

# PUNCH

*Inspiring those moments*

## Anti-Bribery Policy

Policy Owner: Ed Bashforth – Company Secretary

Review & Control: Kirsty North

Version 2

Issue Date: July 2016

Next Review Date: February 2027

# Inside

Purpose of the policy	2
Policy Background	3
Policy Principles	5
Hospitality and Gifts	7
Monitoring and Review	8
Associated Documents & Policies	9

## Purpose of the policy

The purpose of this document is to set out Punch's stance on bribery and corruption and to provide guidance on what to do if you experience, witness or suspect bribery whilst working for or providing services on behalf of Punch. We conduct all our business in an honest and ethical manner. We take a zero-tolerance approach to bribery and corruption and are committed to: (1) acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate; and (2) implementing and enforcing effective systems to counter bribery and corruption.

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

This policy applies to all 'associated persons' of Punch, meaning anyone providing services for or on behalf of Punch, including (but not limited to) Punch team members, directors, officers, joint venture partners, agency, temporary or seconded workers, third-party representatives, consultants, contractors, and sub-contractors of the Company, wherever located.

This policy does not form part of any employee's contract of employment and Punch may amend it at any time.

**This policy will be reviewed on an annual basis by the policy owner and updated accordingly.**

**Any non-compliance with the Anti-Bribery Policy or any sub policies referenced herein will result in disciplinary action in accordance with the relevant HR process and could result in dismissal for gross misconduct.**

**Any non-employee who breaches this policy may have their contract terminated with immediate effect.**

## Policy Background

Our legal obligations are primarily governed by the Bribery Act 2010 (the "Act"), which came into force on 1 July 2011 and replaced all existing anti-bribery laws in the UK. The Act affects us, as a UK company, if bribery occurs anywhere in our business.

Involvement in bribery and corruption exposes Punch and relevant individuals to a criminal offence. It will also damage our reputation and the confidence of our suppliers and business partners.

This policy is a crucial element of Punch's effort to prevent bribery and corruption occurring within its business and by persons associated with it and is the responsibility of the Company Secretary. This policy has the full support of Punch's board, and it is the CEO's commitment to make sure it is followed.

The three offences that may occur within the business are (broadly):

### 1. Giving bribes

- ✘ Offence: To offer, promise or give a financial or other advantage to induce a person to perform an activity improperly, or to reward them for doing so. Bribes can take the form of money, gifts, loans, fees, hospitality, services, discounts, the award of a contract or any other advantage or benefit. Payment of bribes after the relevant event will still be caught, as will bribes that are given or received unknowingly. It is not necessary for the individual or Punch to receive any benefit as a result of the bribe.

### 2. Receiving bribes

- ✘ Offence: To request, agree to receive or accept a financial or other advantage intending that an activity should be performed improperly (whether by the recipient of the bribe or another person).

### 3. Corporate offence of failing to prevent bribery.

- ✘ Offence: A company fails to prevent bribery if an associated person gives a bribe intending to obtain or retain business for the company. For these purposes, a person associated with the company is any person performing services on its behalf in any capacity.
- ✓ Defence: The Company must prove that it had 'adequate procedures' in place to prevent bribery on its behalf.

### Identifying risks of bribery and corruption

Punch has identified that the following are particular risks for our business and taken steps to mitigate those risks including:

**Risk:** Accepting free of charge services from a contractor in exchange for awarding future contracts to the contractor. **Mitigation:** All property contractors are in a preferred suppliers list and approved via the repairs process by more than one person.

**Risk:** Receiving a financial reward or benefit in exchange for a reduction of rent on a new let or rent event. **Mitigation:** All rents are approved via the investment process and approved by the Capex Committee.

**Risk:** Receiving a bribe (kickback) as part of the Publican Own Investment process by inflation of Publican's invoices. **Mitigation:** All invoices must be approved via the Publican Own investment process and verified by quotes for and reviewed for reasonableness.

**Risk:** Receiving a financial reward or benefit in exchange for sundry credits, free stock or rent reductions. **Mitigation:** Approval process in place for Publican support which must be approved by more than one person for values over £250.

**Risk:** Receiving excessive levels of hospitality in exchange for awarding a contracts to a supplier. **Mitigation:** All hospitality must be approved by line managers and logged on the hospitality register, which is reviewed for appropriateness.

## Policy Principles

### Giving and Receiving bribes

You are absolutely forbidden (either in your own name or on behalf of Punch) to:

- a) give or receive any bribes or give or receive other payments or things of value for any corrupt purpose.
- b) 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.
- c) give or accept a gift or hospitality during any commercial negotiations or tender process.
- d) accept a payment, gift or hospitality from a third party that you know, or suspect is offered with the expectation that it will provide a business advantage for them or anyone else in return.
- e) offer or accept a gift to or from government officials or representatives, or politicians or political parties.
- f) threaten or retaliate against another individual who has refused to commit a bribery offence or who has raised concerns under this policy; or
- g) engage in any other activity that might lead to a breach of this policy.

Equally, your family members must not receive any payments, favours, or services in relation to any matters that concern your employment. Payments for goods and services must follow any applicable trade terms, reflect the fair value of such goods or services and are fully accounted for.

