



## Supplier Counter Fraud, Bribery and Corruption Code of Conduct

### 1. Introduction

- 1.1. This Supplier Counter Fraud, Bribery and Corruption Code of Conduct ('**Code of Conduct**') applies to all contractors, sub-contractors, staff or consultants of contractors and sub-contractors and any other party with a business relationship with National Highways (collectively referred to in this Code of Conduct as '**Suppliers**' for ease of reference). The Code of Conduct forms part of the arrangements that National Highways has put in place to manage the risk of fraud, bribery and corruption within its supply chain.
- 1.2. All Suppliers are expected to fully comply with the Code of Conduct - any behaviour that supports or involves an act of fraud, bribery or corruption is unacceptable and will not be tolerated by National Highways. All suspected cases of fraud, bribery and corruption will be investigated thoroughly by National Highways, who may involve law enforcement and regulatory agencies as it deems appropriate and/or necessary. All investigations by National Highways will be carried out in line with legislative requirements, including the Bribery Act 2010, the Police and Criminal Evidence Act 1984, the Human Rights Act 1998 and the Data Protection Act 2018.
- 1.3. In proven instances of fraud, bribery and corruption, National Highways will take all appropriate action to recover any financial losses that have been incurred as either a direct or indirect consequence of the fraud, bribery and corruption. National Highways will also involve appropriate authorities if a criminal offence is suspected and support prosecutions wherever practicable.

### 2. Definitions

- 2.1. Fraud, bribery and corruption all have specific, but similar characteristics as determined within law. For the purposes of this Code of Conduct, the following definitions are used:
  - 2.1.1. **Fraud** - Fraud is a dishonest act, through false, inaccurate or misleading information, failure to disclose information or abuse of position, with the intent of causing a gain for self, or loss to another. Fraud does not necessarily result in direct or immediate financial benefit for the individual(s) committing Fraud but may cause a loss and/or a negative reputational impact to another.
  - 2.1.2. **Bribery** - Bribery is offering, promising, giving or accepting any financial or other advantage to induce the recipient or any other person to act improperly in the performance of their functions, or to reward them for acting improperly by accepting the advantage (a '**Bribe**'). Examples of a Bribe include money, gifts, loans, fees, hospitality, services, discounts,

political or charitable donations, the award of a contract or anything else of value. A payment made to a government official to facilitate the approval of some type of business transaction or activity (a 'facilitation payment') is regarded as a Bribe by National Highways.

2.1.3. **Corruption** - Corruption is the abuse of entrusted power or position for private gain.

### **3. Supplier Responsibilities**

#### **3.1. Anti-Fraud Code of Conduct**

3.1.1. All Suppliers agree to meet the anti-Fraud commitments set out below and will embed these principles throughout their supply chain. In particular Suppliers will ensure that their business operates with the utmost integrity and will not commit any fraudulent acts or carry out any of the following acts which could amount to Fraud:

- submission of false or inflated claims or invoices for payment or reimbursement.
- intentional distortion of financial statements or other records.
- false or fraudulent financial reporting or making false or fictitious entries concerning accounts, equipment or supplies.
- forgery or alteration of any documents such as cheque, bank draft or any other financial documents including destruction or removal of records.
- impropriety in the handling or reporting of money or financial transactions
- theft or misappropriation of assets or funds.
- disclosure of confidential information to third parties without authority for personal gain.
- the payment of excessive prices or fees where they are not justified.

3.1.2. Suppliers agree to:

- keep accurate and up-to-date records showing all payments made and received and all other advantages given and received and permit National Highways to inspect those records as required.
- immediately notify National Highways of any breach of this Anti-Fraud Code of Conduct.

#### **3.2. Anti-Bribery Code of Conduct**

3.2.1. All Suppliers agree to meet the anti-Bribery commitments set out below and will embed these principles throughout their supply chain. In particular, Suppliers will ensure that their business operates with the utmost integrity and will not:

- offer, promise, pay or provide Bribes to any person.
- request, agree to accept or receive Bribes.
- offer hospitality to National Highways' staff that would breach the requirements of paragraph 3.2.3.
- commit any act of Bribery that would cause National Highways to be in

breach of any anti-Bribery laws (including, but not limited to, the Bribery Act 2010).

3.2.2. All Suppliers will have robust procedures and controls in place within their business with the aim of preventing Bribery and confirm that they will:

- have a zero-tolerance of Bribery throughout their organisation.
- conduct risk assessments to identify and monitor potential Bribery risks.
- adopt due diligence measures to vet and approve third parties performing services on their behalf.
- have clear, practical and accessible policies and procedures to address potential risks of Bribery, and to prevent Bribery.
- provide education and awareness to all their employees on Bribery.
- have a mechanism in place to allow employees to report potential Bribery issues in confidence and have a process to deal with reports that protects the reporting individual.
- deal promptly and effectively with any occurrences of Bribery.
- keep accurate and up to date records showing all payments made and received and all other advantages given and received and permit National Highways to inspect those records as required.
- act at all times in good faith, impartially and in accordance with a position of trust.
- immediately notify National Highways of any breach of paragraphs 3.2.1, 3.2.2 and 3.2.3.

3.2.3. Suppliers are advised that National Highways' staff are obliged to comply with National Highways' Gifts and Hospitality Policy which requires its staff to decline all gifts or hospitality with an estimated value over £40, unless there is a clear business reason for acceptance. In all cases, National Highways' staff must disclose all gifts and hospitality by logging the details on an internal register. In light of this, Suppliers will not offer to National Highways' staff:

- gifts, other than low-value items such as diaries or calendars with an estimated value of less than £40.
- benefits and/or hospitality and / or entertainment such as cocktail parties, meals, receptions, presentations and conferences or invitations to social, cultural and sporting events during the course of a live procurement. Where such benefits are offered outside the course of a live procurement and are purely social in nature, Suppliers should be aware that these will be declined by National Highways' staff unless they are authorised by an Executive Director of National Highways.
- overnight accommodation and travel to and from a venue at which an event is being held.

### **3.3. Anti-Corruption Code of Conduct**

3.3.1. All Suppliers will have robust procedures and controls in place within their business to minimise the risk of Corruption. In particular, Suppliers will ensure that their business operates with the utmost integrity and will not

do any corrupt act, including (but not limited to):

- hiring an unqualified relative to get a contract.
- paying an individual to turn a blind eye to illegal or immoral acts or to **not** do elements of their job.
- paying an individual to award a contract or make an offer of employment to a relative or friend.
- giving gifts to an individual in order to win a contract or gain preferential treatment.
- accepting money or a gift to by-pass the job rules.
- continuing with a business arrangement that is not in the best interest of the organisation because it benefits the individual who is receiving a financial benefit either in monetary terms or by way of gift.

