;

9.5 Transactions involving the import or export of goods.

10. Reporting and Investigations

10.1 All instances of attempts at bribery should be reported as soon as possible to the Director of Finance & Corporate Services and Chief Executive. A full written account should be provided as soon as is practical.

- 10.2 The Chief Executive will report any instances of attempts at bribery to the Trustee Board as part of their regular update.
- 10.3 Reported instances may be investigated further. If the instance involves a member of staff or Fellow paying a bribe, then that investigation will follow the appropriate disciplinary process.
- 10.4 Where appropriate, reports and the outcomes of investigations should be reported to relevant authorities, including legal authorities either locally or in the UK, and senior persons in other organisations or partners, if one of their staff is involved. Serious incidents will also be reported to the Charity Commission
- 10.5 Investigations should look to identify any necessary improvements in the Academy's policies and processes to reduce risk of repeated incidents.

11. Learning and Training

It is important to the Academy that we learn from each other, and from the experiences of other organisations engaged in similar activities, particularly support for innovation and engineering skills development in emerging and developing economies.

- 11.1 The BOND guidelines (June 2011) "Anti-Bribery Principles and Guidance for NGOs" are useful in providing awareness of best practice in the international development sector.
- 11.2 Staff members in international and finance roles will receive guidance on this policy as part of their induction. Staff members managing programmes with particular risks around bribery and fraud should receive additional training.
- 11.3 To support organisation learning, the annual report of the International Committee to the Trustee Board will include an overview of any fraud and bribery issues, existing risk mitigations, and lessons learnt.
- 11.4 Staff should be aware that for organisational learning, any experiences will be shared with others within the organisation, anonymised if possible.