



# Anti-Bribery and Anti-Corruption Policy

Effective Date	Author	Owner	Approval	Last Review	Revise Date
August 2017	Iain Simm	Jeremy Aron		January 2016	August 2019



## **Anti-Bribery & Corruption Policy Statement**

The DS Smith Group does not tolerate any form of corruption and is committed to complying with applicable anti-corruption laws in all countries in which it conducts business. The DS Smith Group requires its employees and workers at all time to act honestly and with integrity and to safeguard the resources for which they are responsible. The DS Smith Group is committed to ensuring that opportunities for corruption and bribery are reduced to the lowest practicable level of risk. This document together with the [*ABC & Anti-trust Compliance Policy*] sets out the policy on the control of actual and suspected corruption and bribery within the DS Smith Group, and the processes to be followed in the event of an actual or suspected instance of corruption or bribery being discovered. The Policies can be found on Plexus, <http://plexus.dss.dssmithgroup>.

Employees and Third Parties are required to report any circumstances which are in breach of this anti-bribery and corruption policy, either through the "Speak Up" Helpline or directly to the Group General Counsel & Company Secretary (Telephone: +44 (0)207 756 1835 or email: [AskCoSec@dssmith.com](mailto:AskCoSec@dssmith.com)). All reported incidences of actual or suspected bribery or corruption will be promptly and thoroughly investigated.

You are required to comply with this Policy at all times and without exception. Failure to do so will be treated as a disciplinary matter and may lead to dismissal.

Miles Roberts  
Group Chief Executive

December 2017



## **1. Summary of Key Points**

- 1.1 You must read in detail and familiarise yourself with the requirements of the Policy. A summary of the key points is set out below:
- 1.2 DS Smith Group does not tolerate any form of Bribery or Corruption.
- 1.3 Neither you, nor any Third Party acting on behalf of DS Smith Group, will:
  - Pay or receive Bribes to any person, including to Foreign Public Officials;
  - Be involved in any form of Bribery or Corruption;
  - Make Facilitation Payments.
- 1.4 You are required to report any circumstances of which you become aware which are in breach of this Policy.
- 1.5 DS Smith Group can be held liable for “indirect” payments made by a third party (such as a supplier, agent, or contractor) on its behalf. When dealing with Third Parties you must exercise caution and carry out due diligence on the third party to understand any Bribery and Corruption risks.
- 1.6 You must ensure such third parties sign commitments against Bribery and Corruption.
- 1.7 You must not make political donations and you may only make charitable donations with the consent of the General Counsel and Company Secretary.
- 1.8 A breach of the Policy may result in disciplinary action against you including dismissal.
- 1.9 You are required to undergo training on anti-corruption and bribery issues which DS Smith Group will provide.
- 1.10 If you have any questions or are unsure whether any circumstances could be a breach of this Policy, you should contact the Legal Team.

## **2. Who does the Policy apply to?**

- 2.1 This Anti-Bribery and Anti-Corruption Policy applies to all Employees and Third Parties of the DS Smith Group.
- 2.2 This Policy extends to all DS Smith Group operations worldwide and Employees wherever located, regardless of geographical location. Employees and Third Parties are required to familiarise themselves with the applicable laws in each jurisdiction in which they conduct business on behalf of the DS Smith Group.



### 3. Terms used in this Policy

#### 3.1 Bribe / Bribery:

- Offering, promising or giving anything of value or authorising the same, to improperly influence another in order to obtain or retain a business advantage or prevent or limit a disadvantage for the DS Smith Group or an individual; or
- Requesting or accepting anything of value as a reward for or as an inducement to act improperly in relation to the awarding of business by the DS Smith Group.

Bribes can include money, gifts, hospitality, expenses, reciprocal favours, political or charitable contributions, offers of employment, or any direct or indirect benefit or consideration.

3.2 **Corruption:** Describes any dishonest conduct. This may include the giving or receiving of bribes but also any fraudulent act, or acting in a way that puts your interests in conflict with those of DS Smith, whilst in the course of employment.

3.3 **Employees:** All workers performing duties on behalf of DS Smith, whether or not employed directly by DS Smith.