The following are non-exhaustive illustrative examples of activities which are prohibited under this policy:

- A Punch team member regularly awards contracts to a third-party contractor for maintenance services. The contractor offers to carry out some works on the home of a family member of the Punch team member free of charge. The Punch team member should not accept the contractor's offer as it may influence the Punch team member's decision to award future contracts to the contractor.
- A Punch team member is running a tendering process for brewers to provide beer to Punch publicans at discounted rates. A representative of one of the brewers offers the team member an all-expenses paid trip to watch a Premiership football match including an overnight stay in a luxury hotel. The team member should not accept the hospitality as it is likely to influence their decision-making in the tendering process.
- A publican has breached their premises licence conditions by serving alcohol after hours. The publican considers offering the representative of the local council dealing with their case a cash payment in order to avoid a fine. The publican should not do so as this would constitute an offence of bribing another person.

## Due diligence

In order to mitigate against potential bribery risks, Punch team members must ensure that they conduct appropriate risk-based due diligence in dealings with third parties, including the onboarding of publicans. Depending on the circumstances, this may include, but is not limited to:

- a) identity checks, including (where relevant) of directors and officers of companies and their beneficial owners.
- b) credit checks.
- c) visa and right to work checks; and/or
- d) other direct enquiries or general research on third parties with whom Punch intends to deal.

If you are in any doubt as to the appropriate level of due diligence in a particular case, please consult with the Company Secretary.

## Reporting instances of bribery

If you have a genuine concern regarding the giving or receiving of bribes, you should come forward with any information if you feel it is appropriate to do so. The following is a list of possible red flags that may arise during the course of your work with Punch, and which may raise bribery concerns. The list is not intended to be exhaustive and is for illustrative purposes only.

- a) you become aware that a third party which has or may have dealings with Punch engages in, or has been accused of engaging in, improper business practices.
- b) the third party insists on receiving a commission or fee payment before committing to sign up to a contract with us.
- c) the third-party requests payment in cash and/or refuses to sign a formal commission or fee agreement, or to provide an invoice or receipt for a payment made.
- d) the third party requests an unexpected additional fee or commission to "facilitate" a service.
- e) the third party demands or offers lavish entertainment or gifts before commencing or continuing contractual negotiations or provision of services.
- f) the third-party requests that you provide employment or some other advantage to a friend or relative.

In the first instance, please raise this with your line manager, but if circumstances make this inappropriate, please approach another senior line manager or Head of Department. Alternatively, you can report the matter in confidence to the Group People Director, the Company Secretary, or the Legal & Governance Manager. All concerns will be investigated, and appropriate action taken.

For more information, please see the Punch's Whistleblowing Policy which can be found on the Intranet.

## Hospitality & Gifts

It is appreciated that appropriate hospitality and business gifts can generate goodwill and improve working relationships, and this Policy does not prohibit the giving or accepting of reasonable and appropriate hospitality for legitimate purposes such as building relationships, maintaining our image or reputation, or marketing our products and services. However, it is important that you avoid situations that may interfere, or appear to interfere, with your integrity or the impartial performance of your duties. A gift or hospitality will not be appropriate if it is unduly lavish or extravagant or could be seen as an inducement or reward for any preferential treatment. For example, as set out in Punch's Hospitality and Gifts Policy, under no circumstances should any gifts, favours or services be accepted by anyone directly or indirectly involved in a negotiation or tender process.

Gifts must be of an appropriate type and value depending on the circumstances and taking account of the reason for the gift. Gifts must not include cash or cash equivalents (such as vouchers) or be given in secret. Gifts must be given in our name, not your name.

If you are in any doubt about whether a gift can be accepted, speak to your line manager or Exec Member before accepting it. If a gift feels disproportionate, then care must be taken, and advice always sought.

Punch wants to ensure that all hospitality and gifts offered by our suppliers are used in the right way, rewarding the right people for the right objectives. Accordingly, where any hospitality or entertainment or gift, favour or service is accepted then it should be logged in accordance with the Punch's Hospitality and Gifts Policy (which can also be found on the Intranet).

You are also advised, for completeness, to maintain your own record of invitations / gifts accepted and declined in case you are ever asked to demonstrate good judgement over those invitations accepted.

## Record-keeping

Punch must keep financial records and have appropriate internal controls in place which will evidence the business reason for making payments to third parties.

Accounts, invoices, and other records relating to dealings with third parties including suppliers and customers should be prepared with strict accuracy and completeness. Accounts must not be kept "off-book" to facilitate or conceal improper payments.

## Monitoring and review

On an annual basis Punch will:

- Assess the nature and extent of Punch's exposure to potential external and internal risks of bribery and update its risk assessment and this Policy where necessary.
- Review and, where necessary, update all policies in the additional policies section.
- Request that all Punch team members make a declaration of compliance with this policy, and Punch's Ethics and Code of Conduct, providing an explanation if a declaration cannot be made.
- Provide annual refresher training on the Bribery Act and its consequences to all departments and recirculate an up-to-date version of this policy to all Punch team members.
- Collate all notifications of hospitality and gifts and review the levels accepted by each individual / department to ensure correct levels of proportionality and fairness.

## Associated Documents & Policies

This policy is intended to give an outline on the Company's stance on bribery. It is not exhaustive and, in some sections, will refer to other policies which are more detailed and informative. Therefore, Punch team members should also make themselves familiar with the below listed documents which can be found on the intranet:

- Disciplinary & Grievance Policy
- Ethics & Code of Conduct Policy
- Expenses Policy
- Hospitality & Gifts Policy
- Whistleblowing Policy

## Version Control

Version Number	Author	Purpose/Change	Date
1-0	Donna Gracey	Final Version approved by Exec Board	July 16
2-0	Donna Gracey	Update to risk assessment and examples	Feb 23
2.0	Donna Gracey	Update who reviews and controls the policy	Feb 25