3.4 **Facilitation Payments:** Small payments to Foreign Government Officials to facilitate routine, non-discretionary governmental action such as:

- Processing licences, permits, or other official documents to which the applicant is entitled;
- Processing government paperwork such as visas and work orders; and
- Providing required services such as police protection and mail pick-up and delivery.

3.5 **Foreign Public Officials:** Officials of any government department or agency; officials of any public international organisation (e.g. the United Nations); political parties and party leaders; candidates for public office; executives and employees of government-owned or government-run companies (such as a doctor in a state-controlled hospital); anyone acting on behalf of any of these officials; an individual holding a legislative, administrative or judicial position.

3.6 **Third party/parties:** Includes agents, brokers, partners, consultants, contractors, joint venture partners and other representatives performing services for the benefit of DS Smith.

### 4. Anti-Bribery and Corruption

4.1 The DS Smith Group (acting through its Employees and Third Parties) will not, whether directly or indirectly, pay or receive any Bribes. There is no set monetary threshold that defines a Bribe and there is no need for the Bribe to be successful to be viewed as corrupt, as the promising or offering of it is enough to amount to a criminal offence. This principle applies equally in the UK or abroad.



- 4.2 The DS Smith Group will not tolerate its Employees and/or Third Parties being involved in any level of Corruption or Bribery. All reported incidents of actual or suspected Corruption or Bribery will be promptly and thoroughly investigated and dealt with appropriately.
- 4.3 The DS Smith Group, its' Employees and Third Parties must not offer, directly or indirectly, accept, promise, pay or authorise a Bribe to any Foreign Public Official with intent to influence them in their capacity as a Foreign Public Official, whether or not it would be an offence for the official himself to accept the bribe within an overseas jurisdiction.
- 4.4 Employees and Third Parties are required to draw attention to circumstances where they believe that there is, may be, has been, or may have been improper behaviour by other Employees or Third Parties (including external contacts of the DS Smith Group) in accordance with this Policy. All matters will be dealt with in confidence and in strict accordance with the terms of the Public Interest Disclosure Act 1998, which protects the legitimate personal interests of employees and workers, and other applicable laws in the jurisdictions where the DS Smith Group operates.

## **5. Due Diligence and Third Parties**

- 5.1 The DS Smith Group may be liable for "indirect" payments made or offered to any entity or person on its behalf by a Third Party. When working with a Third Party it is essential that appropriate due diligence is carried out on the Third Party's background and reputation and to understand any bribery and corruption risks that may exist.
- 5.2 The DS Smith Group considers that the following areas in particular require due diligence and risk assessment before entering into any business relationship, transaction or project (which for the avoidance of doubt includes Third Parties, joint ventures or acquiring a company):
  - a) assessing the fraud, Bribery and Corruption risk associated with the country in which the business is to be conducted;
  - b) reviewing the Third Party's potential business partners;
  - c) reviewing the Third Party's suitability for the engagement and circumstances under which the Third Party was selected;
  - d) reviewing the payment terms and arrangements for the Third Party; and
  - e) reviewing the proposed project or business transaction in order to identify as far as possible the risk of Corruption or Bribery.
- 5.3 When dealing with Third Parties, some Red Flags to watch out for as indicators of potential violations of anti-bribery or anti-corruption laws include:
  - a) A Foreign Public Official recommends that the DS Smith Group hire a specific third party;



- b) The proposed compensation of a Third Party retained by the DS Smith Group is unreasonably high compared to the market rate without a reasonable explanation;
- c) A Third Party retained by the DS Smith Group requests that payments:
  - i. be made off-shore;
  - ii. be made to a party other than the Third Party or to an unknown third party;
  - iii. be split among multiple accounts; or
  - iv. be made to an account in a country other than where the third party or agent is located or business is to be performed;or any other unusual financial arrangements are proposed.
- d) A Third Party the DS Smith Group seeks to retain lacks qualifications or staff to perform the expected services;
- e) A Third Party relies heavily on political or government contacts instead of technical skills or time invested;
- f) Upon checking references, you find that the Third Party has an unsavory reputation or is not well known in the industry;
- g) A Third Party the DS Smith Group seeks to retain will not agree to terms requiring compliance with anti-bribery or anti-corruption laws;
- h) A country in which the DS Smith Group is conducting or seeks to conduct business is a high risk location for corruption; or
- i) The same Third Party is repeatedly used for business without any reasonable justification for their repeated appointment.

5.4 Please note that this is a non-exhaustive list and other instances exist which may flag potential violations of anti-bribery or anti-corruption laws.

5.5 If any such Red Flags are identified, their existence should be notified immediately to the Legal Team who will advise what measures need to be taken.

5.6 Unless otherwise agreed with the Legal Team, you are required to ensure that Third Parties and suppliers sign relevant commitments against Bribery and Corruption in the form set out in the Annex.

## **6. Facilitation Payments**

6.1 The DS Smith Group prohibits Facilitation Payments. Such payments are prohibited by law in many jurisdictions, including in the United Kingdom.

6.2 If you have any questions or concerns about whether a payment might constitute a Facilitation Payment you should contact the Legal Team for advice.



## **7. Payment of Expenses, Hospitality and Business Entertainment**

- 7.1 Payments for expenses, hospitality or business entertainment incurred by Employees, Third Parties, Contractors or any other persons must comply with the DS Smith Group Policy on Gifts and Hospitality.
- 7.2 Payment of expenses, hospitality or business entertainment on behalf of a Foreign Public Official must not be made without prior authorisation by the Legal Team who will determine whether or not the proposed payment is permissible under applicable law. Payment of such expenses, hospitality or business entertainment can only be made in certain circumstances, such as travel and lodging, incurred in connection with the reasonable and bona fide promotion, demonstration, or explanation of products or services, or the execution or performance of a contract with a Foreign Public Official or agency and must not be paid to the Official but to the entity that they work for.

## **8. Political and Charitable Contributions**

- 8.1 The DS Smith Group will not make any political donations or participate in political activities. The DS Smith Group may, however, make representations to governments about matters affecting the Group's legitimate interests.
- 8.2 All charitable contributions by the DS Smith Group, whether made directly or indirectly, must comply with applicable laws, must be publicly disclosable and must not be made to improperly influence the recipient or in exchange for any business advantage. The prior authorisation of the Group General Counsel & Company Secretary must be obtained before making any charitable donation.
- 8.3 This policy does not limit the ability of DS Smith Group employees to make charitable contributions or political donations, or to participate in political activities, in their personal capacity, but employees must not suggest that they are representing the DS Smith Group in doing so.

## **9. Recordkeeping**

- 9.1 Information related to all payments made or received by the DS Smith Group must be accurately recorded in the DS Smith Group books and records.
- 9.2 All disbursements and other financial transactions must be authorised by management.
- 9.3 Undisclosed or unrecorded funds may not be established for any purpose.
- 9.4 DS Smith Group funds must not be placed in any personal or non-corporate account.

## **10. Penalties, Enforcement and Discipline for Non-Compliance**



- 10.1 The DS Smith Group views Corruption and Bribery very seriously. After proper investigation, the DS Smith Group will take legal and/or disciplinary action in all cases where it is considered appropriate.
- 10.2 A violation of this Policy may result in disciplinary action as appropriate, up to and including termination of employment. Where a case is referred to the police, the DS Smith Group will co-operate fully with police enquiries and these may result in the offender(s) being prosecuted.
- 10.3 Penalties for violations of anti-bribery and anti-corruption laws include both civil and criminal sanctions for both the DS Smith Group and the person found to have committed the offence. Available criminal sanctions will vary between jurisdictions but include unlimited fines (which the DS Smith Group will not pay on behalf of any individual) and imprisonment for up to ten years.
- 10.4 If you suspect any actual or potential breach of this Policy, please refer to the 'Speak Up' Policy.

## **11. Training**

- 11.1 All Employees are required to undergo training provided by the DS Smith Group on a regular basis to ensure they are aware of the types of Corruption and Bribery, the risks of engaging in Corrupt activity and Bribery, the DS Smith Group Anti-Bribery and Anti-Corruption policy, and how they may report suspected Corruption and Bribery ("**ABC Training**").
- 11.2 The DS Smith Group will provide ABC Training to all relevant employees and Third Parties.
- 11.3 All DS Smith Group line managers are responsible for ensuring that their direct reports have completed ABC Training, and may be asked periodically to confirm this to the Legal Team. Line managers should contact the Legal Team if they believe additional training is required for any of their direct reports or in their businesses. Confirmation of compliance with this Policy is also required under the twice yearly Group policy certification process, which applies to management and those who conduct business with customers or suppliers around the Group. This process is described in the [*ABC & Anti-trust Compliance Policy*].

## **12. Review**

- 12.1 The DS Smith Group will regularly review this Policy and revise it as appropriate including in light of any changes in applicable law.

## **13. Questions and Information**

- 13.1 If you have any questions or require further information on any aspect of this Policy, please contact either:





- Your manager;
- The Group General Counsel & Company Secretary, Iain Simm, who has been appointed as the Bribery & Corruption Officer and has overall responsibility on the executive team for corruption and bribery matters and who can also provide the laws governing anti-corruption and bribery.

## 14. Frequently Asked Questions

**Q:** *How can I find out if a country has an anti-bribery or anti-corruption law in place?*

**A:** Always assume a country has anti-bribery or anti-corruption laws in place. In fact some countries have severe penalties including the death penalty for it. The Organisation for Economic Co-operation and Development's (OECD) Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (Anti-bribery Convention) represents the most well-known guidance points for companies. The Anti-bribery Convention itself establishes standards criminalising the bribery of Foreign Public Officials. Countries adopting the Anti-bribery Convention must then adopt their own legislation that criminalises the bribery of Foreign Public Officials. Many countries, states and municipalities have anti-bribery and anti-corruption laws in place. The relevant law in the UK, for example, is the Bribery Act 2010, and the primary relevant law in the U.S. is the Foreign Corrupt Practices Act of 1977 (FCPA). You should contact the Group General Counsel & Company Secretary for additional information related to these laws.

**Q:** *Where can I find information about a country's corruption level?*

**A:** One resource is Transparency International (<http://www.transparency.org>), a global organisation focused on fighting corruption. Each year, Transparency International publishes its Corruption Perceptions Index, which measures the perceived levels of corruption in different countries.

**Q:** *If certain anti-bribery or anti-corruption laws permit facilitation payments, why does the DS Smith Group prohibit them?*

**A:** In almost every jurisdiction around the world where the DS Smith Group does business, a local law prohibits facilitation payments. In addition to being illegal, corruptly offering money or anything of value for services or to influence a decision is not ethical and is a poor business practice. Such behaviour does not align with the DS Smith Group commitment to conduct business ethically and with integrity.

**Q:** *Can the DS Smith Group still do business with government-owned entities?*

**A:** Yes. Anti-corruption and anti-bribery laws do not prevent the DS Smith Group from conducting legitimate business with government entities or government or Foreign Public Officials. However, you should always be aware of any potential red flags or indicators of corruption and bribery. If you suspect or become aware of corruption or bribery, you should contact the Group General Counsel & Company Secretary or a member of the



Legal Team immediately.

**Q:** *Do I need to be aware of any other requirements when interacting with government or Foreign Public Officials?*

**A:** Yes, there are a number of requirements that apply to interactions with government and Foreign Public Officials including requirements relating to prohibitions related to providing gifts, meals and/or entertainment to government or Foreign Public Officials, and restrictions on and disclosure of political contributions. Prior to contacting government or Foreign Public Officials, you should first contact the Group General Counsel & Company Secretary.

**Q:** *What happens if an Employee offers a bribe to a government or Foreign Public Official but does not end up paying the bribe? Can this still be a violation of the applicable anti-bribery or anti-corruption laws?*

**A:** Yes. Even a promise or offer to provide something to a government or Foreign Public Official, or authorisation of any such promise, offer or payment in exchange for the government or Foreign Public Official using his or her position to influence decisions – and not the actual payment – can violate the applicable anti-bribery or anti-corruption laws.

**Q:** *I noticed some payments that seem odd last month, but after briefly discussing the payments with other members of my group, I decided to let the payments go without additional questions. Have I done anything wrong?*

**A:** Looking the other way or failing to raise troubling information or red flags for further review may be viewed as “consent or connivance” and may violate anti-bribery or anti-corruption laws. If you become aware of questionable payments or other red flags or suspicious activity, you must immediately contact the Group General Counsel & Company Secretary.

**Q:** *What are the penalties for violating anti-bribery or anti-corruption statutes like the UK Bribery Act 2010 or FCPA?*

**A:** Violations of the anti-bribery or anti-corruption statutes can lead to significant criminal penalties for both individuals and corporations.

Other penalties, such as being suspended from doing business with the government or Foreign Public Officials, a bar from participating in the securities business, expulsion from the local jurisdiction and local civil and criminal penalties, may also apply.



## Annex

### Commitment Against Bribery and Corrupt Practices (“Commitment”)

Company Name: [ ] (“Supplier”)

1. In consideration of the continuing business relationship between [Name of DS Smith business] (“DS Smith”) and the Supplier, the Supplier shall and shall procure that its officers and employees shall:
  - comply with all anti-corruption laws applicable to the Supplier or DS Smith (and for this purpose, the Bribery Act 2010 shall be deemed to apply whether or not it is in force and whether or not it applies to the Supplier); and
  - not, directly or indirectly, either in private business dealings or in dealings with the public sector, offer, promise or give (or agree to offer, promise or give) any financial or other advantage or authorise any such conduct with respect to any matters which are the subject of any agreement between DS Smith and the Supplier (“Agreement”) and/or to obtain any benefit for DS Smith which would violate any anti-corruption laws applicable to the Supplier or DS Smith (and for this purpose, the Bribery Act 2010 shall be deemed to apply whether or not it is in force and whether or not it applies to the Supplier).
2. If the Supplier becomes aware of any breach or suspected breach of this Commitment, the Supplier shall promptly notify DS Smith and DS Smith may immediately suspend operation of the Agreement by giving written notice to the Supplier, pending an investigation into the breach or suspected breach. The Supplier shall assist D S Smith in any such investigation, including by providing DS Smith with access to the Supplier’s personnel, documents and systems.
3. If, in the reasonable opinion of DS Smith, the Supplier has breached this Commitment, DS Smith may immediately terminate any or all agreements between DS Smith and the Supplier without any recourse to, or liability of, DS Smith by giving written notice to the Supplier.
4. Notwithstanding anything in the Agreement, in the event of any conflict between this Commitment and any provision of the Agreement, this Commitment shall prevail.

If the Supplier does not sign and return this Commitment to DS Smith, the Supplier will be deemed to have accepted the terms of this Commitment and will have agreed to abide by its terms.



Accepted and agreed for and on behalf of the Supplier:

Signature: .....

Print Name: .....

Title: .....

Date: .....



**Commitment Against Bribery and Corrupt Practices (“Commitment”)**

Company Name: [ ] (“Agent”)

1. In consideration of the continuing business relationship between [Name of DS Smith business] (“DS Smith”) and the Agent, the Agent shall and shall procure that its officers and employees shall:
  - o comply with all anti-corruption laws applicable to the Agent or DS Smith (and for this purpose, the Bribery Act 2010 shall be deemed to apply whether or not it is in force and whether or not it applies to the Agent); and
  - o not, directly or indirectly, either in private business dealings or in dealings with the public sector, offer, promise or give (or agree to offer, promise or give) any financial or other advantage or authorise any such conduct with respect to any matters which are the subject of any agreement between DS Smith and the Agent (“Agreement”) and/or to obtain any benefit for DS Smith which would violate any anti-corruption laws applicable to the Agent or DS Smith (and for this purpose, the Bribery Act 2010 shall be deemed to apply whether or not it is in force and whether or not it applies to the Agent).
2. If the Agent becomes aware of any breach or suspected breach of this Commitment, the Agent shall promptly notify DS Smith and DS Smith may immediately suspend operation of the Agreement by giving written notice to the Agent, pending an investigation into the breach or suspected breach. The Agent shall assist D S Smith in any such investigation, including by providing DS Smith with access to the Agent’s personnel, documents and systems.
3. If, in the reasonable opinion of DS Smith, the Agent has breached this Commitment, DS Smith may immediately terminate any or all agreements between DS Smith and the Agent without any recourse to, or liability of, DS Smith by giving written notice to the Agent.
4. Notwithstanding anything in the Agreement, in the event of any conflict between this Commitment and any provision of the Agreement, this Commitment shall prevail.

Accepted and agreed for and on behalf of the Agent:

Signature: .....

Print Name: .....

Title: .....

Date: .....